



Department of Land Information
Government of Western Australia

06

dli annual report





Hon Michelle Roberts MLA

Minister for Housing and Works; Consumer Protection; Heritage; Land Information

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Land Information for the year ended 30 June 2006.


The report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

The Department's Annual Report is being presented in four sections:

 a report on operations – including the Department's achievements;

 key performance indicators;

 financial statements; and

 a report on governance and statutory information.



Grahame Searle
Chief Executive
Department of Land Information

13 September 2006

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chief executive's foreword



In last year's annual report I noted the specific impact of the ongoing Western Australian property boom upon the Department of Land Information (DLI). Demand for land and property information had increased on a massive scale – this year the trend has continued.

As our resource-led economy continues to surge ahead, demand for the Department's services has also gained momentum. By providing essential land information and administration services, DLI is helping drive the State's fortunes forward, both overseas and at home. This Department is actively providing practical support to assist the continued expansion of our economy - enriching and benefiting the lives of all Western Australians.

Despite the additional demands placed upon this Department by the property boom, and our rapidly expanding interests, it continues to be 'business as usual' for DLI.

Staff continued to demonstrate their ability and commitment to get the job done - and done well. This dedication to the pursuit of excellence is demonstrated by the multitude of achievements accumulated by DLI throughout 2005/2006.

Much has been written about the economic importance of Western Australia's relationship with China, the State Government is actively pursuing ties with this part of the world in an endeavour to facilitate new trade agreements. Earlier this year I travelled to China at the invitation of the Vice Minister for China's Ministry of Land and Resources. While I was there DLI signed two separate Memorandums of Understanding with the Chinese Government - one with the Hunan Department of Land and Resources and the other with the Chinese Academy of Agricultural Sciences.

It was an amazing opportunity to see first hand the potential DLI has to expand the scope of its international consultancy services. The prospects for our products and services to succeed in this new and expanding market are almost unlimited. It is fair to say that DLI is keen to establish strategic links with China in order to facilitate significant long term benefits to our State.

When I say that this has been a particularly busy year for DLI, I am not exaggerating. The property boom has created unprecedented levels of demand across the agency particularly for its land registration and titling services.

Unsurprisingly DLI has recorded its highest ever level of document lodgements this past financial year.

A total of 469,120 documents relating to the buying and selling of property passed through this Department in the 2005/2006 financial period; this represents a 15.5% increase on the previous record of 406,225 set during 2004/2005.

A staggering \$55.1 billion of mortgages were secured by DLI's registration system - a 22% increase on the previous year's figure of \$45 billion. There was also a massive increase in land transfers - 121,684 were recorded this year, an increase of 13 % from the previous year and representing \$41 billion in the value of properties transferred.

The total number of new lots created in 2005/2006 rose to 34,720 - 12% higher than last year.

The figures speak for themselves.

Closer to home, one of our major accomplishments for the year was the introduction of Land Enquiry. This innovative new service allows land professionals, such as conveyancers, the ability to search for land ownership and information details, and to order land-related information, including title searches, survey plans and documents online.

Land Enquiry, which has taken years of planning to create, has been enthusiastically received by the property industry. It offers customers a 24 hour a day, seven day a week service, which fundamentally changes the traditional way property is bought and sold. With the click of a mouse property information is now available to view any time of the day or night, creating greater scope and flexibility for all our account customers.

Our belief in the superiority of the new system was verified in March when Land Enquiry won the Online Category of the 15th Western Australian Information Technology and Telecommunications Awards (WAITTA) for 2005.

chief executive's foreword

Often DLI's success stories take place behind-the-scenes, so it's always nice to be publicly acknowledged for our efforts. That's exactly what happened at this year's Premier's Awards with our agency notching up two awards.

DLI's free national online fire detection service, FireWatch, was named the overall winner of the 'regions' category. This award-winning service is provided by our Satellite Remote Sensing Services (SRSS) team who use satellite technology to create a diverse range of satellite images that can be delivered in 'near real' time – alerting people to the active danger of burning fires. This potentially life-saving service is proving especially relevant to Western Australians living in rural and isolated communities.

While FireWatch reflects our ongoing commitment to our customers, DLI was also a finalist in the 'governance' category for its new Code of Conduct, commonly known as our Values and Behaviours Project. It reflects the six most important values and behaviours as determined by DLI staff. Significantly, our values and behaviours are included in our Strategic Plan for 2005-2010, reinforcing how important it is for the agency to have strong leadership and governance.

Of course, no reflection of the Department's achievements for the year would be complete without mentioning the excellent progress of the Shared Land Information Platform (SLIP). DLI is leading the charge towards an online e-Government future by ensuring that the development and implementation of the online SLIP environment and construction of the enabling framework gathers momentum. This ground-breaking project will soon deliver real time access to spatial information across all levels of government, business and the community.

In the past nine months a number of significant milestones within each of the project's four focus areas have been reached. These include the successful establishment of a 'live' connection between DLI, seven agencies and the SLIP test lab. An interactive version of the Register of Interests application has also been developed into a working prototype that is now being tested by selected focus groups.

In the midst of all this activity, DLI continues to prepare for its transition into a Statutory Authority with commercial powers.

I can confidently report that DLI is close to completing the final arrangements necessary to achieving this goal. The State Government has always been supportive of DLI's intentions; this was confirmed this year by Cabinet's unconditional support for the printing of the final draft of the Western Australian Land Information Authority Bill 2006.

The launch of the new Statutory Authority is expected to take place on 1 January 2007, subject to the progress of the Bill through Parliament.

In January 2006, our new Minister, the Honourable Michelle Roberts MLA announced the appointment of retired parliamentarian, Monty House, as Chairman of DLI's Transition Advisory Committee.

The Committee, which has been set up to help the Department establish the new Authority, is already benefiting from Mr House's knowledge and experience. Mr House, who has enjoyed a long and distinguished career in public service, is a most welcome addition to the DLI "community".

This past year has been one of innovation, expansion and growth. At DLI we continue to investigate new and better ways of bringing our business of land information to the local and international stage. We have put in motion the essential changes necessary for DLI to become a 21st century model organisation providing world-class land information.

I am thankful and privileged to be surrounded at DLI by people who are not afraid to go out of their comfort zones to achieve great things. The results that have been achieved this year give a real indication about the quality and calibre of the people working at DLI.

This is an incredibly fascinating period in the history of the Department. We are well and truly in the process of implementing far-reaching changes to the way in which the business of land information is conducted in Western Australia.

Our achievements have continued to grow over this past year, reflecting the agency's progressive "can-do" attitude and also its deep-seated commitment to serving the public to the very best of its ability. We continue to build towards a future where land information knows no bounds.

report on operations executive summary

Profile

Mission

DLI is committed to providing access to land information anywhere, anytime to promote a strong and sustainable Western Australia. We are a lead information provider in the knowledge economy known for our integrity, ingenuity and excellence.

Vision

A future where the use of land information knows no bounds.

Stakeholders

As well as providing products and services that benefit the entire community, the Department of Land Information supplies specialist information to customer groups including:

- Conveyancers and settlement agencies;
- financial institutions;
- land developers;
- legal professionals;
- local governments and other government agencies;
- mining and exploration industries;
- pastoralists, farmers and all other rural enterprises;
- real estate agents, valuers and land economists;
- State, Commonwealth and global agencies;
- surveyors, cartographers, spatial and GIS users;
- tourism and recreation industries; and
- educational groups and training specialists.

Operating Environment

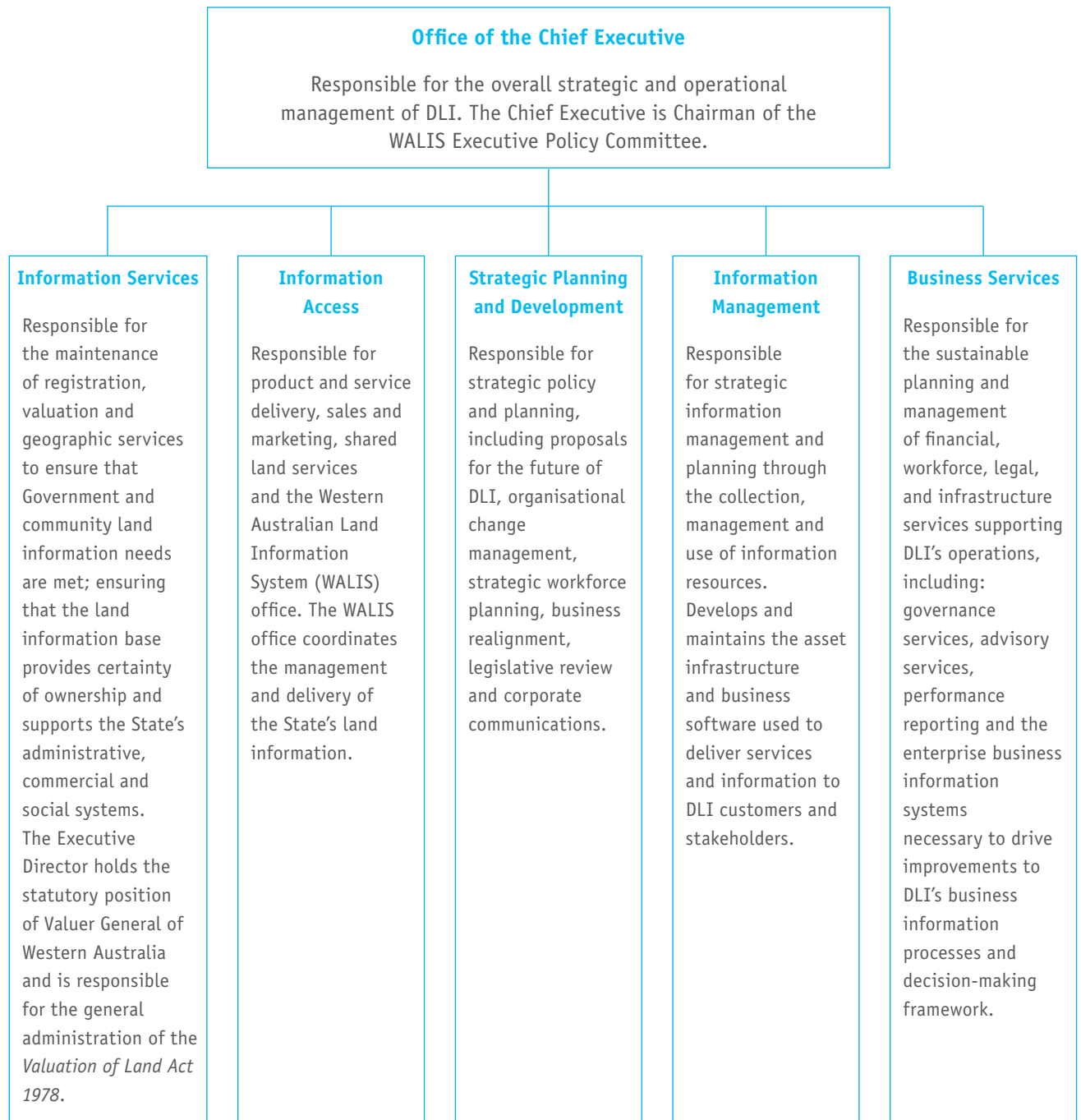
Contrary to national trends, in 2005/2006 Western Australia continued to experience substantial growth within its property market. This sustained high level of activity, combined with a booming economy, has reinforced the strong ongoing demand for DLI's core services - document lodgement, title registration, land boundary, geospatial and valuation services.

The Department plays a pivotal role in the economic development of Western Australia by ensuring that key aspects of the State's land administration requirements are addressed. DLI is responsible for the successful implementation and administration of much of this State's land information. The provision of a secure system of land ownership is essential to the continued growth and prosperity of Western Australia.

Throughout 2005/2006 DLI made strong progress in its preparation to become a statutory authority with commercial powers - the Department is committed to delivering a financially sustainable, world-class service to stakeholders, the Government and people of Western Australia.

report on operations executive summary

Structure



report on operations executive summary

Corporate Executive



Grahame Searle
– Chief Executive

Grahame Searle has qualifications in business and a strong background in information technology, particularly in the integration of computer systems for customer service delivery.

He has managed information

technology projects for Victoria's Land Registry; the Museum of Victoria; the Registry of Deaths, Births and Marriages; and Survey and Mapping Victoria. In 1997, he held the position of Director of Victoria's Title Registration Services, before joining DLI in 1998. For two years, he worked as Director Service Delivery, before acting as Chief Executive until being officially appointed in this role in June 2004. Mr Searle's term of appointment is five years.



Giles Nunis
– Executive Director,
Information Access

Giles Nunis has a Bachelor of Business Degree. He has substantial experience in managing complex IT projects and systems, across both the Government and private sectors.

At the Department of Justice

he was the Director of Courts Development, responsible for a range of strategic business activities including state-wide customer services, technology, business planning, financial management and business performance. Later in his career he joined a technology consulting company as a principal consultant. This involved a move to the eastern states where he worked on large technology projects in Sydney and Canberra. Giles was appointed to DLI in March 2005.



Meg Somers
– Executive Director, Strategic
Planning and Development

Meg Somers holds a Bachelor of Business Degree and has wide ranging skills including strategic planning, finance, administrative law and human resources. Meg joined DLI ten years ago as a Manager, initially in Workforce

Planning and then Strategic Human Resources. She has been involved in successful changes to workplace agreements, a Department restructure, the development of policies and change management strategies and workforce realignment. In her current position, Meg has provided a clearly articulated strategic direction to lead the Department in its transition towards a Statutory Authority.



Paul Whyte
– Executive Director, Business
Services

Paul Whyte has held various government positions throughout his career including being an adviser to the Western Australian Treasury Corporation. Most recently he has served as DLI's Principal Policy Officer,

responsible for preparing the Business Plan for the proposed Statutory Authority and the Capital Investment Plan. He joined DLI (known then as DOLA) during its amalgamation with the Valuer General's Office (VGO) in 2001. At VGO, Paul was the Corporate Manager of Valuation Services and a member of the Corporate Executive. Paul holds a Bachelor of Commerce Degree and has a Masters in Business Administration, he is also a Certified Practising Accountant.

report on operations executive summary



Gary Fenner
– Executive Director,
Information Services

Gary Fenner has tertiary qualifications in agriculture and valuation, and a Bachelor of Business Degree. He has over 35 years experience in the property industry including the positions of Chief Valuer

Country, Chief Valuer Metropolitan and has held the position of Valuer General for the last six years. Gary has been an elected board member of the Australian Property Institute (API) for the past nine years. He is also Chairman of the API's Legislation Review Committee; a member of the Curtin University Advisory Committee for Property Studies and is a member of the Property Education Foundation.



Andrew Burke
– Executive Director,
Information Management

Andrew Burke is an engineer with a varied background in both the public and private sectors including operational management, policy and planning roles. He has a Masters in Business Administration

and is a graduate of the Australian Institute of Company Directors. In 1990, Andrew led a taskforce to develop a strategy to integrate and improve access to the State's land information. He was subsequently appointed Director, WA Land Information System in 1990. His next position was within DLI as Acting Director of Land Information and Administrative Services - a position he held until taking up his current role.

report on operations financial summary

Operating Revenue

In 2005/06 revenue exceeded the previous year by \$7.7m (10.26%) mainly due to the buoyant property market.

Cost of Services

Expenses increased by \$10.2m – due to the very active property market (\$6.6m) the Shared Land Information Platform initiative (\$1.3m) and the new International Financial Reporting Standards (\$2.3m). The new Standards require some previously classified capital expenditure payments to be treated as operating expenses.

Capital Expenditure

Capital expenditure during 2005/06 was over \$11m. The majority of this investment continued to be in the Department's e-business initiative and to build the business infrastructure required to support both this initiative and existing business arrangements. There was significant investment made in the development of the Shared Land Information Platform and the implementation of the Land Enquiry system.

Financial Summary

	2005 (\$'000)	2006 (\$'000)
Cost of Services		
Operating Expenses	92,788	102,977
Operating Revenue	74,730	82,394
Net Cost of Services	18,058	20,583
Statement of Financial Position		
Total Assets	74,563	90,107
Total Liabilities	18,658	21,880
Total Equity (Net Assets)	55,905	68,227

report on operations outcomes summary

Quantity Measures	Actual 2003/2004	Actual 2004/2005	Target 2005/2006	Actual 2005/2006
Land registration actions	1,979,902	2,042,270	1,909,872	2,332,920
Land information actions	n/a	658,733	610,858	695,161
Valuations completed	1,522,666	1,408,087	1,135,527	1,164,481
WALIS Key Result Areas	6	6	6	6

Unit Cost Measures	Actual 2003/2004	Actual 2004/2005	Target 2005/2006	Actual 2005/2006
Land registration actions	\$24.36	\$25.30	\$28.13	\$25.39
Land information actions	n/a	\$32.04	\$37.69	\$34.81
Valuations completed	\$11.19	\$12.82	\$15.72	\$15.47
WALIS Key Result Areas	\$258,500	\$285,833	\$271,667	\$254,167

report on operations contribution to Government objectives

The Department of Land Information is committed to contributing to the “Better Planning: Better Services” framework and pursuing the State Government’s vision for Western Australia. The five strategic goals identified within this framework are reflected within DLI’s own Strategic Plan and demonstrated by the services it delivers.

Economy - DLI directly contributes to the economy of Western Australia by providing a secure and rigorously administered titling and valuation system which serves to underpin the land and property markets, as well as the State’s rating and taxing base. The Department is constantly exploring new ways in which to expand its services to better meet the needs of both business and government. Accomplishments in this area are detailed in the Achievements section of the annual report.

Governance - DLI contributes to good governance within the State Public Service through its adherence to government policies promoting transparency, fairness and access for all. The achievements in this area, and compliance with mandated policies, are detailed in the Governance and Statutory Information section of the annual report.

People and Communities - DLI is contributing to the people and communities goal by building a capable, enterprising and engaged workforce, and supporting individual opportunities to contribute to the community. The Department’s accomplishments in this area can be found in the Achievements section of the annual report.

The Environment - DLI contributes to the environment of Western Australia by providing government, business, community groups and individuals with access to important land information. Increased accessibility to land information via the use of online technology is supporting environmental sustainability and effective land management which benefits all citizens. The Department’s accomplishments in this area can be found in the Achievements section of the annual report.

The Regions - DLI contributes to the regions of Western Australia by actively pursuing the aim of its mission statement - to provide land information that knows no bounds. In particular, the Department’s development of satellite technology is assisting those living in rural and isolated areas to become better and more strategically informed about climatic and geographic indicators that may impact upon their communities, environment and livelihoods. Accomplishments in this area are detailed in the Achievements section of the annual report.

report on operations achievements

The Economy

Record transactions

Western Australia's robust property market continued to grow strongly in 2005/2006. Over the course of this past financial year DLI has seen every property lodgement record broken.

A total of 469,120 documents relating to the buying and selling of property passed through DLI, this represents a 15.5% increase on the previous record of 406,225 set in 2004/2005.

A staggering \$55.1 billion of mortgages were secured by the registration system; a 22% increase on the previous year's figure of \$45 billion. Land transfers totaled 121,684 – an increase of 13% from the previous year. The total value of land transfers was a huge \$41 billion.

The total number of new lots created in 2005/2006 rose to 34,720 – 12% higher than last year.

Award winning Land Enquiry is launched

In October 2005 DLI launched Land Enquiry – an innovative new system that allows land and property searches in WA to be delivered via the internet.

Land Enquiry provides land professionals with the ability to search for land ownership and information and order land-related information, including title searches, survey plans and documents online. Searches can be ordered 24 hours a day, seven days a week. The implementation of this system enabled DLI to decommission the last of its mainframe-based systems and the outmoded, direct dial equipment and methods that have ably served the needs of its land industry customers for the past 15 years.

