

ANNUAL REPORT 2005

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BACKGROUND

In February 1998 the Western Coordination Group resolved to support the creation of a 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, Work Place 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. The WRI is a Public Company Limited by Guarantee and is controlled by a Board of Directors.

MISSION STATEMENT

To support the economic development of Western New South Wales.

AMBITION STATEMENT

To be the country's leading research and analysis provider.

KEY OBJECTIVES

- To be competitively successful in New South Wales
- To leverage off regional expertise
- To significantly contribute to regional economic growth
- To build on new industry group opportunities for growth
- To provide clients with information that is independent, robust, relevant, and easily disseminated
- To work towards becoming an employer of choice

PRESIDENT'S REPORT

2005 has been a year of exciting progress for the Western Research Institute. Since the launch of WRI seven years ago, Tom and his team have progressively grown the business and with the implementation of the revised business plan developed in 2003, the focus has been on business sustainability.

The progress we have seen this year is the result of WRI's focus on three key result areas in the business plan: Customer Satisfaction, Business Sustainability and People. The plan, in its second year of implementation, has provided Tom and staff with the strategic direction to achieve the ambition of WRI *to be the Country's leading research and analysis provider*.

Pivotal to this success is employing and developing the right people to provide outstanding customer service at reasonable cost. The Board in setting the financial targets for 2005 recognised that due to staff changes, WRI could expect a decrease in activity and therefore reduced turnover and profits. I am pleased to advise that this was not the case and that as a result of the efforts of the staff, profit margin on activities exceeded budget by \$23,000.

As reported by Tom, the team completed thirty two projects covering a broad cross section of the economy. Of particular note is the growth in environmental projects resulting from the association with Professor David Goldney and the number of projects that represent repeat business from customers.

The reputation of WRI in the region continues to grow as evidenced by the success of the Regional Review Dinners in Bathurst, Dubbo and Coonamble, the media exposure that was attracted during the year and the success of the Regional Business Surveys.

Like the staff of WRI, the Board has enjoyed a successful year and continues to provide direction and support. Its major achievement in 2005 was completion of the comprehensive review of the Constitution begun in 2004.

The next few years will be interesting and challenging for the growth of the WRI. Of particular significance, WRI is in the process of renegotiating future working relationships with Charles Sturt University from 2007 onwards. It is an opportune time to consider the key question: What will the Western Research Institute look like in 2010?

In conclusion, I extend my congratulations to Tom and the staff for their outstanding efforts in 2005 and thank the members of the Board for their support and enthusiasm.



Peter Batten

CHIEF EXECUTIVE OFFICER'S REPORT

The year 2005 was another successful year for the Western Research Institute in terms of projects completed, its impact on the western region economy and its financial results. Thirty two economic financial projects were completed for government, private companies, industry associations and universities in Australia. The projects ranged from a submission to the Prime Minister's Taskforce on Biofuels, to feasibility studies, evaluation of health and crime strategies, market research, economic impact studies, community profiles and analyses, business and retail surveys and community perceptions studies. A number of these projects were important for the Australian and western region economies and attracted significant media attention. For example the biofuels report contributed to the Commonwealth government reaffirming a 350 million litre per year biofuels. Also of particular significance was the WRI study of Economic Impact of CSU in its surrounding regions. It showed for example that CSU contributes directly and indirectly approximately 11% to the employment of Bathurst and its surrounding regions. The results of this study were reported in the Australian Financial Review.

This year the Business Review Dinner was held in 3 venues, Bathurst, Dubbo and Coonamble. At the Dubbo venue I shared the platform with the well known television and radio entity James O'Loughlin. All three functions were a success with approximately 70 people attending the Bathurst function, over 100 in Dubbo and approximately 60 people in Coonamble.

In terms of financial performance the Institute's operating surplus of approximately \$72,620 is an increase of 8% on the previous year. This performance is even more creditable given the loss of a number of key staff at the end of 2004.

Staff training continued throughout the year. Luciana Mazzotti completed her B.Bus honours in marketing gaining First Class Honours, Sarah Medway completed her traineeship in Business Administration Certificate III as well as a course on MYOB, Amy Hawke attended a Multivariate Methods course and Karen Davidson attended an Asian Update Forum in Orange.

There were a number of staff changes during and at the end of 2005. Staff joining the WRI team were Amy Hawke and Karen Davidson. Julie Arthur left the WRI team due to the completion of the Community Partnerships Program.

Professor David Goldney has significantly contributed to the environmental/ ecology side of the WRI with 33 projects in 2005. Through David, the WRI has secured another three major projects for 2006 worth approximately \$270,000 which will be managed through the CSU Centre for Research and Graduate Training.

