



# Annual Report 2005 - 2006



Department of Local Government  
and Regional Development  
Government of Western Australia

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# Minister for Local Government and Regional Development

In accordance with the *Financial Administration and Audit Act 1985* (Section 66), I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Local Government and Regional Development for the financial year ending 30 June, 2006.

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



Cheryl Gwilliam  
**DIRECTOR GENERAL**

18 August, 2006

## **Responsible Minister**

Minister for Local Government  
and Regional Development

Hon Jon R. Ford JP MLC

## **Accountable Authority**

Department of Local Government  
and Regional Development

Cheryl Gwilliam  
Director General

## **Address**

1st Floor  
Dumas House  
2 Havelock Street  
WEST PERTH

## **Postal**

GPO Box R1250  
PERTH WA 6844

## **Contact Details**

Tel: 9217 1500  
Fax: 9217 1555  
Freecall: (country only)  
1800 620 511  
Email: [info@dlgrd.wa.gov.au](mailto:info@dlgrd.wa.gov.au)  
Website: [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

# Department Profile

The Department of Local Government and Regional Development maintains a vital role in guiding the quality of community life in Western Australia. It works to increase the capacity of our multicultural communities to develop good government, economic growth, social well-being and environmental sustainability.

The Department develops and reviews policy for the State Government and conducts research, analysis and strategic planning in relevant fields and fulfils a regulatory role.

Key stakeholders include the Minister for Local Government and Regional Development; Local, State and the Commonwealth Governments; Regional Development Commissions; community groups; business organisations and the public.

This Annual Report provides an overview of the Department's activities for the 2005-06 financial year. It provides information on the strategic focus of the agency, issues and trends that will impact on its activities and future directions for the Department.

The Annual Report also provides audited financial statements and performance indicators for the Department's operations.

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# Director General's Overview

The Department of Local Government and Regional Development has completed another important year with a strong focus on the areas of good governance and the encouragement of a high level of service delivery and resource sharing by local governments throughout Western Australia. It also plays an integral part in ensuring the coordination of service delivery by agencies into regional and remote communities and to provide improved community access to information and services.

The highly demanded Regional Investment Fund continues to make a significant impact across the State in upgrading and supporting a wide range of major community infrastructure projects. A new funding round worth \$80 million over four years began in 2005-06. The funds are allocated through the following programs – the Regional Infrastructure Funding Program, the Regional Headworks Program, the Indigenous Regional Development Program, the Western Australian Regional Initiative Scheme and the Regional Development Scheme.

Creating opportunities for young people and developing future leaders were again priorities this year as part of the State Government's commitment to leadership training. Through scholarships on renowned leadership programs, the development of individuals, who have shown leadership potential, has been encouraged and maximised.

A vital part of delivering access to information across our vast State is the support the Department provides for the growing network of 150 information technology enabled service and/or information provision facilities, known as Telecentres and Telecentre Access Points.

These facilities are a vital link in the search for access to e-government information and services in areas of the State that would generally be unable to utilise the facilities that metropolitan consumers readily take for granted.

The issue of structural reform is a major issue for the local government sector. On 5 October 2005, the Minister for Local Government and Regional Development announced that a review would be conducted into structural and electorate reform in local government in Western Australia. The report of the Local Government Advisory Board was submitted to the Minister on 17 March 2006. The report is publicly available for comment.

Many local governments were already exploring methods of working cooperatively and sharing resources and the report has given impetus to the need to work sustainably to ensure that local communities get the best and most cost-effective service from their local governments. Consequently, the State Government has made available \$3 million to provide local governments with the necessary financial support to explore opportunities for the sharing of resources and voluntary amalgamations.

In April 2006, the Minister for Local Government and Regional Development, on behalf of the State Government, jointly signed an intergovernmental agreement between the Commonwealth, State and Territory Governments and the Australian Local Government Association.

The signing of this agreement heralds a watershed in the history of local government in Australia. For the first time, the three spheres of government have agreed to a framework for developing further agreements between local government and the other spheres of government.

Two local government elections were held in May 2006 – Shire of York and City of Joondalup. The Department continued to be active in the areas of dissemination of electoral information to facilitate increased community awareness and increasing candidate nominations and voter turnout. Information was made available to every local government to assist them with their elections.

## Director General's Overview (Cont.)

As part of the Department's program to provide local government support and development, a series of regional workshops were conducted around the State on the subjects of making good local laws and legislation compliance. In addition, eight new local government operational guideline publications were produced providing information for local governments on good practice. Additionally, a range of support programs were provided to local governments.

2005-06 also saw the development of a new Parliamentary Bill to amend the *Local Government Act 1995* to provide a disciplinary framework to deal more effectively with individual misconduct by local government members.

A total of 150 proposed local government local laws were reviewed by the Department during 2005-06. The Department continues to provide advice to local governments on the correct procedures for making local laws and their content. It also works closely with the Parliament's Joint Standing Committee on Delegated Legislation and the Western Australian Local Government Association in reviewing the adequacy of these laws.

I would like to thank the previous Minister for Local Government and Regional Development, Hon John Bowler MLA for the leadership and vision he displayed during his term of office.

To Hon Jon Ford MLC, Minister for Local Government and Regional Development, I extend my appreciation for your clear commitment and direction to the future of local government and regional development.

I also express my thanks to the Directors and all officers of the Department for their professional approach to the many challenging tasks that have confronted them in 2005-06.



Cheryl Gwilliam  
**DIRECTOR GENERAL**

# 2005 – 2006 at a Glance

## SERVICE 1. IMPLEMENTATION OF GOVERNMENT POLICY

To ensure that the Minister and the Government are provided with quality information and support.

### SNAPSHOT

finalised nine regional Economic Perspectives... breeding restrictions on dangerous dogs...local laws seminars...Local Government (Official Conduct) Amendment Bill

#### MAJOR ACHIEVEMENTS

- Discussion paper released and policy positions being finalised in relation to the review of the *Caravan Park and Camping Grounds Act 1995* following public consultation.
- Developed and released a policy position in relation to possible amendments to the *Control of Vehicles (Off Road Areas) Act 1978* following extensive public consultation.
- Introduced further restrictions on dogs bred for fighting, which are currently banned from importation into Australia.
- Drafted an Amendment Bill to the *Dog Act 1976* and drafted improvements to the associated regulations.
- Discussion paper released and policy positions being finalised in relation to the review of the *Cemeteries Act 1986* following public consultation.
- Identified items for inclusion in a fourth amendment bill to the *Local Government Act 1995*.
- Licensed scientific establishments, which use animals for scientific purposes and conducted inspections to ensure compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes.
- Supported the Local Government (Official Conduct) Amendment Bill in its passage through the Parliament.
- Continued provision of administrative support to the Regional Development Council.
- On-going support of the Minister for Local Government and Regional Development in terms of policy development and advice for the National Regional Development Council and the Local Government and Planning Minister's Council meetings.
- Conducted 14 seminars around the State to brief local governments about making good local laws under the *Local Government Act 1995*.
- Gained representation on the Commonwealth Government's Livestock Export Standards Advisory Committee which allows State Government input into the formulation of the Commonwealth Standards which apply to all animals in Western Australia destined for the live export market.

## 2005 – 2006 at a Glance (Cont.)

- Finalised nine regional Economic Perspectives documents, one for each non-metropolitan region, which provided an up-to-date economic summary of development in each region.
- Updated web publications including *Estimated Resident Population* and the *Statistical Snapshot* to complement publication of Economic Perspectives. Regional key features maps were also created for each region and made accessible to the public via the Department's web site.
- Drafted amendments to the *Regional Development Commissions Act 1993* to implement the recommendations of the review report.
- Released *Regional Development Policy Progress Highlights* in September 2005 providing an overview of progress in the implementation of the *Regional Development Policy: Regional Western Australia – A Better Place to Live*.



# 2005 – 2006 at a Glance (Cont.)

## SERVICE 2. IMPROVED ACCESS TO SERVICES AND CAPACITY FOR DEVELOPMENT IN REGIONAL COMMUNITIES

*To enhance the social and economic development of communities through the provision of assistance, funding and leadership.*

### SNAPSHOT

**Funding for regional projects...support for telecentre network...funding for Indigenous leadership...support for regional development policy**

#### MAJOR ACHIEVEMENTS

- Provided support towards the implementation of the Regional Development Policy Regional Western Australia – A Better Place to Live.
- Allocated funds for 20 projects in regional Western Australia through the Government's Regional Investment Fund, including \$6 million for the construction of regional infrastructure.
- Allocated \$1.2 million through the Western Australian Regional Initiatives Scheme, to assist 13 cross-regional projects.
- Completed the second round of the Regional Headworks Program which is designed to encourage, promote and support the sustainable development of regional Western Australia by assisting to offset the costs of essential services (headworks) for eligible commercial or industrial projects. \$1.5 million was approved to 17 successful applicants.
- Completed the first round of the Indigenous Regional Development Program towards the strengthening of governance, economic capacity and sustainability of Indigenous communities. A total of around \$2.4 million was distributed to 12 successful applicants.
- Approved an amount of \$865,000 for 42 projects under the Outer Metropolitan Community Fund.
- Approved an amount of \$609,104 under the Regional Collocation Scheme to six communities for the construction of multi-function facilities involving regional or community economic development.
- Allocated funding and provided advice and assistance through the Community Leadership Program. Also facilitated the *Young Indigenous Local Government Scholarship Program*, which is designed to strengthen the capacity of young Indigenous people and provide employment opportunities in local government.
- Contributed to policy development and partnership arrangements between Indigenous people, local governments and State and Commonwealth Government agencies aimed at improving service delivery and governance capacity.
- Maintained the support services and funding towards the network of 150 information technology enabled services and/or information provision facilities, including 102 Telecentres, two Telecentres in remote Indigenous communities, eight Modular Interactive Telecommunications Environments and 38 Telecentre Access Points across the State.

## 2005 – 2006 at a Glance (Cont.)

- Maintained a lead agency role in the development and implementation of the *Active Ageing at the Local Level Initiative*, including the introduction of the first round of funding approvals of \$475,000 to 33 projects. This initiative has had strong uptake in regional areas.
- Hosted the national conference of local government grants commissions in Fremantle, October 19-21, 2005 with strong representation from across Australia.
- The Western Australian Local Government Grants Commission assisted and coordinated the allocated of financial assistance grants and local roads grants totalling \$187.4 million to 142 local governments.

# 2005 – 2006 at a Glance (Cont.)

## SERVICE 3. BETTER LOCAL GOVERNMENT

*Through advice, support and compliance monitoring, assist local governments to be more efficient and effective and to achieve good governance and be responsive to the community needs.*

### SNAPSHOT

connecting local governments initiative...career promotion for local government...Inquiry into the City of Joondalup lessons for local government document...support for provision of Local Government Advisory Board report on structural and electoral reform

### MAJOR ACHIEVEMENTS

- Revised and improved the distribution of local government election information to enable increased community awareness and increase candidate nominations and voter turnout. Information also provided to local governments throughout the State to assist them with their election processes.
- Assisted local governments to increase their efficiency and effectiveness, and supported elected members especially those newly elected, in the provision of good governance to the community.
- In April 2006, the Minister for Local Government and Regional Development, on behalf of the State Government, jointly signed an intergovernmental agreement between the Commonwealth, State and Territory Governments and the Australian Local Government Association.
- Delivered the 'Connecting Local Governments' initiative which highlighted successful collaboration efforts across local governments, and provided funding to support feasibility studies and implementation projects.
- Material prepared and distributed to local governments, schools and tertiary institutions to promote the local government sector as a career choice for secondary and tertiary students. In addition, operated a display and issued information material at a number of career expos.
- Continued a mentoring program for women in management and decision-making positions and those aspiring to those positions. Strategies to improve selection processes within local governments were also promoted through the Ministerially-appointed Advisory Committee on Women in Local Government.
- Continued the Young Indigenous Local Government Scholarship program to local governments to employ young Indigenous people under 25.
- Provided advice and facilitation support to encourage service agreements between local governments and Indigenous communities.
- Released eight new operational guidelines to assist local governments in carrying out their functions. A complete set of 14 Guidelines was also distributed to all local governments.

## 2005 – 2006 at a Glance (Cont.)

- Monitored the financial performance of local governments.
- Worked with Councils to resolve governance and financial issues including Cue and Cunderdin.
- Completed 18 local government ward reviews.
- Finalised 262 complaints against local governments and individuals associated with local governments.
- Conducted 13 Statewide compliance seminars to assist in the building and understanding of compliance regulations by councillors and local government staff.
- Supported the Panel Inquiry into the City of Joondalup and produced and released the 'Inquiry into the City of Joondalup. Lessons for Local Government' publication.
- Report of the Inquiry into the City of Joondalup released in October 2005.
- The Local Government Advisory Board presented its report on structural and electoral reform to the Minister for Local Government and Regional Development in March 2006. Extensive policy and administrative assistance was provided by the Department to support the work of the Board with this review.
- Under the State Local Government Partnership Agreement a Memorandum of Understanding was signed with the City of Wanneroo and the City of Albany.
- The State and Local Government Council endorsed a policy relating to the reimbursement of travel expenses for members of Government Boards and Committees.
- In partnership with local government, a Memorandum of Understanding was developed to provide for better asset management practices for local government.

# Compliance

## STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAWS

### Legislation Administered by the Department (as at 30 June, 2006)

#### Acts

- *Animal Welfare Act 2002*
- *Caravan Parks and Camping Grounds Act 1995*
- *Cemeteries Act 1986*
- *City of Perth Restructuring Act 1993*
- *City of Fremantle and Town of East Fremantle Trust Funds Act 1961*
- *Control of Vehicles (Off-road Areas) Act 1978*
- *Dog Act 1976*
- *Local Government Act 1995*
- *Local Government Grants Act 1978*
- *Local Government (Miscellaneous Provisions) Act 1960 (except for parts 8 and 15)*
- *Ocean Gardens (Inc.) Act 2004*
- *Regional Development Commissions Act 1993*
- *Tamala Park Land Transfer Act 2001*

Regulations associated with these Acts are also administered.

#### Compliance with Written Laws

The Department complies with the following written laws:

- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Administration and Audit Act 1985*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Library Board of Western Australia Act 1951*
- *Minimum Conditions for Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *State Records Act 2000*

# Compliance (Cont.)

## COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT 1994

### SECTION 31 (1)

I have complied with the Public Sector Standards in Human Resource Management, the Code of Ethics and the Department's Code of Conduct.

I have implemented procedures designed to ensure such compliance and conducted appropriate internal checks to satisfy myself that the statement made above is correct.

The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

Number lodged	3
Number of breaches found, including details of multiple breaches per application	Nil
Number still under review	2

## COMPLIANCE WITH ELECTORAL ACT 1907

### SECTION 175ZE(1)

Any public agency required to publish an Annual Report under the FAAA or any other law is required under section 175ZE (1) to include a statement in the annual report setting out the details of all expenditure in relation to

- advertising agencies;
- market research organisations;
- polling organisations;
- direct mail organisations; and
- media advertising organisations

detailing the amount of the expenditure and in relation to each class of expenditure constituted by subsection (1) the amount of the expenditure for the class, and the name of each person, agency or organisation to whom an amount was paid.

In compliance with the above, the following is submitted:

Marketforce (for advertising)	\$ 49,244.05
Advantage Communications & Marketing Pty Ltd	\$ 12,006.50

# Compliance (Cont.)

## COMPLIANCE WITH PUBLIC INTEREST DISCLOSURES ACT 2003 SECTION 23 (1) (F)

The Department has complied with its obligations under the Act (S 23 (1) (F)). A Public Interest Disclosures (PID) Officer has been appointed and internal procedures relating to obligations have been published.

No PIDs were received by the Department in 2005-06.

## MINISTERIAL DIRECTIVES

The Minister for Local Government and Regional Development did not issue any directives on Department of Local Government and Regional Development operations during 2005-06.



C G WILLIAM  
**ACCOUNTABLE OFFICER**

18 August 2006

# Strategic Focus

## **Vision**

An increased capacity of our multicultural communities to develop good government, economic growth, social well-being and environmental sustainability.

## **Our Principles**

The Department has four guiding principles to help achieve its vision:

- to practice good communication and collaboration with clients and stakeholders;
- to provide quality advice;
- to develop quality services and products; and
- to foster balanced consideration of social, economic and environmental issues.

## **Our Service Standards**

Customer service is a very high priority and work is continually being undertaken to improve standards.

The Department aims to ensure:

- prompt and efficient response to customer enquiries and requests for information;
- staff are honest, ethical and professional and maintain confidentiality;
- the delivery of appropriate services in a timely and helpful manner;
- strong partnerships and consultation with our customers on all key projects;
- activities are refined based on recent surveys and industry feedback; and
- sensitive material is managed with care and consideration.

The Department of Local Government and Regional Development supports the State Government's vision of creating a growing and diversified economy with strong and vibrant regions and safe, healthy and supportive communities.

In assisting the Government to achieve its vision, the Department has an important role in developing and implementing policies and strategies to improve the provision of services to regional communities and to ensure all communities throughout the State receive good governance.