On average 850 organisations and 1,300 users access Land Enquiry every day, generating daily revenue of \$72,000 - this level of usage is unprecedented for a specialist industry portal operated by the WA State Government.

Since its launch, Land Enquiry has won the Online Category of the 15th Western Australian Information Technology and Telecommunications Awards (WAITTA) for 2005.

New StreetSmart Maps

DLI produced three new StreetSmart touring maps during the year. The new additions to this highly successful range of maps included the Wine map, the Perth and South West map and the Perth Day Tripper map.

The Day Tripper was added to the touring map range to encourage tourism in the Experience Perth region. Produced with funding assistance from Experience Perth, the map provides information on 10 unique day trips from Perth. It covers an area north to New Norcia, east through the Avon and Chittering Valleys and south to Rockingham and out to Serpentine-Jarrahdale. The map provides tourists with route directions and highlights places and items of interest along the way.

International Services exports expertise to China

International demand for the Department's consultancy services continued to grow in 2005/2006. At the invitation of the Vice Minister for China's Ministry of Land and Resources (MLR) DLI's Chief Executive, Grahame Searle, led a technical mission to China in late April 2006. This successful undertaking resulted in DLI signing two separate Memorandums of Understanding with the Chinese government.

One of these was with the Hunan Department of Land and Resources (HDLR) and the other with the Chinese Academy of Agricultural Sciences (CAAS).

DLI will provide technical support to the HDLR, the Provincial branch of the Ministry of Land and Resources, to help improve its survey and mapping information system; and to also improve its satellite remote sensing capabilities - helping HDLR to monitor and predict landslides.

The MOU with CAAS is to provide technical support to the Academy in developing their Pasture Growth Rate Monitoring Project using DLI's Satellite Remote Sensing Services. Overgrazing of pasture lands in Northern China has led to rapid desertification; a major environmental challenge that CAAS is seeking to overcome.

These agreements signify the commencement of DLI's successful immersion into the rapidly developing Chinese economic/industrial markets.

report on operations achievements

Voice Over Internet Protocol (VoIP)

Another huge project successfully implemented this year was the VoIP (Voice over Internet Protocol) system. The Department upgraded its telephone system to take advantage of VoIP technology. All six Departmental sites have been connected to a single system, involving some 1100 VoIP handsets, six contact centres and decentralised switchboards. This is the latest in computer/telephony integration software solutions, and includes integration with Microsoft Outlook.

The completion of the project marked the end of two years of planning and hard work. By implementing this new system, DLI undertook the largest telephony installation of its kind within State Government – DLI is now the first Department to operate a 100% VoIP system. Improved services enable computers to ‘talk’ to telephones, significantly improving customer service through facilities such as customer contact centres and voicemail.

Since the introduction of the new telephone system in May 2005 there has been a considerable improvement in measured customer service delivery by DLI. A project to develop business processes to more effectively support the new system has also realised some significant results across all major DLI contact points and throughout the Department.

Prior to VoIP, DLI abandonment rates were as high as 30% of calls to particular queues. Since the implementation of VoIP the measured rate of abandonment to DLI queues has decreased from over 11% of calls to around 2.5%. This is equivalent to industry best practice for contact centres in Australia. Before June 2005 many callers to DLI contact centre queues experienced long delays before speaking with a staff member. Delays well in excess of ten minutes were common. Since the implementation of VoIP the measured average time spent in a DLI queue has decreased from well over one minute to a commendable 15 seconds. The percentage of calls answered within one minute has increased from less than 70% of calls to over 90%.

DLI’s SRSS Wins Australian Centre for Remote Sensing Bronze Award

In November 2005 the Australian Centre for Remote Sensing (ACRES) Distributors Meeting was held in Canberra. Satellite Remote Sensing Services (SRSS) representing coordinated State agency purchases of satellite data, was awarded the Bronze Award for the third highest Landsat data sales in Australia for 2004/05.

Landsat data purchased throughout the year was used to facilitate applications such as the collaborative Land Monitor Project - which maps the current extent of perennial vegetation and its change over time, Agimage products for agricultural consultants and farmers, and customised products for State agencies such as the Department for Environment and Conservation, for post-fire extent mapping.

All Landsat data purchased over the last 25 years is archived and copies shared with other State agencies to meet their needs in addressing natural resource management, planning, agricultural and emergency management issues.

Electronic Advice of Sale (EAS2)

The booming land market has seen a record number of EAS2 transactions lodged during 2005/06 with 111,855 being received up until 30 June 2006. This is a significant increase over 2004/05 where 96,854 requests were received and 2003/04 where 90,412 requests were received. The EAS2 system now handles 97% of all requests for rating and taxing information for the Office of State Revenue, Water Corporation and 116 local government authorities.

report on operations achievements

The Environment

DLI wins Sustainability Award at Dowerin Field Days event

DLI regularly exhibits at the annual Dowerin Field Days event as it is a perfect forum to showcase the capabilities of its products and services to primary producers throughout Australia.

The Department's 2005 submission comprised a case study of a Kojonup farmer who had been using Pastures from Space for the past four years to manage 2,100 arable hectares. The service made a significant impression among judges at the Dowerin GWN Field Days 2005, winning the 'Best Sustainable Farm Practices' award.

Pastures from Space is a unique system that helps farmers make more informed decisions about their land use and guides them to better manage their land holdings. It was created by a consortium involving DLI's Satellite Remote Sensing Services (SRSS), the Department of Agriculture, CSIRO Livestock Industries and partner Fairport Technologies International.

The SRSS team at DLI are responsible for capturing and customising satellite data. They make this information accessible to farmers 24 hours a day, via the online farm channel www.landgate.com.au.

Spatial Integration of Native Title Against the Cadastre (SINTAC)

DLI's Land Claims Mapping Unit is responsible for the spatial representation of the State's Native Title boundaries. The SINTAC project was developed to maintain alignment of Native Title Application (NTA) boundaries with cadastral boundaries where they coincide. The project undertook a back capture of the Native Title boundaries in the same environment where cadastral boundaries are maintained. Linking the two datasets will enable the Native Title boundaries to be automatically adjusted - remaining aligned as cadastral data quality is improved.

The completion of the project will realise a number of benefits, including the ability to more accurately determine which parcels of land fall into each NTA and also bringing this dataset into DLI's corporate SmartPlan environment.

Topographic Restructure Project

The topographic database provides important information relating to natural and man-made features. Geographic Information Systems (GIS) that support this decision making require well structured spatial information.

Topographic data is an important fundamental dataset that is used by the emergency services, environmentalists, government, landcare communities, the mining industry, planners, property developers, and the utility industry, to name just a few.

Since the Topographic Restructure Project began in November 2003, the base computer aided drafting data has been undergoing significant restructuring in preparation for loading into a new Topographic Database so it can be used by GIS. The development of the computer environment necessary to support the database was completed during 2005-2006.

The overall project is on target for completion in 2006/07.

Leeuwin – Naturaliste National Park

The Land Boundary Services Statutory Spatial Section was responsible for the preparation of Deposited Plans for the high priority rationalisation of 45 existing Class A & C Reserves and many other Crown land parcels between Cape Naturaliste and Cape Leeuwin, creating a single National Park. This work has enabled a consistent approach to the National Park's management and development. The new National Park is yet to be proclaimed.

Swan and Canning River Management Bill 2005

The purpose of the Bill is to make provision for the protection and enhancement of the ecological and community benefits and amenities of the Swan and Canning Rivers and associated lands.

Land Boundary Services Statutory Spatial Services supported this legislation by preparing Deposited Plans that outlined the extent of areas being set aside in the Bill. One Deposited Plan consisted of 26 sheets showing the development control area and river park. Nine other Deposited Plans consisted of some 33 sheets allocating lot numbers to the Swan and Canning Rivers for the creation and registration of Crown Land Titles.

report on operations achievements

The Regions

FireWatch wins 2005 Premier's Award

In November, DLI's free national online fire detection service, FireWatch, won the Region's category of the 2005 Premier's Awards. DLI has utilised satellite technology to create FireWatch; a free online fire detection service providing satellite images in near 'real time'.

FireWatch is the brainchild of DLI's Satellite Remote Sensing Services (SRSS). Every two hours, data beamed from satellites is captured. Every three hours the website is updated and unique mapping 'products' made available for web download.

These maps are so technologically advanced they can identify any fire over 100 hectares. FireWatch maps can also recognise fire scarring, lightning damage and the 'greenness' of vegetation growth.

FireWatch has been enthusiastically received by the emergency services, local councils, indigenous communities, pastoralists, land management professionals and other rural enterprises in discovering, tracking and managing prescribed and wild fires. FireWatch saves money and time.

Initially conceived as a reactive fire detection service, FireWatch has been comprehensively redeveloped since 2004 into the pro-active service on offer today. Website hits have increased by 300% since it was re-launched. The site is easily accessed and utilises satellite technology, making it popular in remote areas such as the Kimberley and Pilbara where communications technology can be problematic.

Completion of Rural and Country Town Addressing Project

DLI completed the second phase of the Property Street Address Project (PSA) which was initiated by the Department in 1999 to meet its obligation as the State custodian of street addressing information.

A total of 55 rural local governments have taken up the rural street address system, replacing the former house or lot number, using the measurement-based Australian and NZ Standard for rural addressing to apply a unique address.

DLI has assisted regional local government by coordinating the implementation of rural addresses, and by coordinating a Commonwealth co-contribution for the installation of signage.

The project, funded by the Western Australian Land Information System (WALIS) members and some federal government agencies, has been managed by DLI with the full cooperation of local governments and industry groups.

The completion of this phase of the Project serves the Western Australian community by assisting in the creation of a reliable, complete and maintained property street address database. PSA data is used by a diverse group of users including the WA Police for the "000" callout centre, FESA and other emergency service providers, local governments, utilities, Australia Post, the Australian Electoral Commission, the Australian Bureau of Statistics and many state government agencies.

Local Government Rating and Taxing Values

In 2005-2006, Valuation Services completed Gross Rental Value (GRV) based general valuations of 17 country local governments resulting in 74,409 GRVs issued on new valuation rolls to local government, FESA and the Water Corporation.

The robust property market continued to impact upon valuations - during the year a total of 61,284 GRV interims were made - 8.2% above forecast.

Revalued local governments included: Carnarvon, Capel, Collie, Coolgardie, Derby- West Kimberley, Donnybrook-Balingup, Exmouth, Halls Creek, Kondinin, Kulin, Mandurah, Manjimup, Murray, Nannup, Narrogin Shire, Narrogin Town, Wyndham - East Kimberley.

The Office of State Revenue and local governments using unimproved values (UV) for rating purposes also received valuation rolls following the state-wide annual General Valuation. In all 839,839 unimproved values were assessed.

A total of 39,700 UV interim valuations were made, reflecting the continuing buoyancy of the property market.

A total of 1,378 appeals, objections and queries against rating and taxing values were processed. This represented a 13% increase over the 2004/2005 total and was mostly due to the first year of adoption of the new triennial revaluation of the metropolitan area. The current number of objections and queries remains at a level of around half that received as recently as five years ago.

report on operations achievements

2006 WA Seismic Survey Field Reports

Two large scale precise GPS campaigns were conducted in Western Australia during May and June 2006.

A survey of Western Australia's South West Seismic Zone (SWSZ) spanned approximately four weeks and involved the participation of DLI, the New Zealand Institute of Geological and Nuclear Sciences (GNS) and Geoscience Australia (GA). The survey comprised the measurement of 48 permanent survey marks positioned in an approximate 50km grid array across the study area. This network of survey marks was established, and initially observed, in a 2002 survey with a small number of the marks along the spine of the network re-observed in a smaller campaign in 2004. The survey involved the collection of GPS satellite raw data which will later be used to derive new coordinates for the points and enable mark displacements to be computed between the 2002 and 2006 surveys.

The second survey of a region surrounding the townsite of Burakin, was conducted over approximately five weeks, broken up into two data collection sessions of two and three weeks. The project involved the participation of DLI and GA. This survey comprised the precise measurement of 45 new permanent survey marks positioned in a 5 – 10km grid array across the area. The majority of these survey marks were established by DLI in April 2006, thus this GPS campaign was the first observation epoch of this network. The survey again involved the collection of GPS satellite data which will be used to derive coordinates for the points.

Both of these networks have been established on areas of solid outcropping granite to ensure long term stability and permanence and will continue to be periodically re-observed in an attempt to monitor the ground deformation and its association with earthquake occurrence.

The SWSZ is a northwest – southeast trending belt of intra-plate earthquake activity that occurs in the south western corner of WA and is one of the most seismically active areas in Australia. Since the SWSZ lies as close as 150 kilometres from the approximate 1.4 million population of the Perth region it poses a distinct seismic hazard. Previous surveys have indicated the likelihood that the SWSZ is undergoing ground deformation but they have been somewhat inconclusive due mainly to the imprecision of the measurement technologies used in relation to the likely

small magnitude of ground movement. The advent of GPS technology has provided the means to reliably measure small ground movement and thus build up a sound knowledge of contemporary deformation as a component to a better understanding of earthquake activity in the SWSZ.

Emergency Services Directories

The new Northern Wheatbelt Emergency Services Directory (ESD) has been produced as a joint initiative by FESA, the Department of Environment and Conservation and DLI. The project is funded in part by the Australian Government Natural Disaster Mitigation Program (NDMP) and is driven by the emergency management community's need for up-to-date information built on a common/agreed navigation base.

The production of an ESD, covering the South West Emergency Management District, utilising further funds from the Australian Government Natural Disaster Mitigation Program (NDMP) is currently in the planning phase with printing planned for March/April 2007.

Curtin University Research Collaboration

DLI has provided Curtin University of Technology a one-off grant of \$120,000 to undertake research into Continuously Operating Reference Station (CORS) GPS Networks in Western Australia. There is a global trend to install such networks to provide static and real time positioning services for all users of spatial data. The research project is nearing completion and has included a study on the existing systems available, users for the system, accuracy requirements and the impact of future technology improvements.

Technical Expertise

DLI's technical expertise has been called upon for a number of projects being undertaken by surveying firms from the private industry. These include such varied interests as control surveys in Oman and on Koolan Island, as well as Hope Downs and Dirk Hartog Island. DLI has also provided technical assistance and data processing services to GPSnetwork Perth, the first privately owned CORS GPS network offering high accuracy real time coordinate positioning services in Australia. GPSnetwork Perth covers the metropolitan region from Two Rocks to Mandurah and East to Midland.

report on operations achievements

Governance

Shared Land Information Platform (SLIP)

An e-government future is set to become reality with the continued successful continuing development and implementation of SLIP technology throughout 2005/2006. SLIP is the State's leading e-government initiative and DLI has been nominated as the central agency in its implementation. SLIP involves the engagement of more than 200 people across 20 Government agencies to deliver a \$26 million cross-Government work program.

SLIP will deliver online access to land information in a seamless, cross-Government manner, thereby overcoming the agency run-around currently experienced by industry and the public. Land information underpins and links a range of government activities including planning, land use and development, environmental sustainability and emergency management. SLIP will make it easier to locate and use this information.

The year 2005/06 saw the successful scoping, planning, initiation and development of the SLIP "Enabling Framework" (the underlying technological platform) with connections to seven agencies established and the linking of 50 datasets. The SLIP "Focus Areas", which are the business opportunities that are able to leverage the new paradigm of connected and shared land information, have made substantial progress with the delivery of prototypes and/or pilot systems in the Emergency Management, Natural Resource Management and Land Development areas.

Transition to a Statutory Authority

In June 2006 the Minister for Land Information introduced into Parliament a Bill to establish a land information statutory authority for Western Australia. The Authority will undertake the land titling, land information and valuations functions currently performed by the Department of Land Information (DLI).

The introduction of the Bill into Parliament is the product of a lengthy review into the future of the Department, including detailed consultation with DLI's stakeholders and staff. The Bill contains several features arising from this consultation process, including the functions of the new authority, its objectives and principles, and the principles for the pricing of land information.

Formation of the Authority will enable the Government to better meet the State's current and future needs for land information. The Authority will continue the delivery of core government services in land titling, land information and valuation

Subject to the passage of the Bill through Parliament, it is expected that the Authority will commence operations during the 2006-2007 financial year.

Statutory Authority Transition (SAT) Program

The SAT Program Team has been in place since January 2006. Initially a Program Execution Plan was developed that included team and program delivery strategies and governance - approved by DLI Corporative Executive in February 2005. Since then the following key program milestones have been achieved: nine cross functional Program Delivery Teams in place; Program Board and governance structure operating; detailed project plans for each team developed; issue and risk management strategies in place; risk management plan developed.

The Program has developed well since inception and all teams are ready to deliver a successful transition of DLI to become a statutory authority in January 2007.

DLI Code of Conduct recognised at 2005 Premier's Awards

DLI was a finalist in the 2005 Premier's Awards in the 'Governance' category for its relatively new Code of Conduct, commonly known as our Values and Behaviours Project. The Code reflects the Department's officially recognised six most important values and behaviours as determined by DLI staff.

Decommission of mainframe

In October 2005 DLI's long-established mainframe system was decommissioned to make way for new technology. Customers can now access materials and information via the internet without the need for a direct modem link. The previous system enabled external customers to search and order land titles by fax or direct modem link to the mainframe itself. With the changes in technology now available and the increased expectations of DLI customers it was inevitable that the existing mainframe would become less sustainable. DLI now offers its customers better value for money and increased ease of use.

report on operations achievements

One of the key benefits of removing the previous mainframe is that DLI is now able to free up valuable resources, enabling a renewed focus on technological opportunities to occur as they arise. Customers have better access to quality services such as Land Enquiry - supporting DLI's position as the best source of land information in Western Australia.

Review of Business Services

Another achievement for the year was the review and restructure of DLI's Business Services area. The new-look division contains three new business areas: Advisory Services, Business and Finance Performance, and Enterprise Business Information Services. This restructure will not only provide the best value-added services to the agency, it will also create a sound business support platform as DLI progresses towards becoming a statutory authority.

WALIS moves into Information Access Division

During the latter part of the financial year the Western Australian Land Information System (WALIS) office was moved into DLI's Information Access Division - in order to more closely align WALIS and SLIP. It is intended that the main governing body of WALIS, the Executive Policy Committee, will continue to consider and approve major items such as the WALIS Strategic Plan, WALIS policies and SLIP.

Property Data Verification Project

The quality of property data is fundamental to the integrity of gross rental values (GRV) and sales information. The number of local governments assisting the Valuer General in identifying changes to buildings has continued to increase, resulting in an improvement in data quality. In addition to the verification activities associated with the valuation program, a structured data quality improvement project commenced in 2005/2006. This three year project supplements other activities and will focus specifically on improving the accuracy of property records in the Perth metropolitan area as well as regional cities and towns. In agricultural areas, the primary focus will be in capturing changes to salt affected land as well as capturing areas of remnant vegetation.

New Customer Service Charter

An exercise to revise and update the DLI Customer Service Charter was completed during the year. A product of extensive consultation with customer and stakeholder groups and DLI's own staff, the new charter has been ratified by DLI Customer Service Council and will now be incorporated into the DLI web site. A communication program aimed at all DLI customer groups will be included in the branding activity planned to introduce the new statutory authority.

Staff exchange program fosters learning

A visit to DLI in early 2005 by a Director from the UK organisation Ordnance Survey quickly led to the creation of the staff exchange program - aimed at highlighting the benefits of co-operation and information sharing between agencies.

