



ANNUAL REPORT

Western Research Institute 2013



Annual Report 2013

31st March 2014

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CONTENTS

| | |
|----------------------------|----|
| BACKGROUND | 4 |
| OBJECTIVES | 5 |
| BOARD OF DIRECTORS | 6 |
| PRESIDENT AND CEO'S REPORT | 7 |
| WRI STAFF 2013 | 10 |
| RESEARCH IMPACTS | 13 |
| COMPLETED PROJECTS 2013 | 16 |
| LINKAGES | 17 |
| FINANICAL STATEMENTS 2013 | 18 |

BACKGROUND

WRI offers the following services:

- Economic policy development
- Market structure and assessment
- Economic impact analysis and inter-industry modelling
- Cost-benefit analysis
- Industry analysis e.g: competitive advantage assessment
- Economic modelling
- Market research
- Project assessment
- Evaluation studies
- Feasibility assessments

In February 1998 the Western Coordination Group resolved to support the creation of the Western Research Institute, dedicated to research and analysis aimed at developing the Western New South Wales economy. Initial financial support was provided by Charles Sturt University; NSW Department of State and Regional Development; Department of Employment, Workplace Relations and Small Business; Central Western Regional Development Board; Orana Regional Development Board; and Far West Regional Development Board.

The Western Research Institute (WRI) was launched on 23rd February 1999. WRI is a Public Company Limited by Guarantee and is controlled by a Board of Directors.

WRI holds a wealth of knowledge on employment, business development and investment issues affecting regional Australia. It has worked with Commonwealth, State and Local Governments and industry groups on numerous investment and development programs in regional areas. WRI has strong credentials in business and commercial market consulting and applied economic modelling including input-output analysis, benefit-cost analysis, program evaluation, shift-share, agribusiness and regional socio-economic surveys and analysis.

WRI has an extensive network of associates who provide a variety of consulting services and accordingly can offer clients integrated research solutions.

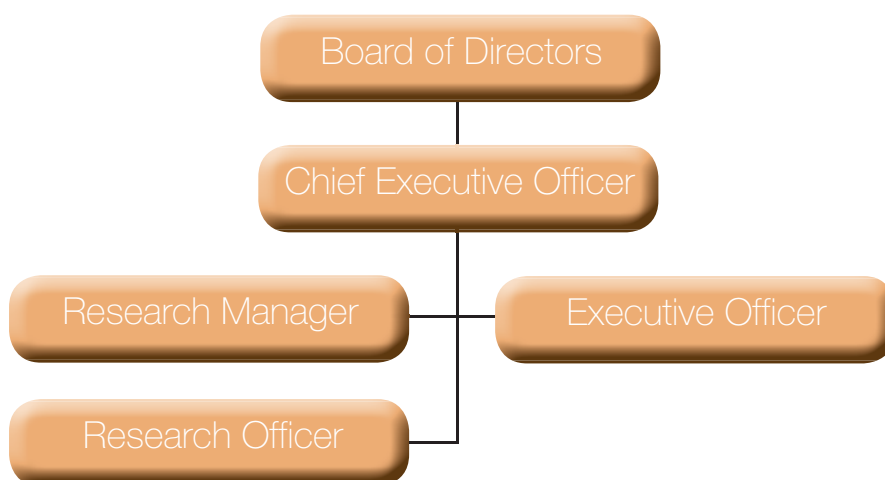
WRI is a one stop economic, social and business research consulting service, matching the range of services available from multi-national consulting firms to large companies at an affordable cost.

OBJECTIVES

WRI was established to pursue the following objectives:

1. Promoting the development of Australian agricultural resources, Australian industrial resources and Australian manufacturing resources, particularly in Western New South Wales, by providing users with a range of information, including, maintaining and providing the following services:
 - a. Assembling, updating and storing a range of relevant data in flexible retrieval form;
 - b. Regular general economic reporting for businesses and the community to facilitate informed economic decision making;
 - c. Compiling a library / bibliography of economic and related research for reference and referral; and
 - d. Conducting strategic research on key economic issues.
2. To support the objects of Charles Sturt University in the areas of regional development and applied research by providing independent, robust, relevant, credible, and high quality analysis to business, industry, government and the community in project consulting, research (including scientific research), and information delivery across all areas of economic policy.

Organisation Structure



AMBITION STATEMENT:

To be the country's leading research provider by providing research that promotes the development of regional and rural Australia.

BOARD OF DIRECTORS



Michael Milston – President

Milston Professional Advisory

Michael Milston is currently the Principal of Milston Professional Advisory, and previously the Director Human Services at Orange City Council, with over 24 years experience at the senior management level in local government. Michael has held a number of positions including Director and between 2006 to 2008 NSW Vice President of the professional association Local Government Managers Australia. Michael has an honours degree in Economics and a Graduate Diploma in Education from Sydney University, and an MBA from Charles Sturt University.

Ian Davison – Vice President

Country Advertising Agency Pty Ltd

Ian Davison is Managing Director of The Country Advertising Agency based at Orange. He is also a primary producer and wine grape grower. He has served on various regional development boards in the central west over the last 25 years including the Central Western Regional Development Board, The Central West Area Consultative Council and the Bathurst Business Enterprise Centre. In 2012 Ian was elected to Cabonne Shire Council.



Peter Batten – Treasurer

Director of the TAFE NSW – Training and Education Support – Industry Skills Unit – Orange and Granville

Peter has over 30 years experience in vocational education and training with TAFE NSW. He has held positions as the Associate Director of the Primary Industries and Natural Resources Curriculum Centre and from 1999 to 2006, Peter was the Director, Educational and Student Support and Assistant Director, Educational Programs in TAFE NSW Western Institute.

Juliet Duffy – Secretary

Regional Envirosience Pty Ltd

Juliet brings over 20 years of experience in management, ITC, marketing, and science, in both domestic and international markets. She has held director positions in numerous regional development organisations, in the regional arts and private companies. Juliet holds a MSM (Syd Uni), and is passionate about integrating the triple bottom line principles into the culture of an organisation.



Kate Baxter - Director

Institute Director, TAFE Western

Kate has lived and worked in rural NSW for over 25 years. She trained as a social worker and worked for ten years in a variety of roles with the health sector as well as the non-government welfare sector before commencing a career at TAFE. In May 2010 she was appointed as the Institute Director for TAFE NSW Western Institute. Kate has also served on the Central West Regional Development Board and the Board of Carewest. She holds postgraduate qualifications in social work and education.