# Strategic Focus (Cont.)

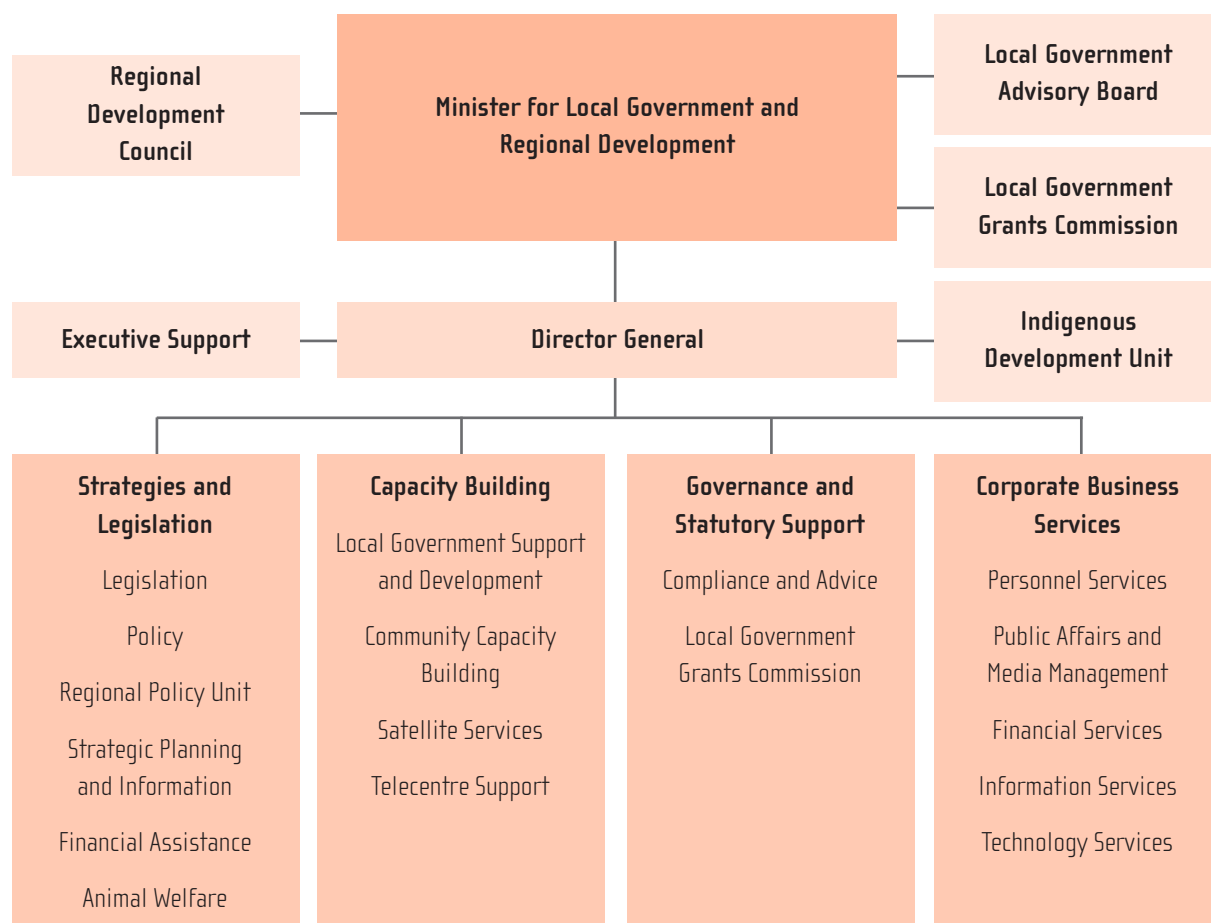
The relationship between the Department's three Service areas and the Government's strategic objectives is outlined below.

Government Strategic Objectives	Desired Outcome	Services
<p>To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.</p> <p>To ensure that regional Western Australia is strong and vibrant.</p>	<p>An increased capacity of our multicultural communities to develop good government, economic growth, social well-being and environmental sustainability.</p>	<p><b>1. Implementation of Government policy</b> Ensuring that the Minister and the Government are provided with quality information and support.</p> <p><b>2. Improved access to services and capacity for development in regional communities</b> Enhancing the social and economic development of communities through the provision of assistance, funding and leadership.</p> <p><b>3. Better local government</b> Through advice, support and compliance monitoring, assist local governments to be more efficient and effective and to achieve good governance and be responsive to community needs.</p>

# Department Structure and Staff

The Department comprises four divisions:

- *Strategies and Legislation;*
- *Capacity Building;*
- *Governance and Statutory Support; and*
- *Corporate Business Services.*



# Department Structure and Staff (Cont.)

## CORPORATE EXECUTIVE

### **Cheryl Gwilliam**

Director General *(B.A. (Politics); B.Ec; M. Industrial Relations)*

Ms Gwilliam has extensive experience in public sector management, including executive positions with contracting and industry agencies.

### **Ross Weaver**

Acting Director Strategies and Legislation *(B. Ec.)*

Mr Weaver has a strong background in fostering industry development and in the development of governance processes within agencies.

### **Tim Fowler**

Director Capacity Building *(B. App Sc; Grad. Dip. Admin.)*

Mr Fowler has extensive experience within the public sector in the areas of policy development and local government legislation.

### **Quentin Harrington**

Director Governance and Statutory Support *(M. Sc. Agric.)*

Mr Harrington has a strong public sector policy background. He has also been extensively involved in industry and policy development in regional and non-regional areas.

### **Andre Faulkner**

Director Corporate Business Services *(B. App Sc.(Psych.); M. Psych.)*

Mr Faulkner has extensive experience in the corporate services area and has worked in a number of different organisations and agencies in varying financial, human resource and administrative roles.

# Department Structure and Staff (Cont.)

## STRATEGIES AND LEGISLATION DIVISION

### SNAPSHOT

Responsible for Local Government Act 1995...policy development...supports State Regional Development Council...manages grant programs...administers Animal Welfare Act 2002

The Strategies and Legislation Division reviews, develops and implements policy and legislation. It also ensures that the research, strategic planning and data needs for the work of the agency are met. The division manages key programs under the Government's Regional Investment Fund and administers various other funding schemes for local governments and community groups. The division comprises six branches:

**Regional Policy Unit** provides high level policy development, monitoring, review and advice to Government on matters pertaining to regional policy and the Cabinet Standing Committee on Regional Policy. This function was transferred to the Department from the Department of Premier and Cabinet and commenced operating in June 2006.

**Legislation** coordinates the preparation of legislation administered by the Department. It also monitors the statutory procedures and content of local laws being adopted by local governments. The Department is responsible for the *Local Government Act 1995* and other legislation principally relating to local governments, regional development commissions, dogs, caravan parks and camping grounds, off-road vehicles, animal welfare and cemeteries. The branch also provides advice on legislative matters to local governments and other government agencies.

**Policy** coordinates the Department's strategic policy development to meet the Government's policy and Department's legislative commitments. It conducts research on regional and legislative issues, reviews relevant legislation and prepares policy recommendations and advice for the Minister. The branch is also responsible for providing support for the State Regional Development Council and is an active partner with other government agencies in the development of whole-of-government policy and strategies that impact upon local governments and regional development.

**Strategic Planning and Information** is responsible for strategic planning, budget preparation (Services, outcomes and targets) and agency performance reporting. It is also responsible for local government statistical information and the provision of statistical and economic data to assist regional development commissions and other organisations that promote regional development.

**Financial Assistance** is responsible for the management of the Department's grant programs. It is responsible for the development and ongoing implementation of the Regional Infrastructure Funding Program, the Regional Headworks Program, the Indigenous Regional Development Program and the WA Regional Initiatives Scheme as part of the Government's major regional funding initiative - the Regional Investment Fund. Other programs administered by the branch include the Regional Collocation Scheme, Community Facilities Grants Program and the Outer Metropolitan Community Fund.

**Animal Welfare** administers the *Animal Welfare Act 2002*, develops and implements animal welfare strategies in line with Government and departmental policies and liaises with other Government and non-Government agencies and the community

## Department Structure and Staff (Cont.)

on animal welfare issues. In addition, the branch provides training to General Inspectors appointed under the Act. The branch manager is appointed as Scientific Inspector and has a statutory responsibility to monitor the use of animals by, and the supply of animals to, scientific establishments in WA. Licensing of these establishments is also performed by the branch.

### CAPACITY BUILDING DIVISION

The Capacity Building Division supports and develops initiatives that provide Western Australian communities and organisations with the necessary infrastructure, including skills, resources, networks and information to allow them to pursue their own development. There are four branches within this division:

**Local Government Support and Development** provides advice and support to local government elected members and officers on the operation of the Local Government Act 1995 (and regulations), which assists local governments to function efficiently and effectively. The branch conducts programs that provide assistance and advice to elected members and staff of local governments. The branch also develops Guidelines and procedures to support local government operations.

**Community Capacity Building** provides advice, assistance and information to enhance their economic and social development of communities. It develops and implements cross-regional policies and strategies to develop skills and strengthen communities and administers a number of grants programs for communities and local governments: Active Ageing; WA Leadership; and Connecting Local Governments. Strategic support for local government elections is also provided.

**Satellite Services** through Westlink, provides communication services to more than 200 regional and remote communities using satellite technology. Facilities include broadcasting studio access for government agencies and private sector clients, videoconferencing and technical support for satellite receiving equipment.

**Telecentre Support** provides financial assistance and development support to the Western Australian Telecentre Network. Telecentres are established as not-for-profit community managed facilities that provide country residents with local access to Internet-enabled computers, two-way 128kb videoconferencing, photocopiers, facsimile machines, a wide range of information and referral services for government agencies and a satellite teaching service. Development support includes training, assistance in developing annual activities, attracting grants and business opportunities, and helping to establish local capacity building projects.

### GOVERNANCE AND STATUTORY SUPPORT DIVISION

The Governance and Statutory Support Division oversees the understanding of, and compliance by, local governments with legislation administered by the Department. It offers guidance on the various Acts that the Department is responsible for and undertakes inquiries and investigations into breaches of these Acts. It also supports a range of commissions, boards and committees engaged in providing representation, advocacy and advice to government. There are two branches within this division:

**Compliance and Advice** deals with compliance with the *Local Government Act 1995*. It reviews local government statutory compliance returns and auditor's reports and undertakes compliance audits on local governments. The branch is also responsible for dealing with complaints about local governments and investigations into local government. Other key roles include providing advice to the Minister on the operation of the *Caravan Parks and Camping Grounds Regulations 1997*, *Cemeteries Act 1986*, *Dog Act 1976* and *Control of Vehicles (Off-road areas) Act 1978*, processing approvals under relevant Acts and supporting several statutory boards and committees, including the Local Government Advisory Board.

## Department Structure and Staff (Cont.)

**Western Australian Local Government Grants Commission** is responsible for determining and distributing Commonwealth Government general-purpose financial assistance grants to local governments. This is a requirement under the Commonwealth Government's *Local Government (Financial Assistance) Act 1995*. The Grants Commission also produces a separate annual report of its operations which can be accessed from the Department's website at:

[www.dlgrd.wa.gov.au/localGovt/grantsComm/annualReports.asp](http://www.dlgrd.wa.gov.au/localGovt/grantsComm/annualReports.asp)

### CORPORATE BUSINESS SERVICES

Corporate Business Services provides a range of support services to the Department including:

- Personnel Services;
- Public Affairs and Media Management;
- Financial Services;
- Information Services; and
- Technology Services.

#### Corporate Services Reform

The Government continued its major initiative to instigate a reform of whole-of-government corporate services.

The Department is preparing for transition to Shared Services in early 2007.

#### Career and Personal Development

The Department is committed to the development of its employees and providing a satisfying and rewarding working environment. Its policies and strategies are aimed at developing and retaining staff.

Training for staff is recognised as one of the major factors in staff development. In 2005-06, the Department facilitated over 1000 hours of training for its employees, which included training tailored to specific needs of employees.

#### Occupational, Health, Safety, Worker's Compensation and Rehabilitation

Occupational Health and Safety policy review and development is a key priority for Personnel Services to ensure a high safety standard continues to exist for employees. Inherent in the Department's policy is early intervention strategies to ensure that employees receive the assistance they need to make a speedy recovery from work related injuries or personal illness.

There were no new workers compensation claims lodged in 2005-06 or employees undergoing rehabilitation.

The Department remains committed to its successful Wellness Program and promotes a work environment which contributes well to the health and wellbeing of staff. The program aims to raise the profile of health issues as they apply to personal and work contexts to assist employees in gaining self-awareness and achieving a healthy and balanced lifestyle.

As part of the Department's positive approach to staff health and wellbeing, complimentary influenza vaccinations were offered to all employees. To raise fitness and reduce the risk of illness, staff have also been encouraged to participate in Corporate Cup sporting events.

## Department Structure and Staff (Cont.)

### Cultural Diversity and Language Services Outcomes

The Department promotes cultural diversity and has implemented initiatives such as promoting the use of Translating and Interpreting Services and using multilingual staff within the Department, to address potential language barriers that impact on customer service.

### Staff Profile

As at 30 June, 2006 the Department had 121 employees, 58 female and 63 male. The following table illustrates the gender representation on a salary and tenure basis.

Of the total staff employed by the Department, 73.5% were employed on a full-time basis, 8.26% on a part-time basis, 17.35% on term contracts and 0.8% as trainees.

Salary Range (\$)	Total	Women	Men
0 - 37,366	10	7	3
36,661 - 42,957	16	13	3
44,543 - 48,362	15	8	7
50,156 - 53,008	16	9	7
57,795 - 61,664	28	10	18
64,928 - 71,898	17	7	10
75,659 - 81,092	10	2	8
85,693 - 93,076	4	1	3
98,180 - 105,561	2	0	2
greater than 105,561	3	1	2
<b>Total</b>	<b>121</b>	<b>58</b>	<b>63</b>

Employment Type	Total	Women	Men
Permanent Full-time	89	35	54
Permanent Part-time	10	9	1
Fixed Term Full-time	17	10	7
Fixed Term Part-time	4	4	0
Trainees	1	0	1
<b>Total</b>	<b>121</b>	<b>58</b>	<b>63</b>

# Department Structure and Staff (Cont.)

## HUMAN RESOURCE FUTURE DIRECTIONS

### **EEO Programs**

The Department recognises the importance of a diverse workforce and continues to encourage the recruitment of people with culturally diverse backgrounds, people with disabilities and youth. Innovative advertising methods were employed to attract a diverse range of applicants including Indigenous, females and youth.

An agency-wide EEO/diversity survey of all employees was undertaken in 2005-06 with a maximum response rate. As at 30 June, 2006 8.26% of staff were from culturally diverse backgrounds and 2.4% were Indigenous Australians.

The Department continues to provide new and current employees with awareness raising of EEO principles and concepts. Included in its EEO and Diversity Plan is a number of actions which support an environment that is free of harassment and inappropriate behaviour and where people are treated with courtesy and respect.

### **Youth Employment and Training**

The Department is committed to youth employment and training. As at 30 June, 2006 three people were provided work experience and student practicum placements from tertiary institutions.

In 2005-06, four tertiary graduates were employed under the Department's graduate employment scheme.



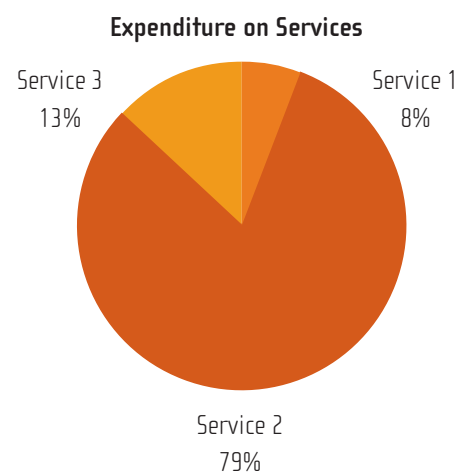
# Operational Summary

During 2005-06, the Department spent \$34.293 million to provide advice and services to its key stakeholders. A total of \$16.6 million was committed to projects through the Regional Investment Fund.

## Funding of Outcome and Services

Department of Local Government and Regional Development funding is allocated to support its three service areas as shown below. Service 2, 'Improved access to services and capacity for development in regional communities', accounts for 81% of the Department's expenditure.

SERVICES	Estimate \$,000	Actual \$,000
<b>Service 1:</b> Implementation of Government policy	1,826	2,757
<b>Service 2:</b> Improved access to services and capacity for development in regional communities	50,680	26,944
<b>Service 3:</b> Better local government	4,113	4,592
<b>TOTAL EXPENDITURE</b>	56,619	34,293



# Operational Summary (Cont.)

## PERFORMANCE AGAINST SERVICE MEASURES

### Service 1: Implementation of Government Policy

<b>Key Effectiveness Indicator</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
Ministerial office satisfaction with policy and legislative advice	71%	86%	Previously shown as a numeric score score from a 7-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
<b>Service Performance Measures</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
<b>Key Efficiency Indicators</b>			
Average cost per piece of written advice requiring Minister's attention.	\$710	\$921	Estimated corporate costs expenditure was higher than expected.
Average cost of legislative amendments drafted	\$38,600	\$40,833	Higher number of legislative amendments drafted than expected.

# Operational Summary (Cont.)

## Service 2: Improved Access to Services and Capacity for Development in Regional Communities

<b>Key Effectiveness Indicator</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
Client satisfaction with information and services	75%	83%	
<b>Service Performance Measures</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
<b>Key Efficiency Indicators</b>			
Average cost per application evaluated	\$7,869	\$5,665	Estimated expenses and number of applications lower than expected.
Average cost per local government assessed	\$2,531	\$3,903	The costs incurred by Grants Commission were higher than estimated.
Average internal cost per satellite site supported.	\$5,581	\$4,163	Estimated expenditure was lower than expected due to renegotiated charges.
Average value of grant approved for local and regional communities.	\$74,379	\$47,313	Lower number of grant applications funded and the average values lower than expected.

# Operational Summary (Cont.)

## Service 3: Better Local Government

<b>Key Effectiveness Indicator</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority.	80%	93%	
<b>Service Performance Measures</b>			
	<b>2005-06 Target</b>	<b>2005-06 Actual</b>	<b>Comments</b>
<b>Key Efficiency Indicators</b>			
Average cost per inquiry and investigation	\$1,484	\$3,739	Cost component includes amounts for the City of Joondalup Inquiry which was higher than anticipated.
Average cost of monitoring each local government	\$3,661	\$4,141	Corporate Services costs are higher due to a larger than expected Capital User Charge.
Average cost per dealing with an application for boundary change	\$12,882	\$15,192	The costs incurred by the Local Government Advisory Board was greater than estimated.