In conclusion I would like to express my appreciation to the WRI staff who have worked tirelessly and always with good humour, the Board of Directors who have set a clear direction for the Institute and completed a major revision of the constitution in 2005, and the sponsors Charles Sturt University, Reliance Credit Union and TAFE NSW-Western Institute for a most successful year in 2005.



Tom Murphy
Chief Executive Officer

KEY NOTE SPEECHES

Regional Review Dinner

Charles Sturt University

14th April 2005

State of the Region Dinner

Lazy River Estate Dubbo

2nd September 2005

State of the Region Dinner

Coonamble

24th September 2005

Economic Development of the Central West

Rotary Club of Orange

26th September 2005

MEDIA

Date	Where	Title/description
14/01/2005	Daily Liberal- Dubbo	"Study Seeks Town's Tertiary Potential"- Parkes Study
18/01/2005	Western Advocate	"Students who get a job locally stay local survey" Parkes Study
7/02/2005	ABC Radio	Tertiary Education in and for the Lachlan Learning Region of NSW
7/02/2005	Prime News	Tertiary Education in and for the Lachlan Learning Region of NSW
7/02/2005	2GZ Radio	Tertiary Education in and for the Lachlan Learning Region of NSW
8/02/2005	2PK Radio- Parkes	Tertiary Education in and for the Lachlan Learning Region of NSW
8/02/2005	ABC Radio	Tertiary Education in and for the Lachlan Learning Region of NSW
10/02/2005	WIN News	Retail Survey
10/02/2005	Prime News	Retail Survey
10/02/2005	ABC Radio- Orange	Retail Survey
11/02/2005	ABC Radio	Retail Survey
11/02/2005	Western Advocate	Retail Survey
23/02/2005	ABC Radio	Skilled Labour
2/03/2005	ABC Radio	Business Survey
2/03/2005	Central Western Daily	Current account deficits
3/03/2005	WIN News	Business Survey
3/03/2005	2DU Radio- Dubbo	Business Survey
3/03/2005	2BS- Bathurst	Business Survey
8/03/2005	ABC Radio	Economic Impact Oberon Timber Industry
10/03/2005	Central Western Daily	Business Survey
17/03/2005	Western Advocate	Retail Survey
24/03/2005	Western Advocate	Immigration Project
28/03/2005	Prime News	Economic Impact Oberon Timber Industry
12/04/2005	ABC Radio- Orange	Foreign Investment in Australia
14/04/2005	ABC Radio	Regional Review Dinner
14/04/2005	Prime News	Regional Review Dinner
14/04/2005	WIN News	Regional Review Dinner
18/04/2005	Western Advocate	Regional Review Dinner
18/04/2005	2BS- Bathurst	Regional Review Dinner
12/05/2005	Western Advocate	Budget
17/05/2005	ABC Radio	Reliance Credit Union Business Survey
17/05/2005	2BS - Bathurst	Reliance Credit Union Business Survey
17/05/2005	Prime News	Reliance Credit Union Business Survey
18/05/2005	WIN News	Mudgee Fluoridation
18/05/2005	Prime News	Reliance Credit Union Business Survey
19/05/2005	ABC Radio- Dubbo	Mudgee Fluoridation
15/06/2005	ABC Radio- Broken Hill	Reliance Credit Union Business Survey
22/06/2005	ABC Radio- Orange	Economic Impact Oberon Timber Industry
23/06/2005	ABC Radio- Orange	Economic Impact Oberon Timber Industry
4/07/2005	Financial Review	Prime Minister's Taskforce on Biofuels
1/08/2005	ABC Radio- State	Reliance Credit Union Business Survey
1/08/2005	ABC Radio- Central West	Reliance Credit Union Business Survey
1/08/2005	2DU Radio- Dubbo	Reliance Credit Union Business Survey
2/08/2005	2BS - Bathurst	Reliance Credit Union Business Survey
4/08/2005	Central Western Daily	Impact of CSU
4/08/2005	ABC Radio- Central West	Impact of CSU
4/08/2005	Wagga local paper	Impact of CSU
4/08/2005	Western Advocate	Impact of CSU
8/08/2005	Financial Review	Impact of CSU