Mark Burdack - Director

University Secretary, Director of Corporate Affairs and Director of Office of the Vice-Chancellor

Mark Burdack is currently Director Corporate Affairs and Secretary of Charles Sturt University. In 2003 he was appointed as University Secretary at Charles Sturt University, working closely with the Chancellor and Council to implement governance reforms to align with best practice corporate governance. With a background in governance, project management, government and stakeholder relations, research and policy, and brand and communications, he has been involved with a range of major initiatives to promote development in rural and regional Australia. He is currently a member of Regional Development Australia – Central West; Engagement Australia; Regional Studies Association (UK); and the National Rural Law and Justice Council, as well as participating in a variety of working groups and committees across rural NSW focused on regional development and skills.



Paul Dowler - Director

Executive Director, Division of Finance, Charles Sturt University

Paul is the Executive Director, Finance at Charles Sturt University with responsibility for the division. He sits as part of the University Senior Executive and has held this position since the beginning of 2011. Prior to this, he held the position of Director, Business with CSU, a position held for 5 years. He has worked in the Higher Education sector for 22 years, with prior experience with Sydney University and University of New England and has an undergraduate degree in Accounting, a postgraduate MBA and has been a CPA since 1992.

Ian Rogan- Director

Owner, Milthorpe Garden Nursery; Central Tablelands Local Land Services

Ian holds a Bachelor of Rural Science with Honours from the University of New England and has a wealth of experience in Agriculture Research and Development, having previously been General Manager of On-Farm R&D for Australian Wool Innovation and Regional Director of Research with NSW Department of Agriculture in Trangie. Complementing his experience in Agriculture R&D is Ian's experience as General Manager of Narromine Shire Council. Currently, Ian sits on the board of the Central Tablelands Local Land Services as well as operating a private rural and natural resources consulting business and the Milthorpe Garden Nursery.



PRESIDENT AND CEO'S REPORT

While the past 12 months have seen unexpected changes, solid foundations were laid during the year both in terms of the research team's capability and raising the organisation's profile in Western NSW.

The current complement of research staff have developed significantly over the past 12 months, building skills in the full complement of WRI's economic research techniques, in particular input-output modelling.

During 2013 Andrew Johnson made solid inroads in building WRI's profile in the Central West and Orana regions. Solid relationships have been developed outside of WRI's traditional markets, including in the emerging not for profit sector as well as the manufacturing sector. Andrew's time leading WRI also saw the strengthening of some dormant relationships with local government and one Regional Development Australia (RDA) organisation.

Staff

After an extensive search, in January the board and staff welcomed Dr Andrew Johnson to the role of CEO after the retirement of Tom Murphy the previous December. Regrettably, after 9 months WRI farewelled Dr Johnson who took up a position at James Cook University in Townsville. The Board of WRI is appreciative of Andrew's leadership and support to WRI through a period characterised by change including growing staff capacity and building new and diverse revenue streams and collaborations.

Danielle Ranshaw, a staff member with many years experience in research was appointed by the board to the role of CEO in September.

In 2013 WRI also welcomed Katherine Bell. Katherine had worked previously with WRI in late 2012 and joined WRI in a part-time contracted Research Officer position. Katherine is a freelance writer whose strengths lie in research, literature review and synthesis writing.

During 2013 Research Officers Ivan Trofimov and Rebecca Hood along with Danielle Ranshaw undertook intensive training in Input-Output (IO) modelling with Dr Guy West. Dr West is the leading expert in inter-industry analysis using input-output modelling research in Australia and has had a long association with WRI. The training has enhanced WRI's capacity to deliver robust economic impact research.

In December, members of the Board and staff were delighted to attend the conferring of an Honorary Doctorate award for previous CEO Tom Murphy. The award recognised Tom's many years of outstanding contribution to CSU and to regional development.



Left: Members of the Board and Staff with Charles Sturt University Pro Chancellor Richard Hattersley and Honorary Doctorate recipient and former WRI CEO Tom Murphy.

Right: Bathurst Mayor Monica Morse and former CEO Andrew Johnson launching the Supercheap Auto Bathurst 1000 Economic Impact Report at Rydges Mount Panorama.



Project Work

WRI completed 37 research projects during 2013. Economic impact projects continue to form the mainstay of WRI's research work, however in 2013 economic impact projects were enhanced with the incorporation of human capital contribution studies and benefit-cost analysis. Furthermore, economic impact studies often formed one component of more extensive research requiring the examination of regional issues and opportunities, the development of case studies, literature reviews and collection of primary data through stakeholder and workforce surveys.

A key project completed by WRI in 2013 was a regional profile for RDA Orana. Funded by the Australian Government, the profile presents key statistics and analysis around employment, education, income, population, industry performance and social and economic trends and provides an important benchmark for the region and for each of the 13 local government areas that comprise the Orana. The profile has been recognised by RDA Orana for providing analysis on some of the region's key industries such as agriculture, mining and tourism across clustered local government areas and identifying opportunities for diversification into new markets, and supporting the reskilling of workers to meet new and increasing industry demands.

A consortium led by Skillset and including WRI, was successful in securing Federal Government funding from the Low Income Energy Efficiency Program. The project which will run into 2016 will look at an often overlooked low-income category, apprentices and trainees. It will seek to motivate and engage apprentices in improving their energy efficiency by using an energy efficiency game, social media and financial incentives. WRI's role will be to provide regular program monitoring and evaluation for the duration of the project.

WRI also completed a number of Special Rate Variation projects for local government submissions to the Independent Pricing and Regulatory Tribunal (IPART) all of which are under consideration in the current round.

Other notable projects included economic impact studies of the NAB Cyclo-Sportif Blayney to Bathurst Challenge (B2B) cycling event and the 50th Anniversary of the Supercheap Auto Bathurst 1000, an examination of the economic, human capital and research impacts of James Cook University, an audience development survey for Orange Civic Theatre, a report on the economic impact of The Housing Alliance, a cooperative of social housing providers in regional NSW and a tourism demand analysis survey for Printhe Wines.

Manufacturing job losses were a significant economic issue not only nationally in Australia but also for Central NSW. WRI was called upon to prepare economic impact reports for both Electrolux in Orange and Simplot in Bathurst to assist both organisations in lobbying for funding and to inform policy makers of the contributions of each plant to their local, regional and state economies. Despite their international parent companies ultimately deciding to close both plants in the coming years, both Electrolux and Simplot were able to secure operating subsidies from their respective local governments. Changes in the

industrial structure of our region have brought to the forefront issues about reskilling and workforce demands. This has been an area in which WRI has been able to provide factual context and one in which WRI expects to play a continued role in the future.

As part of its commitment to regional development, WRI provided pro-bono economic development advice, assistance and presentations in the form of economic impact analysis for CareWest, provision of regional economic profile data for Skillset as well as presentations to CareWest and RDA Orana and participation at CSU's Regional Leaders Luncheon.