# Contribution to the Strategic Planning Framework, Better Planning: Better Services

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>People and Communities</b> <i>To enhance the quality of life and well-being of all people throughout the State</i></p>	<p>Safe and secure Western Australian communities</p> <p>Enhances safety, security and wellbeing of the vulnerable within our community</p> <p>Opportunities for health, participation and security are optimised in order to enhance the quality of life as people age</p> <p>Contributing factors to social and economic disadvantage in our community are addressed</p>	<p>A society where Indigenous Australians have greater economic and social opportunities and the capacity to determine their own lives</p> <p>Vibrant communities that enhance and promote safety, a sense of openness, walkability, our rich cultural diversity and the Western Australian lifestyle</p>
<p><b>Department Service Service 2:</b> Improved access to services and capacity for development in regional communities</p>		<p>Regional Western Australia – A Better Place to Live (coordination and policy implementation)</p> <p>Community Leadership Initiative (coordination)</p> <p>Active Ageing at the Local Level Initiative (development of Initiative as lead agency)</p> <p>Indigenous Regional Development Program (strengthening Indigenous communities)</p> <p>Outer Metropolitan Communities Fund (project support to enhance target communities)</p> <p><b>Department Programs</b> Telecentre Support Westlink Community Capacity Building</p>

## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>The Economy</b> <i>To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth</i></p>	<p>New jobs and employment growth</p> <p>Plentiful and diversified employment opportunities</p> <p>Greater economic infrastructure that facilitates new development</p> <p>Appropriate and competitive pricing regimes for land, infrastructure (roads, rail and ports), services and utilities</p>	<p>An environment that encourages diversification, investment and exports for economic growth whilst ensuring that the community and global environmental and social goals are met.</p> <p>All Western Australians sharing the benefits of economic growth</p>
<p><b>Department Services</b></p> <p><b>Service 1:</b> Implementation of government policy</p> <p><b>Service 2:</b> Improved access to services and capacity for development in regional communities</p>		<p><b>Department Programs</b></p> <p>Policy</p> <p>Legislation</p> <p>Local Government Grants</p> <p>Financial Assistance</p> <p>Strategic Planning and Information</p>

## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>The Environment</b> <i>To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected</i></p>	<p>Effective contribution to global efforts to reduce Greenhouse emissions</p> <p>Supported management and sustainable development of Indigenous held land</p>	<p>Draft State Greenhouse Strategy (participation)</p> <p>Sustainable Energy Policy (participation)</p> <p>State Sustainability Strategy (participation)</p> <p>Keep Australia Beautiful Council including Tidy Towns Program and Litter Taskforce (participation)</p>
<p><b>Department Service Service 1:</b> Implementation of government policy</p>		<p><b>Department Programs</b> Policy Community Capacity Building</p>

## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>The Regions</b> <i>To ensure that regional Western Australia is strong and vibrant</i></p>	<p>Enhance government decision-making based on a thorough understanding of regional issues</p> <p>Planning in partnership for a sustainable future</p> <p>Effective government service delivery to the regions that is responsive to the needs of diverse communities</p> <p>More skilled regional communities</p> <p>Improved regional infrastructure</p> <p>Diversified regional economies</p> <p>Enhanced regional investment</p> <p>Fair pricing for regional residents and businesses</p>	<p>Lifelong learning in the regions</p> <p>Effective health service delivery</p> <p>Safe and cohesive regional communities</p> <p>Enhanced quality of regional lifestyles</p> <p>Improved environmental management</p> <p>Sustainable natural resource management</p> <p>Conserved and restored natural and built heritage</p>
<p><b>Department Services</b></p> <p><b>Service 1:</b> Implementation of government policy</p> <p><b>Service 2:</b> Improved access to services and capacity for development in regional communities</p> <p><b>Service 3:</b> Better local government</p>	<p>Regional Western Australia – A Better Place to Live (policy implementation)</p> <p>Community Leadership Program</p> <p>Active Ageing at the Local Level Initiative Fund (grants administration)</p> <p>Rural, Remote and Regional Women's Network (co-funding and support)</p> <p>Regional Airports Development Scheme (participation on Consultative Committee)</p> <p>Regional Development Commissions (policy and support)</p> <p>Regional Economic Perspectives (publications that promote regional economies)</p>	<p><b>Department Programs</b></p> <p>Policy</p> <p>Telecentre Support</p> <p>Westlink</p> <p>Community Capacity Building</p> <p>Local Government Development and Support</p> <p>Financial Assistance</p> <p>Legislation</p> <p>Strategic Planning and Information</p>



## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives	
<p><b>Governance</b> <i>To govern for all Western Australians in an open, effective and efficient manner</i></p>	<p>Coordinated, integrated, high quality service delivery to the community</p> <p>Better opportunities for the community to participate in and make creative and effective contributions to government processes</p> <p>Whole of Government approaches to planning, decision making and resource allocation</p> <p>Sustainability considerations inform planning and decision making</p> <p>Effective partnerships with Australian and local governments, the private sector and the wider community</p>	<p>Influence over Australian Government policy and resource allocation for the benefit of Western Australia</p> <p>Increased use of information, communications and technology to provide better services</p> <p>An efficient government sector that provides value for money service delivery</p> <p>Reduced red tape and compliance costs</p> <p>Reduced incidence of corruption in all its forms</p> <p>Appropriate and competitive pricing regimes</p>	<p>Regional Western Australia – A Better Place to Live (coordination and policy implementation)</p> <p>Partnerships with Local Government (participation)</p> <p>Amended the <i>Local Government Act 1995</i></p> <p>Local Government Elections Strategy, including Indigenous Strategy (implementation)</p> <p>Tjurabalan COAG Project (participation)</p> <p>Wiluna Shire and community support project (coordination)</p> <p>Advisory Committee on Women in Local Government, including Mentoring Program for Women in Local Government and careers initiatives (coordination and implementation)</p> <p>Regional Development Council (member)</p> <p>Strategic Management Council (member)</p>

## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>Governance (Cont.)</b></p>		<p>Implemented a comprehensive financial performance and statutory compliance program for local government</p> <p>Prepared a detailed response to the public accounts committee inquiry into local government accountability</p> <p>Operational Guidelines for local governments (policy development and implementation)</p> <p>Connecting Local Governments program to encourage resource sharing (implementation)</p> <p>Indigenous Regional Development Program (strengthening indigenous communities)</p> <p>Support Intergovernmental agreement between local, State and Commonwealth governments.</p> <p>Active Ageing Steering Group (participation)</p>

## Contribution to the Strategic Planning Framework, Better Planning: Better Services (Cont.)

Goals	Strategic Outcomes	Strategic Initiatives
<p><b>Governance (Cont.)</b></p>		<p>ARC Linkage Grant Project Impact of gender diversity on regional boards and committees (participation)</p> <p>ARC Linkage Grant Project Gender Analysis and Public Policy Project (participation)</p> <p>Structural and electoral reform for local government (policy and support)</p> <p>Legislation review and regulation (regulation of caravans and camping, off road vehicles, cemeteries and dogs)</p> <p>Animal Welfare Act (compliance)</p>
<p><b>Department Services</b></p> <p><b>Service 1:</b> Implementation of government policy</p> <p><b>Service 2:</b> Improved access to services and capacity for development in regional communities</p> <p><b>Service 3</b> Better local government</p>		<p><b>Department Programs</b></p> <p>Policy</p> <p>Local Government Development and Support</p> <p>Community Capacity Building</p> <p>Compliance and Advice</p> <p>Legislation</p> <p>Animal Welfare</p>

# Trends and Issues

## DEMOGRAPHIC TRENDS

### Population Distribution

The Australian Bureau Statistics estimated that the population of Western Australia reached two million in January 2005. Western Australia's population is highly centralised with approximately 73% of Western Australian's living in the Perth metropolitan area and the remaining 27% in rural and regional locations. Much of the non-metropolitan population resides in, or near the regional centres of Mandurah, Bunbury, Albany, Geraldton and Kalgoorlie.

The estimated resident population figures released by the Australian Bureau of Statistics in February 2006 indicated that the fastest growing local government area, over the five years to 2005, was the City of Perth, due to the increase in inner-city accommodation and because of metropolitan land releases in the northern and southern coastal suburbs.

The Kimberley region also experienced significant growth with Halls Creek experiencing an average annual growth rate of 3.3% over the years to 2005.

LGA	2000 No of People	2005(p) No of People	AAGR 2000-05 %
<b>Perth</b>	7,187	11,821	10.5
Capel	6,689	9,568	7.5
Wanneroo	80,429	107,317	5.9
Mandurah	47,023	61,889	5.6
Chittering	2,835	3,526	4.5
Busselton	22,240	27,546	4.4
Dardanup	8,683	10,424	3.7
Augusta-Margaret River	9,875	11,689	3.4
Rockingham	71,927	85,035	3.4
Halls Creek	3,698	4,351	3.3

Source: Australian Bureau of Statistics and the Department of Local Government and Regional Development

Note: AAGR = Average Annual Growth Rate

## Trends and Issues (Cont.)

### Implications

*In the long term, all the regional populations are expected to increase. The Department for Planning and Infrastructure forecasts that the Peel, Kimberley, South West and Metropolitan regions will experience more rapid growth. They also predict that by 2031 that 72 per cent of the population will still be in the Perth Metropolitan Region. The continued dominance of the Perth metropolitan region may have implications on the quantity and quality of resources and services made available to the regions.*

### Ageing population

Seniors over the age of 65 were the fastest growing age group during the inter-census period. However, some areas, in particular the South Eastern, Kimberley and Pilbara Statistical Divisions had significantly lower proportions of people over the age of 65.

### Implications

*The age structure of a community reflects the economically active population and thus the potential for economic growth. It also has implications for development and demand for services and infrastructure.*

### Percentage of Residents in 0-14 and 65+ Age Cohorts

Statistical Division	1996 <sup>1</sup>		2001	
	0-14	65+	0-14	65+
Perth	21.5	10.8	20.6	11.2
South West	25.3	11.9	23.3	12.8
Upper Great Southern	25.5	10.6	23.8	11.6
Lower Great Southern	25.3	11.5	23.5	12.7
Midlands	25.3	10.0	23.9	11.6
South Eastern	24.3	5.3	24.2	6.1
Central	22.4	10.9	21.9	12.6
Pilbara	25.6	4.3	24.2	4.6
Kimberley	23.6	8.7	21.8	8.4
<b>Total</b>	<b>22.4</b>	<b>10.5</b>	<b>21.3</b>	<b>11.1</b>

Source: <sup>1</sup> Australian Bureau of Statistics Catalogue 2015.0

# Trends and Issues (Cont.)

## ACCESS TO SERVICES

### Services to Indigenous communities

The abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) in 2005 has significantly increased the need for local government to engage Indigenous communities and where required, develop strategies to deliver necessary services.

As a result, the State and Commonwealth Governments have entered into a bilateral negotiation on Indigenous affairs. One anticipated outcome is that local governments will be better-positioned to deliver services at the local and regional levels.

### Implications

The Department will be focusing on:

- *Working with local governments to support the cultural aligning of their operations to meet Indigenous community needs;*
- *Reviewing relevant local government ward boundaries to accommodate the cultural and social reality of discrete communities and clan connections within local government areas;*
- *Increasing Indigenous employment opportunities within local government;*
- *Supporting the collaboration of local governments within regions to meet the changing demographic, industry and governance trends involving Indigenous communities;*
- *Indigenous capacity building programs to assist in creating more Indigenous leaders and employment opportunities; and*
- *Developing a new and flexible funding regime to meet the service delivery demands of Indigenous communities.*

### E-government

There is a continuing need for government to ensure the co-ordination of service delivery by agencies into regional communities and to provide access to e-government information and services to improve service delivery to the community. In response to this need, 150 Telecentres (including eight Modular Interactive Telecommunications Environments (MITEs) and two remote Indigenous community Telecentres) and 38 Telecentre Access Points have been established to improve community access to e-government services. These provide an essential network to cater for the expanding range of e-government information and services throughout regional Western Australia. In 2006-07, the focus will be on providing support and development services to these facilities.

### Implications

*The Regional Collocation Scheme will continue to provide capital works grants to assist with the development of appropriate infrastructure (eg. facilities known as multi-function outlets or community resource centres) for the collocation of government and non-government organisations involved in regional economic or community development. The Telecentre Program will continue to facilitate for Commonwealth and State government agencies to deliver contracted services locally through these facilities.*

# Trends and Issues (Cont.)

## LEADERSHIP

There has been a strong commitment to empowering communities which has led to the development of a range of partnerships with local government, regional development commissions, Indigenous corporations and other agencies involved in service delivery to the community.

### Implications

*The Government has actively promoted leadership development throughout Western Australia. Grants have been provided to encourage young Indigenous people to take the first steps in community leadership by working in local governments as trainees for a year, to Indigenous communities for leadership development programs; to individuals to develop leadership skills through prestigious leadership programs and, in partnership with the Department of Agriculture and Food, to support a Culture and Identity Indigenous Governance Program.*

## PARTNERSHIPS

The State Local Government Council met twice in 2005-06 to address issues that arose from the implementation of agreements and strategic issues relating to the relationship between State and Local Government. The Council also ratifies agreements and policy and during this period, endorsed the *Reimbursement of Travel Expenses for Members of State Government Boards and Committees* and supported the signing of the *Intergovernmental Agreement* between the three spheres of Government.

The Council provides the forum for the Western Australian Local Government Association's budget submission to State Government and the subsequent response by the State Treasurer in relation to the 2006/7 financial year.

The Council comprises of:

Premier;

Treasurer;

Minister for Local Government and Regional Development;

Minister for Planning and Infrastructure;

President, Western Australian Local Government Association;

President, Local Government Managers Australia (WA); and

Other Ministers as required.

There is a strong commitment in both State and Local Government to improve cooperation to enhance sustainable social, environmental and economic development of Western Australia. This, coupled with the understanding that both spheres of government have important roles to play in achieving sustainable outcomes, has resulted in the development of a partnership approach.

## Trends and Issues (Cont.)

### Implications

*The State/local government partnership agreement, signed in 2001, has set the agenda for better cooperation.*

*This was followed by the communication and consultation agreement, which has paved the way to developing a range of agreements to address matters of common interest. The agreement will help ensure important decisions at both levels of government are based on best available information.*

### REFORM IN LOCAL GOVERNMENT

On 17 March 2006, the Local Government Advisory Board produced a report on local government reform entitled: *Local Government Structural and Electoral Reform in WA: Ensuring the Future Sustainability of Communities*. The board found that a significant proportion of local governments in Western Australia are faced with major issues associated with generating enough revenue or reducing expenses to maintain services and provide sufficient funds to renew their asset base. The report included a range of recommendations to ensure that communities and their local governments are more sustainable into the future. While acknowledging that there would be no forced amalgamations of local governments, the Minister for Local Government and Regional Development announced a \$3 million funding program, Connecting Local Governments over two years to assist local governments explore and implement schemes of collaboration and cooperation.

### Implications

*Programs for sharing resources to provide services such as waste management, strategic planning and operational services are already in place with a range of local governments. The new funding program, Connecting Local Governments will provide an avenue for more exploration of new sharing arrangements which increasing numbers of local governments are implementing.*

### CAREERS IN LOCAL GOVERNMENT

There is a need to attract and retain more young, professional and skilled people to work in local government. This is even more pressing given the skills shortages that currently exist across the Western Australian workforce.

### Implications

*The Department has focused strongly on attracting graduating students through participation at career expos and student career days. To further promote local government as a viable career option, the Department has revised its promotional information so it is more vibrant and attractive to younger people. This material is readily available on the Department's website.*



# Activities Against Services

## SERVICE 1. IMPLEMENTATION OF GOVERNMENT POLICY

### Service Description

*To ensure that the Minister and the Government are provided with quality information and support.*

### SNAPSHOT

New rules on sterilisation of restricted breed dogs...local laws seminars ...new bill to manage councillor conduct... ..key economic information on regions...new bill to change election date to October...information on over 80 grants from updated directory...150 local laws reviewed

## LEGISLATION

### Local Government (Official Conduct) Amendment Bill 2005

The Bill was introduced into the Parliament in November 2005. It passed through the Committee stage of the Legislative Assembly in April 2006 and received a Second Reading in the Legislative Council in May 2006.

The purpose of the Bill is to amend the *Local Government Act 1995* to provide a disciplinary framework to deal with individual misconduct by local government council members when they do not comply with a code of conduct or they contravene particular laws applying to them in Acts and Regulations.

It is anticipated that the Bill will pass through the Spring Session of Parliament in 2006. These new laws provide for the establishment of a Statewide standards panel to deal with complaints about minor breaches. Minor breaches will consist of contraventions of a new code (or rules) of conduct which will apply for all council members. The legislation also provides for serious breaches, namely contraventions of the Act or Regulations, to be referred to the Director General of the Department of Local Government and Regional Development. The Director General will then determine whether or not to take prosecution action or alternatively may refer the matter to the State Administrative Tribunal (SAT) or another enforcement agency.

Penalties for minor breaches may include public censure, public apology or an order to undertake training. In addition to these, for serious breaches, SAT will be able to suspend a council member for a period of not more than six months or disqualify a council member from holding office in any local government for a period of up to five years.

# Activities Against Services (Cont.)

## Local Government Amendment Bill 2006

A draft Bill has been prepared for introduction to the Parliament to facilitate the change of the local government election date from the first Saturday in May to the third Saturday in October. The amendment includes changes to the various sections of the Act relating to the timing of elections. The legislation also provides for the current terms of council members to be automatically extended to October 2007 for the next ordinary elections. It is anticipated that the Bill will pass through the Parliament by the end of 2006.

## Amendments to Regulations

Six sets of amending Regulations were gazetted during the year. They related to restricted breed dogs, oaths or affirmations of allegiance, local government superannuation, animal welfare and local government audit and administration matters.

## Dog (Restricted Breeds) Amendment Regulations (No. 2) 2005

The Department gazetted new Regulations requiring the sterilisation of restricted breed dogs. The Regulations state that all restricted breed dogs, six months of age and over, must be sterilised unless there are extenuating circumstances relating to the animal's physical condition or medical treatment. They apply to the American pit bull terrier, fila Brasileiro, Japanese tosa, dogo Argentino and mixed breed dogs that visibly contain any of the traits of restricted breed dogs. In addition, the Regulations clarify that a restricted breed dog kept at the premises of its owner must be confined in an enclosure unless the dog is muzzled, on a leash and under the control of a person 18 years or older.

Restricted breed dogs that are not sterilised may be seized and destroyed. Owners found to have breached the legislation face a maximum penalty of \$5,000. These laws came into effect on 10 March, 2006.

## Other Regulations

Other Regulations made were the *Local Government (Administration) Amendment Regulations (No. 4) 2005*, the *Local Government (Audit) Amendment Regulations (No. 2) 2005*, the *Local Government (Constitution) Amendment Regulations 2006*, the *Local Government (Amendment of Part VIA – Employee Superannuation) Regulations 2006* and the *Animal Welfare (General) Amendment Regulations 2006*.

## Local Laws

A total of 150 proposed local government local laws were reviewed by the Department during 2005-06.

The Department continues to provide advice to local governments on the correct procedures for making local laws and their content. It also works closely with the Parliament's Joint Standing Committee on Delegated Legislation and the Western Australian Local Government Association in reviewing the adequacy of these laws.

Additionally 14 seminars were conducted around the State to brief local governments about making local laws under the *Local Government Act 1995*. They were held in the metropolitan area and in regional centres from November 9 to December 9 2005. The seminars highlighted the key elements of making good local laws, legislative requirements and correct drafting techniques. They were designed for local government employees who undertake functions relating to the preparation of local laws. More than 250 people attended the seminars from over 100 local governments.

# Activities Against Services (Cont.)

## ANIMAL WELFARE

During the year animal welfare activities focussed on statutory responsibilities under the Animal Welfare Act 2002 and promotion of improved animal welfare practices. These activities included support for licensing, inspection, investigation and prosecution of animal welfare incidents; contribution to the development of protocols and codes of practice particularly in relation to animals for trade and general promotion of good animal welfare practices.