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9/08/2005	Mudgee local paper	Bells Line Expressway
10/08/2005	Prime News	Lake Rowlands
22/08/2005	Prime News	Reliance Credit Union Business Survey
22/08/2005	ABC Radio- Central West	Reliance Credit Union Business Survey
23/08/2005	ABC Radio- State	Reliance Credit Union Business Survey
23/08/2005	WIN News	Reliance Credit Union Business Survey
24/08/2005	Western Advocate	Reliance Credit Union Business Survey
24/08/2005	Central Western Daily	Reliance Credit Union Business Survey
26/08/2005	ABC Radio- Dubbo	Orana Business Survey
26/08/2005	2DU Radio- Dubbo	Orana Business Survey
1/09/2005	WIN News	Petrol Prices
1/09/2005	ABC Radio- Dubbo	State of the Region Dinner
2/09/2005	ABC Radio- Dubbo	State of the Region Dinner
2/09/2005	Central Western Daily	Petrol Prices
21/09/2005	ABC Radio- Dubbo	Petrol Prices
23/09/2005	ABC Radio- Central West	Population losses in NSW
23/09/2005	Prime News	Prime Minister's Taskforce on Biofuels
26/09/2005	Prime News	Bells Line Expressway
22/10/2005	Barrier Daily Truth- Broken Hill Newspaper	Re-establish link with Broken Hill
7/11/2005	ABC Radio- Orange	Populate, propagate or perish comments
7/11/2005	ABC Radio	Reliance Credit Union Business Survey
7/11/2005	Prime News	Reliance Credit Union Business Survey
11/11/2005	Western Advocate	Bells Line Expressway
12/11/2005	Lithgow Mercury	Bells Line Expressway
12/11/2005	Lithgow Mercury	Bells Line Expressway
12/11/2005	Western Advocate	Bells Line Expressway
14/11/2005	ABC Radio- Dubbo	Orana Business Survey
14/11/2005	2DU Radio- Dubbo	Orana Business Survey
14/11/2005	Western Advocate	Reliance Credit Union Business Survey
14/11/2005	Western Advocate	Reliance Credit Union Business Survey
15/11/2005	Western Advocate	Bells Line Expressway
15/11/2005	Daily Liberal- Dubbo	Orana Business Survey
16/11/2005	Western Advocate	Bells Line Expressway
25/11/2005	Western Advocate	Inquiry focuses on the lack of skilled labour
8/12/2005	WIN News	Reliance Credit Union Business Survey
9/12/2005	Forbes Advocate	Reliance Credit Union Business Survey

STAFF

Tom Murphy



Chief Executive Officer—Tom Murphy holds the degrees of Bachelor of Economics with First Class Honours from the University of New England and Master of Science (Economics) from the University of Lancaster. Tom has 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. 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.

Julie Arthur



Community Economic Development Facilitator—Julie holds a Master of Education from Queensland University of Technology, a Bachelor of Education Studies from University of Queensland and a Diploma in Kindergarten Teachers College from Brisbane. Julie is an experienced academic with a credible research and publication record. She has held senior positions in academia and the public and private sectors, with a substantial track record in managing complex projects, involving community and professional viewpoints and consultation across diverse agencies. Julie brings strong skills in policy development, project management and reporting to her position as Community Economic Development Facilitator at WRI.

Kathy Sloan



Senior Research Officer—Kathy holds a Bachelor of Applied Science in Applied Geography from the University of Canberra and a Graduate Diploma in Information Systems from Charles Sturt University. Kathy was previously employed as the Planning Officer at Charles Sturt University and has worked in research positions in both the private and public sectors. Kathy is also currently employed as an Information Technology teacher at the Western Institute of TAFE.

Luciana Mazzotti



Senior Research Officer—Luciana holds a Bachelor of Business Marketing/Advertising from CSU and has recently completed a Bachelor of Business (First Class Honours). Luciana, with a background in marketing adds a new dimension to the WRI team. With her strong understanding of data analysis and ability to apply context to figures, she provides research direction to other team members. Luciana has experience in the retail, hospitality and advertising industries and brings a diverse range of skills to the WRI.

Amy Hawke



Research Assistant—Amy holds the degree of Bachelor of Business with First Class Honours and Bachelor of Business (Marketing/Human Resource Management) from CSU where she is also listed on the Dean's Merit List. She has had experience in the retail sector and in marketing research and is proficient in the use of QSR NVivo qualitative data analysis software. Amy's qualifications in research, marketing and human resource management offer valuable support to the WRI.

Karen Davidson



Research Assistant—Karen holds a Bachelor of Arts (Communication - Journalism) from CSU. In the past Karen has worked as a research assistant on various projects within the Faculty of Commerce at CSU. This included conducting literature reviews, presenting surveys to class groups, proof reading and organising focus groups. With experience in both print and broadcast journalism, Karen brings these research and communication skills to the WRI.