In August 2005 DLI welcomed its first international exchange visitor. Rebecca Wadd ignored jet-lag and showed up for work at DLI eager to learn about land administration in Western Australia. During her four week stay Rebecca provided great insight into Ordnance Survey's business practices. Her visit proved timely for DLI as the Department rapidly approaches its transition into a statutory authority - although Ordnance Survey is a UK government agency, it covers operating costs through sales of products, services and copyright licences.

The exchange was considered by both DLI and Ordnance Survey to be such a success that plans are now in place for a DLI staff member to travel to Ordnance Survey's Southampton headquarters in 2006/2007.

report on operations achievements

People and Communities

Recognition of indigenous names

The Geographic Names Committee is appointed by the Minister for Land Information to provide advice on the naming of townsites, suburbs, localities, roads and other features.

As a consequence of a request to recognize the indigenous name for Mt Nameless near Tom Price the Committee has developed a new guideline for dual naming which has been circulated to local government for comment. The Committee is seeking new opportunities to give greater recognition to indigenous names, and the new guideline will help facilitate this.

Charity support

DLI staff continued to demonstrate their dedication and care to the community over the past year by supporting charity causes and events that have been promoted within DLI. Over \$5,000 was raised through staff contributions for a variety of good causes. Fundraising events included Australia's Biggest Morning Tea and DLI's "Casual Dress Fridays", where staff donate a gold coin to a charitable cause. Charities to benefit from this staff support included — Cancer Council (Daffodil Day), Kids Helpline (Lock Up Your Boss Day), Royal Flying Doctors Australia and PMH for Children Foundation.

International Women's Day

DLI celebrated its ninth International Women's Day breakfast in March 2005. Partly sponsored by StateWest Credit Society, the breakfast presented the opportunity for DLI staff and Midland business people to socialise in an informal environment. Minister for Land Information, Michelle Roberts MLA, appeared as the guest speaker, providing a highly entertaining and inspiring presentation.

Satellite Remote Sensing Services' Open Day

DLI's Satellite Remote Sensing Services section hosted an open day for the general public on May 13 2006. Held at its Floreat office, over 100 people were taken on individual guided tours and were able to view first-hand the diverse work carried out by the section. A question and answer competition for children was also held.

XPT Leadership Program

Senior managers gathered early in May for the launch of DLI's newly developed XPT Leadership Program.

Designed to address the Department's current and future leadership requirements - the XPT Program is the first leadership program for executive and senior managers offered by DLI. It complements the Department's existing Leadership program which has been run successfully over the last few years, targeting middle managers.

Leadership training will provide senior staff with the tools to successfully address the cultural shifts destined to take place within the workplace as DLI takes on a more commercial focus to its business activities. Over 18 months, it is intended that the Program will provide specialised leadership training and support. Strong, effective leadership will help pave the way for the Department's smooth transition into a statutory authority.

Adventure World 2006 Corporate Challenge Cup

In February 2006 a group of DLI employees, drawn from across different branches of the organisation, entered themselves in a sponsored team competition held at Adventure World. Despite the differences in their individual skills and strengths, they pulled together and won the Adventure World 2006 Corporate Challenge Cup and \$1500 in prize-money.

In the spirit of teamwork and inspired by their own success the team unanimously voted to donate the funds to children's cancer charity, the Bluey Day Foundation. A celebratory morning tea and official cheque presentation was held at DLI's Midland headquarters.

report on operations issues and trends

- Contrary to the national trend, Western Australia continues to experience substantial growth within the property market. This sustained high level of activity reinforces a strong ongoing demand for DLI's core services of title registration, land boundary, geospatial and valuation services.
- The Department is continuing its transition into a land information statutory authority with commercial powers, with the ability to deliver a greater return to Government and the community which it serves.
- The ability to manipulate and deliver land information using various mediums continues to emerge as a key component in contributing towards Government decision-making and the development of public policy.
- Government, industry and the community anticipates the effective management and delivery of land information services in a commercial manner, including accessible land and property information held across Government through a central electronic entry point; electronic forms for land developers and conveyancers; a reduction in the duplication of land information across Government agencies; and increased online transactional capability.
- Impartial and accurate valuation continues to underpin the collection of state and local government revenue. Ongoing attention to data quality and the verification of values will be required to avoid the level of dispute and litigation being experienced in other states.
- Independent valuation and property advice is critical to transparency in all Government property transactions and compulsory acquisitions in particular.
- A majority of DLI customers indicate their preference is to access land information products and services online.
- The Department is close to finalizing a pricing framework review by external consultants that will ensure its products and services recover costs and provide a consistent value-for-money approach to pricing.
- It is recognised that customers are becoming increasingly sophisticated in their use of online services and technology, and DLI has continued its efforts to ensure that performance and ease of use have grown to match.
- The buoyant labour market in the Western Australian property and valuation industry presents a challenge in attracting and retaining suitably qualified and skilled staff.

report on operations **looking forward**

It is anticipated that on 1 January 2007, DLI will be transformed into a statutory authority with commercial powers. This new agency will have greater control over its destiny - no longer purely reliant upon Government funding - it will be an empowered agency with control over its finances and an increased ability to provide and deliver exciting, new and broad-ranging services.

Some of the significant events planned for 2006/2007 are:

- The progression through Parliament of the Bill to create the Western Australian Land Information Authority.
- Delivery of the SLIP enabling framework, including the new Mapviewer and Catalogue services to upgrade existing WALIS facilities, finalising the initial roll-out for the connection of more than 150 datasets across 15 government agencies; delivery of the Register of Interests (ROI) system.
- Improvement in the quality and accessibility of land information data to the State Government, local governments, emergency services, the business community and the public, particularly in the areas of:
 - Topographic information.
 - Tenure and spatial information.
 - Property street addressing.
 - Native Title information; and
 - scoping business process reform of the land titling component in the land development process.
- A major redesign of the customer service environment at Midland will be the forerunner for similar work at all DLI premises. The work aims to upgrade the facilities for customers who visit DLI to provide them with the best service levels available. Design work is now finished and construction of the customer reception and service facility will be completed by the end of 2006. The project has also incorporated an action plan to enable digital access to Crown plans and fieldbooks currently held on microfiche. It is anticipated that this will be completed in 18 months.

DLI will continue to advance and improve its contribution to Western Australia's economic growth, social advancement and the protection of its natural environment. The Department, through its many initiatives will strive to place the State in a strong position to respond to the challenges of globalising and digitalising land information.

DLI recognises that land information increasingly needs to be online, integrated and on-time to meet the needs of government, industry and the public.



governance and statutory information

Obligatory Reporting

Disability Access and Inclusion Plan Outcomes

DLI has this year embraced the new directions from the Disabilities Services Commission to develop and implement a Disability Action and Inclusion Plan (DAIP). Changes to legislation have required all public authorities to implement and comply with the DAIP; some of the key outcomes for DLI this year were —

Outcome 1: Services are adapted to ensure they meet the needs of people with disabilities

- DLI has implemented a Disability Consultative Committee which meets on a regular basis to monitor progress and evaluate actions - relating to the DAIP's outcomes and recommendations. The committee comprises ten members of DLI's staff; some of whom have vested interests in disability issues.
- Occupational Safety and Health Committee representatives audit each physical area in DLI at least three times a year. Some adaptations have been outlined in the following outcome areas.
- The Customer Feedback Database, that is monitored for suggestions relating to service improvement for people with disabilities recorded nil suggestions for 2005/06.

Outcome 2: Access to buildings and facilities is improved.

- DLI has commenced two extensive building redevelopment projects in 2005/06. The redevelopment of DLI's Midland customer service hall and the redevelopment of the Midland north ground staff facilities following flood damage
- DLI's design briefs for both of these projects stated that particular consideration was to be given to disability access, encompassing DLI's staff, customers and DLI stakeholders. Key to this approach has been an adherence to universal access guidelines.
- A courtesy wheelchair is available to customers on request at the Information Desk in the Customer Service Hall at Midland.

- Emergency evacuation procedures were put in place for people with disabilities, in the event of lifts not working.
- Emergency Warning Intercommunication System strobe lights are installed in toilets to alert people with hearing impairment of an emergency evacuation.

Outcome 3: Information and services provided in formats that meet communication needs of people with disabilities.

- 2006 StreetSmart Street Directory depicts traffic lights that have some form or audible (clicking sound) or tactile (dimpled slab surface) pedestrian facility with a thick green circle.
- Better Hearing Kits which provide advice to staff on assisting customers with hearing impairment are located at public counters.
- Information can be made available in alternative formats upon request.
- DLI employs Auslan (for hearing impaired telephony) trained operators.

Outcome 4: Advice and services are delivered by staff that are aware of and understand the needs of people with disabilities.

- The formal Induction package includes information on Disability Service issues.
- Carriage and responsibility of the DAIP has now been officially allocated to the Diversity Management Committee.

Outcomes 5 and 6: Opportunities are provided for people for people with disabilities to participate in public consultation, grievance/feedback mechanisms and decision-making processes.

- Complaint and customer feedback mechanisms are available in appropriate formats for people with disabilities.
- Contact, name, phone and fax number, web site address and telephone typewriter (TTY) number are included on all printed pamphlets and publications (including letterhead).

governance and statutory information

Cultural Diversity and Language Services Outcomes

DLI provides a range of interpreting and translating services to its clients, including:

- Better Hearing Kits which are available in customer service areas in metropolitan and regional offices.
- Maintenance of a Language Skills Register is maintained that lists staff whom can speak, read or write in languages other than English, to assist customers in the first instance. Forty-four staff are available to assist in over 20 languages. This assistance does not replace access to the Commonwealth Translating and Interpreting Service.

Youth Outcomes

The Department has a range of programs and policies that specifically target young people, including the Graduate Spatial Development Program. Five people were successful in gaining a position within the 2006 DLI Graduate Program, with a further five people undertaking the Spatial Development Program while they finish their studies. The Spatial Program is specifically aimed at Geographic Information Systems (GIS), Cartography and Surveying graduates.

Running over a 12 month period, the Programs are designed to ensure that new recruits receive a comprehensive variety of on-the-job training. This includes access to the Department of the Premier and Cabinet's Government wide Graduate Program.

Substantive Equality

During 2005/2006 DLI integrated the principles of substantive equality into Departmental policies and strategies in a variety of ways, including:

- A manager of Substantive Equality has been appointed.
- Information Access has been identified as the division within which substantive equality will commence.
- Plans for redesigning the customer service hall, at the Department's Midland branch have been approved. The new design will make the area more accessible to customers.
- The Department will be assessing which documents and publications need to be provided in different languages for specific customer groups.

Waste Paper Recycling

In 2004/2005 DLI collected 19,945 kg of waste paper, in 2005/2006 this figure rose to 26,685kg. While improving its waste paper collection and recycling activities, DLI is also continuing its efforts to reduce paper use through increased use of technological processes.

Energy Smart Government Policy

In accordance with the Energy Smart Government policy DLI has committed to achieve a 12% reduction in non-transport related energy use by 2006/2007 with a 10% reduction targeted for 2005/2006.

Energy Smart Government program	2005/2005		Variation %
	Baseline Data	2005/2005 Actuals	
Energy Consumption (GJ)	24,780	17,367	29.92
Energy Cost (\$)	725,352	585,513	19.28
Greenhouse Gas Emissions (tonnes of CO2)	6,334	4,342	31.45
Performance indicators			
-MJ/sqm	1,205	728	39.61
-MJ/FTE	30,936	19,390	37.33

The Department's Energy Performance Contract at the DLI Midland building entered its third year of operation. DLI implemented stage 2 of the Performance Improvement Measures (PIMS) which consisted of:

- Modulating control of variable air volume control systems;
- current limiting on chillers; and
- better peak demand management.

These measures were funded by a grant of \$228,598 from the Sustainable Energy Development Office. The funding is expected to be repaid within five years, and is anticipated to save \$46,000 per year. The installation will provide extra annual energy savings of 400,389 kWh, and annual greenhouse gas savings of 445 tonnes. Other initiatives are:

- The Department has purchased more multi function devices to further reduce the numbers of individual facsimile machines and printers throughout the building as well as more energy saving computer monitors; and
- educating staff - via the intranet - on the benefits of turning off all office machinery prior to leaving work each day is continuing.

governance and statutory information

Note: The Department's overall results have been affected by an additional energy expenditure of \$4,387. This extra spending relates to the essential equipment required to dry walls and floors of the north ground floor of DLI's Midland office, affected by a flooding incident.

Regional Development Policy

DLI is committed to contributing to the growth and development of regional Western Australia. In 2005/2006, the Department implemented aspects of the State Regional Development Policy through its wide-range level of products and services. These include:

- Improved access to satellite technology, including FireWatch, PastureWatch and FloodWatch;
- accurate and regular rural and regional valuations;
- assisting in the creation of essential resources like the soon to be launched South West Emergency Services Directory;
- StreetSmart Touring Maps – revised editions of the Mid West, SW Corner and Batavia Coast touring maps were completed in 2005/2006;
- DLI's StreetSmart Street Directory was published featuring selected country towns. Revised editions were completed for Kalgoorlie-Boulder, Geraldton, Albany, Bunbury, Busselton/Dunsborough and Augusta/Margaret River;
- demand for made-to-order products continued to grow with over 1,760 Skyview Farm Maps produced for AgWA Property Planning Workshops, following requests by Land Care groups and property owners. In 2005/2006 there were 439 requests for customized maps based on DLI cadastre, tenure, topographic and imagery data, received and processed. In addition, there were a further 160 requests for made to order products based on StreetSmart mapping information; and
- there was a record demand for digital geospatial data products, including: cadastre, tenure, topographic data (relief & planimetry) road centre lines and imagery. This level of demand reflected the strong growth occurring across the state in direct relation to the mining and land development industries.

These products and services contribute to the economic growth of regional Western Australia and also promote market development and investment throughout the regions. The Department's activities are further illustrated in the achievements and performance indicator sections of this annual report. DLI also provides an update of its activities to the Department of Local Government and Regional Development through a reporting process.

Evaluations

Throughout 2005/2006, DLI regularly evaluated its performance.

Performance Audit

DLI maintains an effective internal audit function which provides assurance on a range of issues including internal control framework; risk minimisation; reliability of financial and management information; safeguarding of assets; legislative compliance; adherence to established policies and operational effectiveness, efficiency and economy. Performance Audit Branch provides assurance to the Chief Executive, Corporate Executive and senior management through independent appraisals of the Department's internal control environment and corporate governance mechanisms.

During 2005/2006, Performance Audit conducted reviews of the following systems and processes:

- Enterprise Business Information System, Shared Land Information Platform governance and network management;
- contract management and knowledge management; and
- financial and compliance reviews for fringe benefits tax, gifts register, personnel policy, and administration and training.

Performance Audit actively provides consultancy advice for the Department's new information systems, internal controls, and governance processes and procedures.

governance and statutory information

Review of Perfect Balance

Perfect Balance (the Department's Performance Management tool) has recently been updated. The objective of the review was to:

- Simplify the current process;
- make links to the Balanced Scorecard clearer for individual staff members;
- make stronger links to the Department's Strategic Plan;
- capture the training needs identified during the planning process to inform the Department's Skills Acquisition Plan; and
- provide links to the Department's Code of Conduct.

Perfect Balance now includes a section on Values Alignment, where specific behavioural indicators have been identified for each value, and can be used as a basis of discussion between the supervisor and the staff member.

Further emphasis has been placed on "Growth & Learning", in line with the Department's values. A section about technical skill requirements has also been included to ensure staff develop the skills specific to their position. This can also assist staff by creating a list of technical skills required for each position that can be used when career planning. Learning needs for future positions can be captured in their Growth and Learning Plan.

The implementation of the revised package was supported by information booklets for managers and staff members, and information sessions incorporating relevant case studies.

Review of Valuation Services

During the business re-alignment review of Valuation Services, Strategic Human Resources worked closely with managers and staff to implement a range of strategies to enhance succession planning and attraction and retention opportunities including:

- An improved career path for Valuers using an expanded criteria progression tool. The implementation of the tool was supported by training sessions for eligible staff and managers required to assess staff members using the tool.

- Implementation of a new structure with enhanced career paths. Individual positions and job descriptions were also reviewed to ensure they reflect the duties required.
- Undertaking a review of the induction process and identifying opportunities to enhance it.
- Development of an electronic learning package for valuation staff to learn about the Valsys program.

Wellness Program

In November 2005, DLI's OSH Committee ran a Wellness Survey through the Department's intranet (INK) service. The survey was used to ascertain staff support for 'Wellness' events and the results were then posted on INK for staff to view. With funding approved by the Chief Executive, the OSH Committee drafted a Wellness Calendar for 2006. Events have included: in-house massages (held on a monthly basis), flu vaccinations, stress management workshops and 'Heart Health' checks. Further events planned for the 2006 calendar year include hearing checks, a natural therapy education workshop, Pilates classes, a weight management workshop and skin cancer checks.

XPT Leadership Program

Senior managers gathered early in May for the launch of DLI's newly developed XPT Leadership Program.

Designed to address the Department's current and future leadership requirements - the XPT Program is the first leadership program for executive and senior managers offered by DLI. It complements the Department's existing Leadership program which has been run successfully over the last few years, targeting middle managers.

Leadership training will provide senior staff with the tools to successfully address the cultural shifts destined to take place within the workplace as DLI takes on a more commercial focus to its business activities.

Over eighteen months, it is intended that the Program will provide specialised leadership training and support. Strong, effective leadership will help pave the way for the Department's smooth transition into Landgate - a new kind of land information business.

governance and statutory information

Skills Acquisition Plan

The 2005/2006 corporate training budget has been used to fund the first phase of the Skills Acquisition Plan (SAP) – the ‘building’ phase. This has focussed on building the skills and knowledge needed in DLI, as determined by the Values project, the core workplace competencies in Perfect Balance, and feedback from managers and staff. The training identified for this year included Giving and Receiving Feedback, Project Management, Customer Service Skills, Career Development, Work Management, Negotiation Skills and Management Development. In addition to this, the SAP covered ongoing and compliance related training, such as OSH training, e-learning licences and recruitment and selection skills.

Providing the Right Work Environment

A range of policies were also developed, reviewed and updated this year to provide choices for a healthy work/life balance for staff and to support them in the workplace.

An Induction Policy has been developed in order to provide the following benefits:

- Increased line manager knowledge of corporate policies and procedures.
- Increased ability of DLI to cope with the transition of Strategic Human Resources and Workforce Service staff to the Office of Shared Services.
- More consistent information provided to new employees.

The Grievance Management Policy has been updated and a comprehensive education program developed to ensure all staff are aware of their Equal Employment Opportunities and OSH roles and responsibilities. Managers are required to attend a 1½ day workshop, with staff attending a ½ day program.

The Staff Consultative Council (SCC)

The SCC is a committee that focuses on keeping the lines of communication open between staff across the whole of the Department; it is composed of both staff and management representatives.

The SCC raises issues, investigates staff concerns, provides and contributes to finding solutions and takes action when required. Its main aim is to initiate quality programs for the advancement of staff welfare, and address employee’s issues.

Over the past year, the SCC has:

- Continued to pursue the provision of parking for DLI staff with the City of Swan;
- contributed to the development of DLI’s Agency Specific Agreement;
- led and contributed to staff consultation on a number of policies affecting staff and the working environment; and
- contributed to the human resources work underway in preparation for the statutory authority.