Financial wrap up

On an accrual basis, WRI earned \$538,437 in 2013, maintaining a consistent revenue base compared with 2012; this is a positive sign in light of the considerable investment in new staff capacity during the year. Despite reporting a loss for the 2013 financial year, the loss of \$87,039 is a significant improvement on the result for 2012.

2014 outlook

WRI meets 2014 with a strong focus on continuing to build upon current research staff capacity as well as expanding our team slightly. Alongside this, targeting specific business development opportunities to broaden our research experience, client base and geographic reach will be prioritised. Enhancing business development capacity to further develop key and new relationships will also be a focus of 2014.

WRI STAFF 2013

WRI is a regional development research organisation located in Bathurst, New South Wales. WRI holds a wealth of knowledge on employment, business development and investment issues affecting regional Australia. It has worked with Commonwealth, State and Local Governments and industry groups on numerous investment and development programs in regional areas. WRI has strong credentials in business and commercial market consulting and applied economic modelling including input-output analysis, shift-share, agribusiness and regional socio-economic surveys and analysis.

Ms Danielle Ranshaw – Chief Executive Officer BEc&Fin NSW

Danielle leads the team at WRI, managing overall research output and developing the organisation's business and profile. Danielle is an experienced researcher, having worked with WRI for seven years in roles ranging from survey development, data analysis, in-depth interview, stakeholder consultation, focus group facilitation, project management and client presentation. She joined WRI having several years' experience as a project manager within the information technology sector and a few years of experience working in academic support program development at Charles Sturt University. Additionally, Danielle has extensive experience in business process analysis, performance planning and review, report writing and project planning.

Danielle is currently a member of the Australasian Evaluation Society and has considerable experience in developing monitoring and evaluation frameworks, having completed both large scale and small evaluations for organisations in the Central West of NSW. She is also enrolled in postgraduate study related to community engagement work.

Dr. Ivan Trofimov - Research Officer

PHD (Macquarie) MEcSt (UNE) MA (Auckland)

Ivan is an economic and public policy analyst and brings experience in macroeconomics, corporate governance and international trade to WRI projects. Prior to joining WRI, he worked in corporate advisory firms, focusing on economic research and evaluation of corporate governance practices, and in a peak industry body, responsible for pharmaceutical policy formulation in Australia. He was also involved in consulting projects for the Commonwealth Secretariat, APEC Research Centre (New Zealand) and Pacific Islands Trade and Investment Commission. Ivan holds a PhD in Applied Economics (Macquarie) and master degrees in agricultural and development economics (UNE) and (Auckland). He has published several papers in international economic journals.

In his role as research officer at WRI, Ivan has worked on a large number of projects in the areas of local government,

cultural sector, tourism and sporting events, infrastructure and manufacturing. Ivan has completed and was involved in economic impact studies, preparation of socio-economic profiles, feasibility studies, analyses of regional economic structure, due diligence and audit, as well as business case developments.

Ms Rebecca Hood - Research Officer BBus (Fin/Acc) With Distinction CSU

After working in the Financial Services Industry for several years coupled with a degree in Finance and Accounting from CSU, Rebecca brings strong skills in finance, economics, business and accounting to WRI projects. Rebecca's extensive experience in the finance field and her high level understanding of current market knowledge gives Rebecca a solid understanding of the financial needs of regional and rural Australia. Having prior experience with local councils and retail, Rebecca also brings a robust understanding of the needs of regional businesses to her role at WRI.

In her role as Research Officer, Rebecca has worked on a variety of projects in the areas of mining communities and developments, sporting events, not for profit social housing and aged care sectors. Rebecca has developed skills in data analysis, economic impact (input-output) modelling, human capital modelling, survey questionnaire development and the preparation of socio-economic profiles.

Ms Dale Curran – Executive Officer BA ANU

Dale is responsible for all administrative processes at WRI including executive support, finance, management of the Board of Directors and maintenance of policies. She has worked in a variety of roles at WRI, including Fieldwork Supervisor and Research Assistant, and has worked on several community and business surveys. Dale's skills and experience in data collection contribute to WRI's projects, bringing strong skills in data collection, particularly questionnaire development, data entry and telephone and face to face interviewing techniques. Dale brings a high level of organisational skill to her role as Executive Officer.

Ms Katherine Bell - Casual Research Officer

Katherine is a freelance writer whose strengths lie in research, literature review and synthesis writing. She has over 20 years' experience in corporate communications, human resources and executive support across private, government, charitable and multi-national organisations. Katherine has a particular interest in psychology and social science. Katherine has assisted WRI in contract research work periodically over the last two years.

Ms Kath Behrendt - Casual Senior Research Officer

BFA, GradDip AgEc, MEcST (Economics) (UNE)

Kath has a professional background in agricultural economics, resource economics and accounting. She has worked in both the private and public sectors and has extensive experience in agribusiness planning and development, economic and financial analysis, and small business management. Kath's strengths lie in bioeconomic modelling, cost-benefit analysis, and efficiency and productivity analysis. Kath has assisted WRI in contract research work periodically over the last two years.

Dr. Andrew Johnson - Former CEO

BA(Hons I) Newcastle, PHD (UWS)

Andrew Johnson has over 20 years' experience in research leadership with a strong focus on the resources and not for profit spheres.

Andrew has recently held the position of Director of Research Development at the University of Newcastle (UoN), Australia. During his 12 years, Andrew achieved a number of substantial outcomes including raising in excess of \$30 million in research funds to support a number of collaborative research partnerships with industry and government. He led the establishment of the Research Development office at UoN and built a team of 4 Research Development staff. He was Interim CEO of the CRC for Social Inclusion bid which was shortlisted in 2010. Andrew also played a key role in the highly successful energy strategy led by Research Division UoN which included a successful \$30 million EIF application for the Newcastle Institute for Energy and Resources.

ASSOCIATES

Mr Tom Murphy - Associate

B.Ec. (Hons I) M.Sc. (Econ) Lancaster

Tom Murphy was WRI's founding CEO and held this position from 1999 until his retirement in December 2012. Under Tom's leadership WRI completed over 300 projects for all levels of government and government departments, industry groups, businesses, financial institutions, regional development boards and community groups, and educational institutions including universities, TAFE and schools in NSW, Victoria and Queensland.

Tom previously held academic positions as senior lecturer in Economics and Director of the Regional Economics Research Unit in the Faculty of Commerce, Charles Sturt University, Bathurst and positions at the University of New England and Macquarie University. He has also held the positions of Economic Analyst with the Office of National Assessments in Canberra, with responsibility for the ASEAN economies and Senior Consultant with KPMG Peat Marwick Management Consultants.

Tom's particular expertise is in regional economics and labour markets, and he has published in a wide range of economic subject areas in refereed and non-refereed articles, books and textbooks. Tom has a high local media profile in Western NSW for economic and social commentary and also features regularly on national radio particularly in connection to the quarterly agribusiness survey conducted for Westpac Australia wide.