Professor David Goldney



Consulting Ecologist—David holds the degrees of PhD (Queensland) and D.Sc (Honoris causa— CSU). David has previously held the positions of visiting Professor at the University of Sydney Orange and Associate Professor of Charles Sturt University. He is a member of the editorial Board of the Journal of Landscape and Urban Planning and the Journal of Ecological Management and Restoration.

Sarah Medway



Administration Officer—Sarah has completed a Certificate III traineeship in Business Administration. She provides professional secretarial and administrative services for the Western Research Institute, and has advanced skills in accounting software MYOB. Sarah also has previous experience in the retail and health industries and has completed Certificate III in Fitness.

SERVICES OFFERED

- Analysis of regional economic issues
- Economic policy development
- Market structure and assessment
- Economic impact analysis
- Cost-benefit analysis
- Industry analysis eg: competitive advantage assessment
- Economic modelling
- Market research
- Project assessment
- Education and training programs
- Evaluation studies
- Feasibility assessments

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

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

WRI CONTACTS IN 2005

- Australian Paper
- Australian Pork Limited
- Australian Universities Community Engagement Alliance (AUCEA)
- Barwon Darling Alliance
- Bathurst Regional Council
- Bells Line Expressway Group
- BHP Billiton
- Blayney Shire Council
- Central Tablelands Water
- Central West Community College
- Central Western Regional Development Board
- Charles Sturt University
- Coonamble Shire Council
- Country Energy
- Delta Electricity
- Department of State and Regional Development

- Eurobodalla Health
- Illawarra Regional Information Service
- Mid- Western Regional Council
- Ministry of Transport
- Northern Oral Health Network
- Orana Regional Development Board
- Orange City Council
- Parkes Shire Council
- Reliance Credit Union
- Renewable Fuels Australia
- Resource Strategies
- TAFE NSW – Western Institute
- University of Technology
- V8 Supercars Australia Pty Ltd

SPONSORS

Adam Smith Level

Reliance Credit Union

John Maynard Keynes Level

TAFE NSW - Western Institute

CONSULTANCIES

Australian Pork—Socio-Economic Impacts of the Australian Pork Industry

Australian Paper—Economic Impact of Australian Paper on the Australian Economy

Barrick Australia—Environmental Consultancies

Bells Line Expressway Group—Socio-Economic Impact of the Bells Line Expressway

BHP Billiton—Economic Impact of BHP Billiton

Cadia Newcrest Mining—Environmental Consultancies

Central West Community College—Potential Job Seekers in Western NSW

Central Western Regional Development Board—Invest Central West Update

Central Western Regional Development Board—A Literature Review of how Industries have Managed Community Perceptions During a Demographic Change

Central Western Regional Development Board—Oberon Community Timber Industry Perception Survey

Central Western Regional Development Board—Economic Impact of Rural Subdivision and the Forestry Industry with particular reference to the Central Tablelands region and the Oberon Shire of NSW

Central Western Regional Development Board and Lachlan Region Shire Councils—Tertiary Education in and for the Lachlan Learning Region of New South Wales