Joint Consultative Committee

The Joint Consultative Committee is composed of both employer representatives and Union delegates. Formed under the provisions of the Public Sector General Agreement 2004 the Committee has met regularly during the year, focusing on issues such as:

- The progression of the drafting of the Bill to establish the Land Information Statutory Authority;
- the implications of the WorkChoices legislation; and
- the number of staff employed on fixed-term contracts.

governance and statutory information

Risk Management

Risk management is central to good corporate governance and is directly linked to maintaining an effective control environment and ensuring the achievement of DLI's strategic goals.

DLI's Risk Management Policy, supported by an electronic Risk Register, confirms the Department's commitment to embedding risk management into all aspects of the business with the aim of improving business performance as well as meeting compliance requirements.

DLI's Corporate Executive receive a risk management report on a quarterly basis, providing an overview of DLI's risk profile and an assessment of the effectiveness of existing controls and treatment plans.

On Sunday 7 May 2006, an act of vandalism caused major flooding to the Ground Floor of the Department's Midland Office. An Incident Management Team worked overnight to minimise the impact of water damage to the building and associated business operations. No staff safety incidents were reported and delays to core business services were avoided. The Staff Consultative Committee and Occupational Health and Safety Committee were fully briefed and consulted in the planning and rectification process.

Remediation work continues to return the affected area to full use and safe functionality. Plans to relocate staff and improve facilities to the affected areas have been brought forward, and this work is expected to be completed by December 2006.

Attention is also being paid to lessons learned from the incident, especially in terms of Business Continuity Management practices.

Information Statement

A legal right of access is provided to documents held by all State and Local Government agencies by the *Western Australian Freedom of Information Act 1992*.

Freedom of Information (FOI) Applications for 2005/2006

Four valid applications were received seeking access to non-personal information. Statistics about those applications are provided in the Information Commissioner's Annual Report at www.foi.wa.gov.au.

Information Enquiries

Requests for access to documents should be made, in the first instance, to the Customer Service Officers at the Department's public counter. Often material may be made available without the need to formalise a request under Freedom of Information.

A formal FOI application is required to access documents that are not available as part of the normal course of business.

Receipt of FOI Applications

FOI applications, payments, correspondence and general enquiries should be directed to:

DLI FOI Coordinator,
Head Office
PO Box 2222,
Midland WA 6936

Telephone (08) 9273 7565
Facsimile (08) 9273 7666

FOI application forms are available from the Department's website at <http://www.dli.wa.gov.au> or from the FOI Coordinator.

governance and statutory information

Fees and Charges

The rate of fees and charges are set under the FOI Act and are:

- Application fee for non-personal information is \$30.00.
- There are no fees for applications for personal information about the applicant.
- Charges for dealing with the application are set at a standard rate of \$30.00 per hour, or pro rata for a part of an hour.
- Charges for supervising inspection of documents are set at a standard rate of \$30.00 per hour, or pro rata for a part of an hour.
- Charges for photocopying are \$30.00 per hour for staff time and 20c per copy.
- Charges for time taken by staff transcribing information from a tape or other device are set at a standard rate of \$30.00 per hour, or pro rata for a part of an hour.
- Charges for duplicating a tape, film or computer information will be the actual cost.
- Charges for delivery, packaging and postage will be the actual cost.

The Application Process

The processing of FOI applications is coordinated centrally - initial decision making is generally delegated to the manager responsible for the issue in question. Once the Department has made a decision, all applicants are provided with written notice of the decision. If the applicant or third party is aggrieved with a decision made by the Department, they have the right to submit a written request for a review of that decision. This must be done within 30 days after being given notice of the decision. The review will be conducted by a person other than the person who made the original decision, is not subordinate to that person, and is usually a Legal Services Officer. The Department must respond with a written notice of its decision within 15 days. There is no lodgement fee payable for internal reviews.

If the applicant or third party is still aggrieved, they may lodge a written complaint to the Office of the Information Commissioner within 60 days following the internal review decision (30 days for third parties). The Commissioner's decision is final unless an appeal is made to the Supreme Court on a question of law.

Amendment of Personal Information

Personal information held on the public registers maintained by the Department in accordance with statutes, such as Land Title Registers maintained under the *Transfer of Land Act 1893*, may be amended in accordance with procedures set out in the legislation.

Other personal information held on Departmental records may be amended by application to the FOI Coordinator. This provision exists to ensure the Department does not unfairly harm the person referred to, misrepresents facts about them, or does not give a misleading impression.

Applicants must provide details and, if necessary, documentation in support of their claim to amend inaccurate, incomplete, out of date or misleading information.

governance and statutory information

Recordkeeping Plans

The Department's Recordkeeping Plan 2004, required under s19 of the *State Records Act 2000*, was approved for a period of five years by the State Records Commission on 7 October 2004. The following information is provided as required by *State Records Commission Standard 2*.

The efficiency and effectiveness of current recordkeeping systems were evaluated during the development of the Recordkeeping Plan 2004. A re-evaluation is planned during the future implementation of an electronic document and records management system.

In accordance with the Plan, online recordkeeping training was introduced in May 2005 for all employees. The training provides employees with awareness of recordkeeping principles and issues and supported compliance with the Plan. The training refers to the Department's recordkeeping policies that describe employees' recordkeeping responsibilities.

All existing staff are required to participate in the training; new employees are enrolled as part of their induction training and required to complete the course within two months of their appointment.

Almost 90% of all employees have successfully completed the course. A review of the effectiveness of the online training is planned during the second year of its implementation.

Advertising and Sponsorship

Expenditure specified under the *Electoral Act 1907*

In accordance with Section 175ZE of the *Electoral Act 1907*, DLI incurred the following expenditure in:

- Advertising agencies;
- Market research organisations;
- Polling organisations;
- Direct mail organisations; and
- Media advertising organisations.

In relation to particular classes of expenditure, DLI reports the following:

Advertising Agencies Nil

Market Research Organisations

Research Solutions \$128,996.50

Polling Organisations Nil

Direct Mail Organisations

Disco Direct Mailing Services \$2,057.00

Lasermail \$5,161.08

Northside Distributors \$971.45

TOTAL \$8,189.53

Media advertising organisations

Marketforce Productions \$60,003.13

Media Decisions WA \$5,950.81

Rural Press Regional Media (WA) P/L \$580.00

Seek Ltd \$2,370.00

Sensis Pty Ltd \$9,427.00

TOTAL \$78,330.94

The total amount paid by DLI for expenditure specified in the Act during 2005/2006 was \$215,516.97

governance and statutory information

Sponsorship Report

DLI has established policy and guidelines for giving and accepting sponsorship. The following details are reported:

DLI Sponsorship Received

Organisation	Purpose	Total
Statewest Credit Society	International Women's Day function	\$1,500
TOTAL		\$1,500

DLI Sponsorship Given

Organisation	Purpose	Total
Property Education Foundation	Education	\$2,386
Cooperative Research Centre for Spatial Information	Year 3 contribution as per Commonwealth Agreement	\$150,000
Cooperative Research Centre for Spatial Information	Hazwatch Project	\$145,000
Curtin University	Honours Project Scholarship	\$5,000
WALIS Forum	General sponsor	\$2,000
Department of Consumer & Employment Protection	Legislation review (strata managers)	\$30,000
University of Melbourne	Australian Research Centre (ARC) Linkage Project – Marine Cadastre	\$15,000
TOTAL		\$349,386

Sustainability

DLI has maintained momentum in supporting the sustainable economic, social and environmental management and development of the State. The agency's commitment to these goals is reflected in DLI's Strategic Plan 2005-2010, the 2005/06 Corporate Balanced Scorecard and the draft Bill for the Land Information Statutory Authority. The initiatives outlined below demonstrate DLI's ongoing commitment to sustainability.

Governance

- Review of DLI's Sustainability Assessment and decision making processes to ensure that future Business Cases are assessed for their potential impact on sustainability targets prior to submission.
- Consideration of sustainability issues within the drafting of the Land Information Bill for the transition to a statutory authority.
- Implementation and employment of government policy and procedures governing purchases below and in excess of \$20,000. Environmental impact issues and Waste 2020 objectives are included in the contract specifications and selection criteria of at least 80% of all appropriate tender documentation, evaluation and selection reports.
- Meaningful and effective public engagement with key stakeholders regarding the establishment of the statutory authority and other issues that may have a significant impact on stakeholders and the community including:
 - SLIP;
 - Landgate;
 - geodetic network review;
 - developments in emergency management; and
 - e-government initiatives.

governance and statutory information

People

- Ongoing training and development of staff at all levels to enhance business sustainability initiatives as detailed in the Skills Acquisition Plan.
- Delivery of facilitation and consultation skills training for senior staff as detailed in the Skills Acquisition Plan.
- DLI's Sustainability Action Plan is available to staff for ongoing reference and feedback.
- The Chief Executive continues to personally address all DLI staff on a regular basis providing opportunity for open dialogue.
- Continued implementation of strategies and measures to improve workforce diversity.
- DLI Community Participation Policy including support for:
 - voluntary blood donation by staff
 - paid time off work for staff who are emergency service volunteers
 - staff support for charity events
 - paid time off work for staff who do volunteer work
 - corporate support for approved community events
- Ongoing compliance with safety and health legislation. The OSH Committee continue to regularly assess, advise on and improve the DLI workplace.
- Ongoing support of organisations that facilitate the employment of people with disabilities, youth and indigenous peoples including:
 - WA Deaf Society
 - local high schools (work experience and trainees from local schools have been involved in the areas of Workforce Services, Customer Services and Floreat's, Satellite Remote Sensing Unit)
 - Public Sector School Based Traineeships
- An ongoing program of staff awareness and training with regard to:
 - equal opportunity
 - prevention/elimination of harassment and bullying
 - workforce diversity
 - grievance management

Environmental

- Completion of an audit of DLI's resource consumption and waste.
- A total of 26,685kg of paper waste was recycled: an increase of 6,740kg above the 2004/2005 total and 9685kg above the baseline DLI agency target of 17,000kg.
- Encouragement and support of DLI employees taking part in programs that benefit the local and wider community including promotion of the Public Sector Employee Volunteering Resource Guide to encourage volunteering in community activities.
- Reduction of six cylinder cars in its fleet, replacing with four cylinder cars. New cars purchased are using LPG where appropriate.
- The Shared Land Information Platform (SLIP) continues to progress helping reduce infrastructure costs in the West Australian public sector. Seven agencies and 40 datasets have now been connected to the SLIP information framework.

Stakeholders

- Regular meetings to discuss current issues, occur between the Chief Executive and public and private sector representatives.
- Regular meeting of staff representation groups to identify, communicate and address workforce and workplace environment issues.
- Membership by the Chief Executive on a number of committees aiming to facilitate cross-government initiatives and communications.
- Workplace redesign continues – including new policy requirements for office accommodation. DLI has maintained a 2.5 star Australian Building Greenhouse Rating.
- Reflecting its commitment to excellence in customer service DLI has, since 1995, convened a Customer Service Council. DLI's Customer Service Council strives to improve its products and services through staff training, innovation, technological developments and consultation with customers. The Council meets quarterly and provides important input on a range of issues that affect customers and stakeholders.

governance and statutory information

Equal Employment Opportunity Outcomes

Women in Management

	Objective 2005 DLI	Actual 2005 DLI
Distribution (Equity Index)	50	54
Representation in SES	-	0 (2 Acting)
Management Tier 1	-	0
Management Tier 2	-	16.7%
Management Tier 3	-	27.8%
Combined Management Tiers 2 & 3	13%	25%

DLI continues to make good progress in its representation of women at senior levels, exceeding the objectives set. Unfortunately the data for women in SES positions does not reflect that at the time of the survey there were two women acting in SES positions.

Diversity Progress Report - Representation

		Objective 2005 DLI	Actual 2005 DLI
Indigenous	% Representation	1%	.5%
Australians	Equity Index	7	NA*
People from Culturally Diverse Backgrounds	% Representation	6.6%	8%
	Equity Index	61	91
People with Disabilities	% Representation	2%	5%
	Equity Index	61	43
Youth	% Representation	7.7%	5.7%
	Equity Index	NA	NA

* Number of people in diversity group too small to calculate meaningful equity index.

Progress overall is positive for the diversity groups. Additional effort will be focussed on attracting and retaining youth and Indigenous Australians.

Compliance with Public Sector Standards and Ethical Codes (Public Sector Management Act 1994, S31 (1))

Human Resource Management Standards, Public Sector Standards and Ethical Codes Compliance Statement.

My report in line with the Commissioner's guidelines is as follows:

In the administration of the Department I have complied with the Public Sector Standards in regard to recruitment, selection and appointment, transfer, secondment, redeployment, termination, discipline, grievance resolution, the Western Australian Code of Ethics and our Code of Business Conduct.

I have put in place sufficient internal controls and checks designed to ensure such compliance to satisfy myself that the above statement is correct.

Breach of Standard Claims 2005/2006

Two breach of standard claims were lodged during the year.

Breach of Standards


These two claims are currently under review by the Office of Public Sector Standards.

Investigations

No investigations were undertaken during the year by the Office of Public Sector Standards Commissioner in accordance with Section 24 of the Act.

Compliance Audits

No compliance audit was undertaken during the year by the Office of the Public Sector Standards Commissioner.



Grahame Searle
Chief Executive

governance and statutory information

Compliance with Codes of Ethics and Codes of Conduct

In 2004 DLI launched its Code of Conduct, which incorporated our Departmental Values. The Code provides a foundation on which are based DLI's future priorities, decision making and workforce capabilities. It is available to all employees in hard-copy and on-line formats. A significant achievement for this year was to be nominated as finalist for our Code of Conduct in the 2005 Premier's Awards.

DLI values:

- Growth & learning;
- Excellence;
- Creativity;
- Community;
- Celebration; and
- Sustainability.

Work has been undertaken to embed the values contained in our Code of Conduct in our human resource management policies, training programs, leadership development program and management decision making. Values alignment of staff behaviour has also been incorporated into the Department's performance management system, Perfect Balance. In addition, DLI has documented policies regarding the inappropriate use of resources and conflicts of interest.

Corruption Prevention

DLI has a number of mitigation strategies in place, such as:

- A Gifts and Hospitality register, which requires the disclosure of the acceptance or refusal of gifts, benefits or hospitality over the value of \$30; and
- The DLI Staff Induction process, which includes the provision of codes and policies relevant to the appropriate conduct and behaviour required within the agency.

The Department is continuously reviewing, identifying and assessing organisational risks relating to corruption and misconduct.

Public Interest Disclosures

DLI has published its Public Interest Disclosure Policy, along with procedures and guidelines, on the internal staff intranet system. This also provides commonly asked questions and answers for the information of staff.

The Manager of Legal Services Branch has been appointed as DLI's Public Interest Disclosure Officer. The Manager of Strategic Human Resources is available to answer questions for staff on the policy.

governance and statutory information

Pricing Policies

Under Treasurer's Instruction 903, section 4(x), DLI is required to advise of the policies underlying the pricing of its goods and services. The fees and charges DLI applies to its products and services are determined by:

- a) the application of the principle of recovering the full or partial cost of the product or service (which is determined by whether it is categorised as a 'State good' or not); or
- b) the maintenance of parity pricing with similar products in the market place; or
- c) as determined by the suppliers, where DLI acts as the agent.

For the major categories of products and services provided by DLI, the following apply:

Land Registrations:

- Land registration services – the basis for determining the cost of the service is in accordance with the concepts set out in "Costing and Pricing Government Outputs – Guidelines for Use by Agencies" produced by the Department of Treasury and Finance. The current schedule of fees for land registration products and services relating to document registration and survey plan lodgement were implemented on 4 July 2005. The amendment regulations detailing this schedule of fees were published in the Government Gazette on 24 June 2005.
- The schedule of fees for inspecting and copying (searching) land registration information remained current from 7 July 2003 as were published as amendment regulations in a special Government Gazette on 30 June 2003. The principal regulations were later repealed and re-published in the Government Gazette on 2 September 2004.

Land Searches:

- The fees for search products are in the main bound to the regulated fees explained above. These products include copies of titles, surveys and documents. With the growing demand for online access, customised products are being developed and priced according to existing pricing policies.

Land Valuations

- Valuations and valuation consulting services made under the powers contained within the *Valuation of Land Act 1978*, are priced on a cost recovery basis in accordance with the concepts set out in "Costing and Pricing Government Outputs – Guidelines for Use by Agencies" produced by the Department of Treasury and Finance.

Land Information Access

- These commercial priced products & services cover a broad range of technical and market driven endeavours and include:
 - maps and aerial photography
 - remote sensing satellite Imagery
 - land claim mapping
 - geospatial data sales
 - property value and sales information
 - land information enterprises
 - land and property market

The prices for these are determined by applying the principles that are set out in the paragraphs (a), (b) and (c) above. Prices currently applying to these products and services are available from DLI Midland and online.

DLI has reviewed the pricing of fundamental land information data sets under the *State Trading Concerns Act 1916* and the WALIS Data Transfer and Pricing Policy.

governance and statutory information

Legislation

Legislation administered

DLI is responsible for the administration of numerous Acts of Parliament relating to land. However, the State Administrative Tribunal deals with dispute resolution under the *Strata Titles Act 1985* and the *Valuation of Land Act 1978*. Those most directly affecting the Department's daily business activities are:

Transfer of Land Act 1893 – established the Torrens System of registering freehold tenure, transactions and interests over land.

Registration of Deeds Act 1856 – outlines a system of registering conveyances, wills and other deeds affecting land for which no Certificate of Title has been issued.

Valuation of Land Act 1978 – established a central valuation authority to record, coordinate and carry out values on property for all rating and taxing purposes within the State and to undertake other valuation consultancy for Government.

Strata Titles Act 1985 – facilitates the subdivision of land into spaces for home units, and for the management of strata schemes.

Licensed Surveyors Act 1909 and Regulations – outlines the rules and guidelines for the conduct of authorised surveys.

Standard Survey Marks Act 1924 – outlines rules and guidelines for provision of survey marks.

Legislation affecting Departmental activities

In carrying out its business activities, DLI is affected by more than 100 different Acts administered by other departments or agencies. Some of the most significant of these are:

Carbon Rights Act 2003

Criminal Property Confiscation Act 2000

Evidence Act 1906

Land Administration Act 1997

Freedom of Information Act 1992

Land Tax Assessment Act 1976

Library Board of Western Australia Act 1951-1983

Limitation Act 2005

Local Government Act 1995

Magistrates Court Act 2004

Native Title (State Provisions) Act 1999

Native Title Act (Commonwealth) 1993

Oaths Affidavits and Statutory Declarations Act 2005

Planning and Development Act 2005

State Trading Concerns Act 1916

Town Planning and Development Act 2005

Stamp Act 1921

In the performance of its obligations as a Government department, DLI complies with the following Acts:

Anti-Corruption Commission Act 1988-1994

Competition Policy Reform (Western Australia Act) 1996

Disability Services Act 1984

Electoral Act 1907

Equal Opportunity Act 1984

Financial Administration and Audit Act 1985

Government Employees Superannuation Act 1987

Industrial Relations Act 1979

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Public Sector Management Act 1994

Salaries and Allowances Act 1994

State Supply Commission Act 1991

State Records Act 2000

Workers' Compensation and Rehabilitation Act 1981

Workplace Agreements Act 1993

governance and statutory information

Department Locations

Head Office

Midland Square
MIDLAND 6056

Postal Address:
PO Box 2222
MIDLAND 6936

Telephone: (08) 9273 7373
Facsimile: (08) 9273 7666
TTY (telephone for people with hearing impairment):
(08) 9273 7571
E-mail: mailroom@dli.wa.gov.au

DLI website address: <http://www.dli.wa.gov.au>
DLI's gateway to land and property information:
<http://www.landgate.com.au>
WALIS website address: <http://www.walis.wa.gov.au>
WALIS e-mail: walis@walis.wa.gov.au

Valuation Services

18 Mount Street
PERTH 6000

Postal Address:
PO Box 7201
Cloisters Square
PERTH 6850

Telephone: (08) 94298400
Facsimile: (08) 94298500
E-mail: vs@dpi.wa.gov.au

Perth Branch Office

Mount Newman House
Cloisters Square
220 St Georges Terrace
PERTH 6000

Satellite Remote Sensing Services

Leeuwin Centre for Earth Sensing Technologies
65 Brockway Road
FLOREAT 6014

Telephone: (08) 9387 0330
Facsimile: (08) 9383 7142
E-mail: info@uranus.dli.wa.gov.au

Bunbury Regional Office and Valuation Services

61 Victoria Street
BUNBURY 6230

Telephone: (08) 97910836
Facsimile: (08) 97910835

Valuation Services
Telephone: (08) 97210800
Facsimile: (08) 97214465
E-mail: bunburyvgo@dpi.wa.gov.au

Valuation Services Albany District Office

(Limited service to the public available)
58 Serpentine Road
ALBANY 6330

Telephone: (08) 98414532
Facsimile: (08) 9841 2311
E-mail: albanyvgo@dli.wa.gov.au

Publications

The Department of Land Information produces a vast range of published material including the StreetSmart Street Directory, WA Travellers Atlas, Touring Map Series, Landmarks magazine, aerial photography and satellite imagery.