Dr Guy West - Associate

Professor Guy West is experienced in regional economics with specialisation in applied quantitative economics. Current research interests include the theory and application of inter-industry models particularly in an integrated spatial econometric framework, the nature of economic structure at the regional and national levels, and regional economic projection, planning and growth. This revolves primarily around the study and identification of economic structure, involving concepts such as fundamental economic structure, structural change and evolution.

Dr. West has published extensively in international journals at both theoretical and empirical levels. He is an accomplished computer programmer and has developed a number of specialised economic models for analysing structural change, as well as more generalised software for inter-industry analysis. Some of this software is used extensively in universities in Australia, US, UK and Europe. He has been actively involved in consulting and advisory work in the area of economic impact analysis, planning, development and economic policy for federal, state and local government and the private sector.

JAMES COOK UNIVERSITY: IMPACTS ON THE STATE AND REGIONAL ECONOMIES

James Cook University (JCU) commissioned WRI to assess the impact of the University in terms of:

- The economic impact of its operations in 2011 and 2012 on the economies of Cairns and Townsville Local Government Areas (LGAs) as well as the state of Queensland;
- The generation of human capital through graduation of the University's students in 2011; and
- The impacts of JCU's research, demonstrated through five case studies.

The incorporation of human capital and research impact case studies with an economic impact study represents an innovative and wholistic approach to measuring a University's contribution to its community.

Furthermore, the method of case studies to assess research impacts reveals yet another dimension and provides a much more wholistic view of the effects a university has on its region. The methodology developed by WRI is well aligned with and builds upon national and international best practice in analyses of research impact.

Central to WRI's case study methodology is the premise that university research is better assessed from the perspective of users and recipients of university research, rather than from the perspective of a university itself, panels of external observers, or imposed external indicators.

The findings of the report demonstrate that JCU makes a significant contribution to the regional economy of northern Queensland.



JCU IMPACTS:

Economic impact

- Contributed \$538.9 million to the Gross State Product of Queensland in 2011 and \$587.1 million in 2012
- Employs over 2,000 FTE staff
- Teaches over 12,000 FTE students

Annual contribution

The total annual private and public value of JCU graduates that completed studies in 2011 is \$70.6 million.

Lifetime contribution

The total public and private value of graduates that completed studies at JCU in 2011 is approximately \$1.16 billion over their working life.

"This report shows that we also create jobs and wealth far beyond the students and staff at the university,"

Professor Sandra Harding

Vice Chancellor

Townsville Bulletin 25 November 2013

REGIONAL DEVELOPMENT AUSTRALIA: ORANA *PROFILE AND OPPORTUNITIES*

WRI was commissioned by RDA Orana to develop a comprehensive and current economic profile for the entire Orana region.

Funded by the Australian Government, the profile presents key statistics and analysis around:

- Employment,
- Education,
- Income,
- Population,
- Industry performance, and
- Social and economic trends.

The profile provides an important benchmark for the region and for each of the 13 Local Government Areas (LGAs) that comprise the Orana region.

The profile also provides further analysis on some of the region's key industries such as agriculture, mining and tourism/hospitality across clustered LGAs and identifies opportunities for diversification into new markets; and supports the reskilling of workers to meet new and increasing industry demands.

REPORT HIGHLIGHTS

The report provides a single source of relevant statistics and economic and population analyses to highlight the region's strengths, challenges and opportunities for development.

Gross Regional Product

GRP for the Orana Region in 2012:

- \$4.946 Billion for the region as a whole,
- 40% of GRP was generated in Dubbo LGA followed by 18% in Mid-Western LGA

Opportunity Sectors

WRI identified a number of sectors that demonstrated local competitive advantage, contribution to the economy and strong linkages with other sectors including:

- Agriculture,
- Food and Beverage Manufacturing,
- Mining,
- Hospitality/Tourism; and
- Transport & Strpaga.



"The Economic Profile provides an all-inclusive source of information that will assist the region in many ways. It will improve the current understanding of the regional economy; provide a comprehensive range of statistical information at the regional and LGA levels; identify current local, regional, national and global trends that will impact the region's growth into the future; identify priority economic growth areas and opportunities for the region and provide evidence on which to build strategies to improve economic sustainability and growth for the future."

John Walkom,

Chair,

Regional Development Australia, Orana

MANUFACTURING IN CENTRAL WEST NSW

KEY ISSUE FOR REGIONAL ECONOMIES

WRI completed a number of economic impact assessments in response to the wave of announcements of manufacturing plants' impending closures, including Electrolux in Orange and Simplot in Bathurst.

The plight of the manufacturing industry is a key issue for Regional Australian communities as manufacturing operations provide stability and dynamism to regional economies, often underpinning a range of upstream and downstream industries that sustain small communities.

Furthermore, manufacturing historically has played a vital role in the economic growth of nations because of its impact on wealth, capital accumulation and productivity and because it generates flow-on impacts, through incomes and jobs, that are typically some of the most significant.

The decline of manufacturing as import penetration increases also erodes domestic manufacturing's productive capital, including technology and skills, an important source of technological progress.

Orange City Council commissioned WRI to prepare an economic impact analysis of Electrolux and its Operations on the Orange Local Government Area (LGA), the Central West Statistical Area (SAL4) and NSW economies, a summary of the results are presented in the adjacent box.

ELECTROLUX IMPACTS:

The study found that Electrolux makes a very significant contribution to the Central West economy including:

- Approximately \$80.92 million in value added, contributing 1.01 percent of GRP;
- Approximately \$53.38 million in income, representing 1.41 percent of household income; and
- Approximately 864 FTE jobs, representing 1.31 percent of the Central West's total FTE employment.



"There are up to 550 employees at Electrolux. The loss of that plant would be devastating for those workers and their families. It would also be a major shock for the city and the region and the effects would be felt at a state level."