The Department succeeded in gaining representation on the Commonwealth Government's Livestock Export Standards Advisory Committee which allows State Government input into the formulation of the Commonwealth Standards which apply to all animals in Western Australia destined for the live export market.

The Department also contributed \$250,000 to the operation of the RSPCA for education, promotion and inspectorate services.

### Licensing of scientific establishments

During 2005-06, licences allowing the use of animals for scientific purposes were issued to 23 scientific establishments and licenses to supply animals for scientific purposes were issued to 16 establishments. In addition, 82 licences were issued to schools allowing for the use of animals in teaching situations.

## OTHER PROJECTS

The Department was involved in a range of non-statutory projects in 2005-06.

### Advisory Committee on Women in Local Government

The Advisory Committee met on three occasions and continued with its program of projects and activities in support of its strategies for 2004 – 2008. To encourage improved selection procedures, the publication *Gender Diversity and The Selection of CEOs and Senior Staff in local governments* was prepared and distributed through the Department as a companion document to the *Local Government Operational Guidelines for Appointing a CEO*. A number of mentees and mentors worked together to establish and continue their individual mentoring relationship and program.

The Advisory Committee continued to contribute to career initiatives being progressed through the Department with Local Government Managers Australia (WA Division) and supported networking functions at the LGMA WA State Conference and the City of Melville. A working group was established to develop a program for the *Women in Local Government Conference*, held at Ascot Quays, Ascot June 22-23, 2006 designed to provide support and encouragement for women already working in local government .

# Activities Against Services (Cont.)

## POLICY

### **Regional Development Policy: Regional Western Australia – A Better Place to Live**

The Department is responsible for coordinating the implementation of the Regional Development Policy. The regional policy identifies how the State government works with regions and regional communities in assisting them to achieve their sustainable economic, social and environmental aims. The Department has developed an implementation and reporting strategy through a Regional Policy Implementation Group comprising representatives from key State agencies, who report annually on progress.

The Department published a Progress Highlights report on the implementation of the Government's *Regional Development Policy, Regional Western Australia – A Better Place to Live* in September 2005.



## PROVISION OF INFORMATION

The research and collection of key economic and statistical information on behalf of regional communities, development commissions and other regional organisations continues to be a strong focus. A summary of these statistics is provided in two documents - 'Statistical Snapshot' and 'Estimated Resident Population'.

Economic Perspective publications for each of the State's nine regions were produced. These publications are produced every two years and bring together the most recent economic and demographic data available on a regional basis, as well as information about regional economic activity, infrastructure and services.

To encourage greater participation in local government elections, the Department produced a local government election information kit. This includes a DVD entitled 'Standing for Council: How to Have Your Say', which provides an insight into the role of a local government councillor; as well as two publications - 'Standing for Council: Information for Candidates' and 'Frequently Asked Questions about Local Government Elections'.

Publications produced by the Department are available on its website: [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

### **Grants Directory**

The Grants Directory, available on the Department's website at [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au) was revised in March 2006. The directory provides information on more than 80 grants available to communities and local governments in regional and metropolitan Western Australia. The information includes programs provided by the Western Australian and Commonwealth governments.

# Activities Against Services (Cont.)

## STATE SUSTAINABILITY STRATEGY

The Department is represented on the Greenhouse Interdepartmental Committee (GIDC). The GIDC meets regularly to discuss greenhouse issues and further the implementation of the Western Australian Greenhouse Strategy.

The Department continues to be actively involved in the Sustainability Roundtable and also continues to provide support to the State Local Government Sustainability Partnership Group (a sub-committee of the Roundtable). The Department maintains good communications with the Western Australian Local Government Association on Sustainability.

## REGIONAL DEVELOPMENT COUNCIL

The Regional Development Council met four times during 2005-06. Two of these meetings were held in regional Western Australia in the Gascoyne (September 2005) and the South West (March 2006). The Council also met twice with the Cabinet Standing Committee on Regional Policy (CSCRCP).

The council has developed a regional development agenda for the short to medium term that includes targeted outcomes in four priority areas. These are:

- Health
- Education
- Indigenous Development
- Infrastructure

To assist in achieving the outcomes identified as the major elements in the priority areas, the council has commenced a major study to identify the most effective methods of funding infrastructure projects for regional Western Australia. The findings of this study will be used by the council to support its recommendations to CSCRCP.

The council has been active in making submissions or direct representation to the State and Australian governments. These included a submission to the Inquiry into the production and marketing of foodstuffs.

### Future Directions

In 2006-07, the Department will be focusing on a number of activities including:

- Support the Local Government (Official Conduct) Amendment Bill in its passage through the Parliament and provide advice to all local governments on these new laws and develop and implement processes for the handling of complaints.
- Continue to undertake licensing of scientific establishments, which use animals for scientific purposes and conduct inspections to ensure compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes. Further undertake the monitoring of the Codes of Practice for care and welfare of animals including livestock, and ensure proper enforcement of the Act.
- Continue to provide administrative support to the Regional Development Council.

## Activities Against Services (Cont.)

- Undertake regional price comparison to monitor the difference in commodities purchased in Perth and through regional outlets.
- Release publications focusing on regional demographic and social change for all non-metropolitan areas and produce a set of publications to promote investment in regional areas.
- Obtain Government approval for the drafting of amendments to the *Caravan Parks and Camping Grounds Act 1995*; *Control of Vehicles (Off-Road Areas) Act 1978* and *Control of Vehicles (Off-Road Areas) Act 1978*.
- Continue to develop strategies to assist the attraction and retention of professional and skilled people to live and work in regional communities to meet the challenge in building sustainable regions.
- Provide policy and administrative support for the Cabinet Standing Committee on Regional Policy through the Regional Policy Unit.

### SERVICE 2. IMPROVED ACCESS TO SERVICES AND CAPACITY FOR DEVELOPMENT IN REGIONAL COMMUNITIES

#### Service Description

*To enhance the social and economic development of communities through the provision of assistance, funding and leadership.*

#### SNAPSHOT

Regional Investment Fund receives further \$80 million...2005-06 RIF projects assisted included broadband network for North Midland Shires...construction of Carnarvon One Mile jetty interpretive centre...regional events program for Perth International Arts Festival...Denmark industrial estate development...Bridgetown new ambulance hall and garage...first round of Active Ageing at the Local Level funding allocated...leadership and capacity building programs run...telecentres network expands coverage

# Activities Against Services (Cont.)

## FINANCIAL ASSISTANCE

### REGIONAL INVESTMENT FUND

Funds were allocated for projects in regional Western Australia from the Government's continued support of the Regional Investment Fund (RIF), which was allocated a further \$80 million over the next four years from 2005-06. The Government initially allocated \$75 million to RIF from 2001-02 to 2004-05.

The Regional Investment Fund provides funding through five grant programs:

- Regional Infrastructure Funding Program (RIFP);
- Western Australian Regional Initiatives Scheme (WARIS);
- Regional Headworks Program (RHP);
- Indigenous Regional Development Program (IRDP); and
- Regional Development Scheme (RDS)

Since the introduction of the RIF in 2001, it has provided funding to over 1000 applicants covering a wide range of activities including projects that have supported regionally based facilities.



### Regional Infrastructure Funding Program

The Regional Infrastructure Funding Program (RIFP) provides financial assistance of between \$100,000 and \$5 million for major infrastructure projects that will assist in attracting investment and increasing jobs in regional areas or to improve the access of regional communities to services. A total of \$6,006,565 was approved for 20 projects in 2005-06 as outlined in the following table:

### RIFP Projects Approved for Funding 2005-06

Applicant	Description of Project
Carnarvon Heritage Group Inc	Assist construction of the Carnarvon One Mile Jetty Interpretive Centre
City of Kalgoorlie-Boulder	Assist with extensions to the existing William Grundt Memorial Library
Shire of Coolgardie	Assist with the upgrade and renewal of the Coolgardie main street and town site
Shire of Plantagenet	Assist with environment improvements to the Great Southern Regional Cattleyards
Shire of Derby/West Kimberley	Construction of hardstand and access roadway for the Derby Wharf Enhancement project

## Activities Against Services (Cont.)

Applicant	Description of Project
Southern Cross Care (WA) Inc	Help establish a new residential aged care facility in Broome
Shire of Derby/West Kimberley	Assist with the construction of the Fitzroy Crossing Community Resource Centre
Shire of Meekatharra	Assist with the development of the Meeka Heritage and Canyon Trail
Shire of Morawa	Assist with building a broadband telecommunications network across seven North Midland Shires including Morawa, Mullewa, Perenjori, Three Springs, Carnamah and Coorow
Carnamah Shire Council	Assist with renovating the existing Carnamah Shire Hall and refurbishment of the adjacent disused Uniting Church Hall to establish a youth, community and arts centre in Carnamah
Shire of Serpentine-Jarrahdale	Assist with developing and establishing the Jarrahdale Heritage Park
Shire of Manjimup	Assist with the Pemberton Mainstreet Townscape project
South West Development Commission	Assist with dredging works for the Leschenault Estuary
Southern Forests Arts Inc	Assist with developing the southern forest sculpture walk starting at Northcliffe and proceeding through surrounding areas.
The Dolphin Discovery Centre	Assist with developing the Dolphin Tourism and Research Facilities project
Manjimup Speedway Club Inc	Assist with the upgrade of the Manjimup Speedway
National Trust of Australia (WA) and the Shire of Cunderdin	Assist with the Cunderdin Museum redevelopment
Country Housing Authority	Provide funding assistance through the Housing Development Incentive Programme
City of Bunbury	Assist with upgrading of the medical and emergency facilities at the Bunbury Airport
Wheatbelt Development Commission	Assist with upgrading power to the Avon Industrial Park



## Activities Against Services (Cont.)

### Western Australian Regional Initiatives Scheme

The WA Regional Initiatives Scheme (WARIS) supports non-capital works projects that will deliver benefits across more than one of Western Australia's nine regions. A total of \$1,264,268 was approved for 13 organisations under WARIS as outlined in the following table:

### WARIS Initiatives Approved Funding for 2005-06

Applicant	Project
Department of Housing and Works	Indigenous Workplace Support and Recruitment Service
ArtSource	Professional Development Training for Indigenous Artists
Country Arts	BLINK images from country WA – community photography and film events
Buzz Dance Theatre	RabbIT Regional Schools Tour
Desart	Arts Centre Operations Manual
Indigenous Community Volunteers	ICV – Strong Partnerships in WA
Shearing Contractor's Association	Wool Harvesting Industry workshops and shed assessments
Circuit West	Acrobatic Workshops and Tour of Imperial Chinese Acrobats
Festival of Youth	Youth on Health Project
Institute for Regional Development – UWA	Future Skilled Labour Requirements in the Regions
Perth International Arts Festival	2006 Regional Events Program
WACOSS	Regional Community Leaderships and Development Program
Department of Culture and the Arts	Regional Touring Assistance for the 4 Major Performing Arts Companies to be granted by application to DCA

# Activities Against Services (Cont.)

## Regional Headworks Program

The Regional Headworks Program (RHP) is designed to promote and support the sustainable development of regional Western Australia.

Funding was provided for grants ranging from \$5,000 to \$200,000 for headworks projects involving the provision of water, electricity, telecommunications, gas, drainage and sewerage that will assist in attracting investment and increasing jobs in regional areas or improving the commercial and industrial activity in the region.

A total of \$1,518,111 was made available for 17 projects under RHP as outlined in the following table:

### RHP Projects Approved Funding for 2005-06

Applicant	Project
Shire of Nannup	Brockman Street Power Extension
Country Music Club of Boyup Brook WA Inc	Building Business in Boyup Brook
R K and B Woodhouse	Power upgrade for dairy farm irrigation extension
St John Ambulance Bridgetown Sub Centre	New Ambulance Hall and Garage
J H and F R Scott	Provision of 3 phase power for dairy unit expansion
Appadene Forest Products	Provide 3 phase power to furniture manufacturer
New Mexico Trust	Gold Gully Organic Farms Development
Lake Clifton Progress and Sporting Association Inc	Upgrade power Lake Clifton Community Centre
Shire of Murray	Commonage Industrial Park
Shire of Serpentine-Jarrahdale	Jarrahdale Heritage Park
Shire of Irwin	Water to Service Recycling Centre
Shire of Denmark	Denmark Industrial Estate Development
City of Kalgoorlie-Boulder	Boulder Short Stay Facility - Power and Water Supply
Shire of Wongan Ballidu	Industrial Subdivision
Freshwater Fish Farm Pty Ltd	Electricity connection to Fish Farm
Shire of Kondinin	Cottle Street Industrial Subdivision
J E Thomas	Brookton Lights Motel

## Activities Against Services (Cont.)

### Indigenous Regional Development Program (IRDP)

Three million dollars per annum is available from the Regional Investment Fund (RIF) over the 2005-09 period to encourage, promote and support the sustainable development of Indigenous communities in regional areas of Western Australia in a culturally appropriate way. Grants of between \$10,000 and \$500,000 mostly for capital works are available for projects that will assist in strengthening regional economies by attracting investment and increasing jobs for Indigenous people; enabling Indigenous communities to be more educated, safe, healthy and supportive, with an enhanced quality of life; or contribute to protecting the environment.

The first funding round was held in 2005, and grants totalling \$2,383,663 were approved as follows:

Applicant	Project Description
Ilkurlka Aboriginal Corporation	Construction of an arts studio and accommodation facility in the Spinifex Lands
Papulankutja Artists Aboriginal Corporation	Construct a workshop for a Spinifex paper making enterprise
Kayili Artists Aboriginal Corporation	Upgrade and extend the Art Centre and Art Coordinator's residence
Gnowangerup Aboriginal Corporation	Development and restoration of a heritage museum in Gnowangerup
Kunawarritji Aboriginal Corporation	Provide materials and fit out for the construction of the new general store
Bidyadanga Aboriginal Community La Grange Inc	Construction of the Bidyadanga Art and Cultural Centre
Yiyili Community Aboriginal Corporation	Extend and refurbish the community's Laarri Gallery
Warmun Arts Aboriginal Corporation	Construction of the new Warmun Art Centre
Jarimadangah Burra Aboriginal Corporation	Upgrade ablution facilities and provide an outdoor area for the Women's Centre
Shire of Derby / West Kimberley	Construction of the Fitzroy Crossing Community Resource Centre
Madjulla Inc.	Install plumbing and septic systems at a remote wilderness camp at Balgingirr Community, on the Fitzroy River
Shire of Kellerberrin	Upgrade two buildings in Kellerberrin to house Indigenous art and artefacts and establish a Noongar language centre and visitor facilities

### Regional Development Scheme

The Regional Development Scheme is administered and distributed by each of the nine Regional Development Commissions. A total of \$4.5 million was made available for the Commissions in 2005-06.

# Activities Against Services (Cont.)



## OTHER PROGRAMS

### Regional Collocation Scheme

The Regional Collocation Scheme, supports the construction or refurbishment of buildings to collocate various services in regional communities.

Six communities were approved for funding under the Regional Collocation Scheme in 2005-06 for a total of \$609,104. The communities are - Koorda & Dalwallinu (Wheatbelt); Coorow & Carnamah (Mid West); Newman (Pilbara); and Burringurrah (Gascoyne).

### Outer Metropolitan Community Fund

The Outer Metropolitan Community Fund (OMCF) provides financial assistance to help fund projects that encourage, promote and support the sustainable development of outer metropolitan areas of Perth. The Fund assists small communities within the following local governments:

- City of Wanneroo
- City of Armadale
- City of Rockingham
- Shire of Mundaring
- Town of Kwinana
- Shire of Kalamunda
- City of Swan

A total of \$865,000 was approved for 42 projects in 2005-2006, through the second round of the OMCF, as outlined in the following table:

## Activities Against Services (Cont.)

### Successful OMCF Applicants 2005/2006

Local Government Authority	Applicant	Project
<b>Armadale</b>	City of Armadale	Provision of playground equipment at Cross Park, Roleystone.
	City of Armadale	Provision of playground equipment at Frye Park, Clifton Hills.
	City of Armadale	Provision of Playground equipment at Memorial Park, Armadale.
	City of Armadale	Rushton Park Foreshore Redevelopment, Canning River Kelmscott.
	Heritage Country Tourism Association Inc trading as Armadale Visitors Centre	"Autumn in Armadale" festival.
	Araluen Botanic Park Foundation Inc.	2006 Perth Chilli Festival
<b>Kalamunda</b>	Disability in the Arts, Disadvantage in the Arts. Australia (DADAA WA)	The Lost Generation project - Project Co-ordinators.
	Shire of Kalamunda	Construction of shade shelter at the Peter Anderton Respite Centre.
	Zig Zag Community Arts Inc.	Zig Zag Community Arts Festival.
<b>Kwinana</b>	Town of Kwinana	Parks Upgrade - Stage 2 - 5 parks in Medina
	Town of Kwinana	Parks Upgrade - Stage 2 - 4 parks in Calista
	Town of Kwinana	Parks Upgrade - Stage 2 - 5 Parks in Orelia
	Town of Kwinana	Parks Upgrade - Stage 2 - 10 Parks in Parmelia
	Town of Kwinana	Parks Upgrade - Stage 2 - 5 Parks in Leda
	Town of Kwinana	Parks Upgrade - Stage 2 - 4 Parks in Homestead Ridge
	Town of Kwinana	Parks Upgrade - Stage 2 - 2 existing Parks in Bertram
	Town of Kwinana	Parks Upgrade - Stage 2 - Hero Crescent Park in Bertram (new development)
	Town of Kwinana	Parks Upgrade - Stage 2 - Prince Regent Gate Park in Bertram (new development)

## Activities Against Services (Cont.)

Local Government Authority	Applicant	Project
<b>Kwinana (Cont.)</b>	Town of Kwinana	Development of Community Information Service Database
	Wandi Progress Assoc.	Renovate relocated Hope Valley Primary School buildings for community use.
<b>Mundaring</b>	Disability in the Arts, Disadvantage in the Arts, Australia (DADAA WA)	The Lost Generation project - Project Co-ordinators.
	Mount Helena Residents and Ratepayers Progress Association Inc.	Provision of playground equipment at Mount Helena Pioneer Park.
	Mount Helena Residents and Ratepayers Progress Association Inc.	Provision of public toilet facilities at Mount Helena Pioneer Park.
	Shire of Mundaring	Wireless Broadband network for Shire of Mundaring.
	Shire of Mundaring	Development of Private Land Conservation Strategy for Mundaring - Part-time Project Officer.
	The Katharine Susannah Prichard Writers Centre	Construction of Undercroft Archive and Recording Room.
	Shire of Mundaring	2006 Trek the Trail - event involves walkers and cyclists travelling along the Railway Reserves Heritage Trail in Mundaring.
<b>Rockingham</b>	City of Rockingham	Preservation of Conservation Category wetlands; Construction of walk trails and observation nodes at Lark Hill.
	Ngala Inc.	Refurbishment of premises in Rockingham.
	Anglican Parish of Rockingham and Safety Bay	Service Transition and Development project - Develop and Train Volunteer Workers.
	City of Rockingham	Provision of a Universal Access Swing at Rand Avenue Reserve, Rockingham
	City of Rockingham	Provision of disabled Beach Access Path, Govender Road beach reserve.
	Naragebup Rockingham Regional Environmental Centre Inc.	Management of proposed "Sustainability Shoppe" at Naragebup.