Many of the Department's publications are available online. For further details please contact the Department's main office at:

Department of Land Information
1 Midland Square
MIDLAND WA 6056

Tel: (08) 9273 7373
TTY 9273 7571
Website: <http://www.dli.wa.gov.au>

key performance indicators

for the year ended 30 June 2006

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Service 1:	Access to Land Information
Service description:	Information about land ownership, land boundaries and geographic features is collected, recorded and made available for use by Government, business and the community.
Key Effectiveness Indicator (1 of 2):	Extent to which the State Land Information Capture Program (SLICP) is completed according to target.

Percentage of work program completed	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006
Topographic Data Capture/Revision	100%	100%	106%
Spatial Upgrade	95%	100%	132%
Ortho-image/mosaic Production	100%	100%	126%
Aerial Photography Capture	100%	100%	106%
Property Street Addressing	100%	100%	116%
Locality Boundary Capture	63%	100%	N/A
Digital Elevation Model Production	100%	100%	154%
Aerotriangulation	100%	100%	124%
Road Centreline Maintenance	100%	90%	68%
Digital Aerial Photography	100%	86%	277%
Overall Work Program Completion	96%	98%	134%
Overall Work Program Completion Target	100%	100%	100%

Why is this a key indicator of our performance?

The State Land Information Capture Program (SLICP) comprises related outputs for producing up-to-date, accurate land information data sets to meet customer needs. It is partly negotiated with the independent Western Australian Land Information System (WALIS), a consortium of government agencies that use the land information. The extent to which the SLICP is delivered is an indicator of the currency of the data and therefore the effectiveness of DLI's land information base.

How was the indicator derived?

Based on a combination of core and funded activities, the SLICP is a calculated estimate of the amount of work able to be completed which is presented to key WALIS agencies for comment. The various components of the required work are monitored throughout the program year and progress recorded, including the time taken and the direct cost involved.

The percentage completed for each of the component programs is averaged to attain the percentage of overall program completion.

In previous years, results over 100% were reported as 100% in the above tabulated information. Whilst this showed where we achieved the target, it did not show at a glance where we exceeded the target (this detail was only reported in the explanatory text below). This year, the results above 100% are shown in both the tabular form and in the explanatory text, providing a more consistent reporting format.

key performance indicators

for the year ended 30 June 2006

What does this indicator show?

Overall, the 2005-2006 SLICP averaged 34% above the completion target with only one of the reportable nine discrete components not achieving its target.

Comments on each component follow

Topographic Data Capture

Topographic data capture for the year exceeded the estimate of 270 large-scale map tiles for the metropolitan area and selected country towns by 17 which is a 6% gain. The initial 2005-2006 program was subject to some variation during the year to offset source aerial photography delays due to unseasonal metropolitan weather conditions.

Spatial Upgrade

The Spatial Upgrade Program updates the spatial cadastral database for specific areas of the state each year, and the entire state will be upgraded over time. During 2005-2006, the planned work for the year was exceeded by 32% due to an injection of additional capital works funding. At 30 June 2006, 77.9% of the entire state has been upgraded to survey accuracy.

Ortho-image/mosaic Production

The Ortho-image/mosaic program revises and expands the existing geo-referenced image coverage of the state each year. During 2005-2006, equipment and process improvements resulted in 37,849 images rectified, which is 26% more than the estimated 30,000 images. Contributing to this was the increased availability of aerotriangulated images.

Aerial Photography Capture

Completion of the annual program of aerial photography capture is influenced by adverse weather in all parts of the state necessitating strategic variations to programmed capture. This year, 13 of the 128 programmed areas could not commence and 7 did not reach completion due to prevailing weather conditions. However, substitute areas, combined with additional external funding, enabled the 35,000 frame target to be exceeded by 6% achieving 37,143 frames.

Property Street Addressing

The Property Street Address maintenance program includes rural and metropolitan/urban addressing. The program for 2005-2006 was influenced by increased rural addressing and data quality activity resulting in 52,413 new or amended addresses being included in the database, exceeding the target of 45,000 by 16%.

Locality Boundary Capture

Locality boundary determination for all 144 of the state's local governments was completed in 2004-2005 and will no longer be a reportable SLICP component. Maintenance will continue on an as-required basis.

Digital Elevation Model Production

Increased processing capability during the year enabled 24,642 Digital Elevation Models (DEMs) to be generated which was a gain of 54% over the 16,000 target.

Aerotriangulation Adjustment

Aerotriangulation uses stereo images to provide control points on aerial photography images derived from ground survey coordinates and supports and influences all other geo-referenced topographic and image data activities. Assisted by improvements in processing capability, the 2005-2006 programs achieved 37,198 images which is 24% more than the estimated 30,000 images.

key performance indicators

for the year ended 30 June 2006

Road Centreline Maintenance

Actions towards validation, maintenance and revision of the Road Centreline database for the state in 2005-2006 were recorded as a total of 13,778 which is 68% of the estimated 20,300 road segment actions. Incorporation of the service into the Road Centrelines Quality Improvements initiative in 2005-2006 saw some actions performed as part of other improvement activities within a map tile and not recorded separately as road segment actions. A new recording system based on map tiles will commence in 2006-2007.

Digital Aerial Photography - Increase in State Coverage

The annual program of digitising new aerial photography supports the initiative for electronic access to land data and customised digital products in strategically important areas of the state. The proportion of the 2005-2006 digitising program which extended the digital image cover into previously uncovered areas added 9.7% to the overall state coverage – equivalent to around 250,000 km². This is well above the 3.5% target and is a result of rescheduling the aerial photography program due to unfavourable weather conditions. Overall state coverage is now 50.7% which is approximately 1.25 million km².

key performance indicators

for the year ended 30 June 2006

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Service 1:	Access to Land Information
Service description:	Information about land ownership, land boundaries and geographic features is collected, recorded and made available for use by Government, business and the community.
Effectiveness Indicator (2 of 2):	Claims against registered interests, as a result of fraud, negligence or errors, settled by the Crown.

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Number of claims settled by Crown	0	0	0	1

Why is this a key indicator of our performance?

The indicator provides a measure of the State's success in maintaining an accurate land titles register. It shows the settled claims against the State arising from fraud, negligence or errors involving the certainty of land ownership within the State.

How was the indicator derived?

The indicator is derived from a register that records new, current or rejected claims made for monetary compensation against the State concerning registered interests in land, under the *Transfer of Land Act* (excludes ex gratia payments).

The following definitions apply:

"Fraud" means the illegal activities by a person or persons other than the registered owner or owners to effect changes to the existing interests recorded on a Certificate of Title or other land transaction document.

"Negligence or errors" means the actions or errors attributed to DLI or to conveyancers, but not detected by DLI, which affect the land register or clients' ability to successfully complete land transactions.

What does the indicator show?

Although there was one successful claim in 2005-2006, it does not indicate any significant underlying trend involving fraud, negligence or errors.

key performance indicators

for the year ended 30 June 2006

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Service 1:	Access to Land Information
Service description:	Information about land ownership, land boundaries and geographic features is collected, recorded and made available for use by Government, business and the community.
Key Efficiency Indicator (1 of 2):	Average cost per land registration action

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Average cost per land registration action	\$24.36	\$25.30	\$28.13	\$25.39

Why is this a key indicator of our performance?

Land registration actions include a range of activities associated with registered land transactions. The most common include document searches, examination and registration of interests on land. The last two involve incorporating changes made to a Certificate of Title. Typically, changes concern land ownership details on a title, applications for a new title for subdivisional land development, caveats, leases, powers of attorney, and other minor adjustments to land titles.

The indicator provides a measure of the full cost of recording on Government guaranteed land titles the range of interests, boundaries and ownership relevant to that land. This is a clear indicator of the efficiency with which the land registration system and service is maintained.

How was the indicator derived?

The number of transactions is derived from a recording and checking system that reports the number of:

- Documents examined for registration against the title;
- Certificates of title created; and
- Document search requests received.

The cost of registration actions includes all direct costs and an appropriate share of indirect and overhead recurrent costs. The cost of land registration actions is recovered via charges to users for each transaction. Each charge is calculated on a full cost recovery basis.

What does this indicator show?

This year, DLI dealt with its highest level of registration transactions on record, backed by very strong property market activity. The indicator shows that because the number of registration actions was 22.1% higher than the target, the cost per transaction decreased by 9.7%.

key performance indicators

for the year ended 30 June 2006

Outcome:	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.
Service 1:	Access to Land Information
Service description:	Information about land ownership, land boundaries and geographic features is collected, recorded and made available for use by Government, business and the community.
Key Efficiency Indicator (2 of 2):	Average cost per land information action.

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Average cost per land information action	N/A	\$32.04	\$37.69	\$34.81

Why is this a key indicator of our performance?

This efficiency indicator was introduced in 2004-2005. It replaced the following indicators which were used in 2003-2004:

- Average cost per physical land information data set maintained and developed
- Average cost per land boundary information data set maintained and developed

Land information actions include a range of activities associated with the capture, production and maintenance of physical land and land boundary information in DLI's datasets. These datasets include information about:

- Cadastre;
- Geodetic marks;
- Administrative boundaries;
- Landscape relief (ie contours);
- Cultural, or built environment, and natural features;
- Air photography;
- Satellite imagery;
- Geographic Names;
- Property Street Addresses;
- Road Centreline (ie position of constructed roads);
- Native Title Claims; and
- Baselines/territorial sea limits

The indicator provides a measure of the full cost of maintaining an up-to-date Government land information base and the costs involved represent a key indicator of efficiency.

key performance indicators

for the year ended 30 June 2006

How was the indicator derived?

The number of actions is derived from recording systems that report the number of:

- Physical and land boundary information actions;
- Photography and satellite image frames captured or value added;
- Digital map data revisions.

The cost of land information actions includes all direct costs and an appropriate share of indirect and overhead recurrent costs.

What does this indicator show?

The number of actions achieved was 13.8% higher than the target, resulting in the average cost per transaction being 7.6% lower than anticipated. Continuing technology improvements, refinement of processes and additional resources dealing with land boundary information actions contributed to the variance from the target.

key performance indicators

for the year ended 30 June 2006

Outcome:	Independent valuations support Governments' collection of rates and taxes, and management of property assets.
Service 2:	Valuations
Service description:	An impartial valuation and property consultancy service.
Key Effectiveness Indicator (1 of 2):	International standards for accuracy and uniformity of rating and taxing values are met.

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Benchmark against international standards for accuracy using Median Value Price Ratio Test ¹ :				
Gross Rental Value	93.87%	92.75%	>92.5%	92.93%
Unimproved Value	90.58%	89.75%	>92.5%	92.38%
Coefficient of dispersion to check uniformity of values:				
Gross Rental Value	6.26%	5.74%	<7.00%	6.02%
Unimproved Value	7.80%	9.18%	<15.00%	8.67%

(¹ - Median Value Price Ratio Test has been used for 2005-2006. As explained below, previously the Mean Ratio Test was used and those results have been reported for 2003-2004 and 2004-2005.)

Why is this a key indicator of our performance?

State and local governments rely on impartial, uniform and accurate property values as a base for levying rates and taxes. Therefore, measuring the uniformity and accuracy of valuations provides a useful indicator of our contribution to their effectiveness in meeting this outcome.

How was this indicator derived?

The uniformity and accuracy of Unimproved Values are checked against international ratio standards published by the International Association of Assessing Officers (IAAO) in their 'Standard on Ratio Studies'. Coefficient of Dispersion (COD) and the Median Value Price Ratio (MPR) tests are the key standards. These are used extensively in both Australia and New Zealand. Both were adopted as ideal indicators suited to Western Australia. Gross Rental Values are compared against our own standards developed in 1998 along similar lines to the IAAO land value standards.

The MPR this year replaces the Mean Ratio Test (MRT) used by the Valuer General since 1995-1996. It is noted that the MPR test produces similar results to the MRT, however the Median rather than the Mean is considered to be the superior measure. IAAO Standards state that "the overall level of appraisal for a jurisdiction.... for vacant land.... should be between 90 percent and 110 percent", and that the "Coefficient of Dispersion (COD) for vacant land should be 20 percent or less". In larger urban jurisdictions dealing with uniform land releases and availability of sales, the COD should be <15%.

For Unimproved Values the Valuer General of Western Australia has set an MPR standard of >92.5% and a COD of <15%.

While there is currently no international standard for Gross Rental Values, the Valuer General has adopted the same accuracy and uniformity measures applying to Unimproved Values but with a tighter COD target of <7%.

The quality of the outcome is reflected in the extent to which the results exceed the minimum targets.

key performance indicators

for the year ended 30 June 2006

What does this indicator show?

For Unimproved Values the outcomes show the following:

The MPR shows 92.38% against a target of >92.5%. This outcome is better than 2004-2005 and only slightly below the target figure. A contributing factor to this year's result was the continuation of the rapid escalation of land prices that increased the complexity in determining the level of assessment at the date of valuation. In these circumstances, the assessed values are more likely to be slightly below the market.

The COD of 8.67% is better than the 2004-2005 result of 9.18% and while still higher than preceding years, it remains well inside the international standard. It also reflects the difficulties associated with assessing values in a rapidly changing market.

For Gross Rental Values the outcomes show the following:

The MPR shows 92.93% against a target of >92.5%. This outcome is similar to 2004-2005 and is within the target range.

The COD of 6.02% is similar to last year, consistent with the average result achieved over the past six years, and well inside the adopted standard.

Taken together, the results of these tests show a very satisfactory outcome.

key performance indicators

for the year ended 30 June 2006

Outcome:	Independent valuations support Governments' collection of rates and taxes, and management of property assets.
Service 2:	Valuations
Service description:	An impartial valuation and property consultancy service.
Key Effectiveness Indicator (2 of 2):	Adjustments to rating and taxing values as a result of Objections and Appeals as a percentage of total values in force.

	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Adjustments to rating and taxing values as a result of Objections and Appeals as a percentage of total values in force	0.018%	<0.2%	0.023%

Why is this a key indicator of our performance?

The percentage of values amended as a consequence of owners exercising their right to challenge values is a reasonable measure of the integrity and fairness of the values contained in Valuation Rolls.

How was this indicator derived?

The figure is derived by dividing the number of values that have been amended as a result of an objection or appeal by the total number of rating and taxing values in force.

What does this indicator show?

At 30 June 2006, there were 1,783,884 values in force in Western Australia, reflecting an increase of 46,801 over the previous year. During the year, only 405 of these were amended as a result of formal objections and appeals lodged with the Valuer General. This indicates that less than one in every 4,400 values is amended after formal review.

Apart from the effectiveness of the valuation process in WA, these types of results also show the stability of and acceptance of the valuation base by rate and taxpayers.

key performance indicators

for the year ended 30 June 2006

Outcome:	Independent valuations support Governments' collection of rates and taxes, and management of property assets.
Service 2:	Valuations
Service description:	An impartial valuation and property consultancy service.
Key Efficiency Indicator:	Average cost per valuation.

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Average cost per valuation	\$11.19	\$12.82	\$15.72	\$15.47

Why is this a key indicator of our performance?

The number of valuations made and the average cost per valuation provide a reliable measure of overall performance against forecast targets and previous years' outcomes. Some variation does occur from year to year due to the cyclical nature of the Gross Rental Valuation (GRV) program, with 2005-2006 being the third year in which there is minimal GRV based mass appraisal activity in the Perth Metropolitan Region. This results in higher costs per value than the second year of the cycle (2004-2005).

How was this indicator derived?

Cost per value refers to the total cost per value of unimproved and gross rental values including general valuations, interim valuations, objections, appeals and queries made during the financial year, and other valuations including all plant and equipment, stamp duty, market, and asset valuations, and property related valuation consultancy services.

The total cost includes all direct costs and an appropriate share of indirect and overhead recurrent costs.

key performance indicators

for the year ended 30 June 2006

What does this indicator show?

The average cost per valuation of \$15.47 is 1.6% lower than the target and is due to the slightly greater than expected number of values being completed measured against lower than expected direct expenditure. This outcome needs to be considered in conjunction with the 2003-2004 and 2004-2005 results when there was a major two-year valuation program leading to the reporting each year of a significantly higher number of valuations resulting in a lower cost per value in each of these two years.

Outcome: Coordinated access to Western Australian Land Information System (WALIS) community members' geographic information supports the management and development of the State.

Service 3: Access to Government Geographic Information

Service description: Land or geographic information from WALIS community members (WCM) is managed in a coordinated way so that data held by WCM can be integrated and readily accessed to meet government, business and community needs.

Key Effectiveness Indicator: Useability of WALIS spatial information is determined by user awareness, acceptance and reuse.

		Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Awareness	Percentage increase in first time participants at WALIS functions	32%	26% ²	5%	20%
	Percentage increase in repeat participants at WALIS functions	5%	32% ²	5%	11%
Acceptance	Percentage increase in number of first time customers accessing spatial information from WALIS community members	N/A ¹	0%	2%	0%
Reuse	Percentage increase in number of return customers accessing spatial information from WALIS community members.	N/A ¹	0%	2%	6%

¹. The baseline developed in 2003-2004 was based on data collected over a two-month period, and may not have reflected a full 12-month cycle.

². WALIS Forum attendance is included in this assessment. The Forum occurs each 18 months and may not therefore occur in some financial years.

Why is this a key indicator of our performance?

The Western Australian Land Information System (WALIS) is an alliance of State Government agencies, local government and private organisations that share and make available land-related information to the private sector and the community. The role of the WALIS Office is to facilitate and coordinate this access to high quality spatial information. Effective access can be demonstrated by the useability of spatial information, and this is reflected by user awareness, acceptance and reuse.

key performance indicators

for the year ended 30 June 2006

How was the indicator derived?

Awareness is measured in terms of the number of first time and repeat participants recorded at WALIS educational and information functions, including the WALIS Forum that is held once every 18 months. The WALIS Office maintains contact information about participants and is able to report on the number who attend for the first time and the number who have attended previously.

Acceptance and Reuse is measured in terms of the number of new and existing customers of WALIS spatial data and information custodians. Each year, selected WALIS agencies collect and report the number of new and existing customers who access spatial information. This data is then collated by the WALIS Office to determine the annual average percentages for new and repeat customers.

In 2005-2006, agencies were, for the first time, asked to include details of spatial information that they provided to customers via the Internet using their own agency web-sites.