Cr John Davis

Mayor

Orange City Council

COMPLETED PROJECTS 2013

Measuring Impact

- Measuring the Economic Contribution of the Fishing Sector in NSW; developing a cost effective state wide expenditure survey model, for the University of Wollongong
- James Cook University; Impacts on the State and regional economies, contribution to Human Capital and Research Impacts, for James Cook University
- 2012 Supercheap Auto Bathurst 1000 Economic Impact Report, for Bathurst Regional Council
- Sealing the Menindee Pooncarie Road Economic Impact Assessment, for Central Darling Shire Council
- Socio-economic Impact Report for temporary accomodation village in Singleton, for The MAC Services Group
- Economic Impact report 2013 nab Blayney to Bathurst Cylico Sportif Challenge for the Rotary Club of Bathurst Daybreak Inc.
- Provision of Expert Witness services for The MAC Services Group
- Economic impact of Electrolux for Orange City Council and Electrolux
- Economic impact of Simplot for Simplot Australia PTY LTD
- Economic Impact Report The Housing Alliance Operations for The Housing Alliance
- Economic Impact of Werris Creek development for The MAC Services Group

Social and Economic Profiles

- Economic and Social Profile Update for Gulgong for The MAC Services Group
- Social indicators and Survey of Narrabri for The MAC Services Group
- Regional Development Australia Orana Profile and Opportunities for RDA Orana

Understanding Sentiment

- Orange Civic Theatre Audience Development 2012/13 Survey Findings for Orange Civic Theatre

Evaluating Outcomes

- Alternative Pathways program evaluation for TAFE Western Institute

Demand Assesments

- Dubbo Regional Livestock Market Upgrade Impact Assessment for Dubbo City Council
- Tourism Demand Analysis for Printhe Wines
- Due Diligence Analysis for Australian Paper

Local Government Projects

- Report on proposed special rates variation for Blayney Shire Council
- Report on proposed special rates variation for Fairfield City Council
- Report on proposed special rates variation for Maitland Council
- Report on proposed special rates variation for Liverpool Council

Promoting Regional Development

- Clarification on report on special rates variation for Parkes Shire Council
- Input-Output table and multipliers for Goulburn Mulwaree Council
- Application assistance Migrant communities employment fund for Regional Development Australia, Orana
- Scoping of Golden Highway Analysis for Hyder Consulting
- Economic Impact of Care West facility upgrade for Care West
- Bathurst Country and regional living expo article for Bathurst Regional Council
- Provision of Central West Economic Data for Skillset

LINKAGES

Local Government

- Bathurst Regional Council
- Cabonne Shire Council
- Central Darling Shire Council
- Central NSW Councils (CENTROC)
- Councils in the Barwon Darling Alliance
- Cowra Shire Council
- Dubbo City Council
- Fairfield Council
- Goulburn Mulwaree Council
- Lithgow City Council
- Liverpool Council
- Maitland City Council
- Orange City Council
- Parkes Shire Council
- Singleton Council

Government

- Department of Planning, Heritage Office
- Department of State and Regional Development

Industry Groups

- Australian Pork Limited
- Australian Meat Industry Council
- Australian Meat Processing Council
- Albury Wodonga Corporation
- Arts OutWest
- Bells Line Expressway Group
- The Water Directorate
- Lachlan Valley Water

Business

- Applied Economics
- Australian Paper
- Care West
- Electrolux
- Hyder Consulting
- Perpetual Regional Infrastructure Fund
- Printhie Wines
- The MAC Services Gro
- The Housing Alliance

- SG Heilbron and Associates
- Simplot Australia Pty Ltd
- Skillset
- State Water Corporation
- V8 Supercars Australia Pty Ltd

Education

- Bond University
- Charles Sturt University
- Chifley Business School
- Deakin University
- Griffith University
- James Cook University
- TAFE WESTERN
- TAFE NSW Education and Training Support Industry Skills Unit
- University of Ballarat
- University of Technology—Sydney
- University of Wollongong

Financial Institutions

- Marketmad.com
- Reliance Credit Union
- Westpac Banking Corporation

Regional Development Australia

- Central west
- Far West
- Murray
- Orana

Associates

- Dr. Kaye Bowman, Kaye Bowman Consulting
- Dr Terence M Dwyer, BA (Hon) BEc (Hon) (Syd), PhD (Harvard).
- Selwyn G Heilbron BA (Kent), MSc (Univ London) PhD (Cambridge).
- Professor John Hicks, BCom, DipEd MA (Melbourne), PhD Massey.
- Mr Terry Larkin, BEc (Syd), MA (Harvard), MPA (Harvard).
- Dr Kishor Sharma, PgDipMgt Iml, MEc TUNepal, PhD La Trobe.
- Adjunct Professor Greg Walker, MCom DipEd NSW, PhD Macq

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

For the year ended 31 December 2013

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

For the year ended 31 December 2013

In accordance with the Corporations Act 2001, we, the Directors of Western Research Institute Limited, report as follows:

OPERATING RESULTS

The loss of the company for the year ended 31 December 2013 amounted to \$87,039. (2012: Loss \$137,605)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be the provision of research services.

EVENTS AFTER THE REPORTING PERIOD

The company is not aware of any matters or circumstances that have arisen since 31 December 2013 that have significantly affected or may significantly affect:

- ♦ the operations of the company;
- ♦ the results of operations; and
- ♦ the state of affairs of the company in subsequent years.

DIVIDENDS

Under its constitution the company is prohibited from paying dividends.

OPTIONS

No options over issued shares or interests in the company were granted during or since 31 December 2012 and there are no options outstanding as at the date of this report.

ENVIRONMENTAL

The operations of the company are not regulated by any significant environmental regulation under the law of the Commonwealth or State or Territory

INDEMNIFICATION OF OFFICERS

During 2013, no Director of Western Research Institute Limited has received or has become entitled to receive, a benefit because of a contract made by Western Research Institute Limited, a related company, with the Director, or with a firm of which the Director is a member, or an entity in which the Director has a substantial financial interest. The Directors are covered by the following insurance policy:

Directors' & Officers' Liability Protection Member or Affiliate Reimbursement Protection
IRS Steadfast Pty Ltd
Policy No: 9609 233 PVE
Expiry Date: 31st October 2014

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

For the year ended 31 December 2013

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the past year.

DIRECTORS

The names of the Company Officers at the date of this report, together with their qualifications, experience and special responsibilities are as follows:

| NAME | OTHER INFORMATION | QUALIFICATIONS | PERIOD AND OTHER RESPONSIBILITIES | NUMBER OF MEETINGS DURING THE PERIOD 01/01/2013 to 31/12/2013 | |
|-------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------|
| | | | | HELD WHILST A DIRECTOR | ATTENDED |
| DIRECTORS | | | | | |
| Peter John Batten | Director, TAFE NSW Training and Education Support - Industry Skills Unit - Orange and Granville | Bachelor of Science (Wool and Pastoral Science) (UNSW); and Diploma of Education (Technical) (Sydney Teachers College). | President 2000 - 2010 Treasurer 2011 - 2013 | 7 | 5 |
| Catherine Baxter | Institute Director, TAFE Western Institute | BA Social Work, U Syd Masters Social Administration, Flinders Uni Master of Education, University of Technology Grad Dip Counselling, MCAE Grad Dip VET; CSU | Director since 2011 | 7 | 5 |
| Ian Davison | Country Advertising Agency Pty Ltd | Marketing, Charles Sturt University | Director since 2001 Vice President 2011 - 2013 | 7 | 6 |
| Mark Burdack | Director, Corporate Affairs and University (CSU) Secretary | BA, BLegS (Hon), Macquarie University | Director since 2009 | 7 | 5 |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