## Activities Against Services (Cont.)

Local Government Authority	Applicant	Project
<b>Swan</b>	City of Swan	Provision of Youth Play Area at Sandown Park, Morgan Fields, Ellenbrook.
	City of Swan	Rapid Outer Swan Economic Spin-offs (ROSES) Program - facilitate development of long-term rural activity in Swan.
	City of Swan	Swan Valley and Eastern Region Visitor Centre - upgrade of facilities.
	Disability in the Arts, Disadvantage in the Arts, Australia (DADAA WA)	The Lost Generation project - Project Co-ordinators.
	Ellenbrook Cultural Foundation Inc	Ellenbrook Gallery - Lighting Fit-Out.
	Hills Community Support Group Inc.	Ellenbrook Community Youth Worker- pilot project.
	City of Swan	"Tales of Times Past" - Oral History programme in Bullsbrook and Ellenbrook.
<b>Wanneroo</b>	Barking Gecko Theatre Company	Wanneroo Youth Theatre Project
	City of Wanneroo	Two Rocks Volunteer Hub - Project Officer

# Activities Against Services (Cont.)

## COMMUNITY CAPACITY BUILDING

### Community Leadership

A range of leadership and capacity building initiatives was undertaken during the year for the benefit of regional communities and individuals. Indigenous leadership programs have been a priority.

### Young Indigenous Local Government Scholarships

Grants were provided to local governments to provide a 12-month scholarship for a young Indigenous person wishing to gain valuable experience in a youth or community development role. These scholarships are leading to employment prospects for young people in addition to exposing them to the potential of being young Indigenous leaders within their respective community.

### Leadership Western Australia

The program, headed by Dr Ian Reid and chaired by Mr Wally Cox, with seed funding from Rio Tinto, is experiential leadership training. It is targeted at the 30/40's age group with a particular focus on networking and honing skill development. Funding for regional participants and an annual regional field trip has been committed to this program. More than 90 future leaders have benefited from this higher-level leadership training.

### Australian Rural Leadership Program

The WA Leadership Program provides funding to support regional Indigenous participants on the program. The Australian Rural Leadership Program prepares leaders to develop sustainable, competitive and profitable industries, in an international context and develop sustainable (economic, social and environmental) communities within rural and regional Australia.

Sponsorship for two scholarships has been provided.



# Activities Against Services (Cont.)

## Indigenous Governance

Through a strategic partnership with the Department of Agriculture and Food, the Department will implement a program in the Wiluna region, to assist Indigenous people with skill-based training including:

- Strategic Planning
- Governance
- Leadership
- Skill Analysis; and
- Workforce Management

## Wiluna

In March 2006, the Department contributed \$25,000 towards the Department of Agriculture and Food's Culture and Identity Indigenous Governance Program. The Program has provided governance training for the Indigenous community of Wiluna.

## Active Ageing at the Local Level Initiative

The *Active Ageing at the Local Level Initiative*, developed by the Department in consultation with the Officer for Seniors Interests and Volunteering, was announced in October 2005, with the associated funding program. As lead agency, the Department is administering funding, available as part of the State Government's *Active Ageing Strategy*, of \$450,000 for each of the three years 2005 - 2006, 2006 - 2007, 2007 - 2008. There was considerable interest in the Initiative and 55 diverse and innovative project applications were received for the first funding round. Thirty-three projects were approved for funding and the second round of funding will be available early in 2006 - 07.



## Activities Against Services (Cont.)

### Active Ageing at Local Level Funding - May 2006

Applicant's Name	Description of Project
Alzheimers Australia WA Ltd	Positive Living (A positive approach for carers of people with dementia)
Arts Margaret River	Encouraging mature people to become involved in arts projects in the community
Association for the Blind of WA Inc	Wellness, Confidence and Connection in Regional WA: Active Ageing for people who are blind or have Vision Impairment
Brunswick and Districts Community Association Inc.	Brunswick Active Ageing Challenge
City of Cockburn	Happening Seniors: Active Ageing Inclusion Program
City of Mandurah	The Mandurah AAA Project: Anticipating Active Ageing
Film and Television Institute WA Inc	Seniors on Screen - A Community Screen Story Telling Program
Gibbs Street Primary School/ Homestay Village	An Arts Based Integration - Gibbs Street PS and Homestay Village
Goldfields Land and Sea Council Aboriginal Corporation Inc.	Goldfields Intergenerational Story-Telling and Publication Project
Harvey Recreation and Cultural Centre Inc	Seniors Strengthening Sessions
Independent Living Centre of WA Inc	Life was meant to be easier - Assistive Technology EXPO
Jacaranda Community Centre	Aboriginals Walking to Better Health and Happiness
Kurungal Council	Wangkajunga Desert Stories
Lancelin Telecentre	Crafty Seniors
Mandurah Care Facility	"Spark of Life" Dementia Specific Group
Margaret River Regional Environment Centre Inc.	Friends of the "A" class Reserve Bush Regeneration Project, Stream Line Rehabilitation
Mullewa Shire Council.	Lets Get Active Mullewa Seniors
Ngaanyatjarra Council	Tjilpi Trips to Country 2006
Older Women's Network WA Inc.	"Women for the Future"
Rockingham Kwinana Division of General Practice	Actively Ageing in Kwinana

## Activities Against Services (Cont.)

Applicant's Name	Description of Project
RSPCA	Seniors Pet Therapy Program
Shire of Boyup Brook	Community Consultation
Shire of Corrigin	Corrigin GO-PHER IT in 2006
Shire of Dalwallinu	Sprightly Seniors
Shire of Donnybrook-Balingup	H2O (Health To Offer)
Shire of Katanning	Katanning Active Ageing Expo
Shire of Mundaring	The Active Ageing Project
Silver Chain Nursing Association	Walpole Seniors - Ageing in Place
Town of Bassendean	Town of Bassendean Seniors Network and Census
Trinity School for Seniors Learning in Older Adults	Participation in Action research that will enhance understanding of Life Long Learning in Older Adults
Volunteering Western Australia	ARC Seniors
WA Deaf Society Inc	The WA Deaf Society 50+ Club
Wheatbelt Sports Council	Generations Together in the Wheatbelt

### Regional, Remote and Rural Women's Network

The Regional, Remote and Rural Women's Network, co-funded with the Department of Agriculture and Food, links women outside the metropolitan area; provides information through a quarterly newsletter, *Network News* and hosts a website. A Reference Group, appointed by the Minister, coordinates activities and also has an advocacy function. The website has been redeveloped to offer an upgraded and efficient system which will enable the network to keep information updated regularly and attract more women to use the medium.

# Activities Against Services (Cont.)

## TELECENTRES

The network of over 100 established not-for-profit community-owned Telecentres continues to expand the range of government and community services offered to their communities. These telecommunication facilities have clearly established themselves as centres for the delivery of government and commercial sector information, services and training in rural and remote communities throughout Western Australia.

The Telecentre Network has provided opportunities and services to enable individuals, business and community groups in rural and remote parts of the State to reap the economic and social benefits offered by modern communication technologies, including videoconferencing and access to Broadband Internet.

The Department provided almost \$2 million to support Telecentres to provide services for a minimum of twenty hours each week in 102 regional towns throughout the State. In addition, the Department provided 82 small grants to assist these Telecentres with developing locally based programs and services and to further develop their information technology services.

Telecentres continue to expand and develop their capacity to deliver information, services and programs in their communities on behalf of government and the private sector. A key strategic driver for the future development of the Telecentres across the State is encouraging them to collocate with libraries, visitor servicing facilities, government services and other community-based organisations. To date, 38 communities have been funded through the Department's Collocation Program to incorporate their Telecentre with other services into one building. This provides members of the community with improved locally based "one stop shop" access to some important services.

During 2005-06, two new Telecentres commenced operation and 31 existing Telecentres were provided with assistance to provide broadband access to their communities. This brings the total number of operational information technology-enabled service and/or information provision facilities established in small regional towns to 150, which includes 102 Telecentres, two Telecentres in remote Indigenous communities, eight Modular Interactive Telecommunication Environments (MITES, which includes one remote Indigenous Telecentre) and 38 Telecentre Access Points (TAPs). There are four more standard Telecentres approved for commencement in Yandeyarra, Jigalong, Fitzroy Crossing and Beagle Bay, which are still awaiting the final development of local facilities to house them prior to becoming operational. In addition, the remote Indigenous communities of Warakurna, Balgo, Kalumburu, Looma and Burringurrah are awaiting the completion of localised collocated facilities, which will incorporate a Telecentre, prior to them becoming operational.

### **Videoconferencing**

The Department has assisted the establishment of public videoconferencing access in 94 communities across the State. This technology provides for government agencies to deliver information, training and programs, for people to attend meetings, conduct job interviews, participate in workplace training or keep in contact with family and friends. This will inevitably save time and money by reducing the need to travel to regional centres to access a wide variety of services, information and training.

# Activities Against Services (Cont.)

## Telecentre Advisory Council

The Telecentre Advisory Council (TAC) continued to provide advice to the Minister on development of the Telecentre initiative statewide. In performing this function the TAC met on four occasions, and in addition participated in a workshop to develop advice for the Minister on future development of the Telecentre Program and Telecentre facilities.

## Future Directions

In 2006-07, the Department will be focusing on a number of activities including:

- Allocate funds through the Government's second RIF including funding for the Regional Infrastructure Funding Program, the Western Australian Regional Initiatives Scheme, the Indigenous Regional Development Program and the Regional Headworks Program.
- Continue to provide support to assist the ongoing implementation of the Regional Development Policy – Regional Western Australia – A Better Place to Live.
- Continue to provide funding through the Outer Metropolitan Community Fund to encourage, promote and support the sustainable development of outer metropolitan areas.
- Conduct a round of the Community Facilities Grants Program, which provides financial assistance to fund the capital cost of providing community facilities in regional areas.
- Continue the allocation of funding and assistance under the Community Leadership initiative.
- Conduct the second round of funding of \$450,000 in relation to the Active Aging at the Local Level initiative. This initiative has a strong regional emphasis.
- Facilitate partnerships between remote Indigenous communities, local governments and State and Federal agencies on the delivery of local government services and capacity building for improved governance in Indigenous communities.
- Undertake an on-going review of the Western Australian Local Government Grants Commission's methodology to address council issues on grant allocation.
- Continue to deliver the Western Australian Local Government Grants Commission public hearing program by meeting with approximately 45 local governments across the State.
- Continue the implementation of the Telecentre Program to support regional development.

# Activities Against Services (Cont.)

## SERVICE 3. BETTER LOCAL GOVERNMENT

### Service Description

*Through advice, support and compliance monitoring, assist local governments to be more efficient and effective and to achieve good governance and be responsive to community needs.*

### SNAPSHOT

A range of support programs for local government...a total of 262 allegations concerning activities of local governments examined...220 letters of concern acted upon...report on structural and electoral reform by the Local Government Advisory Board...Local Government Grants Commission determined grants totalling \$194.880 million for allocation in 2006-07...capacity building with Indigenous communities including Wiluna

## COMPLIANCE AND ADVICE

### Investigations

In 2005-06, the Department received 229 new allegations relating to the activities of local governments throughout the State. During this period a total of 262 allegations were examined and completed – Table 1.

The Department is also preparing for the implementation of new legislation dealing with councilor misconduct. The Official Conduct Bill is expected to be in operation in late 2006 and extensive planning for its launch is already underway. New procedures are being developed that is expected to streamline the Department's complaint handling and investigation processes in this area.

### Public Accounts Committee Inquiry into Local Government Accountability in Western Australia

In August 2005, the above inquiry, chaired by Mr John Quigley MLA, was established. The Department prepared a submission to and appeared before the Inquiry in November 2005. Additional information was provided to the Inquiry in March 2006. The Inquiry is expected to complete its report in September 2006.

### Corruption and Crime Commission (CCC) Liaison

The Department received 44 referrals from the CCC for investigation. In addition, the Department has contributed to an exchange of information with the CCC and is working on the introduction of a Memorandum of Understanding to increase the effectiveness of this process. In early 2006 the Department took part in a review of its complaint handling procedures by the Corruption and Crime Commission (CCC). The subsequent report entitled "*Report on Misconduct Handling Procedures in the Western Australian Public Sector: Department of Local Government and Regional Development*" (April 2006) found that the Department had a "*methodical and comprehensive complaint handling system*".

# Activities Against Services (Cont.)

## Statutory Support

The Department dealt with more than 220 letters of concern – these related to a variety of issues including local government rate increases, planning decisions, local services and facilities, the operation of cemeteries and other Acts administered by the Department. The Department also dealt with 206 applications for statutory approvals.

## Compliance and Monitoring

The Department's role in ensuring local government adherence to statutory compliance is being further resourced to meet increased expectations in monitoring the financial health and statutory compliance of local governments. This has included the development of new software, which allows the Department to be more proactive with greater analysis of compliance and financial data. In addition, the Department has completed 16 Compliance Audits of various local governments throughout the State.



## Departmental Authorised Inquiry into the Shire of Kojonup

On January 12, 2005 the Director General of the Department of Local Government and Regional Development, exercised her authority under section 8.3(2) of the *Local Government Act 1995* and authorised an inquiry into the operations and affairs of the Shire of Kojonup. The Inquiry will complete its report by late 2006.

## Inquiry into the City of South Perth

On the 20 June 2006, the Department commenced an Authorised Inquiry into the City of South Perth. The Inquiry was initiated as the result of a request from the Mayor of the City, Mr John Collins JP to investigate an issue regarding a demolition licence that has not been able to be satisfactorily resolved by the City. A lack of closure prompted this referral, and the Department was considered to be the most appropriate authority to provide an independent external review of the matter. The Inquiry is still ongoing.

## Joondalup Panel of Inquiry

On December 4, 2003 the then Minister for Local Government and Regional Development formed the view that the Council of the City of Joondalup was seriously dysfunctional and unable to ensure that the City performed its functions properly and made orders under Section 8.19(1) of the *Local Government Act 1995* suspending the Council and appointing commissioners to run the City.

An inquiry was conducted and a report presented to John Bowler MLA, Minister for Local Government and Regional Development in September, 2005. The Minister dismissed the Council on 2 December 2005. As a result of the McIntyre Report the Department prepared a circular on the major issues identified by the Inquiry for circulation to local governments. The circular identified what actions local governments and individual elected members need to consider taking to avoid similar criticisms.

# Activities Against Services (Cont.)

Local Government Investigations 2005-06 Table 1

	Local Government Operations and Procedures			Complaints Against Individuals Associated with Local Governments							Miscellaneous
	Procedures within Council or Committee Meetings	Tendering Processes	Other Processes and Procedures at an Administrative Level	Breaches of Financial Interest Provisions (Elected Members)	Breaches of Financial Interest Provisions (Employees)	Improper Use of Information (Elected Members)	Improper Use of Information (Employees)	Other Actions (Elected Members and Employees)	Processes and Procedures at an Elected Member Level Related to Planning Issues	Processes and Procedures at an Elected Member Level Related to Planning Issues	
Complaint unfounded			1	6			1	16		1	
Possible minor breach, warning issued				10		4		3			
No role for Department or Minister			2	10				16	4	2	
Referred to local government for action (Code of Conduct)				2			2	2			
Referred to local government for action (other)								1			
Referred to another agency			1	6				3		1	
Process improvement recommended		2		3			1				
No further action by Department	5	1	5	19	2	1	1	57	3	2	6
Recorded for ongoing monitoring purposes	2	1	2					7	2		
Unsubstantiated	1	1		13	1	1		4	6		
<b>Completed Allegations</b>											<b>262</b>



# Activities Against Services (Cont.)

## PARTNERING WITH LOCAL GOVERNMENT

The State Government is committed to partnering with local government. The State and Local Government Council, comprising of the Premier, Ministers and respective Presidents of the Western Australian Local Government Association and Local Government Manager's Association (WA) meets twice a year.

The Partnership Steering Group, a group of senior officers from State and local government associations support the partnership process and reports directly to the State and Local Government Council.

The Department was responsible for chairing and providing administrative support to this group during the calendar year commencing 1 January 2006.

The following agreements and policy statement, with support of the State and Local Government Council, were finalised in 2005-06:

### **Wanneroo Town Centre Revitalisation MOU**

The Wanneroo Town Centre Revitalisation MOU was signed on 21 July 2005 by the Premier, Member for Wanneroo and the Mayor of the City of Wanneroo. The MOU is a commitment between the State and local government to enhance sustainable, social economic and environmental development of the town centre.

### **Albany Waterfront MOA**

The Albany Waterfront Memorandum of Agreement was signed on 6 September 2005 by the Minister for Planning and Infrastructure, Minister for Local Government and Regional Development and the Mayor of the City of Albany. This will assist in the development of a world-class waterfront precinct in Albany's harbour area.

### **Intergovernmental Agreement**

On April 21, 2006 Local Government and Regional Development Minister Jon Ford hailed the signing of an agreement between the three spheres of government as another important step towards better co-operation and understanding.

The signing of the Intergovernmental Agreement (IGA) between the Commonwealth, State and Territory Governments and the Australian Local Government Association will improve the relationship and consultation process between governments on local government issues.



### **Reimbursement of Travel Expenses for Members of Government Boards and Committees**

In recognition of the additional costs faced by some members of Government boards and committees in attending meetings, the State and Local Government Council meeting in November 2005 endorsed a policy to allow for board and committee members to be adequately reimbursed for travel costs incurred when attending Government meetings. A revised policy was announced by the Premier in April 2006.