Charles Sturt University—Economic Impact of Charles Sturt University

Charles Sturt University—Student Survey Analysis

Delta Electricity—Delta Electricity Community Survey

Department of State and Regional Development—Community Partnerships Program

Eurobodalla Health—Evolving Evaluation Framework

Mid-Western Regional Council—Economic and Social Profile

Mid-Western Regional Council—Input Output Model

Mid-Western Regional Council—Industry Growth Analysis

Mid-Western Regional Council—Fluoridation Survey of Mudgee and Gulgong Townships

Mid-Western Regional Council—Economic Impact of Wipinjong Mine

Northern NSW Oral Health Network—Fluoridation Survey

NSW Farmers Association—Importance of Agriculture to Australia

NSW Ministry of Transport—Bathurst Bus Survey

Orana Regional Development Board—Orana Business Survey

Reliance Credit Union—Reliance Credit Union Business Survey

Renewable Fuels Australia—Establishing a future for Renewable Fuels in Australia

TAFE NSW, Western Institute—TAFE Enterprise Learning Survey

TAFE NSW, Western Institute—Economic Impact of TAFE NSW Western Institute

The University of Technology—Asian Business Lectures

V8 Supercars Australia Pty Ltd—Super Cheap Auto 1000 Survey

BOARD OF DIRECTORS

Mr Peter Batten—President

Director Educational & Student Support
TAFE NSW, Western Institute

Mr Michael Milston—Vice President

Director Human Services, Economic Development
Orange City Council

Professor John Hicks—Secretary

Dean, Faculty of Commerce
Charles Sturt University

Mr Sandy Morrison—Treasurer

Chairman
Central Western Regional Development Board

Councillor Marion Browne—Director

Representative of the Far West

Councillor Margaret Collins—Director

Collins Transport
Lithgow City Council

Ms Joanne Cuming—Director

Regional Development Manager
Country Energy

Mr Ian Davison—Director

Country Advertising Agency Pty Ltd

Ms Juliet Duffy—Director

Executive Officer
Orana Regional Development Board

Associate Professor Greg Walker—Director

Head of School, Marketing and Management
Charles Sturt University

ASSOCIATES

- Associate Professor Geoff Bamberly, BA Dip Public Admin QLD, MA Sus
- Mr Pat Bradbery, DipEd Mitchell CAE, Dip RE S Aust CAE, BSc MBA NSW, MACS
- 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
- Associate Professor Denise Jarratt, BPharm Syd, MCom NSW, PhD NE, MAMS
- Dr Hailu Kidane, BSc Mak, MSc Nair, PhD Hanover
- Mr Terry Larkin, BEc (Syd), MA (Harvard), MPA (Harvard)
- Ms Julia Lynch, BAgSc QLD, GDipEc MEc NE
- Dr Mark Morrison, BEc Macq, PhD NSW
- Associate Professor Eddie Oczkowski, EA, MEc ANU, BEc PhD La Trobe
- Mr Hazbo Skoko, BBusSc Podgorica (Montenegro), MSc Belgrade
- Dr Kishor Sharma, PgDipMgt Iml, MEc TUNepal, PhD La Trobe
- Associate Professor Greg Walker, MCom DipEd NSW, PhD Macq
- Associate Professor Guy West, BEcon (Hons I), MEc. Stud, PhD (UQ)

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2005

	NOTE	2005 \$	2004 \$
Revenues from ordinary activities	2	736,800.38	740,588.75
Expenses from ordinary activities, excluding borrowing costs	2	659,180.27	668,993.16
Surplus from ordinary activities before income tax		77,620.11	71,595.59
Income tax relating to ordinary activities	3	-	-
Surplus from ordinary activities after related income tax		77,620.11	71,595.59
Net surplus		77,620.11	71,595.59
Total changes in equity other than those resulting from transactions with owners as owners		77,620.11	71,595.59

The accompanying notes form part of these financial statements.

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash	15	328,067.41	301,951.02
Receivables	4	112,946.59	79,648.82
Other	7	472.00	1,000.00
TOTAL CURRENT ASSETS		441,486.00	382,599.84
NON-CURRENT ASSETS			
Investments	5	10.00	10.00
Property, plant and equipment	6	15,150.03	16,415.03
TOTAL NON-CURRENT ASSETS		15,160.03	16,425.03
TOTAL ASSETS		456,646.03	399,024.87
CURRENT LIABILITIES			
Payables	8	1,208.96	8,344.72
Provisions	9	8,735.80	25,570.99
Other	10	21,329.00	17,357.00
TOTAL CURRENT LIABILITIES		31,273.76	51,272.71
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		31,273.76	51,272.71
NET ASSETS		425,372.27	347,752.16
EQUITY			
Accumulated Funds		425,372.27	347,752.16
TOTAL EQUITY		425,372.27	347,752.16

The accompanying notes form part of these financial statements.

WESTERN RESEARCH INSTITUTE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005

	NOTE	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from funding bodies and clients		683,580.42	731,096.01
Payments to suppliers and employees		(670,885.22)	(662,961.10)
Interest Received (Net)		19,922.19	10,039.74
Net cash provided by (used in) operating activities	15(b)	32,617.39	78,174.65
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(6,501.00)	(6,739.82)
Payment for investments		-	(10.00)
Net cash used in investing activities		(6,501.00)	(6,749.82)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of borrowings		-	-
Net cash used in financial activities		-	(254.53)
Net increase in cash held		26,116.39	71,170.30
Cash at beginning of year		301,951.02	230,780.72
Cash at End of Year	15(a)	328,067.41	301,951.02

The accompanying notes form part of these financial statements.

WESTERN RESEARCH INSTITUTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report has been prepared for use by the directors and members of the company and is a special purpose financial report. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards;

AAS 5 Materiality

AAS 8 Events Occurring After Reporting Date

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and except where stated does not take into account changing money values or current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report for Western Research Institute Limited;

(a) Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees but unpaid as at balance date. Employee benefits expected to be settled within one year and benefits arising from wages & salaries, sick leave and annual leave which will be paid after one year have been measured at the amount expected to be paid when the liability falls due, plus any associated on-costs. Other benefits payable later than one year are measured at the present value of the estimated future cash outflows for those benefits. No provision for long service leave has been made as no employee is presently entitled.

Contributions made to employee superannuation funds are charged as expenses when incurred.