For the year ended 31 December 2013

| NAME | OTHER INFORMATION | QUALIFICATIONS | PERIOD AND OTHER RESPONSIBILITIES | NUMBER OF MEETINGS DURING THE PERIOD 01/01/2013-31/12/2013 | |
|---------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------|----------|
| | | | | HELD WHILST A DIRECTOR | ATTENDED |
| Paul Dowler | Executive Director Finance Division Charles Sturt University | BBus MitchellCAE, MBA CSturt, CPA | Director since 2011 | 7 | 4 |
| Juliet Lee Duffy | NSW Manager – Envirohealth Pty Ltd | MSM Syd Uni | Director since 2005 Secretary 2007-2013 | 7 | 5 |
| Michael Grouse Milston | Principal, Milston Professional Consulting | BEC (Hons) - Univ of Sydney, Dip Ed - Univ of Sydney, MBA - CSU | Director since 2000 Vice President 2005-2011 President 2011 - 2013 | 7 | 6 |
| Ian Rogan | Owner, Millthorpe Garden Nursery. Director, Central Tablelands Local Land Services | Bachelor of Rural Science (Hons) | Director since 2013 | 0 | 0 |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT

For the year ended 31 December 2013

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on page 6 and forms part of the directors report for the year ended 31 December 2013.

Signed in accordance with a resolution of the Board:



Michael Milston
Director

Dated at Bathurst this 13th March 2014



Ian Davison
Director

Dated at Bathurst this 13th day of March 2014

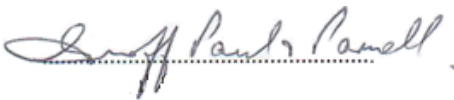
Lead Auditor's Independence Declaration

Under Section 307C of The Corporations Act 2001

To the Directors of Western Research Institute Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Western Research Institute Limited for the financial year ended 31 December 2013 there have been:

- (a) no contraventions of the auditor independence requirements as set out in The Corporations Act 2012 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Graff Paul & Parnell
Chartered Accountants
107 Bentinck Street
Bathurst NSW 2795



Len Graff
Partner

Dated this 19th day of March 2014



WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

| | Note | 2013 \$ | 2012 \$ |
|----------------------------------------|------|-----------------|------------------|
| REVENUE | | | |
| Grants & Funding | | - | - |
| Consulting | 2 | 538,438 | 536,377 |
| Interest Income | | 7,398 | 22,549 |
| Membership | | 700 | 800 |
| Other | | 2,765 | 1,311 |
| TOTAL REVENUE | | 549,301 | 561,037 |
| EXPENSES | | | |
| Administration Expenses | | 93,033 | 107,805 |
| Consulting Expense | | 66,855 | 25,370 |
| Employee Benefits Expense | 3 | 458,852 | 515,059 |
| Finance Costs | | 24 | 139 |
| Recruitment Expense | | - | 30,617 |
| Depreciation & Amortisation | | 17,576 | 19,652 |
| TOTAL EXPENSES | | 636,340 | 698,642 |
| SURPLUS/ (DEFICIT) FOR THE YEAR | | (87,039) | (137,605) |

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2013

| | Note | 2013 \$ | 2012 \$ |
|--------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 4 | 277,362 | 385,592 |
| Trade and Other Receivables | 5 | 40,033 | 43,857 |
| Other Assets | 6 | 17,939 | 31,116 |
| TOTAL CURRENT ASSETS | | 335,334 | 460,565 |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 7 | 33,802 | 51,378 |
| Financial Assets | 8 | 10 | 10 |
| TOTAL NON-CURRENT ASSETS | | 33,812 | 51,388 |
| TOTAL ASSETS | | 369,146 | 511,953 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 9 | 22,555 | 39,015 |
| Provisions | 10 | 31,240 | 37,892 |
| Income in Advance | | 2,991 | 35,647 |
| TOTAL CURRENT LIABILITIES | | 56,786 | 112,554 |
| TOTAL NON-CURRENT LIABILITIES | | - | - |
| TOTAL LIABILITIES | | 56,786 | 112,554 |
| NET ASSETS | | 312,360 | 399,399 |
| EQUITY | | | |
| Accumulated Funds | | 312,360 | 393,586 |
| TOTAL EQUITY | | 312,360 | 399,399 |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

For the year ended 31 December 2013

| | Note | 2013 \$ | 2012 \$ |
|-----------------------------------------------------------------|------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash receipts from Operations | | 526,249 | 528,765 |
| Interest Received | | 7,398 | 22,549 |
| Payments to Suppliers & Employees | | (641,853) | (711,659) |
| Finance Costs | | (24) | (139) |
| NET CASH FLOWS (USED IN) / FROM OPERATING ACTIVITIES | 16 | (108,230) | (160,484) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of Plant & Equipment | | - | (39,696) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | - | (39,696) |
| NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS | | (108,230) | (200,180) |
| Cash & Cash Equivalents at the beginning of the year | | 385,592 | 585,772 |
| Cash & Cash Equivalents at the end of the year | 4 | 277,362 | 385,592 |

The Cash Flow Statement should be read in conjunction with the accompanying notes.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

| | Note | 2013 \$ | 2012 \$ |
|---------------------------------------------------------|------|-----------------------|-----------------------|
| TOTAL EQUITY AT THE START OF THE FINANCIAL YEAR | | 399,399 | 537,004 |
| Surplus (Deficit) for the year | | (87,039) | (137,605) |
| TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR | | <u>(87,039)</u> | <u>(137,605)</u> |
| TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR | | <u><u>312,360</u></u> | <u><u>399,399</u></u> |

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 (a) INFORMATION ABOUT REPORTING ENTITY

Western Research Institute Limited is a not for profit entity incorporated in Australia as a company limited by guarantee on 21 December 1999. In accordance with the Constitution, the liability of each member, in the event of the company winding up, is limited to \$50.00.

The registered office for Western Research Institute Limited is The Flannery Centre 341 Havannah Street, Bathurst NSW.

The principal activity of the company during the year was the provision of research services.

The financial statements have been authorised for issue to the Board of Directors on 5 March 2013.

1 (b) BASIS OF PREPARATION

The financial statements are a general purpose financial report and have been prepared in accordance with:

- (i) Australian Accounting Standards and Interpretations;
- (ii) International Financial Reporting Standards;
- (iii) Corporations Act 2001; and
- (iv) Public Finance and Audit Act 1983 and Regulations 2005.

Judgments, key assumptions and estimates management has made are disclosed in the relevant notes to the financial report.