# Activities Against Services (Cont.)

## LOCAL GOVERNMENT ADVISORY BOARD

In addition to its work of assessing district boundary changes and evaluating reviews of ward boundaries and representation, the Board was requested by the Minister for Local Government and Regional Development to inquire into Local Government Structural and Electoral Reform in Western Australia. The terms of reference for the inquiry related structural and electoral reform to economic, environmental and social sustainability. The Board consulted with the Western Australian Local Government Association and Local Government Managers Australia. It conducted ten public hearings around the State and invited submissions and received 233 from individual local governments and the wider community.

In November 2005, the Board presented its report **“Inquiry into the operation of section 6.26 (2)(g) of the Local Government Act 1995 relating to the Rating of Land Used for Charitable Purposes”** to the Minister for Local Government and Regional Development.

Section 6.26 (2)(g) of the Act, provides that “land used exclusively for charitable purposes” is not rateable by a local government. However, in recent years, charitable organisations, individuals and local governments have raised problems with regard to the operation of this section.

The report has been released to the local government sector for comment with a closing date of 31 October 2006.

Based on the information collected by the Board, submissions received, changes that have taken place in other jurisdictions and the fundamental need to ensure the future sustainability of communities in WA, the Board concluded that there was an urgent need for structural reform of local government in this State. In its report to the Minister, the Board made 49 recommendations including amalgamations of local governments in several metropolitan (western suburbs, Fremantle area) and regional areas (Mandurah, Northam, Narrogin, Geraldton); further investigation into other boundary changes; legislative changes to remove impediments to structural reform and amendments to the Local Government Financial Management Regulations. In response to the Board's report, the Minister has invited and is receiving public submissions regarding its content and recommendations.

During 2005-06 the Board received and assessed reports of reviews of ward boundaries and representation from 18 local governments, 16 of which proposed changes. 9 local governments abolished all wards and 7 proposed changes to ward boundaries and representation.

A visit was made to the Goldfields region as part of an inquiry into a proposed district boundary change between the Shires of Menzies and Laverton affecting the Tjuntjuntjara Community. The Board met with both local governments and travelled to the Community to discuss the proposal with the residents. The inquiry will be concluded and a report and recommendations submitted to the Minister in the near future.

Regular updates were provided to the Board by the Shire of Greenough and City of Geraldton on the progress of amalgamation negotiations that culminated in the receipt of proposals from both local governments for amalgamation into one new local government district. An inquiry into these proposals is currently in progress.

Three proposals for district boundary changes affecting the Town of Vincent were received from the Town and the City of Perth. The inquiry into these proposals has commenced.

# Activities Against Services (Cont.)

## LOCAL GOVERNMENT GRANTS COMMISSION

Financial assistance grants allocated to local governments for the 2006-07 financial year, comprised \$115.730 million in general purpose funds and \$79.150 million in identified local road funding. This was a 4.39% increase on the 2005-2006 allocation.

State and Australian Ministers for Local Government approved grant allocations for local government in accordance with the requirements of the *Local Government (Financial Assistance) Act 1995*.

During the year, the Commission conducted public hearings with 27 local governments. The Commission received 23 submissions from local governments.

The grant allocation process for 2006-07 resulted in 30 local governments receiving a share of the equalisation funds based on the minimum grant provision. Together, these local governments account for \$25.74 million (22.3%) of the general-purpose funds and 74.53% of State's population. As such, nearly 80% of the funds are distributed to 112 councils with just over 25% of the State's population.

The Commission's record of calculations for the grant allocation process, the Balanced Budget Detailed Calculations, were again made available to local governments and accessed through the Department's website.

## EXTRAORDINARY AND OTHER ELECTIONS

### Elections conducted under section 4.14 of the Local Government Act 1995

The City of Joondalup and the Town of York, which had both been under administration after the City of Joondalup was dismissed and the majority of the Shire of York Councillors resigned, conducted elections for the full council on Saturday, 6 May 2006. The Department updated its election materials to ensure that information was current for candidates and returning officers; complemented local government advertising with additional promotion and participated in candidate information sessions.

The City of Joondalup conducted its elections by post and the Shire of York held voting in person elections. City of Joondalup electors all received a postal package. In order to ensure that all electors of the Shire of York were aware of the election and its importance for a fresh start with a new council, the Department sent a flyer to every household and business. The Minister also sent a personal letter to residents.

The Shire of York had 13 candidates for the district and reported a 54% turnout.



## Activities Against Services (Cont.)

The City of Joondalup also had a strong candidate field, with all wards but one contested and 11 candidates for the Mayoral election. The Western Australian Electoral Commission reported a voter turnout of 27.25%, which was a marginally higher than the 2003 ordinary election turnout of 26.9%.

The Department also assisted the Shire of York in its elected member induction program.

Extraordinary elections are conducted when an elected member's position becomes vacant during the course of his or her term of office. A total of 38 extraordinary elections were conducted throughout the year to fill 43 councillor vacancies. These vacancies were caused by:

Resignation	35
Death of councillor	4
Vacancy unfilled at ordinary elections	1
Result overturned by Court of Disputed Returns	1
Disqualification by State Administrative Tribunal	1
Disqualification under section 2.25 of <i>Local Government Act 1995</i>	1
<b>TOTAL</b>	<b>43</b>

## SERVICES TO INDIGENOUS COMMUNITIES

The Department facilitated a diverse range of initiatives to strengthen the relationship between local government and Indigenous communities to improve service delivery.

To strengthen local government systems, the Department is committed to working with local governments to develop the capacity of Indigenous councilors and to date workshops have been held in Wiluna and Halls Creek. A capacity building program has been delivered to the Shire of Wiluna with the Department conducting a series of workshops with all councilors and provide ongoing support to shire staff.

In addition, the Department has partnered with the Fire and Emergency Services Authority to greater support local governments who are coordinating emergency management plans with discrete communities.

To address Indigenous representation in local government, a comprehensive Indigenous local government election strategy has been delivered. It ensured broad indigenous community exposure to the role of local government through Departmental field visits, radio advertising and the development and dissemination of written material designed for an Indigenous audience. The strategy also included developing an ongoing partnership with the Australian and Western Australian Electoral Commission to increase enrolments and voter turnout.

# Activities Against Services (Cont.)

## LOCAL GOVERNMENT SUPPORT AND ADVICE

### Advice on the provisions and operation of the Local Government Act 1995 (the Act) and its Regulations

The Department has continued to provide advice to a range of stakeholders including the Minister for Local Government and Regional Development, local government, elected members and employees, State Government agencies and members of the public on the provisions and operation of the Act.

Local governments and other agencies can seek advice on the Act to become more familiar with their rights and the responsibilities of local governments. The service also assists local governments to ensure that they maintain a high degree of legislative compliance.

### Development of guidelines on operations and legislative requirements

The Department continued the local government guidelines series and produced new guidelines including 'Audit Committees in Local Government', 'Appointing a CEO', 'Use of Corporate Credit Cards', 'Elected Members' Relationship with Developers', 'Relationship between Internal and External Audit' and 'Legal Representation for Council Members and Employees'.



### Financial management practice notes and interpretation of Accounting Standards

Practice notes are prepared and distributed to all local governments so that those local governments that cannot attract qualified accounting staff have the capacity to prepare meaningful financial information for elected members. An interpretation is provided on all accounting standards released or reviewed by the Australian Accounting Standards Board.

### Department Newsletter: Local Government Update

The Department continued to publish its periodical newsletter *Update*, which was distributed to all local governments and elected members, as well as a number of interest groups and individuals. The newsletter provides information and advice on a wide range of issues of general interest to local government. These include updates on legislative and other changes, as well as information on current local government activities and issues.

# Report on Customer Outcomes

## OTHER SUPPORT PROGRAMS

The Department provides support and development to local government through its advisory and information services as well as through participation in a number of key programs.

### Chief Executive Officer Support Program

The CEO Support Program is administered by the Department and provides assistance to newly appointed CEOs. It aims to encourage good practice and help to minimise potential difficulties.

A senior Departmental officer and a representative of LGMA (WA) visit the new CEO to discuss management issues. Mentoring relationships are formed as a result of CEO Support Program visits.

During 2005 -06, four new CEOs and their local governments were visited under this program. These included the Shire of Trayning, Shire of Gnowangerup, Shire of Menzies and Shire of Christmas Island.

### Mayors' and Presidents' Workshops

The Department offered a support program to provide guidance to newly elected Mayors and Presidents following the May 2005 Local Government elections. The aim of the workshops is to provide an opportunity for new Mayors, Presidents and Deputy Mayors and Presidents to discuss and gain a better understanding of their crucial role in local government.



The workshops cover the skills required to handle issues such as public question time, chairing meetings, dealing with standing orders, liaising with the CEO and speaking with the media. The workshops are conducted by experienced mayors and presidents.

Two workshops were conducted during the year with 38 elected members attending.

### Regional Workshops

During 2005-06 the Department offered a series of workshops in 13 country and regional areas on the Department's Compliance Audit Return process. The workshops were aimed at officers who had functions relating to the preparation of the annual compliance audit return or internal audit functions.

The workshops included discussions of key requirements of the legislation, issues of non-compliance and offered suggestions on how to achieve a better level of compliance and local government the opportunity to have input into the future direction of the Compliance Audit Return.

# Report on Customer Outcomes (Cont.)

## Local Government Financial Management Awards

Winners of the Minister for Local Government and Regional Development's Financial Management Awards were presented in 2006.

The Awards give recognition to local governments, which provide the most effective financial processes and reports throughout the year. The Awards are determined on an assessment of financial documents presented by local governments for presentation, content and effectiveness as a management and reporting tool; compliance with the Local Government Act 1995 and associated regulations; and Australian Accounting Standards.

Local governments throughout the State competed for awards in three categories. The highest ranked local government in each category received a Certificate of Excellence with runners up receiving a Certificate of Merit.

### Winners of the Awards by category were:

#### Small Rural and Country Regional Local Governments with a budget of less than \$3 million:

- Certificate of Excellence – Shire of Three Springs
- Certificate of Merit – Shire of Tammin

#### Rural Local Governments with a budget of more than \$3 million:

- Certificate of Excellence – Shire of Esperance
- Certificate of Merit – Shire of Dardanup
- Certificate of Merit – Shire of Donnybrook-Balingup

#### Metropolitan and Major Rural Local Governments:

- Certificate of Excellence – City of Gosnells
- Certificate of Merit – City of Melville
- Certificate of Merit – City of Bunbury

## INDIAN OCEAN TERRITORIES

The Department has a Service Delivery Arrangement with the Commonwealth Department of Transport and Regional Services whereby it is required to provide the same level of support and advice to the Shires of Christmas Island and Cocos (Keeling) Islands as it provides to Western Australian local governments.

These local governments are Indian Ocean Territories, however, they operate under the auspices of the *WA Local Government Act 1995*. Under a special arrangement, the Australian Minister for Local Government and Territories is the designated Minister under that Act.

# Report on Customer Outcomes (Cont.)

## Future Directions

In 2006-07, the Department will be focusing on a number of activities including:

- Continue support to local government members, especially those newly elected, in providing good governance to the community.
- Continue to encourage collaboration and resource sharing by local governments to assist in the achievement of sustainable local government in the State. Provide financial incentives for local governments to adopt resource sharing arrangements and assistance in achieving more efficient structures for service delivery.
- Undertake further ward reviews of local governments.
- Continue to support leadership in regional communities.
- Continue to encourage and provide advice to both local governments and Indigenous communities with regard to establishing future service agreements between them.
- Continue to support the mentoring program for women in local government.
- Continue to monitor the financial health of local governments to improve financial performance.
- Provide support for the Intergovernmental Agreement initiated between the Minister for Local Government, the Commonwealth, all States and Territories and the Western Australian Local Government Association.
- Monitor local government compliance with the *Local Government Act 1995*, and undertake action as appropriate.
- Implement the new local government disciplinary framework created through the official conduct legislation.
- Utilise information gathered from inquiries and compliance monitoring to identify systemic issues within local government generally, and to provide information and strategic programs to build effective improvements.
- Continue to review and refine processes to improve the management of complaints against local governments and elected members.
- Monitor the asset management practices of local governments, as developed in a Memorandum of Understanding between the Department, WALGA, LGMA and the Institute of Public Works Engineers Australia (PWEA).
- Continue the enhancement of advisory services to local governments, elected members and staff.
- Continue to develop where necessary and distribute operational guidelines, and conduct information sessions to support local governments in their role.



# Report on Customer Outcomes (Cont.)

## YOUTH INITIATIVES

### SNAPSHOT

STRONG FOCUS ON YOUNG PEOPLE... CAREERS IN LOCAL GOVERNMENT PROMOTED... YOUNG INDIGENOUS SCHOLARSHIPS... COMMUNITY GAME DEVELOPED... LEADERSHIP PROGRAMS IN REGIONAL AREAS

The Department strongly focused on youth outcomes in 2005-06. Some of the initiatives for young people included:

Supporting the participation of individuals on renowned leadership programs; Encouraging employment opportunities and leadership development for young people, particularly those from Indigenous backgrounds; and Identifying and invest in potential leaders.

#### **Young Indigenous Local Government Scholarships**

Grants were provided to local governments to provide a 12-month scholarship for a young Indigenous person wishing to gain valuable experience in a youth or community development role. These scholarships are leading to employment prospects for young people in addition to exposing them to the potential of being young Indigenous leaders within their respective community.

#### **Leadership Western Australia**

The program, headed by Dr Ian Reid and chaired by Mr Wally Cox, with seed funding from Rio Tinto, is experiential leadership training. It is targeted at the 30/40's age group with a particular focus on networking and honing skill development. Funding for regional participants and an annual regional field trip has been committed to this program. More than 90 future leaders have benefited from this higher-level leadership training.

#### **Australian Rural Leadership Program**

The WA Leadership Program provides funding to support regional Indigenous participants on the program. The Australian Rural Leadership Program prepares leaders to develop sustainable, competitive and profitable industries, in an international context and develop sustainable (economic, social and environmental) communities within rural and regional Australia.

Sponsorship of two scholarships has been provided.

# Report on Customer Outcomes (Cont.)

## Indigenous Governance

Through a strategic partnership with the Department of Agriculture and Food, the Department will implement a program in the Wiluna region, to assist Indigenous people with skill-based training including:

- Strategic Planning
- Governance
- Leadership
- Skill Analysis; and
- Workforce Management

## Indigenous Leadership in the North-West

Provides leadership initiatives for young Indigenous people in remote communities, specifically tailored for their unique requirements. Funding from the Leadership

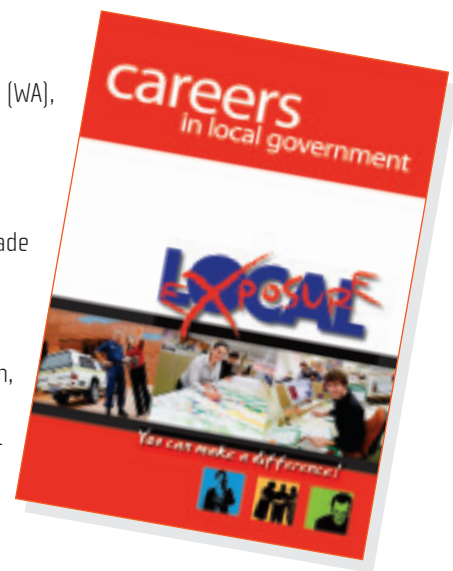
Program has assisted with the delivery of the Girls Leadership Program in the Kimberley and other development programs for young men. With Leadership Program funding, more than 1000 young men and women have participated on the programs since 2004.

## Careers in Local Government

The Department, in partnership with Local Government Managers Australia (WA), promoted local government career options for young people through participation in a number of career expos and production of a range of publications suitable for students, teachers, career advisers and local governments. A number of schools and local governments have already made use of the material for their own local expos

A new publication "Careers in Local Government Local Exposure" was launched which provides careers information for young people in a modern, accessible style. The publication promotes the Department website which contains specific information on careers available in the local government sector: [www.dlgrd.wa.gov.au/careers](http://www.dlgrd.wa.gov.au/careers). In Western Australia, more than 15,000 people in more than 30 different professional employment streams work in local government.

The work of the Department in promoting careers in local government was strengthened by the Western Australian Local Government Association's decision to introduce an advertising campaign on careers in local government.



# Report on Customer Outcomes (Cont.)

## Community Game

A "Community" board game for primary school-aged children, which was developed to raise the profile and importance of local government to young people, was promoted to local government and primary schools as a valuable resource to teach children many ways to become responsible citizens and of their importance in the community.

## Carnarvon young leaders

The Carnarvon Young Leaders Program was facilitated by the Carnarvon Family Support Service with funding from the Department. The live-in program involved a small group of young leaders undertaking a small community development project under the supervision of a more experienced mentor.

## "Deadly divas" from the Kimberley

"Deadly Divas Day" involved over 65 high school-aged girls from the Kimberley who participated in fun activities such as belly dancing, aerobics, arts and crafts as well as sessions addressing more serious issues such as sexual health and drug and alcohol use. The girls were encouraged to be active and enjoy a healthy lifestyle and undertake activities which would develop their leadership qualities.



## Increasing opportunities for work experience

Three people were provided work experience and student practicum placements in the Department – two from high school and one from the tertiary education sector.

## SNAPSHOT

REGULAR MONITORING IN RISK MANAGEMENT... DISABLED ACCESS TO PUBLIC FORUMS AND MEETINGS...  
49% REDUCTION IN NON-TRANSPORT ENERGY USE...RECORD KEEPING REVIEW UNDERWAY... WEB SITE  
EVOLVES... WEB TRAFFIC MONITORED

## Freedom of Information

The FOI Information Statement provides guidance to the wider community on how to obtain information from the Department under the Freedom of Information Act 1992. It also details information that is available outside the Freedom of Information process. The current FOI Information Statement is available on the Department's website.

<http://www.dlgrd.wa.gov.au/aboutUs/FOI.asp>

# Report on Customer Outcomes (Cont.)

## 2005 – 06 FOI Statistics

Number of FOI applications received 2005 – 06	11
Number of FOI Internal reviews	4
Number of FOI External reviews	2

## EVALUATIONS

No formal evaluations within the scope of the *Public Sector Management Act 1994 (57(e))* were conducted during 2005-06. However, the Department regularly assesses its performance to ensure it is effective.

## RISK MANAGEMENT

Procedures are in place to safeguard the assets and interests of the Department and to ensure the integrity of reporting. Regular internal monitoring provides assurance that procedures are continually monitored and reviewed.

The following areas and policies were examined and reviewed during 2005-06:

### Computer Equipment Safety

Equipment safety in the Department's Information Technology server room has been reviewed in relation to room temperature and fire risks

### Policy for Gifts Received and Presented

The gifts policy has been reviewed and revised to include procedures to follow for the presentation of gifts.