The company does not record, as an asset or liability, the difference between the employer established defined superannuation plan's accrued benefits and the net market present value of the plans assets.

(b) Property, plant and equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. Excluding freehold land, all assets are depreciated over their useful lives to Western Research Institute Limited.

(c) Investments

Investments are stated at cost or directors' valuation. Dividends are brought to account in the Profit & Loss Statement when received.

(d) **Leases**

Where substantially all the risks and benefits incidental to the ownership of a leased fixed asset, but not the legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised as an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value is brought to account. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the lease interest expense for the period and the reduction of the lease liability. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) **Research & Development**

Research & Development costs are charged to profit from ordinary activities before tax as incurred and deferred where it is expected beyond any reasonable doubt recovery of the deferred amounts can be made from future benefits derived.

Deferred expenditure is amortised, once production has commenced, on a straight line basis over the term during which the related benefits of the Research & Development are expected to be realised.

WESTERN RESEARCH INSTITUTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
2. OPERATING SURPLUS		
Operating surplus before income tax has been determined after:		
(a) Charging as expense		
Movements in Provisions		
Depreciation of property, plant and equipment	7,766.00	9,129.00
Amortisation of non-current assets		
- Capitalised leased assets	-	229.00
Auditor's Remuneration		
- Audit	4,017.00	3,900.00
- Other Services	6,915.57	3,164.52
(b) Crediting as income		
Interest Received	19,922.19	10,039.74
3. INCOME TAX EXPENSE		
The company is exempt from income tax under the Income Tax Assessment Act 1997 (as amended)		
4. RECEIVABLES		
Current		
Trade Debtors	112,946.59	79,046.92
Other Debtors - ATO	-	601.90
	112,946.59	79,648.82
5. INVESTMENTS		
Non-Current		
Share in Reliance Credit Union	10.00	10.00
	10.00	10.00

WESTERN RESEARCH INSTITUTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
6. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment		
Office Equipment - at Cost	46,375.86	39,874.86
Less: Accumulated Depreciation	35,167.00	28,463.00
	11,208.86	11,411.86
Office Furniture & Fittings - at Cost	9,596.15	9,596.15
Less: Accumulated Depreciation	5,724.00	4,763.00
	3,872.15	4,833.15
Software - at Cost	27,848.87	27,848.87
Less: Accumulated Depreciation	27,781.00	27,680.00
	67.87	168.87
Plant and Equipment under Lease	17,933.15	17,933.15
Less: Accumulated Amortisation	17,932.00	17,932.00
	1.15	1.15
Total Plant & Equipment	15,150.03	16,415.03
7. OTHER		
Current		
Prepayments	472.00	1,000.00
	472.00	1,000.00
Non-Current		
Research & Development Expenditure - at cost	58,885.58	58,885.58
Less Accumulated Amortisation	(58,885.58)	(58,885.58)
	-	-
8. PAYABLES		
Current		
Trade Creditors	1,208.96	8,344.72
	1,208.96	8,344.72
9. PROVISIONS		
Current		
Provision for Annual Leave	-	13,327.55
Provision for Superannuation	41.80	3,961.17
Provision for PAYG Withholding	8,694.00	8,282.27
	8,735.80	25,570.99

WESTERN RESEARCH INSTITUTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
10. OTHER		
Current		
Income in Advance	8,137.00	8,137.00
GST Payable	13,192.00	9,220.00
	21,329.00	17,357.00

11. MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 towards any outstanding obligations of the company. At 31 December 2005, the number of members was ten.

12. ECONOMIC DEPENDENCY

The operations of the company are currently dependent on the financial support of its funding bodies. During 2005 the funding bodies were:
 - Charles Sturt University

Special arrangements are in place between WRI and Charles Sturt University for the payment of wages for the CEO, Mr Tom Murphy. Charles Sturt University subsidises the costs of the premises and utilities. The economic cost of these subsidies has not been fully quantified.

13. CORPORATE STRUCTURE

The enterprise was originally incorporated under the NSW Associations Incorporations Act on 6 November 1998. On 22 October 1999, the enterprise changed its structure to that of a Public Company Limited by Guarantee and is now governed by Corporations Law.