What does the indicator show?

Awareness

This indicator shows continuing interest in WALIS activities. In 2005-2006, there was again good participation in WALIS events, notwithstanding the fact that there was no WALIS Forum held in this period. The sound patronage reflects the number and diversity of events offered, the high level of interest in the information presented, and the particular attraction of participants to the Imagery Workshop held in October 2005.

Acceptance and Reuse

The data collected during 2004-2005 provided a full-year baseline from which usage statistics could be extracted. In 2005-2006, most agencies provided total customer figures for the full year, rather than providing figures for sample dates which were subsequently extrapolated to derive representative full-year figures. The results reveal a 0% growth for first time customers, and a significant growth in the number of repeat customers for data. This attests to an expectation that new customers of spatial data will shift to become repeat customers once they acknowledge the benefits of ready data access. Other reasons for usage variation revealed in 2005-2006 compared to 2004-2005 include the following:

- The figures for 2005-2006 include data that was downloaded electronically from agency web-sites
- The statistics for 2005-2006 are typically based on figures for the full year rather than using a sampling process.

It is worth noting that customer interest in acquiring data will vary for diverse reasons, including economic situation or significant social/ environmental/ health issues. One possible reason for the increase in reuse is due to the current resource boom in Western Australia.

key performance indicators

for the year ended 30 June 2006

Outcome:	Coordinated access to Western Australian Land Information System (WALIS) community members' geographic information supports the management and development of the State.
Service 3:	Access to Government Geographic Information
Service description:	Land or geographic information from WALIS community members (WCM) is managed in a coordinated way so that data held by WCM can be integrated and readily accessed to meet government, business and community needs.
Key Efficiency Indicator:	Average cost per Key Result Area.

	Actual 2003-2004	Actual 2004-2005	Target 2005-2006	Actual 2005-2006
Average cost per Key Result area	\$258,500	\$285,833	\$271,667	\$254,167

Why is this a key indicator of our performance?

The WALIS Office is responsible for managing and coordinating the achievement of its Annual Business Plan, which aims to meet the priorities and objectives set out in the WALIS Strategy 2004-2007. In 2005-2006 the Business Plan again comprised six Key Result Areas. Therefore the average cost of delivering the six Key Result Areas has been adopted as a useful measure of efficiency.

How was the indicator derived?

The six Key Result Areas are contained in the WALIS Annual Business Plan. The total cost of these projects reflects the entire cost of the WALIS Office, and includes all direct costs and an appropriate share of indirect and overhead recurrent costs. The six areas are policy, relationship management, data quality, data infrastructure and access, framework and business operations.

What does the indicator show?

For 2005-2006, the average cost per Key Result Area was \$254,167, which represents a decrease of 11% from 2004-2005. This can be attributed to the strong in-house support for SLIP related activities and the associated reduction of the other operational activities more typically progressed using consultant resources.

certification of the key performance indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Land Information's performance, and fairly represent the performance of the Department of Land Information for the financial year ended 30 June 2006.



Grahame Searle
CHIEF EXECUTIVE
(Accountable Officer)

18 August 2006

certification of financial statements

The accompanying financial statements of the Department of Land Information have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985*, from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2006, and the financial position as at 30 June 2006.

At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Grahame Searle

CHIEF EXECUTIVE
(Accountable Officer)

18 August 2006



Murray Smith

**MANAGER BUSINESS AND
FINANCE PERFORMANCE**
(Chief Finance Officer)

18 August 2006



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF LAND INFORMATION FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Land Information at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Chief Executive is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, Summary of Consolidated Fund Appropriations and Income Estimates, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

JOHN DOYLE
ACTING AUDITOR GENERAL
12 September 2006



financial statements

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financial statements | income statement

for the year ended 30 June 2006

	Note	2006 (\$'000)	2005 (\$'000)
Cost of services			
Expenses			
Employee benefit expenses	8	53,662	49,540
Depreciation and amortisation expense	9	6,087	6,463
Administration expenses	10	28,653	22,783
Accommodation expenses	11	9,367	9,073
Capital user charge	12	4,947	4,675
Cost of sales	15	244	228
Loss on disposal of non-current assets	13	17	26
Total cost of services		102,977	92,788
Income			
Revenue			
User charges and fees	14	75,976	69,398
Proceeds from the sale of maps, images and information	15	4,514	3,970
Proceeds from DLI International Projects	16	352	277
Other revenue	17	1,552	1,085
Total income other than Income from State Government		82,394	74,730
Net cost of services		20,583	18,058
Income from State Government			
Service Appropriation	18	31,857	22,877
Resources received free of charge	19	475	392
Liabilities assumed by the Treasurer	20	440	2,199
Assets transferred	21	0	(915)
Total income from State Government		32,772	24,553
Surplus/(Deficit) for the period		12,189	6,495

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

financial statements balance sheet

as at 30 June 2006

	Note	2006 (\$'000)	2005 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	22	27,098	14,054
Restricted cash and cash equivalents	23	24	14
Inventories - maps		231	188
Receivables	24	8,741	15,011
Amounts receivable for services	25	1,481	1,481
Prepayments	26	493	761
Accrued revenue	27	1,875	1,816
Total current assets		39,943	33,325
Non-current assets			
Restricted cash and cash equivalents	23	190	0
Amounts receivable for services	25	17,915	13,229
Accrued revenue	27	1,497	0
Equipment and furniture	28(a)	4,177	3,712
Intangibles	28(b)	26,385	24,297
Total non-current assets		50,164	41,238
TOTAL ASSETS		90,107	74,563
LIABILITIES			
Current liabilities			
Payables	30	288	718
Repayable grant	31	148	148
Provisions	32	10,752	8,783
Other current liabilities	33	6,842	5,008
Total current liabilities		18,030	14,657
Non-current liabilities			
Repayable grant	31	236	333
Provisions	32	3,614	3,668
Total non-current liabilities		3,850	4,001
TOTAL LIABILITIES		21,880	18,658
Net Assets		68,227	55,905
EQUITY			
	34		
Accumulated surplus/(deficiency)		67,910	39,533
Contributed equity		317	184
Asset revaluation reserve		0	16,188
Total equity		68,227	55,905
TOTAL LIABILITIES AND EQUITY		90,107	74,563

The Balance Sheet should be read in conjunction with the accompanying notes.

financial statements | statement of changes in equity

for the year ended 30 June 2006

	Note	2006 (\$'000)	2005 (\$'000)
Balance of equity at the start of period		55,905	49,226
Contributed Equity	34		
Balance at start of period		184	0
Capital contribution		133	184
Balance at end of period		317	184
Asset Revaluation Reserve	34		
Balance at start of period		16,188	16,188
Transfer to Accumulated Surplus		(16,188)	0
Balance at end of period		0	16,188
Accumulated surplus/(deficit)	34		
Balance at start of period		39,533	33,038
Transfer from Asset Revaluation Reserve		16,188	0
Surplus/(Deficit) for the period		12,189	6,495
Balance at end of period		67,910	39,533
Balance of equity at the end of period		68,227	55,905
Total income and expense for the period		12,189	6,495

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

financial statements | cash flow statement

for the year ended 30 June 2006

	Note	2006 (\$'000) Inflows (Outflows)	2005 (\$'000) Inflows (Outflows)
Cash flows from State Government			
Service appropriations		25,690	17,691
Capital contributions		133	184
Assets transferred		0	(915)
Holding Account drawdowns		1,481	1,573
Net cash provided by State Government		27,304	18,533
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(46,229)	(43,407)
Superannuation		(4,409)	(4,149)
Administration		(27,919)	(24,523)
Accommodation		(9,234)	(9,030)
Capital user charge		(4,947)	(4,675)
GST payments on purchases		(4,524)	(4,460)
GST payments to taxation authority		(2)	0
Receipts			
User charges and fees		81,085	62,858
Proceeds from the sale of maps, images and information		4,089	3,970
GST receipts on sales		791	631
GST receipts from taxation authority		3,295	3,286
Other receipts		2,990	2,094
Net cash provided by (used in) operating activities	35(b)	(5,014)	(17,405)
Cash flows from investing activities			
Proceeds from sale of non-current assets		4	7
Purchase of non-current assets		(8,953)	(12,984)
Net cash provided by (used in) investing activities		(8,949)	(12,977)
Cash flows from financing activities			
Repayable grant proceeds		301	172
Repayable grant repayments		(398)	(103)
Net cash provided by (used in) financing activities		(97)	69
Net increase/(decrease) in cash and cash equivalents		13,244	(11,780)
Cash and cash equivalents at the beginning of the financial year		14,068	25,848
Cash and cash equivalents at the end of the financial year	35(a)	27,312	14,068

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

financial statements schedule of income and expenses by service *for the year ended 30 June 2006*

Service	Access to Land Information		Valuations		Access to Government Geographic Information		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cost of Services								
Expenses								
Employee benefit expenses	39,554	35,621	13,497	13,231	611	685	53,662	49,537
Depreciation and amortisation expense	5,274	5,643	787	789	27	31	6,087	6,463
Administration expenses	26,220	20,309	1,695	1,617	737	860	28,653	22,786
Accommodation expenses	7,913	7,381	1,334	1,584	120	108	9,367	9,073
Capital user charge	4,213	3,812	704	832	30	31	4,947	4,675
Cost of sales	244	228	0	0	0	0	244	228
Loss on disposal of non-current assets	17	26	0	0	0	0	17	26
Total cost of services	83,435	73,020	18,017	18,053	1,525	1,715	102,977	92,788
Income								
User charges and fees	67,786	57,101	8,190	12,297	0	0	75,976	69,398
Proceeds from the sale of maps, images and information	4,177	3,615	366	354	0	1	4,543	3,970
Proceeds from DLI International Projects	352	277	0	0	0	0	352	277
Other revenue	1,427	1,012	96	0	0	73	1,523	1,085
Total income other than Income from State Government	73,742	62,005	8,652	12,651	0	74	82,394	74,730
Net cost of services	9,693	11,015	9,365	5,402	1,525	1,641	20,583	18,058
Income from State Government								
Service appropriation	15,516	13,826	14,821	7,430	1,520	1,621	31,857	22,877
Resources received free of charge	366	369	107	16	2	7	475	392
Liabilities assumed by the Treasurer	329	1,553	108	633	3	13	440	2,199
Assets transferred	0	(915)	0	0	0	0	0	(915)
Total income from State Government	16,211	14,833	15,036	8,079	1,525	1,641	32,772	24,553
Surplus/(Deficit) for the period	6,518	3,818	5,671	2,677	0	0	12,189	6,495

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

financial statements summary of consolidated fund

appropriations and income estimates *for the year ended 30 June 2006*

	2006 Estimate (\$'000)	2006 Actual (\$'000)	Variance (\$'000)	2006 Actual (\$'000)	2005 Actual (\$'000)	Variance (\$'000)
DELIVERY OF SERVICES						
Item 112 Net amount appropriated to deliver services	30,888	31,388	500	31,388	22,767	8,621
Section 25 transfer of service appropriation	0	0	0	0	(282)	282
Amount Authorised by Other Statutes						
- <i>Transfer of Land Act 1893</i>	0	110	110	110	0	110
- <i>Salaries and Allowances Act 1975</i>	347	359	12	359	392	(33)
Total appropriations provided to deliver services	31,235	31,857	622	31,857	22,877	8,980
CAPITAL						
Item 166 Capital Contribution	633	133	(500)	133	184	(51)
Total Capital Contributions	633	133	(500)	133	184	(51)
GRAND TOTAL OF APPROPRIATIONS	31,868	31,990	122	31,990	23,061	8,929
Details of Expenses by Service						
Access to Land Information	76,744	83,435	6,691	83,435	73,020	10,415
Valuations	17,850	18,017	167	18,017	18,053	(36)
Access to Government geographic information	1,630	1,525	(105)	1,525	1,715	(190)
Total Cost of Services	96,224	102,977	6,753	102,977	92,788	10,189
Less total income	(63,777)	(82,394)	(18,617)	(82,394)	(74,730)	(7,664)
Net Cost of Services	32,447	20,583	(11,864)	20,583	18,058	2,525
Adjustments	(1,212)	11,274	12,486	11,274	4,819	6,455
Total appropriations provided to deliver services	31,235	31,857	622	31,857	22,877	8,980
Capital Expenditure						
Purchase of non-current physical assets	13,281	11,051	(2,230)	11,051	9,917	1,134
Adjustments for other funding sources	(12,648)	(10,918)	1,730	(10,918)	(9,733)	(1,185)
Capital Contribution (appropriation)	633	133	(500)	133	184	(51)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Explanations of variations between the current year actual results and estimates and prior year actuals are set out in Note 47.

financial statements notes to the financial statements

for the year ended 30 June 2006

1. Departmental mission and funding

The Department's mission is to provide access to land information anywhere, anytime to promote a strong and sustainable Western Australia.

The Department is predominantly funded by revenue retained in accordance with a determination by the Treasurer under Section 23A of the *Financial Administration and Audit Act* and by annual Parliamentary appropriation from the Consolidated Fund.

The services provided by the Department are on a fee-for-service basis. The fees are charged on a full cost recovery basis. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

2. First time adoption of Australian equivalents to International Financial Reporting Standards

General

This is the Department's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS). Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. The financial statements of the Department until 30 June 2005 had been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Accounting Standards and the Urgent Issue Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by *Treasurer's Instruction (TI) 1101* 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information is prepared under the AIFRS basis.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 49 'Reconciliations explaining the transition to AIFRS'.

financial statements notes to the financial statements

for the year ended 30 June 2006

3. Summary of significant accounting policies

(a) General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Administration and Audit Act* and the *Treasurer's Instructions* are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29 Financial Reporting by Government Departments.

The statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless stated otherwise.

The judgements that have been made in the process of applying the Department's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at Note 4 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at Note 5 'Key sources of estimation uncertainty'.

(c) Reporting Entity

The financial statements comprise the Department. There are no related bodies.

(d) Contributed equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

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for the year ended 30 June 2006

(e) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue from the sale of goods and disposal of other assets, is recognised when the Department has transferred the significant risks and rewards ownership control of the goods or other assets to the purchaser.

Rendering of services

Revenue from the delivery of services is recognised upon delivery of the service to the client or by reference to the stage of completion.

Service appropriations

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance. (Refer to Note 18 for further commentary on service appropriations).

Net appropriation determination

Pursuant to section 23A of the *Financial Administration and Audit Act*, the net appropriation determination by the Treasurer allows the Department to retain all recurrent Departmental revenue and Commonwealth Specific Purpose Grants and apply them to the Department's services as specified in the 2005-06 Budget Statements. In accordance with the determination, the Department retained \$82.394m in 2006 (\$74.730m in 2005) from the following:

- proceeds from fees and charges;
- sale of goods; and
- other departmental revenue.

Grants, gifts and other contributions

Revenue from grants, gifts and other non-reciprocal contributions are recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value.

Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(f) Equipment and furniture

Capitalisation/Expensing of assets

Items of equipment and furniture costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of equipment and furniture costing less than \$1,000 are expensed

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in the year of acquisition direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of equipment and furniture are initially recognised at cost.

Items of equipment and furniture acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, equipment and furniture are carried at historical cost less accumulated depreciation/amortisation and accumulated impairment losses.

Depreciation/amortisation

All non-current assets having a limited useful life are systematically depreciated/amortised over their useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation/amortisation is calculated on the straight line basis, using rates which are reviewed annually. Estimated useful lives for each class of asset are:

Furniture	11 years
Equipment (including leasehold improvements)	8 - 15 years
Computer equipment	3 - 5 years

(g) Intangible assets

Acquired and internally generated intangible assets costing over \$1,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The estimated useful lives for each class of intangible asset is:

Service delivery software and related project costs	1 - 10 years
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The value of intangible assets includes:

- Major computer software packages acquired plus costs associated with preparing the software for its intended use and;
- major internally developed software plus the associated development costs.

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Intangible assets under development are classified as Works in Progress.

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured. Other development costs are expensed as incurred.

(h) Impairment of assets

Equipment and furniture and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

Refer Note 29 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer Note 3(n) 'Receivables' and note 24 'Receivables' for impairment of receivables.

(i) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date. See note 32 'Provisions'.

(i) Provision - Employee benefits

Annual and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation (GSS) Scheme, a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees who are not members to either of these schemes become non-contributory members of the West State Superannuation (WSS) Scheme, an accumulation fund. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS Scheme.

(ii) Provisions - Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Department's 'Employee benefits expense' and the related liability is included in Employment on-costs provision.

(j) Superannuation expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans - change in the unfunded employer's liability assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from the Pension Scheme to the Gold State Superannuation (GSS) Scheme; and
- (b) Defined contribution plans - employer contributions paid to the West State Superannuation (WSS) Scheme, and the equivalent of employer contributions to the GSS Scheme.

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(i)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement. See note 20 'Liabilities assumed by the Treasurer'.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided by the Department in the current year.

Defined contribution plans - in order to reflect the Department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits) and the WSS Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

The Department's liabilities for superannuation under the GSS and WSS Scheme's are extinguished by payment of the employer contributions to the GESB.

(k) Leases

The Department has entered into a number of operating lease arrangements for buildings, office equipment and vehicles where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

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(l) Financial instruments

The Department has two categories of financial instruments:

- Receivables (cash and cash equivalents, receivables, accrued revenue); and
- Non-trading financial liabilities (payables, provisions, repayable grant, other liabilities)

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

The financial instruments listed are all non interest bearing.

(m) Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash assets and restricted cash assets. These are comprised of cash on hand and short-term deposits that are readily convertible to cash, and which are subject to insignificant risk of changes in value.

(n) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment).

Collectability of receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. A provision for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts.

The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(o) Accrued salaries

The accrued salaries suspense account (refer Note 23) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer Note 33) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(p) Amounts receivable for services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 18 'Service Appropriations' and Note 25 'Amounts receivable for services'.

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(q) Payables

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

The carrying amount is equivalent to fair value as they are generally settled within 30 days.

(r) Resources received free of charge or for nominal consideration

Resources received free of charge or for nominal consideration which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(s) Foreign currency translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions.

(t) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued at average cost.

(u) Comparative figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

(v) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest whole dollar.

4. Judgements made by management in applying accounting policies

The judgements made by management in the process of applying accounting policies had no significant effect on the amounts recognised in the financial statements.

5. Key sources of estimation uncertainty

There were no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. Disclosure of changes in accounting policy and estimates

(a) Initial application of an Australian Accounting Standard

There were no changes in accounting policies that will have an effect on the current period or any prior period other than that disclosed in Note 2.

(b) Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4

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and AASB 2005-6. Consequently, the Department has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Department has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Department as they will have no impact:

AASB Amendment	Affected Standards
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions).
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'.
2006-1	AASB 121 (Net investment in foreign operations).
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.
UIG 8	'Scope of AASB 2'
UIG 9	'Reassessment of Embedded Derivatives'

(c) Changes in accounting estimates

There were no changes in accounting estimates that will have an effect on the current period or any prior period.



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for the year ended 30 June 2006

7. Services of the Department

Information about the Department's services and the expenses and revenues which are reliably attributable to those services are set out in the Schedule of Income and Expenses by Service.

The three services of the Department and their objectives as at 30 June 2006 were:

Service 1: Access to Land Information

Information about land ownership, land boundaries and geographic features is collected, recorded and made available for use by Government, business and the community.

Service 2: Valuations

An impartial valuation and property consultancy service.

Service 3: Access to Government Geographic Information

Land or geographic information from Western Australian Land Information System (WALIS) community members is managed in a coordinated way so that data held by the WALIS community members can be integrated and readily accessed to meet Government, business and community needs.