The financial report has been prepared in the basis of accrual accounting and in accordance with historical cost convention. All amounts are expressed in Australian dollars.

1 (c) PROVISIONS

- (i) Salaries and Wages, Annual Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee benefits.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Long Service Leave and Superannuation

Long service leave is measured at present value in accordance with AASB 119 Employee Benefits. This is estimated on the basis of certain factors applied to employees with number of years of service, using current rates of pay.

The defined contribution superannuation expense for the financial year is calculated as a percentage of the employees' salary.

(iii) Other Provisions

Other provisions exist when there is a present legal or constructive obligation as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

1 (d) TAXATION

The Income Tax Assessment Act 1997 under Sub-division 50-B, exempts the Company from income tax. Consequently no provision for income tax is required and the principles of tax effect accounting have not been adopted.

1 (e) GOING-CONCERN

The financial report is prepared on a going-concern basis.

1 (f) FINANCIAL INSTRUMENTS

Financial instruments give rise to positions that are a financial asset of either the Company or its counterparty and a financial liability (or equity instrument) of the other party. For the Company these include receivables and payables.

In accordance with AASB132 "Financial Instruments: Presentation" and AASB 7 "Financial Instruments :Disclosure" information is disclosed in Note 13 in respect of the risks associated with all financial instruments. All such amounts are carried in the accounts as fair value unless otherwise stated. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at amortised cost comprise:

- ♦ receivables
- ♦ payables

All financial instruments including revenue, expenses or other cash flows arising from instruments are recognised on an accrual basis.

1 (g) PAYABLES

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Payables are carried at amortised cost and due to their short term nature they are not discounted.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 (h) RECEIVABLES

Receivables are recognised on an accrual basis initially at fair value and subsequently measured at amortised cost using effective interest method, less allowance for impairment.

1 (i) REVENUE RECOGNITION

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the specific accounting policies for the recognition of revenue is discussed below.

(i) Grants

Grants are generally recognised as income when the Company obtains control over the assets. Control over grants is normally obtained upon the receipt of cash.

(ii) Consultancy Services

Consultancy service revenue is recognised when the service is provided or by reference to the stage of completion.

(ii) Interest Revenue

Interest revenue is recognised as it accrues.

1 (j) ACQUISITION OF ASSETS

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Company. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

1 (k) CAPITALISATION THRESHOLDS

Plant and equipment and intangible assets costing \$500 and above individually (or forming part of a network costing more than \$500) are capitalised.

1 (l) REVALUATION OF PLANT AND EQUIPMENT

Physical non-current assets are reported at fair value in accordance AASB 116 Property, Plant and Equipment.

The Company's plant and equipment is comprised of non-specialised computer and office equipment with short useful lives. The carrying value approximates fair value.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1(m) DEPRECIATION

Depreciation is provided on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

The following depreciation rates are used in calculation of depreciation.

| | |
|--------------------|-------|
| Office Equipment | 33.3% |
| Furniture Fittings | 10% |

1(n) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

(i) The Company did not adopt any of the following standards early in the preparation of its financial report.

- ♦ AASB 2009-11: Amendments to Australian Accounting Standard - Business Combinations among Not-for-Profit Entities.
- ♦ AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10.
- ♦ AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12]
- ♦ AASB 2009-2: Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 and AASB 139 and Interpretation 2]

It is considered that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial report of the Company.

NOTE 2 CONSULTANCY REVENUE

| | 2013 | 2012 |
|----------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Business Related | 538,438 | 536,377 |
| Environmental | - | - |
| TOTAL CONSULTANCY REVENUE | <u>538,438</u> | <u>536,377</u> |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

| NOTE 3 | EMPLOYEE RELATED EXPENSES | 2013 | 2012 |
|---------------|------------------------------------------|-----------------------|-----------------------|
| | | \$ | \$ |
| | Wages | 422,113 | 473,910 |
| | Super | 36,739 | 41,149 |
| | Other | - | - |
| | TOTAL EMPLOYEE RELATED EXPENSES | <u>458,852</u> | <u>515,059</u> |
| | | | |
| NOTE 4 | CASH AND CASH EQUIVALENTS | | |
| | Cash at Bank | 277,116 | 385,295 |
| | Cash on Hand | 246 | 297 |
| | TOTAL CASH AND CASH EQUIVALENTS | <u>277,362</u> | <u>385,592</u> |
| | | | |
| NOTE 5 | TRADE AND OTHER RECEIVABLES | | |
| | Trade Debtors | 40,033 | 43,857 |
| | TOTAL TRADE AND OTHER RECEIVABLES | <u>40,033</u> | <u>43,857</u> |
| | | | |
| NOTE 6 | OTHER ASSETS | | |
| | Accrued Income | 6,677 | - |
| | Prepayments | 11,262 | 31,116 |
| | TOTAL OTHER ASSETS | <u>17,939</u> | <u>31,116</u> |
| | | | |
| NOTE 7 | PLANT & EQUIPMENT | | |
| | Office Equipment | 53,732 | 53,732 |
| | Less: Accumulated Depreciation | <u>40,650</u> | <u>30,385</u> |
| | Carrying Amount at Fair Value | <u>13,082</u> | <u>23,347</u> |
| | | | |
| | Furniture & Fittings | 31,761 | 31,761 |
| | Less: Accumulated Depreciation | <u>15,257</u> | <u>13,014</u> |
| | Carrying Amount at Fair Value | <u>16,504</u> | <u>18,747</u> |
| | | | |
| | Software | 15,219 | 15,219 |
| | Less: Accumulated Amortisation | <u>11,003</u> | <u>5,935</u> |
| | Carrying Amount at Fair Value | <u>4,216</u> | <u>9,284</u> |
| | TOTAL PLANT & EQUIPMENT | <u>33,802</u> | <u>51,378</u> |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 7 PLANT & EQUIPMENT (CONTINUED)**RECONCILIATIONS**

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial years are set out below:

| | Total Plant & Equipment \$ Year Ended 31-Dec-13 | Total Plant & Equipment \$ Year Ended 31-Dec-12 |
|----------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| Carrying amount at start of year | 51,378 | 31,333 |
| Additions | - | 13,049 |
| Disposals | - | 26,648 |
| Depreciation Expense | 17,576 | 19,652 |
| Carrying amount at fair value at end of year | 33,802 | 51,378 |

NOTE 8 FINANCIAL ASSETS

| | 2013 \$ | 2012 \$ |
|-------------------------------|------------|------------|
| Shares in Reliance | 10 | 10 |
| TOTAL FINANCIAL ASSETS | 10 | 10 |