14. COMPANY DETAILS

The registered office of the company is:

Western Research Institute Limited
 Charles Sturt University
 Research Station Drive
 Bathurst NSW 2795

The principal place of business is:

Western Research Institute Limited
 Charles Sturt University
 Research Station Drive
 Bathurst NSW 2795

WESTERN RESEARCH INSTITUTE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
15. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year is now reconciled to the related items in the Balance Sheet as follows:		
Cash at Reliance Credit Union	327,809.10	299,894.66
Cash at the National Australia Bank	-	1,865.70
Cash on Hand	258.31	190.66
	328,067.41	301,951.02
(b) Reconciliation of Cash Flow from Operations with Operating Surplus after Income Tax		
Operating Surplus after Income Tax	77,620.11	71,595.59
Amortisation	-	229.00
Depreciation	7,766.00	9,129.00
Changes in Assets and Liabilities		
Increase in trade and other debtors	(33,297.77)	(8,901.24)
Decrease/(Increase) in prepayments	528.00	(250.00)
Write down of investments	-	100.00
Decrease in trade creditors	(7,135.76)	(4,864.42)
Increase in income in advance	-	547.00
(Decrease)/Increase in accrued expenses	(16,835.19)	3,680.72
Increase in GST payable	3,972.00	6,909.00
Cash Flow from Operations	32,617.39	78,174.65

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2005

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - b) give a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director



Director

Dated this 8th day of March 2006

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED

ACN 090 089 991

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE WESTERN RESEARCH INSTITUTE

Scope

We have audited the financial report, being a special purpose financial report of Western Research Institute Limited for the year ended 31 December 2005, comprising the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Cash Flow Statement and Notes to the Financial Statements. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Western Research Institute Limited. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, included in the financial report, has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Western Research Institute Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with the Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements to the extent described in Note 1.



Graff Paul Parnell
Chartered Accountants
107 Bentick Street
Bathurst NSW 2795



Len Graff

Dated this 8th day of March 2006

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED

ACN 090 089 991

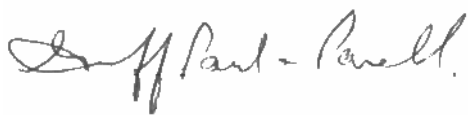
COMPLICATION REPORT

Scope

On the basis of information provided by the directors, we have compiled in accordance with APS 9 "Statement on Compilation of Financial Reports" the special purpose financial report of the company for the period ended 31 December 2005 as set out in the financial statements.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have not or have been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report. They have determined that the accounting policies used are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members and directors of the company.



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

Dated this 8th day of March 2006



Tim Parnell CA BBus

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005

Your Directors present their report on the company for the year ended 31 December 2005.

The following persons held office of director during the year and at the date of this report:

Peter John Batten	Marion Heath Browne
Margaret Mary Collins	Michael Grouse Milston
Maxwell Hanrahan	John Robert Llewellyn Hicks
Juliet Duffy	Ian Davison
Greg Walker	Joanne Cuming
Sandy Morrison	

The surplus of the company for the financial year amounted to \$77,620.12.

There have been no significant changes in the state of the company's affairs during the financial year.

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

There have been no significant changes in the nature of these activities during the year.

No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the company's operations, the results of those operations or the state of affairs of the company in subsequent financial years.

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

As the company is a non-profit organisation with no share capital, the payment of dividends is not permitted by the company's constitution.

No options over interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS' PARTICULARS

	YEARS AS DIRECTOR	NO. MEETINGS ATTENDED	NO. MEETINGS HELD
Peter John Batten	6	5	5
Marion Heath Browne	5	5	5
Margaret Mary Collins	1	4	5
Ian Davison	4	4	5
Maxwell Hanrahan	7	1	5
Juliet Duffy	1	5	5
John Robert Hicks	7	-	5
Michael Grouse Milston	5	4	5
Joanne Cuming	3	4	5
Greg Walker	3	4	5
Sandy Morrison	3	4	5

DIRECTORS' BENEFIT

Since the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Accounts or the fixed salary of a full time employee of the Company or of a related corporation) by reason of a contract made by the company or related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Director



Director

Dated this 8th day of March 2006

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE WESTERN RESEARCH INSTITUTE

I declare that, to the best of my knowledge and beliefs, during the year ended 31 December 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graff Paul Parnell
Chartered Accountants
107 Bentick Street
Bathurst NSW 2795