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	2006 (\$'000)	2005 (\$'000)
8. Employee benefit expenses		
Salaries and Wages *	41,971	38,199
Superannuation - defined contribution plans	4,441	4,154
Superannuation - defined benefit plans	440	2,199
Annual Leave	5,492	3,486
Long Service Leave	1,318	1,502
	<u>53,662</u>	<u>49,540</u>
* - this includes the value of the fringe benefit to the employee plus the fringe benefits tax component.		
9. Depreciation and amortisation expense		
Depreciation		
Equipment	93	109
Computer Equipment	1,067	1,611
Furniture	5	6
	<u>1,165</u>	<u>1,726</u>
Amortisation		
Service Delivery Software and related project costs	4,830	4,670
Leasehold Improvements	92	67
	<u>4,922</u>	<u>4,737</u>
Total depreciation and amortisation expense	<u>6,087</u>	<u>6,463</u>
10. Administration expenses		
Services and contracts	22,154	16,843
Grants & Subsidies	243	160
Other staffing costs	770	479
Communications	754	769
Consumables	486	462
Insurance	340	522
Resources received free of charge	475	392
Minor purchases	773	0
Travel	441	498
Advertising	96	87
Employment on-costs	27	6
Other administration expenses	2,094	2,565
	<u>28,653</u>	<u>22,783</u>
11. Accommodation expenses		
Lease rentals	6,782	6,588
Utilities and statutory charges	630	580
Repairs and maintenance	886	1,005
Minor works and alterations	535	314
Other accommodation expenses	534	586
	<u>9,367</u>	<u>9,073</u>

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for the year ended 30 June 2006

	2006 (\$'000)	2005 (\$'000)
12. Capital user charge	4,947	4,675
<p>A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.</p>		
13. Net gain/(loss) on disposal of non-current assets		
Furniture, Office and Computer Equipment		
Capital Cost	1,943	1,775
Accumulated Depreciation	(1,922)	(1,742)
Carrying Amount of Non Current Assets	21	33
less: Proceeds	4	7
Net gain/(loss) on disposal	(17)	(26)
14. User charges and fees		
Land Titles Management		
Search	20,264	17,641
Transfer	17,558	14,072
Mortgage	11,027	9,194
Discharge	10,179	8,661
Other (Plan Lodgements, Caveats, Applications etc..)	8,758	7,531
	67,786	57,099
Valuation Services	8,190	12,299
Total user charges and fees	75,976	69,398
15. Proceeds from the sale of maps, images and information		
Proceeds from sale	4,514	3,970
Cost of sale	(244)	(228)
Net Proceeds	4,270	3,742
16. Proceeds from DLI International Projects		
Proceeds		
Vietnam	218	201
Philippines	59	75
Samoa	0	1
Sri Lanka	36	0
Mauritius	39	0
	352	277

The revenue attributed to Vietnam is for providing services to the Strengthening Environmental Management and Land Administration (SEMLA) Program, which is funded by the Swedish International Development Cooperation Agency.

The revenue for the Philippines is from providing consulting services to the Ausaid funded Philippines Australia Land Administration Management Project. The revenue for Sri Lanka is for provision of consulting services. The revenue from Mauritius is for providing consulting services to the Government of Mauritius.

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	2006 (\$'000)	2005 (\$'000)
17. Other revenue		
Land Claims Mapping Unit	471	389
Recovery of costs	122	40
Grants	877	219
Government Vehicle Scheme	45	38
Other Services	37	399
Total other revenue	1,552	1,085
18. Service Appropriations		
Appropriation revenue received during the year	31,857	22,877
<p>Service appropriations are accrual amounts, reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises an allocation for depreciation expense for the year.</p>		
19. Resources received free of charge		
Administration expenses	475	392
<p>Resources received free of charge have been determined on the basis of the following estimates provided by agencies:</p>		
Department of Treasury and Finance	286	279
Department of Justice	183	113
Department for Planning & Infrastructure	6	0
	475	392
<p>Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.</p>		
20. Liabilities Assumed by the Treasurer		
Superannuation	440	2,199
<p>The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. (Refer Note 3(j))</p>		
21. Assets transferred	0	(915)
<p>In 2004-05 \$915,000 was transferred to the following agencies in accordance with the funding arrangements approved by Government for the Shared Land Information Platform (SLIP) initiative:</p>		
Department of Agriculture	0	399
Department for Planning and Infrastructure	0	516
	0	915

Although non reciprocal in nature, the cash transfers were not related to a transfer of function or to the transfer of other assets and liabilities and, therefore, were recognised in the Income Statement in accordance with Treasurer's Instruction 955(4). (Refer Note 3(d))

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	2006 (\$'000)	2005 (\$'000)
22. Cash and cash equivalents		
Cash on hand	62	62
Operating bank account	27,036	13,992
	<u>27,098</u>	<u>14,054</u>
23. Restricted cash and cash equivalents		
Current		
Survey lodgement fees (i)	0	14
Other suspense accounts (iii)	24	0
	<u>24</u>	<u>14</u>
Non-current		
Accrued salaries suspense (ii)	190	0
	<u>214</u>	<u>14</u>
(i) Subdivision fees collected on behalf of Department for Planning and Infrastructure.		
(ii) Amount held in the suspense account is only used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.		
(iii) Funds received and awaiting distribution to appropriate accounts.		
24. Receivables		
Trade Debtors	8,047	14,433
Goods and services tax	714	615
Less: Provision for doubtful debts	(20)	(37)
	<u>8,741</u>	<u>15,011</u>
25. Amounts receivable for services		
Current	1,481	1,481
Non-current	17,915	13,229
	<u>19,396</u>	<u>14,710</u>
This asset represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement. (Refer Note 18)		
26. Prepayments		
Data processing contracts	375	568
Other	118	193
	<u>493</u>	<u>761</u>
27. Accrued Revenue		
Current		
Valuation services	1,843	1,785
Other	32	31
	<u>1,875</u>	<u>1,816</u>
Non-current		
Valuation services	1,497	0
	<u>3,372</u>	<u>1,816</u>

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	2006 (\$'000)	2005 (\$'000)
28. a) Equipment and Furniture		
Equipment		
At cost	2,155	2,162
Accumulated depreciation	(1,628)	(1,642)
	527	520
Computer equipment		
At cost	10,206	10,394
Accumulated depreciation	(7,375)	(8,118)
	2,831	2,276
Leasehold Improvements		
At cost	1,014	1,049
Accumulated amortisation	(219)	(162)
	795	887
Total equipment	4,153	3,683
Furniture		
At cost	1,853	1,858
Accumulated depreciation	(1,829)	(1,829)
Total furniture	24	29
Total equipment and furniture	4,177	3,712
b) Intangibles		
Service delivery software and related project costs		
At cost	47,185	40,310
Accumulated amortisation	(29,497)	(24,667)
Written down value	17,688	15,643
Work in progress at cost	8,697	8,654
Total intangibles	26,385	24,297
Total equipment, furniture and intangibles	30,562	28,009

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c) Reconciliations

Reconciliations of the carrying amounts of equipment, furniture and intangibles at the beginning and end of the reporting period are set out below.

2006	Equipment (\$'000)	Computer Equipment (\$'000)	Leasehold Improve- ments (\$'000)	Furniture (\$'000)	Service Delivery Software and Project Costs (\$'000)	Works in Progress (\$'000)	Total (\$'000)
Carrying amount at June 30 2005	520	2,276	887	29	15,643	8,654	28,009
Additions	119	1,624	0	0	0	9,177	10,920
Transfers	(13)	13	0	0	6,875	(6,875)	0
Disposals	(6)	(15)	0	0	0	0	(21)
Depreciation/amortisation	(93)	(1,067)	(92)	(5)	(4,830)	0	(6,087)
Adjustments	0	0	0	0	0	(2,259)	(2,259)
Carrying amount at June 30 2006	527	2,831	795	24	17,688	8,697	30,562

2005	Equipment (\$'000)	Computer Equipment (\$'000)	Leasehold Improve- ments (\$'000)	Furniture (\$'000)	Service Delivery Software and Project Costs (\$'000)	Works in Progress (\$'000)	Total (\$'000)
Carrying amount at June 30 2004	603	3,425	469	39	11,196	8,927	24,659
Additions	48	473	222	0	0	9,829	10,572
Transfers	0	0	263	0	9,114	(9,377)	0
Disposals	(22)	(11)	0	0	0	0	(33)
Depreciation/amortisation	(109)	(1,611)	(67)	(6)	(4,670)	0	(6,463)
Adjustments	0	0	0	(4)	3	(725)	(726)
Carrying amount at June 30 2005	520	2,276	887	29	15,643	8,654	28,009

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	2006 (\$'000)	2005 (\$'000)
29. Impairment of assets		
There were no indications of impairment of equipment, furniture and intangible assets at 30 June 2006.		
The Department held no intangible assets not yet available for use other than internal systems under development and classified as works in progress.		
30. Payables		
Trade payables	211	651
Other	77	67
	<u>288</u>	<u>718</u>
31. Repayable grant		
Current	148	148
Non-current	236	333
	<u>384</u>	<u>481</u>
The Department has received 'interest free' grants totalling \$739,000 from the Sustainable Energy Development Office under the Energy Smart Government Capital Advance Program. The grants have been provided to finance performance improvement measures implemented under stages 1 and 2 of the Department's Energy Performance Contract.		
The grants in respect of stage 1 (\$516,000) are repayable in equal instalments over 5 years beginning 1 August 2003.		
The grant in respect of stage 2 (\$223,000) is also repayable in equal installments over 5 years, beginning 1 August 2005. The repayments are funded from savings guaranteed to be delivered by the contractor under the agreement.		
32. Provisions		
Current		
Employee benefits provision (i)		
Current liabilities:		
Annual leave (ii)	5,220	3,795
Long service leave (iii)	5,479	4,956
	<u>10,699</u>	<u>8,751</u>
Employment on-costs provision (iv)		
Current	53	32
Total current provisions	<u>10,752</u>	<u>8,783</u>
Non-current		
Employee benefits provision (i)		
Long service leave (iii)	3,595	3,654
	<u>3,595</u>	<u>3,654</u>
Employment on-costs provision (iv)		
Non-current	19	14
Total non-current provisions	<u>3,614</u>	<u>3,668</u>

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	2006 (\$'000)	2005 (\$'000)
(i) Employee Benefits as at 30 June 2006 included \$1.069m in respect to employer superannuation contributions. (30 June 2005 - \$0.937)		
(ii) Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	3,140	2,283
More than 12 months after reporting date	2,080	1,512
	5,220	3,795
(iii) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of reporting date	3,843	3,514
More than 12 months after reporting date	5,231	5,096
	9,074	8,610
(iv) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums. The provision is the present value of expected future payments. The associated expense is included at Note 10 'Administration expenses - other'.		
33. Other current liabilities		
Accrued expenses	3,693	3,138
Accrued salaries and wages	851	0
Unearned revenue	921	1,026
Other liabilities	1,377	844
	6,842	5,008

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	2006 (\$'000)	2005 (\$'000)
34. Equity		
Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
Accumulated surplus/(deficit)		
Balance at start of year	39,533	33,038
Transfer from Asset revaluation reserve	16,188	0
Result for the period	12,189	6,495
Balance at end of year	67,910	39,533
Contributed equity		
Balance at start of year	184	0
Capital Contributions (i)	133	184
Balance at end of year	317	184
Asset revaluation reserve (ii)		
Balance at start of year	16,188	16,188
Transfer to Accumulated surplus/(deficit)	(16,188)	0
Balance at end of year	0	16,188
Total equity	68,227	55,905

(i) Capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Balance Sheet.

(ii) The Asset Revaluation Reserve (ARR) was used to record increments and decrements on the revaluation of non-current assets. As the Department no longer holds the assets that resulted in the ARR, as they were transferred to the Department for Planning and Infrastructure, the balance of the ARR as at 30 June 2006 has been transferred to Accumulated surplus/(deficit). This transfer was done in accordance with AASB116 par 41.

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	2006 (\$'000)	2005 (\$'000)
35. Notes to the Cash Flow Statement		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents (Refer Note 22)	27,098	14,054
Restricted cash and cash equivalents (Refer Note 23)	214	14
	27,312	14,068
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cash (used in) operating activities (Cash Flow Statement)	(5,014)	(17,405)
Non-cash items:		
Depreciation expense	(6,087)	(6,463)
Superannuation expense	(440)	(2,199)
Resources received free of charge	(475)	(392)
Doubtful debts expense	(16)	0
Write-back of doubtful debts expense	0	46
Net loss on disposal of non-current assets	(17)	(26)
Works in Progress expensed relating to prior years	(666)	(350)
Increase/(decrease) in assets:		
Current inventories	43	(33)
Current receivables	(6,592)	8,328
Prepayments	(268)	(223)
Accrued revenue	1,556	(1,545)
(Increase)/decrease in liabilities:		
Accounts payable	430	(381)
Provisions	(1,915)	(1,053)
Other liabilities	(1,363)	3,471
Net GST (receipts)/payments	440	543
Change in GST in receivables/payables	(199)	(376)
Net cost of services (Income Statement)	(20,583)	(18,058)

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	2006 (\$'000)	2005 (\$'000)
36. Resources provided free of charge		
During the year the following resources in excess of \$10,000 were provided to other agencies free of charge for functions outside the normal operations of the Department:		
Department of Treasury and Finance	9,054	8,145
Department for Planning and Infrastructure	3,304	2,596
Western Australia Police Service	1,176	970
Department of Indigenous Affairs	938	247
Fire and Emergency Services Authority of Western Australia	889	1,153
Department of Environment	714	410
Department of Conservation and Land Management	700	1,145
Department of Agriculture	695	391
WA Maritime Museum	433	0
Main Roads Western Australia	364	642
Department of the Premier and Cabinet	360	73
Department of Industry and Resources	323	802
Department of Water	294	0
Department of Housing and Works	287	231
LandCorp	249	246
Department of Attorney General	189	180
Department of Education and Training	162	81
Department of Health	65	63
Corruption & Crime Commission	52	0
Department of Consumer and Employment Protection	44	0
Public Transport Authority	41	1,618
Water and Rivers Commission	21	394
Pastoral Lands Board of Western Australia	13	0
Department for Community Development	11	0
University of Western Australia	0	50
Local Government Grants Commission	0	31
WA Tourism Commission	0	18
Bunbury Water Board	0	14
Murdoch University	0	13
	20,378	19,513
Resources provided to other agencies which were less than \$10,000 per agency.	74	33
Resources provided free of charge to organisations other than departments and statutory authorities:	4,890	4,023
Total resources provided free of charge	25,342	23,569

The above figures are costed on the basis of full cost recovery.

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	2006 (\$'000)	2005 (\$'000)		
37. Commitments for expenditure				
Capital expenditure				
Capital expenditure commitments are contracted capital expenditure additional to the amounts reported in the financial statements. These commitments include amounts for IT contracted services and office and computer equipment and are payable as follows:				
Within 1 year	3,316	6,225		
Later than 1 year and not later than 5 years	1,220	8,049		
	<u>4,536</u>	<u>14,274</u>		
Operating lease expenditure				
These commitments are in respect of non cancellable operating leases contracted for at the reporting date but not recognised as liabilities. These leases include office accommodation, office equipment and motor vehicles.				
Within 1 year	8,141	7,784		
Later than 1 year and not later than 5 years	42,271	30,332		
Later than 5 years	11,006	24,254		
	<u>61,418</u>	<u>62,370</u>		
Other expenditure commitments				
These expenditure commitments relate to general administration expenses including IT services, software licensing and maintenance, photographic services and building maintenance, and are payable as follows:				
Within 1 year	13,212	13,524		
Later than 1 year and not later than 5 years	13,413	28,283		
Later than 5 years	3,762	5,149		
	<u>30,387</u>	<u>46,956</u>		
38. Remuneration of senior officers				
Remuneration				
The number of senior officers whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:				
	\$	\$	2006	2005
10,001 - 20,000	0	1	0	1
30,001 - 40,000	0	1	0	1
50,001 - 100,000	2	0	2	0
100,001 - 110,000	0	1	0	1
110,001 - 120,000	0	1	0	1
120,001 - 130,000	5	1	5	1
130,001 - 140,001	0	2	0	2
160,001 - 170,000	1	1	1	1
220,001 - 230,000	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
The total remuneration of senior officers is:			1,132	1,046

The superannuation included here represents the superannuation expense incurred by the Department in respect of senior officers.

One senior officer is a member of the Pension Scheme in 2006 (two senior officers in 2005).

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39. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

The Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Department is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing)

(b) Financial Instrument disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'. Refer also note 3(u) 'Comparative figures'.

Interest rate risk exposure

The following table details the Department's exposure to interest rate risk as at the reporting date. The financial instruments listed are all non interest bearing.

Financial instruments	Non Interest Bearing Total 2006 (\$'000)	Non Interest Bearing Total 2005 (\$'000)
Financial assets		
Cash and cash equivalents	27,098	14,054
Restricted cash assets	214	14
Receivables	8,741	15,011
Accrued Revenue	3,373	1,816
	39,425	30,895
Financial liabilities		
Payables	288	718
Provisions	14,366	12,451
Repayable grant	384	481
Other liabilities	6,842	5,008
	21,880	18,658

Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

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40. Contingent liabilities and contingent assets

Contingent liabilities

In addition to the liabilities incorporated in the financial statements, the Department has the following contingent liabilities:

- (i) The Department has pending or potential litigation that may affect the financial position to the value of \$637,838. (\$1.054m in 2004-05)
- (ii) There is a pending claim of copyright by Copyright Agency Limited (acting for surveyors) estimated at \$50,000 (\$50,000 in 2004-05) for the paper copying of survey plans by the Department. This claim arises out of the proposed agreement between the State of Western Australia and Copyright Agency Limited in respect of the use of all copyright materials by the State of which survey plans potentially form a part. Due to the complexity of the issues involved and the dispute by the state in relation to some aspects of liability for copying survey plans, that part of the proposed agreement relating to survey plans has been removed from the agreement that deals with copyright for the whole of the State and is the subject of further negotiations.
- (iii) There is at present a claim in the Copyright Tribunal against the State of NSW for copies of digital plans and the use of those plans in the Digital Cadastral Database. This has potential to impact Western Australia but the precedent value and binding nature of a decision of the Copyright Tribunal is at issue. The financial impact of this claim is very uncertain as it may apply to Western Australia.

The Department is currently seeking advice from the State Solicitor's Office as to litigating this claim.

Contingent assets

The Department has no contingent assets other than those reported in the financial statements.