NOTE 9 TRADE AND OTHER PAYABLES

| | | |
|---------------------------------------|---------------|---------------|
| Trade Creditors | 578 | 1,674 |
| Accrued Salaries | 2,210 | 5,036 |
| Accrued Audit Fees | - | - |
| GST Payable | 6,150 | 9,287 |
| Payroll Tax | - | - |
| Superannuation Payable | 4,336 | 10,060 |
| PAYG Withholding Payable | 8,142 | 10,479 |
| Other Payables | 1,139 | 2,479 |
| TOTAL TRADE AND OTHER PAYABLES | 22,555 | 39,015 |

NOTE 10 PROVISIONS

| | | |
|----------------------------------------------------------|---------------|---------------|
| Provision for Employee Entitlements - Annual Leave | 15,560 | 27,605 |
| Provision for Employee Entitlements - Long Service Leave | 15,680 | 10,287 |
| TOTAL PROVISIONS | 31,240 | 37,892 |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

| NOTE 11 AUDITOR'S REMUNERATION | 2013 | 2012 |
|-------------------------------------------------------------------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Audit of the Company's Financial Report - Graff, Paul & Parnell, Chartered Accountants | 4,000 | 4,000 |
| TOTAL AUDITOR'S REMUNERATION | <u>4,000</u> | <u>4,000</u> |

NOTE 12 DIRECTORS REMUNERATION

The Directors act in an honorary capacity and do not receive remuneration in connection with the management of the affairs of the Company.

NOTE 13 RELATED PARTIES

(a) 2013

The names of Directors who have held office during the financial period are:

| | |
|------------------|-----------------|
| Catherine Baxter | Paul Dowler |
| Peter Batten | Juliet Duffy |
| Mark Burdack | Michael Milston |
| Ian Davison | Ian Rogan |

(b) Remuneration

Information in remuneration of Directors is disclosed in Note 12.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 14 FINANCIAL INSTRUMENTS

The Company's principal financial instruments are outlined below. These financial instruments arise directly from the company's operations.

The Company's main risks arising from financial instruments are outlined below together with the Company's objectives, policies and processes for measuring and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of risk management reviews and agrees policies for managing each of these risks.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's exposure to market risk are minimal as it has no borrowings or other price risk associated investments. The Company has no exposure to foreign currency risk.

(b) Interest Rate Risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance sheet date are as follows:

| 2013 | <i>Weighted av. Interest rate (p.a.)</i> | Floating interest rate | Non-interest bearing | Total |
|------------------------------------|--------------------------------------------------|---------------------------|-------------------------|----------------|
| | | \$ | \$ | \$ |
| FINANCIAL ASSETS | | | | |
| Cash | 3.30% | 277,362 | - | 277,362 |
| Receivables | | - | 40,033 | 40,033 |
| TOTAL FINANCIAL ASSETS | | 277,362 | 40,033 | 317,395 |
| FINANCIAL LIABILITIES | | | | |
| Payables | | - | 22,555 | 22,555 |
| TOTAL FINANCIAL LIABILITIES | | - | 22,555 | 22,555 |
| | | | | |
| 2012 | <i>Weighted av. Interest rate (p.a.)</i> | Floating interest rate | Non-interest bearing | Total |
| | | \$ | \$ | \$ |
| FINANCIAL ASSETS | | | | |
| Cash | 4.50% | 385,592 | - | 385,592 |
| Receivables | | - | 43,857 | 43,857 |
| TOTAL FINANCIAL ASSETS | | 385,592 | 43,857 | 429,449 |
| FINANCIAL LIABILITIES | | | | |
| Payables | | - | 39,017 | 39,017 |
| TOTAL FINANCIAL LIABILITIES | | - | 39,017 | 39,017 |

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 15 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. The Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets and liabilities included in the balance sheet.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company continuously manages risk through monitoring future cash flows. The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

(e) Sensitivity Analysis

A sensitivity analysis presents the effect on profit and equity due to possible change in interest rate, price and foreign exchange risks. Because the Company is not exposed to any of these risks a sensitivity analysis is not presented in this financial report.

NOTE 16 RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH SURPLUS (DEFICIT) FOR THE YEAR

| | 2013 | 2012 |
|-----------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Surplus / (Deficit) for the year | (87,039) | (137,605) |
| Depreciation | 17,576 | 19,652 |
| Decrease / (Increase) in Receivables | 3,824 | 22,282 |
| Decrease / (Increase) in Other Assets | 13,178 | (24,263) |
| Increase / (Decrease) in Payables | (16,460) | (15,753) |
| Increase / (Decrease) in Provisions | (6,653) | (12,016) |
| Increase / (Decrease) in Income in Advance | (32,656) | (12,781) |
| Net Cash flows/(used in) from operating activities | (108,230) | (160,484) |

NOTE 17 COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments

| | | |
|------------------------------------|--------|--------|
| - not later than 12 months | 20,000 | 20,000 |
| - between 12 months and five years | 66,667 | 86,667 |

The property lease is a non-cancellable lease with a three year term, plus an option to renew for a further three years.

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

NOTE 18 CONTINGENT ASSETS OR LIABILITIES

The Company is not aware of any contingent assets or liabilities existing at 31 December 2013 (2012:Nil)

NOTE 19 EVENTS AFTER BALANCE SHEET DATE

There have not been any significant events in the interval between the end of the financial year and the date of this report that may effect the operations, the results of the Company, or require disclosures.

END OF FINANCIAL STATEMENTS

WESTERN RESEARCH INSTITUTE LIMITED

ABN 76 090 089 991

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' DECLARATION

For the year ended 31 December 2013

In accordance with a resolution of the Directors of Western Research Institute Limited and pursuant to the Corporations Act 2001, we, the Directors of the Western Research Institute Limited state that:

- 1 The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2013 and the results of its operations and transactions of the Company for the year then ended;
- 2 The financial statements and notes have been prepared in accordance with the provisions of Corporations Act 2001;
- 3 The financial statements and notes have been prepared in accordance with Australian Accounting Standards and Interpretations;
- 4 We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
- 5 There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on Behalf of the Board in accordance with its resolution:



Michael Milston
Director

Dated at Bathurst this 13th day of March 2013



Ian Davison
Director

Dated at Bathurst this 13th day of March 2013

Independent Auditor's Report

To the Members of Western Research Institute Limited

We have audited the accompanying financial report of Western Research Institute Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

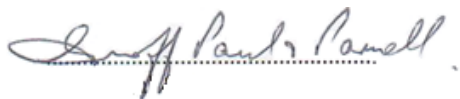
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Western Research Institute Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Opinion

In our opinion:

- a) the financial report of Western Research Institute Limited is in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(b).



Graff Paul & Parnell
Chartered Accountants
107 Bentinck Street
Bathurst NSW 2795



Len Graff
Partner

Dated this 19th day of March 2014