Len Graff

Dated this 8th day of March 2006

These notes should be read in conjunction with the attached Compilation Report

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
INCOME		
Grants & Funding	137,214.60	202,238.76
Consulting	572,427.26	517,246.74
Sponsorship	5,000.00	5,000.00
Regional Business Review Dinner	1,136.33	1,849.98
Employee Contributions- FBT	-	4,213.53
Membership Fees	1,100.00	-
Interest Received	19,922.19	10,039.74
	736,800.38	740,588.75
EXPENDITURE		
Advertising	578.77	146.65
Amortisation	-	229.00
Auditor's Remuneration		
Audit Fees	4,017.00	3,900.00
Other Services	6,915.57	3,164.52
Bank Charges	2,023.43	764.92
Cleaning	2,954.55	913.60
Computer Costs	1,005.85	10,961.37
Contract Work - Projects	58,528.85	54,236.81
Depreciation	7,766.00	9,129.00
Electricity	2,954.54	1,818.18
Entertainment	4,620.01	2,107.92
Insurance	3,365.67	3,662.06
Internet Fees	-	92.70
Leasing Charges	-	11,471.35
Minor Office Equipment	-	2,946.78
Newspapers & Magazines	410.37	-
Postage	3,350.06	2,628.89
Printing, Stationery & Office Supplies	13,234.58	9,924.48
Regional Business Review Dinner	-	2,367.82
Rent	7,272.72	7,272.72
Repairs & Maintenance	50.00	-

The accompanying notes form part of these financial statements.

These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
Research & Development	2,067.73	-
Resources	1,373.45	3,164.33
Staff Training & Welfare	5,261.83	9,104.08
Sundry Expenses	580.29	1,183.24
Subscriptions	3,714.55	1,416.23
Telephone	6,393.60	5,708.83
Travelling - Local	16,733.83	22,596.80
Traveling – Overseas	879.87	-
Traveling – Environmental Consultants	28,249.17	-
Wages, Salaries and on costs - WRI Staff	208,621.47	348,774.56
Wages, Salaries and on costs - CSU Staff	153,898.54	149,306.32
Wages, Salaries and on costs	-	-
WRI Environmental Consultant Staff	112,357.97	-
	659,180.27	668,993.16
OPERATING SURPLUS BEFORE INCOME TAX	77,620.11	71,595.59
Income Tax Expense	-	-
OPERATING SURPLUS AFTER INCOME TAX	77,620.11	71,595.59
Accumulated Funds - Beginning of Year	347,752.16	276,156.57
ACCUMULATED FUNDS AT 31 DECEMBER 2005	425,372.27	347,752.16

The accompanying notes form part of these financial statements.

These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.

WESTERN RESEARCH INSTITUTE LIMITED
ACN 090 089 991
BALANCE SHEET
AS AT 31 DECEMBER 2005

	2005	2004
	\$	\$
SHARE CAPITAL AND RESERVES		
Paid Up Capital		
Accumulated Funds	425,372.27	347,752.16
TOTAL SHARE CAPITAL AND RESERVES	425,372.27	347,752.16
Represented By:		
CURRENT ASSETS		
Cash at National Australia Bank	-	1,865.70
Petty Cash	258.31	190.66
Cash at Reliance Credit Union	327,809.10	299,894.66
Trade Debtors	112,946.59	79,046.92
Other Debtors	-	601.90
Prepayments	472.00	1000.00
	441,486.00	382,599.84
NON CURRENT ASSETS		
Office Equipment - at Cost	46,375.86	39,874.86
Less: Accumulated Depreciation	35,167.00	28,463.00
	11,208.86	11,411.86
Office Furniture & Fittings - at Cost	9,596.15	9,596.15
Less: Accumulated Depreciation	5,724.00	4,763.00
	3,872.15	4,833.15
Software - at Cost	27,848.87	27,848.87
Less: Accumulated Depreciation	27,781.00	27,680.00
	67.87	168.87
Plant and Equipment under Lease	17,933.15	17,933.15
Less: Accumulated Amortisation	17,932.00	17,932.00
	1.15	1.15
Research & Development Expenditure - at cost	58,885.58	58,885.58
Less Accumulated Amortisation	58,885.58	58,885.58
	-	-
	15,150.03	16,415.03

The accompanying notes form part of these financial statements.

These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.

WESTERN RESEARCH INSTITUTE LIMITED**ACN 090 089 991****BALANCE SHEET****AS AT 31 DECEMBER 2005**

	2005	2004
	\$	\$
INVESTMENTS		
Shares in Reliance Credit Union	10.00	10.00
	10.00	10.00
TOTAL ASSETS	456,646.03	399,024.87
CURRENT LIABILITIES		
Trade Creditors	1,208.96	8,344.72
Provision for Annual Leave	-	13,327.55
Provision for Superannuation	41.80	3,961.17
Provision for PAYG Withholding	8,694.00	8,282.27
Provision for GST	13,192.00	9,220.00
Income in Advance	8,137.00	8,137.00
	31,273.76	51,272.71
TOTAL LIABILITIES	31,273.76	51,272.71
NET ASSETS	425,372.27	347,752.16

The accompanying notes form part of these financial statements.

These financial statements have not been subject to audit or review and should be read in conjunction with the attached Compilation Report.