Procedures associated with record keeping were reviewed and modified; training of all staff was undertaken to ensure familiarity with these changes. Security of Departmental records was improved.

## ETHICS, STANDARDS AND PERFORMANCE

Department staff must adhere to the highest standards of corporate governance practice and ethical behaviour. Procedures are in place to meet the requirements of the Government of Western Australia Code of Conduct Supplementary Provisions – Conflict of Interest, and the Anti-Corruption Commission document Anti-Corruption Commission Act 1998 – Reporting Under Section 14- Guidelines and Annual Summary.

# Report on Customer Outcomes (Cont.)

## DISABILITY SERVICES

The Department actively supports and promotes disability access and inclusion of people with disabilities. Its Disability Services Plan provides an important mechanism for monitoring and evaluating services to help ensure that it meets the accessibility needs of its customers.

To ensure the needs of people with disabilities are suitably met, the Department is represented on the tenants' committee of its accommodation and is proactive in continuous improvement of disabled access; and ensures public forums and consultations are held in locations that provide access for people with disabilities.

The Department's website is its primary source of interaction with the public and the website is compatible with specialised software which can be employed by people with a visual impairment.

The Department has also played an important role in developing a partnership agreement with the State's Regional Development Commissions and the Disability Services Commission to improve disabled access to services and facilities in Regional Western Australia.

## ENERGY SMART

In accordance with the Energy Smart Government Policy, the Department is committed to attaining a 12% reduction in non-transport related energy use by 2006-07.

The Department has achieved a 49% reduction in energy costs since 2003-2004. This exceeds the 12% Government requirement.

Energy Smart Government program	Baseline	2005-06	Variation %
Energy Consumption (MJ)	1185	810	- 31.6
Energy Cost (\$)	52535	27976	- 46.7
Greenhouse Gas Emissions (tonnes of CO <sub>2</sub> )	399	203	- 49.1
Performance indicators MJ/sqm	473	344	- 27.3
MJ/FTE	25.3	19.47	- 23.0

# Report on Customer Outcomes (Cont.)

During the year, the following energy saving initiatives were conducted:

- Revised energy management action plans for facilities
- Continued to implement of energy audit recommendations and ensure that procurement policies encouraged high standards of energy efficiency.

## WASTE PAPER RECYCLING

The Department has a strong commitment to paper recycling and continues to make extensive use of recycling providers while actively encouraging staff to recycle paper. The process of moving to a fully electronic environment commenced in 2003-2004 and this will continue to reduce the consumption of paper-based products.

## RECYCLING OF OTHER PRODUCTS

In conjunction with other tenants and Building Management, a recycling program of recyclable products other than paper commenced in 2005-06

## RECORD KEEPING

New employees are informed of their recordkeeping responsibilities as part of the Department's induction program. The induction program covers the following:

- requirements under the State Records Act 2000
- other relevant legislation
- officer's responsibilities
- electronic document management
- the use of the TRIM electronic document management system and
- a training manual and help sheets are provided.

Several training sessions have been undertaken for all staff during the year in electronic document management and further training sessions covering all aspects of recordkeeping are held on a weekly basis.

To boost awareness of employee recordkeeping responsibilities, the Recordkeeping Awareness Training System (RATS) is currently being implemented.

Additional training of Information Services staff is being undertaken covering all records management functions and also increased knowledge of departmental functions to enable them to understand how the records management function fits into the organisation.

# Report on Customer Outcomes (Cont.)

## WEBSITE

The Department's website is continually evolving to better serve stakeholders and the public.

Major improvements in 2005 - 2006 included:

- enhancements to the administration of the Department's website to improve access to information.
- implementing and supporting an in-house intranet server providing staff with access to intranet applications. The intranet is currently in development with expectations of being released towards the end of 2006.
- additional features added to the website has improved public access to information.
- addition of online forms to enable submission of election returns.
- Implementing and supporting an in-house intranet server providing staff with access to intranet applications.

### Statistics

During the year 2005 – 06 year website activity increased by over 45% from the previous year.

Program / Area	Number of Visits
Statistical Information	55365
Financial Assistance	20921
Grants Directory	18827
Local Laws	15539
Local Government Acts and Regulations	7485

## STRATEGIC PLANNING

A Strategic Plan for the years 2006-2010 has been developed. This plan is focussed on assisting the State Government to improve the well-being and prosperity of Western Australians. The plan involves working together with government and key stakeholders to shape a robust future for our State's diverse communities built on strong local government, economic growth, social well-being and environmental sustainability.

# Financial Statements Overview

The following is a summary of the financial performance and position of the Department as at 2006 and 2005. The summary is based on the information provided in the Department's statements of financial performance and statements of financial position.

	2006 \$'000	2005 \$'000
<b>1.1 Financial Performance</b>		
Total Revenues from Ordinary Activities	1,284	2,238
Total Revenues from State Government	54,137	36,781
Total Cost of Services	34,293	37,164
Net Cost of Services	33,009	34,926
Change in Net Assets	21,128	1,855
<b>1.2 Financial Position</b>		
Total Assets	36,876	14,637
Total Liabilities	3,764	2,777
Employee Entitlements	2,037	1,945

## FINANCIAL PERFORMANCE

The Department's net cost of services has decreased by 5.4 per cent (\$34.9m - 2005, \$33.0m - 2006). The decrease is mainly attributable to a decrease in the level of Commonwealth grants received.

### Revenue

Revenue for the Department in 2005-2006 includes \$89,000 received from the Commonwealth and \$861,000 received from other State Governments for the funding of projects within the Department.

### Expenditure

The largest expenditure item for the Department is grants and subsidies representing 61 per cent of the 2005-2006 total cost of services.

## FINANCIAL POSITION

The Statement of Financial Position provides information on the Department's assets and liabilities, which show a reasonably uniform trend across the two financial years.

The net assets represent the State's residual interest in the assets of the Department after deducting the probable call on these resources, represented by liabilities.





## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### DEPARTMENT OF LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT 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 Local Government and Regional Development 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 *Act 1985* 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 Director General 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 Expenses and Revenues 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.

D D R PEARSON  
AUDITOR GENERAL  
20 September 2006

# Certification of Financial Statements

For the Year ended 30 June 2006

The accompanying financial statements of the Department of Local Government and Regional Development 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 ending 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.



**L Nagy**

Chief Finance Officer

Date: 21 August 2006



**C Gwilliam**

Accountable Officer

Date: 21 August 2006

# Income Statement

For the Year ended 30 June 2006

	Note	2006 \$000	2005 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	5	7,964	7,895
Supplies and services	6	2,673	3,554
Depreciation and amortisation expense	7	189	276
Accommodation expenses	8	730	773
Grants and subsidies	9	21,042	24,065
Capital user charge	10	1,695	594
Other expenses		-	7
<b>Total cost of services</b>		<b>34,293</b>	<b>37,164</b>
<b>Income</b>			
<b>Revenue</b>			
Commonwealth grants and contributions	11	89	869
State grants	12	861	868
User charges and fees	13	192	191
Other revenue		142	310
<b>Total revenue</b>		<b>1,284</b>	<b>2,238</b>
<b>NET COST OF SERVICES</b>		<b>33,009</b>	<b>34,926</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
	14		
Service appropriation		53,992	36,582
Liabilities assumed by the Treasurer		24	58
Resources received free of charge		121	141
<b>Total income from State Government</b>		<b>54,137</b>	<b>36,781</b>
<b>SURPLUS FOR THE YEAR</b>		<b>21,128</b>	<b>1,855</b>

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

# Balance Sheet

For the Year ended 30 June 2006

	Note	2006 \$000	2005 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	23(a)	35,944	12,867
Restricted cash and cash equivalents	15	25	-
Receivables	16	323	1,196
Amounts receivable for services	17	318	194
<b>Total Current Assets</b>		<b>36,610</b>	<b>14,257</b>
<b>Non-Current Assets</b>			
Furniture, equipment and computer hardware	18	266	380
<b>Total Non-Current Assets</b>		<b>266</b>	<b>380</b>
<b>TOTAL ASSETS</b>		<b>36,876</b>	<b>14,637</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	19	1,590	832
Provisions	20	1,194	1,295
Other current liabilities	21	137	-
<b>Total Current Liabilities</b>		<b>2,921</b>	<b>2,127</b>
<b>Non-Current Liabilities</b>			
Provisions	20	843	650
<b>Total Non-Current Liabilities</b>		<b>843</b>	<b>650</b>
<b>Total Liabilities</b>		<b>3,764</b>	<b>2,777</b>
<b>Net Assets</b>			
<b>Equity</b>			
Contributed equity	22	360	236
Accumulated surplus		32,752	11,624
<b>Total Equity</b>		<b>33,112</b>	<b>11,860</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>36,876</b>	<b>14,637</b>

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

# Statement of Changes in Equity

For the Year ended 30 June 2006

	Note	2006 \$000	2005 \$000
<b>Balance of equity at start of year</b>		11,860	10,005
<b>CONTRIBUTED EQUITY</b>			
Balance at start of year		236	236
Capital contribution		124	-
Balance at end of year		360	236
<b>ACCUMULATED SURPLUS</b>			
Balance at start of year		11,624	9,769
Surplus for the year		21,128	1,855
Balance at end of year		32,752	11,624
<b>Balance of equity at end of year</b>	22	33,112	11,860

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

# Cash Flow Statement

For the Year ended 30 June 2006

	Note	2006 \$000	2005 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		53,868	36,770
Capital contributions		124	-
<b>Net cash provided by State Government</b>		<b>53,992</b>	<b>36,770</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(7,735)	(7,743)
Supplies and services		(2,875)	(4,345)
Capital User Charge		(1,219)	(718)
Grants and Subsidies		(21,042)	(24,341)
<b>Receipts</b>			
Other receipts		2,057	1,431
<b>Net cash provided by/(used in) operating activities</b>	23(b)	<b>(30,814)</b>	<b>(35,716)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(76)	(199)
<b>Net cash provided by/(used in) investing activities</b>		<b>(76)</b>	<b>(199)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>23,102</b>	<b>855</b>
Cash and cash equivalents at the beginning of year		12,867	12,012
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	23(a)	<b>35,969</b>	<b>12,867</b>

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

# Schedule of Income and Expenses by Service

For the Year ended 30 June 2006

	Implementation of government policy		Improved access to services and capacity for development in regional communities		Better local government		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee benefits expense	1,752	1,586	3,397	3,611	2,815	2,698	7,964	7,895
Supplies and services	356	310	1,523	1,927	794	1,317	2,673	3,554
Depreciation and amortisation expense	45	59	77	121	67	96	189	276
Accommodation expenses	173	165	298	334	259	274	730	773
Grants and subsidies	29	23	20,960	24,000	53	42	21,042	24,065
Bad debt expense		2	-	3	-	2	-	7
Capital User Charge	402	128	689	254	604	212	1,695	594
<b>Total cost of services</b>	<b>2,757</b>	<b>2,273</b>	<b>26,944</b>	<b>30,250</b>	<b>4,592</b>	<b>4,641</b>	<b>34,293</b>	<b>37,164</b>
<b>Income</b>								
Commonwealth grants and contributions	-	-	-	747	89	122	89	869
State grants	-	-	861	868	-	-	861	868
User charges and fees	-	-	192	191	-	-	192	191
Other revenue	27	67	92	132	23	111	142	310
<b>Total income other than income from State Government</b>	<b>27</b>	<b>67</b>	<b>1,145</b>	<b>1,938</b>	<b>112</b>	<b>233</b>	<b>1,284</b>	<b>2,238</b>
<b>NET COST OF SERVICES</b>	<b>2,730</b>	<b>2,206</b>	<b>25,799</b>	<b>28,312</b>	<b>4,480</b>	<b>4,408</b>	<b>33,009</b>	<b>34,926</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Service appropriation	12,872	7,909	21,899	15,653	19,221	13,020	53,992	36,582
Liabilities assumed by the Treasurer	6	12	9	25	9	21	24	58
Resources received free of charge	29	30	49	61	43	50	121	141
<b>Total income from State Government</b>	<b>12,907</b>	<b>7,951</b>	<b>21,957</b>	<b>15,739</b>	<b>19,273</b>	<b>13,091</b>	<b>54,137</b>	<b>36,781</b>
<b>Surplus /deficit for the period</b>	<b>10,177</b>	<b>5,745</b>	<b>(3,842)</b>	<b>(12,573)</b>	<b>14,793</b>	<b>8,683</b>	<b>21,128</b>	<b>1,855</b>

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

# Summary of Consolidated Fund Appropriations and Revenue Estimates

For the Year ended 30 June 2006

	2006 Estimate \$000	2006 Actual \$000	Variation \$000	2006 Actual \$000	2005 Actual \$000	Variation \$000
<b>DELIVERY OF SERVICES</b>						
Item 46 Net amount appropriated to deliver services	53,688	53,811	(123)	53,811	36,434	17,377
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	178	181	(3)	181	148	33
<b>Total appropriations provided to deliver services</b>	<b>53,866</b>	<b>53,992</b>	<b>(126)</b>	<b>53,992</b>	<b>36,582</b>	<b>17,410</b>
<b>CAPITAL</b>						
Item 173 Capital Contribution	124	124	-	124	-	124
<b>ADMINISTERED TRANSACTIONS</b>						
Item 107 Administered grants, subsidies and other transfer payments	250	250	-	250	300	(50)
<b>Total administered transactions</b>	<b>250</b>	<b>250</b>	<b>-</b>	<b>250</b>	<b>300</b>	<b>(50)</b>
<b>GRAND TOTAL</b>	<b>54,240</b>	<b>54,366</b>	<b>(126)</b>	<b>54,366</b>	<b>36,882</b>	<b>17,484</b>
<b>Details of Expenses by Service</b>						
Implementation of government policy	1,826	2,757	(931)	2,757	2,273	484
Improved access to services and capacity for development in regional communities	50,680	26,944	23,736	26,944	30,250	(3,306)
Better local government	4,113	4,592	(479)	4,592	4,641	(49)
Total Cost of Services	56,619	34,293	22,326	34,293	37,164	(2,871)
Less: total income	996	1,284	(288)	1,284	2,238	(954)
Net Cost of Services	55,623	33,009	22,614	33,009	34,926	(1,917)
Adjustments	(1,757)	20,983	(22,740)	20,983	1,656	19,327
<b>Total appropriations provided to deliver services</b>	<b>53,866</b>	<b>53,992</b>	<b>126</b>	<b>53,992</b>	<b>36,582</b>	<b>17,410</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	174	75	(99)	75	-	75
Adjustment for other funding sources	(50)	49	99	49	-	49
Capital Contribution (appropriation)	124	124	-	124	-	124
<b>DETAILS OF INCOME ESTIMATES</b>						
Income disclosed as Administered income	250	250	-	250	-	50

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 28 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2006 and between the actual results for 2005 and 2006.



# Notes to the Financial Statements

For the Year ended 30 June 2006

## 1. DEPARTMENTAL MISSION AND FUNDING

The Department's mission is to provide an increased capacity of our multicultural communities to develop good government, economic growth, social well being and environmental sustainability.

The Department is predominantly funded by Parliamentary appropriations. The financial statements encompass all Funds through which the Department controls resources to carry on its functions.

## 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 AASB1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements have 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, Australian Accounting Standards and the Urgent Issues Group (UIG) Interpretations.

In accordance with the option provided by AASB1 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 has been prepared under 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 (AASB119)'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB3]' to the annual reporting period beginning 1 July 2005.

AASB 2005-4 amends AASB139 '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 AASB3 'Business Combinations'.

# 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, Statements 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 working.

The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements 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 Accounting Standard AAS 29 'Financial Reporting by Government Departments' 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).

### (c) Reporting Entity

The reporting entity comprises the Department of Local Government and Regional Development

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 34 'Administered expenses and income' and note 35 'Administered assets and liabilities'.

### (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. 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.

# Notes to the Financial Statements

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 activities as follows:

#### *Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

#### *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. See note 14 'Income from State Government' for further detail.

#### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the Department. In accordance with the determination specified in the 2005-2006 Budget Statements, the Department retained \$ 1.284 million in 2006 (\$ 2.238 million in 2005) from the following:

- proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions;
- other departmental revenue.

#### *Grants, donations, gifts and other non-reciprocal contributions*

Revenue is 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.

## **(f) Furniture, Equipment and Computer Hardware**

### *Capitalisation/Expensing of assets*

Items of plant and equipment costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of, plant and equipment costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

# Notes to the Financial Statements

For the Year ended 30 June 2006

## *Initial recognition and measurement*

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

For items of plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

## *Subsequent measurement*

All items of plant and equipment are carried at historical cost less accumulated depreciation.

## *Depreciation*

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

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

Office equipment                      5 to 10 years

Computer Hardware                  3 years

## **(g) Leases**

The Department holds operating leases for head office. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

## **(h) Financial Instruments**

The Department has two categories of financial instrument:

- Receivables (cash and cash equivalents, receivables); and
- Non-trading financial liabilities (payables, Treasurer's advance).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

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.

## **(i) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

## **(j) Accrued Salaries**

The accrued salaries suspense account (see note 15 'Restricted cash and cash equivalents') 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 instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 21 'Other current liabilities') represent the amount due to staff but unpaid at the end of the

# Notes to the Financial Statements

For the Year ended 30 June 2006

financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.

## **(k) 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 14 'Income from State Government' and note 17 'Amounts receivable for services'.

## **(l) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance 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. See note 3(h) 'Financial Instruments' and note 16 'Receivables'.

## **(m) 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. See note 3(h) 'Financial Instruments' and note 19 'Payables'.

## **(n) 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 20 'Provisions'

### *(i) Provisions - Employee Benefits*

#### *Annual Leave*

The liability for annual leave is recognised and measured at the undiscounted 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.

#### *Long Service Leave*

A liability for long service leave is recognised after an employee has completed two years of service. An actuarial assessment of long service leave undertaken by PriceWaterHouseCoopers in 2005 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

# Notes to the Financial Statements

For the Year ended 30 June 2006

## *Superannuation*

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

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), 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 Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS), 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.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also note 3(o) 'Superannuation expense'.

## *(ii) Provisions - Other*

### *Employment On-Costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.

## **(o) 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 (i.e. current service cost and, actuarial gains and losses) 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 that Scheme to the Gold State Superannuation Scheme (GSS); and
- (b) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the GSS.

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(n)(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 14 'Income from State Government'.

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). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

# Notes to the Financial Statements

For the Year ended 30 June 2006

## **(p) Resources Received Free of Charge or for Nominal Cost**

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

## **(q) 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.

## **4. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES**

### **INITIAL APPLICATION OF AN AUSTRALIAN ACCOUNTING STANDARD**

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 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:

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.