41. Intellectual property

The Department's intellectual property consists of software, data, records created by the Department as a result of its activity and transactions, publications, products, trademarks and know-how in the categories listed below. At reporting date the intellectual property cannot be reliably measured, and accordingly has not been recognised as an asset in the financial statements:

- 1) Air Photography
A collection of images of various parts of Western Australia. The collection dates from 1948 to the current time and has significant historical importance.
- 2) Spatial Cadastral Database
A single, seamless map of Western Australia covering property boundaries.
- 3) Geodetic Survey Marks Database
Information that maintains a viable reference framework infrastructure for all survey, mapping and associated land information purposes in Western Australia.
- 4) GEONOMA Database
Place name information for Western Australia, including position, origin, meaning and classification of names.
- 5) Registered trademarks
 - * SmartPlan
 - * SmartRegister
 - * Landgate
 - * StreetSmart

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- 6) Copyright, design, artwork and “know how” related to mapping products (digital and analogue) and publications (including internet design).
- 7) Tenure
 - * Tenure Systems - systems containing descriptions of how land is held, eg freehold or reserve.
 - * Title and Document Images - digital copies of titles and documents that are held in a central location.
- 8) Topographic Database
 - Repository of all geographic land information stored in terms of relief, cultural, road centreline, hydrography, property street address, geographic names, ortho-imagery, coastlines and points of interest.
- 9) Satellite Imagery
 - Digital datasets of satellite acquired images maintained in a catalogue archive.
- 10) Land Claims Database
 - Spatial data recording external boundaries of native title claims, status and claimants.
- 11) Thematic Databases
 - Data fundamentally used in the preparation of thematic mapping products, eg StreetSmart Touring Maps, Street Directory and WA Travellers Atlas.
- 12) Land and Property Improvements Database
 - A repository that contains a description of the physical characteristics of land and improvements to land.
- 13) Land Valuations Database
 - A database of current and previous values determined by the Valuer General.
- 14) Property Sales and Rentals Database
 - A repository of historical sales and rental information integrated with land and property descriptions.
- 15) Computer Assisted Valuation Methodology
 - A suite of integrated software that assists with the mass appraisal of values.
- 16) Work Management System Database
 - A suite of software that provides the recording and allocation of human resources across services.
- 17) Property/Valuation GIS
 - Integrated spatial and textual data displayed via a customised suite of software.
- 18) Customer Information
 - A collection of lists and databases that make up DLI’s information, location data, commercial activity and interactions.

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	2006 (\$'000)	2005 (\$'000)
42. Events occurring after balance date		
There have been no significant events occurring after 30 June 2006 that affect these financial statements.		
43. Remuneration of auditor		
Remuneration payable to the Auditor General for the financial year is as follows: Auditing the accounts, financial statements and performance indicators The expense is included at note 10 'Administration expenses'.	118	107
44. Affiliated body		
The Land Surveyors' Licensing Board is an affiliated body in that it received administrative support and a grant of \$10,000 from the Department. The Board is not subject to the operational control of the Department and reports to Parliament separately.		
	2006 (\$)	2005 (\$)
45. Supplementary financial information (expressed in whole dollars)		
(a) Write offs		
During the financial year \$14,834 was written off by the Department:		
Public and other property	3,647	4,036
Revenue and debts	11,187	18,584
	14,834	22,620
These write-offs were under the authority of:		
The Accountable Officer	14,834	22,620
The Minister	0	0
Executive Council	0	0
	14,834	22,620
(b) Losses through theft, defaults and other causes		
Losses of public monies and public and other property through theft or default	103	17
Amount recovered	0	0
	103	17
(c) Gifts of Public Property		
Gifts of public property provided by the Department	6,392	341
	2006 (\$'000)	2005 (\$'000)
46. Trust Accounts		
The trust accounts are reported on a cash basis.		
Private Trust		
Payroll Deductions		
The purpose of the trust account is to hold income tax instalments and Government Employees Housing Authority (GEHA) rent contributions, deducted from salaries and wages of employees of the Department of Land Information Group Payroll.		
Opening balance	0	22
Receipts	11,674	11,989
Payments		
The Australian Taxation Office	(11,674)	(12,011)
Closing balance	0	0

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47. Explanatory statement

Significant variations between estimates and actual, and actual and prior year actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Fund Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$5 million.

(i) Significant variances between estimates and actual for 2006 - Total Appropriation to deliver services

	2006 Estimate \$'000	2006 Actual \$'000	Variance \$'000
1. Access to Land Information	76,744	83,435	6,691
The \$6.69m or 8.7% increase was mainly as a result of the rise in Land Titles Management activity levels caused by Western Australia's property market operating at record levels which is offset by an increase in revenue.			
2. Total Income	63,777	82,394	18,617
The \$18.6m or 29.2% variance was mainly due to better than expected results in Land Titles Management caused by Western Australia's property market continuing to operate at record levels.			

(ii) Significant variances between actuals for 2005 and 2006 - Total Appropriation to deliver services

	2006 Actual \$'000	2005 Actual \$'000	Variance \$'000
1. Total Appropriation provided to deliver services	31,857	22,877	8,980
The \$8.98m or 39.3% increase was primarily due to cash flow adjustments totalling \$4.4m that related to the revenue collection cycle of the Valuer General's triennial Metropolitan Revaluation Program, where the resultant revenue is collected every third year. As 2005-06 was the first year of the new triennium, the appropriation increase is offset by a decrease in cash revenue.			
Other adjustments include additional funding for the Shared Land Information Platform initiative (\$2.2m), Depreciation and Capital user charge (\$0.6m), Salaries and wages related increases (\$1.0m), effect of the International Financial Reporting Standards (\$1.7m), and increases of \$110,000 and \$12,000 for the <i>Transfer of Land Act 1893</i> and the <i>Salaries and Allowances Act 1975</i> respectively, offset with a reduction for the procurement reform harvest (\$1.0m).			
2. Access to Land Information	83,435	73,020	10,415
The \$10.4m or 14.3% increase was mainly due to the continued rise in activity levels of Land Titles Management for the reporting period.			
3. Total Income	82,394	74,730	7,664
The \$7.66m or 10.3% variance was mainly due to the continued rise in activity levels in Land Titles Management caused by Western Australia's property market operating at record levels.			

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(iii) Significant variances between estimates and actual for 2006 - Capital Contributions

	2006 Estimate \$'000	2006 Actual \$'000	Variance \$'000
1. Capital Contribution	633	133	(500)
<p>The variance is due to a transfer of \$0.5m from capital contribution (appropriation) to Net amount appropriated to deliver services (recurrent appropriation) for the effect of the International Financial Reporting Standards.</p>			
2. Capital Expenditure			
Purchase of non-current physical assets	13,281	11,051	(2,230)
<p>Purchase of non-current physical assets is lower than the estimate mainly due to work program delays experienced by the Shared Land Information Platform throughout the reporting period.</p>			

(iv) Significant variances between actuals for 2005 and 2006 - Capital Contribution

	2006 Actual \$'000	2005 Actual \$'000	Variance \$'000
1. Capital Contribution	133	184	(51)
<p>The variance is due to a changing capital works program between the reporting periods which continues to be largely funded from internal funds and balances.</p>			
2. Capital Expenditure			
Purchase of non-current physical assets	11,051	9,917	1,134
<p>The increase in purchases of non-current physical assets is due to the continued investment in the Department's e-Business initiatives which includes Shared Land Information Platform and business infrastructure requirements to support these initiatives and existing business arrangements.</p>			

(v) Details of authorisation to expend in advance of appropriation approved in accordance with Section 28 of the *Financial Administration and Audit Act*

An application for Supplementary funding was approved for the transfer of \$0.5m from 'Capital Contribution' (appropriation) to 'Net amounts appropriated to deliver services' as a result of adopting the International Financial Reporting Standards, as approved by the Treasurer on the 22 June 2006.

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48. Indian Ocean Territories Service Delivery Arrangement

The provision of services to the Indian Ocean Territories (IOT) are recouped from the Commonwealth government.

	2006 (\$'000)	2005 (\$'000)
Opening balance	32	56
Receipts	16	0
Payments	(41)	(24)
Closing balance	7	32

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49. Reconciliation explaining the transition of Australian equivalents to International Financial Reporting Standards (AIFRS)

(a) Reconciliation of Equity at the date of transition to AIFRS: 1 July 2004

	Previous AGAAP 1 July 2004		Adjustments		Total Adjustments	AIFRS 1 July 2004
		Intangible Assets AASB 138 Note i(a)	Employee Benefits AASB 101 & 119 Note ii(a)	Net Loss on disposal AASB 116 Note iii(a)		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Assets						
Current assets						
Cash and cash equivalents	23,935					23,935
Restricted cash and cash equivalents	1,913					1,913
Inventories - maps	221					221
Receivables	6,166					6,166
Amounts receivable for services	1,573					1,573
Prepayments	984					984
Accrued revenue	3,361					3,361
Total current assets	38,153	0	0	0	0	38,153
Non-current assets						
Amounts receivable for services	9,524					9,524
Equipment and furniture	25,180	(20,644)			(20,644)	4,536
Intangibles	0	20,123			20,123	20,123
Total non-current assets	34,704	(521)	0	0	(521)	34,183
Total assets	72,857	(521)	0	0	(521)	72,336
Liabilities						
Current liabilities						
Payables	338					338
Repayable grant	103					103
Provisions	6,828		1,520		1,520	8,348
Other current liabilities	10,962					10,962
Total current liabilities	18,231	0	1,520	0	1,520	19,751
Non-current liabilities						
Repayable grant	309					309
Provisions	4,570		(1,520)		(1,520)	3,050
Total non-current liabilities	4,879	0	(1,520)	0	(1,520)	3,359
Total liabilities	23,110	0	0	0	0	23,110
Net assets	49,747	(521)	0	0	(521)	49,226
Equity						
Accumulated surplus/(deficiency)	33,559	(521)			(521)	33,038
Contributed equity	0					0
Asset revaluation reserve	16,188					16,188
Total equity	49,747	(521)	0	0	(521)	49,226

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(b) Reconciliation of Equity at the end of the last reporting period under AGAAP: 30 June 2005

	AGAAP 30 June 2005		Adjustments		Total Adjustments	AIFRS 30 June 2005
		Intangible Assets AASB 138 Note i(b)	Employee Benefits AASB 101 & 119 Note ii(b)	Net Loss on disposal AASB 116 Note iii(b)		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Assets						
Current assets						
Cash and cash equivalents	14,054					14,054
Restricted cash and cash equivalents	14					14
Inventories - maps	188					188
Receivables	15,011					15,011
Amounts receivable for services	1,481					1,481
Prepayments	761					761
Accrued revenue	1,816					1,816
Total current assets	33,325	0	0	0	0	33,325
Non-current assets						
Amounts receivable for services	13,229					13,229
Equipment and furniture	28,850	(25,138)			(25,138)	3,712
Intangibles	0	24,297			24,297	24,297
Total non-current assets	42,079	(841)	0	0	(841)	41,238
Total assets	75,404	(841)	0	0	(841)	74,563
Liabilities						
Current liabilities						
Payables	718					718
Repayable grant	148					148
Provisions	7,412		1,371		1,371	8,783
Other current liabilities	5,008					5,008
Total current liabilities	13,286	0	1,371	0	1,371	14,657
Non-current liabilities						
Repayable grant	333					333
Provisions	5,110		(1,442)		(1,442)	3,668
Total non-current liabilities	5,443	0	(1,442)	0	(1,442)	4,001
Total liabilities	18,729	0	(71)	0	(71)	18,658
Net assets	56,675	(841)	71	0	(770)	55,905
Equity						
Accumulated surplus/(deficiency)	40,303	(841)	71		(770)	39,533
Contributed equity	184					184
Asset revaluation reserve	16,188					16,188
Total equity	56,675	(841)	71	0	(770)	55,905

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for the year ended 30 June 2006

(c) Reconciliation of Income Statement for the year ended 30 June 2005

	AGAAP 30 June 2005		Adjustments		Total Adjustments	AIFRS 30 June 2005
		Intangible Assets AASB 138 Note i(c)	Employee Benefits AASB 101 & 119 Note ii(c)	Net Loss on disposal AASB 116 Note iii(c)		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cost of services						
Expenses						
Employee benefits expenses	49,617		(77)		(77)	49,540
Depreciation and amortisation expense	6,506	(43)			(43)	6,463
Administration expenses	22,414	363	6		369	22,783
Accommodation expenses	9,073					9,073
Capital user charge	4,675					4,675
Cost of sales	228					228
Carrying amount of non-current assets disposed	33			(33)	(33)	0
Loss on disposal of non-current assets	0			26	26	26
Total cost of services	92,546	320	(71)	(7)	242	92,788
Income						
Revenue						
User charges and fees	69,398					69,398
Proceeds from the sale of maps and plans	3,970					3,970
Proceeds from DLI International Projects	277					277
Other revenue	1,085					1,085
Proceeds from disposal of non-current assets	7			(7)	(7)	0
Total income other than Income from State Government	74,737	0	0	(7)	(7)	74,730
Net cost of services	17,809	320	(71)	0	249	18,058
Income from State Government						
Service Appropriation	22,877					22,877
Resources received free of charge	392					392
Liabilities assumed by the Treasurer	2,199					2,199
Assets transferred	(915)					(915)
Total income from State Government	24,553	0	0	0	0	24,553
Surplus/(Deficit) for the period	6,744	(320)	71	0	(249)	6,495

financial statements notes to the financial statements

for the year ended 30 June 2006

(d) Reconciliation of Cash Flow Statement for the year ended 30 June 2005

	AGAAP 30 June 2005		Adjustments		Total Adjustments	AIFRS 30 June 2005
		Intangible Assets AASB 138 Note i(d)	Employee Benefits AASB 101 & 119 Note ii(d)	Net Loss on disposal AASB 116 Note iii(d)		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cash flows from State Government						
Service appropriations	17,691					17,691
Capital contributions	184					184
Assets transferred	(915)					(915)
Holding Account drawdowns	1,573					1,573
Net cash provided by State Government	18,533	0	0	0	0	18,533
Utilised as follows:						
Cash flows from operating activities						
Payments						
Employee benefits	(43,407)					(43,407)
Superannuation	(4,149)					(4,149)
Administration	(24,160)	(363)			(363)	(24,523)
Accommodation	(9,030)					(9,030)
Capital user charge	(4,675)					(4,675)
GST payments on purchases	(4,460)					(4,460)
GST payments to taxation authority	0					0
Receipts						
User charges and fees	62,858					62,858
Proceeds from the sale of maps, images and information	3,970					3,970
GST receipts on sales	631					631
GST receipts from taxation authority	3,286					3,286
Other receipts	2,094					2,094
Net cash provided by (used in) operating activities	(17,042)	(363)	0	0	(363)	(17,405)
Cash flows from investing activities						
Proceeds from sale of non-current physical assets	7					7
Purchase of non-current physical assets	(13,347)	363			363	(12,984)
Net cash provided by (used in) investing activities	(13,340)	363	0	0	363	(12,977)
Cash flows from financing activities						
Repayable grant received	172					172
Repayable grant paid	(103)					(103)
Net cash provided by (used in) financing activities	69	0	0	0	0	69

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for the year ended 30 June 2006

Reconciliation of Cash Flow Statement for the year ended 30 June 2005 (continued)

	AGAAP 30 June 2005	Adjustments			Total Adjustments	AIFRS 30 June 2005
		Intangible Assets AASB 138 Note i(d)	Employee Benefits AASB 101 & 119 Note ii(d)	Net Loss on disposal AASB 116 Note iii(d)		
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Net increase/(decrease) in cash and cash equivalents	(11,780)	0	0	0	0	(11,780)
Cash and cash equivalents at the beginning of the financial year	25,848					25,848
Cash and cash equivalents at the end of the financial year	14,068	0	0	0	0	14,068

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for the year ended 30 June 2006

(e) Notes to reconciliation

(i) AASB 138 Intangible Assets

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the balance sheet. All software has previously been classified as property, plant and equipment (office equipment).

AASB 138 requires that all research costs must be expensed and imposes stricter recognition for the capitalisation of development costs.

As a consequence, certain research and development costs previously capitalised must be derecognised.

(a) Adjustments to opening Balance Sheet (1 July 2004)

The Department transferred \$20.644m in service delivery software and project costs from Equipment and Furniture. \$20.123m of this was classified as Intangible assets and a further \$521,000 relating to previously capitalised research costs was adjusted directly against Accumulated Surplus.

(b) Adjustments to 30 June 2005 Balance Sheet

The Department transferred \$25.138m in service delivery software and project costs from Equipment and Furniture. \$24.297m of this was classified as Intangible assets. The balance of \$841,000 being previously capitalised costs totalling \$884,000 together with a write-back of amortisation expense of \$43,000 was adjusted directly against Accumulated Surplus.

That is, $\$884,000 - \$43,000 = \$841,000$.

(c) Adjustments to the Income Statement for the period ended 30 June 2005

Expenditure totalling \$363,000 previously capitalised under AGAAP but under AIFRS must be expensed.

Amortisation of \$43,000 on the above expenses has been derecognised resulting in a reduction in depreciation and amortisation expenses for the year ended 30 June 2005.

(d) Adjustments to the Cash Flow Statement for the period ended 30 June 2005

During the year ended 30 June 2005 the Department incurred expenditure totalling \$363,000 that would have normally be capitalised under AGAAP but under AIFRS must be expensed. This amount has been adjusted against administration expenses in the Income Statement for the year ended 30 June 2005. As a consequence, these payments have been reclassified from purchases of non-current assets to administration payments in the Cash Flow Statement.

(ii) AASB 101 & 119 Employee Benefits

AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current.

Non-vested long service leave liability will be non-current to the extent that it does not become unconditional within 12 months from reporting date.

Although annual leave is classified as a current liability under AASB 101, some annual leave may be classed as other long term employee benefits under AASB 119 and be measured on a discounted basis. Under AGAAP all annual leave was measured on the nominal basis. Consequently, an adjustment to the annual leave provision to incorporate discounting of annual leave that is classed as other long term employee benefits under AASB 119 was required. There is a flow on adjustment to employee benefits expense. Employment on-costs are not included in employee benefits under AGAAP or AIFRS. However, under AGAAP employee benefits and on-costs are disclosed together on the face of the Income

financial statements notes to the financial statements

for the year ended 30 June 2006

Statement as Employee Expenses. Under AIFRS employee benefits will be the equivalent item disclosed on the face. On-costs are transferred to other expenses.

(a) Adjustments to opening Balance Sheet (1 July 2004)

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$1.520m).

(b) Adjustments to 30 June 2005 Balance Sheet

All unconditional long service leave previously reported as non-current liability has been reclassified to current liability (\$1.442m).

An adjustment to the annual leave provision to incorporate discounting of annual leave that is classed as other long term employee benefits under AASB 119 was also required. This resulted in a reduction to the annual leave provision by \$71,000. This amount has been adjusted against Employee Benefits Expenses in the Income Statement for the year ended 30 June 2005.

(c) Adjustments to the Income Statement for the period ended 30 June 2005

As a consequence of the annual leave provision being measured on a discount basis in respect to annual leave classed as long term benefits under AASB 119, the employee benefit expense has been reduced by \$71,000.

Also, employment on-costs expense of \$6,000 has been reclassified from employee benefits expense to administration expenses.

(d) Adjustments to the Cash Flow Statement for the period ended 30 June 2005

No adjustments are required to the Cash Flow Statement as a consequence of the above.

(iii) AASB 116 Net loss on disposal of non-current assets

Under AGAAP the disposal of non-current assets is disclosed on the gross basis. That is, the proceeds of disposal are revenue and the carrying amounts of assets disposed of are expense. Under AIFRS the disposal of non-current assets is disclosed on the net basis (gains or losses).

(a) Adjustments to opening Balance Sheet (1 July 2004)

No adjustments are required to the Balance Sheet as at 1 July 2004 as a consequence of the above.

(b) Adjustments to 30 June 2005 Balance Sheet

No adjustments are required to the Balance Sheet as at 30 June 2005 as a consequence of the above.

(c) Adjustments to the Income Statement for the period ended 30 June 2005

The carrying amounts of assets disposed of was previously recognised as expense. This has been derecognised (\$33,000).

The proceeds of disposal of non-current assets was previously recognised as income. This has been derecognised (\$7,000).

A loss on the disposal of non-current assets of \$26,000 has been recognised as an expense.

(d) Adjustments to the Cash Flow Statement for the period ended 30 June 2005

No adjustments are required to the Cash Flow Statement as a consequence of the above.



Department of Land Information
Government of Western Australia