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.

# Notes to the Financial Statements

For the Year ended 30 June 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'.



# Notes to the Financial Statements

For the Year ended 30 June 2006

	<b>2006</b>	<b>2005</b>
	<b>\$000</b>	<b>\$000</b>
<b>5. EMPLOYEE BENEFITS EXPENSE</b>		
Wages and salaries	7,086	6,635
Superannuation	701	737
Long service leave	91	190
Annual leave	(10)	172
Other related expenses	96	161
	<b>7,964</b>	<b>7,895</b>
<b>6. SUPPLIES AND SERVICES</b>		
Consultants and contractors	369	625
Resources received free of charge	121	141
Legal	180	354
Travel	298	342
Satellite services	453	442
Materials	157	311
Printing and advertising	265	244
Insurance	50	69
Repairs and maintenance	53	50
Communication	225	233
Consumables	122	158
Other	380	585
	<b>2,673</b>	<b>3,554</b>
<b>7. DEPRECIATION</b>		
Furniture	96	86
Computer Hardware	93	190
	<b>189</b>	<b>276</b>
<b>8. ACCOMMODATION EXPENSES</b>		
Lease rentals	666	694
Other	64	79
	<b>730</b>	<b>773</b>

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>9. GRANTS AND SUBSIDIES</b>		
<b>Recurrent</b>		
Regional Development Scheme, Western Australian Regional Initiatives Scheme and Regional Infrastructure Funding Program	16,582	19,232
Telecentre Programs	2,613	2,386
Community Facilities Grant Program	148	738
Other	1,699	1,709
	21,042	24,065
<b>10. CAPITAL USER CHARGE</b>		
Capital user charge	1,695	594
The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the Department, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly.		
<b>11. COMMONWEALTH GRANTS AND CONTRIBUTIONS</b>		
Recurrent	89	869
<b>12. STATE GRANTS</b>		
Recurrent	861	868
<b>13. USER CHARGES AND FEES</b>		
Satellite Revenue	192	191

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>14. INCOME FROM STATE GOVERNMENT</b>		
Appropriation received during the year:		
Service appropriations <sup>(a)</sup>	53,992	36,582
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation <sup>(b)</sup>	24	58
Total liabilities assumed by the Treasurer	24	58
Resources received free of charge <sup>(c)</sup>		
Determined on the basis of the following estimates provided by agencies:		
Department of Land Information	1	31
Crown Solicitors Office	120	110
Total resources received free of charge	121	141
	54,137	36,781

(a) 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 the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match 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. (The notional superannuation expense is disclosed at note 5 'Employee Benefits Expense').

(c) Where assets or services have been received free of charge or for nominal cost, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) 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.

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>15. RESTRICTED CASH AND CASH EQUIVALENTS</b>		
<b>Non-current</b>		
Accrued salaries suspense account (a)	25	-
<p>(a) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.</p>		
<b>16. RECEIVABLES</b>		
Current		
Receivables	37	1,103
Allowance for doubtful debts	(10)	(15)
GST receivable	296	108
	323	1,196
<b>17. AMOUNT RECEIVABLE FOR SERVICES</b>		
Current	318	194
<p>Represents the non-cash component of service appropriations. See note 3(k) 'Amounts receivable for services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.</p>		

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>18. FURNITURE, EQUIPMENT AND COMPUTER HARDWARE</b>		
Furniture and equipment		
At cost	729	698
Accumulated depreciation	(466)	(370)
	263	328
Computer Hardware		
At cost	718	705
Accumulated depreciation	(715)	(653)
	3	52
Total of furniture, equipment and computer hardware	266	380

Reconciliation of the carrying amounts of furniture, equipment and computer hardware at the beginning and end of the reporting period are set out below.

	\$000 Furniture & Equipment	\$000 Computer Hardware	\$000 Total
<b>2006</b>			
Carrying amount at start of year	328	52	380
Additions	31	45	76
Disposals	-	(1)	(1)
Depreciation	(96)	(93)	(189)
Carrying amount at end of year	263	3	266

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>19. PAYABLES</b>		
Current		
Trade payables	1,590	832
<b>20. PROVISIONS</b>		
<b>Current</b>		
Employee benefits provision		
Annual leave <sup>(a)</sup>	573	584
Long service leave <sup>(b)</sup>	510	592
	<b>1,083</b>	1,176
Other provisions		
Employment on-costs <sup>(c)</sup>	111	119
	<b>111</b>	119
	<b>1,194</b>	1,295
<b>Non-current</b>		
Employee benefits provision		
Long service leave <sup>(b)</sup>	745	578
Deferred salary scheme	34	22
	<b>779</b>	600
Other provisions		
Employment on-costs <sup>(c)</sup>	64	50
	<b>843</b>	650
	<b>2,037</b>	1,945

(a) Annual leave liabilities have been classified, as current as there is no unconditional right to defer settlement for at least 12 months after reporting date.

(b) Long service leave liabilities have been classified, as current as there is no unconditional right to defer settlement for at least 12 months after reporting date.

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense is included in note 5 'Employee benefit expense'.

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>21. OTHER LIABILITIES</b>		
Current		
Accrued salaries	137	-
<b>22. EQUITY</b>		
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.		
Contributed equity		
Balance at the start of the year	236	236
Capital contributions (i)	124	-
Closing balance	360	236
(i) From 1 July 2001, capital appropriations, term Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.		
Accumulated surplus		
Opening balance	11,624	9,769
Change in net assets	21,128	1,855
Closing balance	32,752	11,624

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>23. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>(a) Reconciliation of cash</b>		
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	35,940	12,863
Cash on hand	4	4
	<b>35,944</b>	12,867
Restricted cash and cash equivalents (see note 15 )	25	-
	<b>35,969</b>	12,867
<b>(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(33,009)	(34,926)
Non-cash items:		
Depreciation and amortisation expense	189	276
Resources received free of charge	121	141
Other expenses from ordinary activities	1	7
(Increase)/decrease in assets:		
Current receivables	897	(801)
Increase/(decrease) in liabilities:		
Current payables	758	(565)
Current provisions	(101)	256
Other liabilities	137	(201)
Non-current provisions	193	97
Net cash provided by/(used in) operating activities	<b>(30,814)</b>	(35,716)
<b>24. RESOURCES PROVIDED FREE OF CHARGE</b>		
No services were provided free of charge		



# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>25. COMMITMENTS</b>		
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Within 1 year	735	584
Later than 1 year and not later than 5 years	2,720	2,132
Later than 5 years	1,339	1,579
	<b>4,794</b>	<b>4,295</b>
Representing:		
Cancellable operating leases	108	86
Non-cancellable operating leases	4,686	4,209
	<b>4,794</b>	<b>4,295</b>
Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	669	526
Later than 1 year and not later than 5 years	2,678	2,105
Later than 5 years	1,339	1,578
	<b>4,686</b>	<b>4,209</b>
The property lease is a non-cancellable lease with a ten year term, with rent payable monthly in advance.		
These commitments are all inclusive of GST.		
<b>26. CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b>		
In addition to the assets incorporated in the financial statements, the Department has pending litigation that may effect the financial position to the value of \$ 50,000 in relation to a prosecution under Animal Welfare Act 2002. There are no contingent liabilities.		

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000	
<b>27. INDIAN OCEAN TERRITORIES</b>			
<p>The Agreement, pursuant to Section 23A of the Financial Administration and Audit Act, between the Treasurer and the Accountable Officer provides for the retention of moneys received by the Department from the Commonwealth in respect of the Indian Ocean Territories. Revenue retained pursuant to this agreement is to be applied to the Department's Services. Moneys received by the Department in respect of the services provided shall be credited to the Department's operating account.</p>			
Opening balances	31	13	
Plus: Gross revenues	89	122	
	<b>120</b>	135	
Less: Gross expenditures	108	104	
Closing balances	12	31	
<b>28. EXPLANATORY STATEMENT</b>			
<p>The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund. Appropriations are now on an accrual basis.</p>			
<p>The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10% and \$100,000.</p>			
<b>(i) Significant variances between estimate and actual :</b>			
	2006 Estimate \$000	2006 Actual \$000	Variation \$000
<b>Total appropriations provided to deliver services</b>	53,866	53,992	(126)
<p>The variance is primarily due to supplementary funding provided for the salary of the former Executive Director, Regional Development, Department of Commerce and Trade</p>			
<b>Total revenues from ordinary activities</b>	996	1,284	(288)
<p>The variance is due in the main to additional Commonwealth and State revenue grants.</p>			

# Notes to the Financial Statements

For the Year ended 30 June 2006

## 28. EXPLANATORY STATEMENT (CONT'D)

### (ii) Significant variances between actual and prior year actual –:

	2006 Estimate \$000	2006 Actual \$000	Variation \$000
<b>Total appropriation to deliver services</b>	53,992	36,582	17,410

The variance is primarily due to the additional Funding provided for the commencement of Regional Investment Fund Phase 2.

<b>Total revenues from ordinary activities</b>	1,284	2,238	(954)
--	-------	-------	-------

The variance is due to a lower than expected recoupment from the Commonwealth for expenditure incurred with regards to Commonwealth and State initiatives.

### (iii) Significant variances between estimate and actual – Capital Contribution: No significant variances

### (iv) Significant variances between actual and prior year actual –

<b>Capital Contribution</b>	124	-	124
-----------------------------	-----	---	-----

The variance was due to the Department of Treasury & Finance appropriating capital contribution to assist the Department in replacing its ageing computers and office equipment.

### (v) Significant variances between estimate and actual, and actual and prior year actual. Total administered appropriations: No significant variance

### (vi) Significant variances between estimate and actual, and actual and prior year actual Administered revenues: No significant variance

# Notes to the Financial Statements

For the Year ended 30 June 2006

## 29. FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk Exposure

The Department's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	<b>Non interest bearing \$000</b>	<b>Total \$000</b>
<b>30 June 2006</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	35,944	35,944
Receivables	323	323
	<hr/> 36,267	<hr/> 36,267
<b>Financial Liabilities</b>		
Payables	1,590	1,590
	<hr/> 1,590	<hr/> 1,590
<b>30 June 2005</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	12,867	12,867
Receivables	1,196	1,196
	<hr/> 14,063	<hr/> 14,063
<b>Financial Liabilities</b>		
Payables	832	832
	<hr/> 832	<hr/> 832

### (b) Credit Risk Exposure

There are no amounts owed by other government agencies. In respect of other financial assets the carrying amounts represent the Department's maximum exposure to credit risk in relation to those assets.

### (c) Net Fair Values

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

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>30. REMUNERATION OF SENIOR OFFICERS</b>		
<b>Remuneration</b>		
The number of senior officers, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:		
	<b>2006</b>	<b>2005</b>
20,001 – 30,000	1	-
100,001 – 110,000	2	2
120,001 – 130,000	1	1
130,001 – 140,000	1	1
140,001 – 150,000	2	1
200,001 – 210,000	-	1
210,001 – 220,000	1	-
The total remuneration of senior officers is:	<b>1,000</b>	831
The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.		
No senior officers are members of the Pension Scheme.		
<b>31. REMUNERATION OF AUDITOR</b>		
Remuneration payable to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	<b>42</b>	26

# Notes to the Financial Statements

For the Year ended 30 June 2006

	2006 \$000	2005 \$000
<b>32. TRUST ACCOUNTS</b>		
<b>Expenses</b>		
Local Government Scholarship Scheme Trust Fund	12	30
<b>Total Trust Expenses</b>	<b>12</b>	<b>30</b>
<b>Revenues</b>		
Local Government Scholarship Scheme Trust Fund	20	
<b>Total Trust Revenues</b>	<b>20</b>	
<b>33. TRUST ASSETS AND LIABILITIES</b>		
<b>Current Assets</b>		
Cash held in Trust Fund	-	-
Local Government Scholarship Scheme Trust Fund	35	27
<b>Total Trust Current Assets</b>	<b>35</b>	<b>27</b>
<b>Current Liabilities</b>		
Cash to be paid from Trust Fund		
Local Government Scholarship Scheme Trust Fund	35	27
<b>Total Trust Current Liabilities</b>	<b>35</b>	<b>27</b>
<b>34. ADMINISTERED EXPENSES AND INCOME</b>		
<b>Expenses</b>		
Grants and subsidies	728	1,026
<b>Total administered expenses</b>	<b>728</b>	<b>1,026</b>
<b>Income</b>		
Appropriations	250	300
<b>Total administered income</b>	<b>250</b>	<b>300</b>
<b>35. ADMINISTERED ASSETS AND LIABILITIES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,005	2,495
Receivables	11	-
<b>Total administered current assets</b>	<b>2,016</b>	<b>2,495</b>
<b>Total administered assets</b>	<b>2,016</b>	<b>2,495</b>

# Performance Indicators

For the Year ended 30 June 2006

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



**C Gwilliam**

Accountable Officer

Date: 21 August 2006

# Performance Indicators

For the Year ended 30 June 2006

## KEY EFFICIENCY INDICATORS

### Service 1: Implementation of Government Policy

	2005-06 Target	2005-06 Actual	Comments
Average cost per piece of written advice requiring Minister's attention.	\$710	\$921	Estimated corporate costs expenditure was higher than expected.
Average cost of legislative amendments drafted	\$38,600	\$40,833	Higher number of legislative amendments drafted than expected.
<b>Service 2: Improved Access to Services and Capacity for Development in Regional Communities</b>			
Average cost per application evaluated.	\$7,869	\$5,665	Estimated expenses and number of applications lower than expected.
Average cost per local government assessed.	\$2,531	\$3,903	The costs incurred by Grants Commission were higher than estimated.
Average internal cost per satellite site supported.	\$5,581	\$4,163	Estimated expenditure was lower than expected due to renegotiated charges.
Average value of grant approved for local and regional communities.	\$74,379	\$47,313	Lower number of grant applications funded and the average values lower than expected.
<b>Service 3: Better Local Government</b>			
Average cost per inquiry and investigation.	\$1,484	\$3,739	Cost component includes amounts for the City of Joondalup Inquiry which was higher than anticipated.
Average cost of monitoring each local government.	\$3,661	\$4,141	Corporate Services costs are higher due to a large than expected Capital User Charge
Average cost per dealing with an application for boundary change	\$12,882	\$15,192	The cost incurred by the Local Government Advisory Board was greater than estimated.



# Performance Indicators

For the Year ended 30 June 2006

## KEY EFFECTIVENESS INDICATORS

### KEY OUTCOME:

*To enhance the development and capacity of communities through good government, economic growth and social well being.*

The Department of Local Government and Regional Development has a broad range of administrative, economic and social functions associated with local government, regional development and satellite communication services. This is reflected in the broad nature of the key outcomes to be achieved.

Appropriately, Local Governments, Regional Development Commissions and communities have the role of establishing and maintaining good government at a local level together with the activities that foster economic development and social well being. Primarily the Department's role is to enhance the capacity of local governments and communities to fulfil their roles. It does this by developing policy and legislation, monitoring local government operations and providing advice, information and support services. The recipients of these services include nine Regional Development Commissions, clients of the Westlink video conferencing services, Telecentre clients, Financial Assistance Branch clients and 142 Western Australian local governments plus, by agreement with the Commonwealth Government, the Indian Ocean Territories of Cocos (Keeling) and Christmas Islands.

Targets and measurements of capacity enhancement cannot be established objectively, as many elements are subjective; information accessibility, confidence, quality of advice and the development of leadership skills being but a few examples. Consequently, any assessment of the effectiveness of the Department's services in enhancing community capacity must rely considerably upon the views and perceptions of the recipients of those services. Therefore, it was considered important to obtain the level of client satisfaction with both the quality and timeliness of verbal, written and in-person advice, plus their perceived value of the web site content together with any suggestions related to perceived shortcomings or potential improvements.

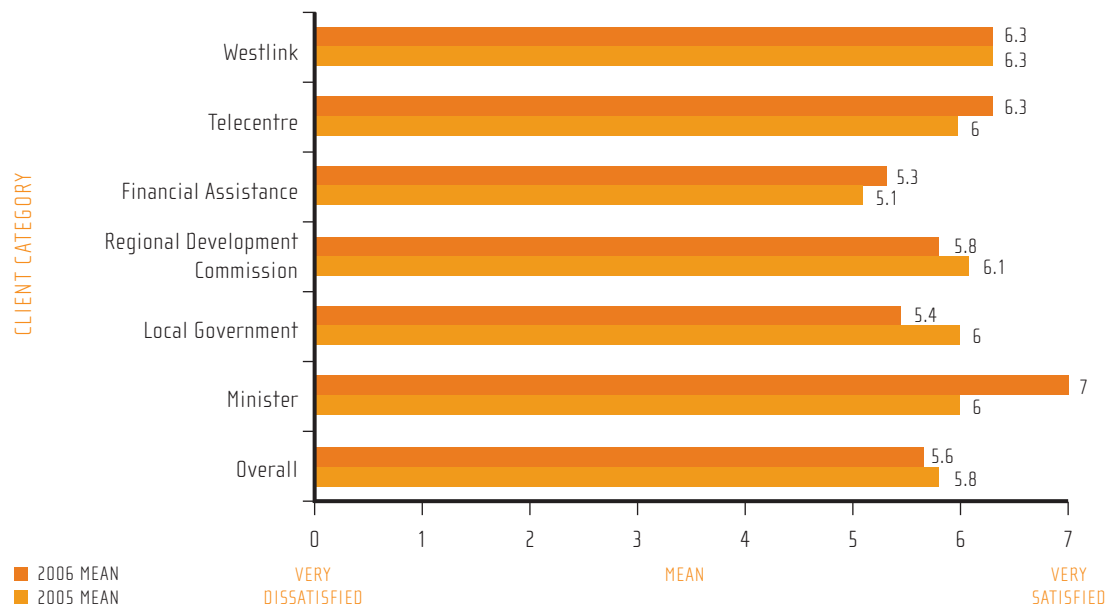
Figure 1 below shows the overall mean score of satisfaction with the Department for the total population (all the client groups averaged together) and the six separate audiences for the 2005 and 2006 survey reports. This overall question was first introduced in the 2005 survey. Respondents were asked to rate their overall satisfaction with the Department on a scale of 1 to 7. Only those who responded to the question were included in the calculation of the mean.

Overall, it shows that clients are satisfied with the Department, with all client groups returning average ratings well within the satisfied range. Compared to the ratings in 2005, there have only been minor variations in client responses.

# Performance Indicators

For the Year ended 30 June 2006

Figure 1. Overall Client Satisfaction with the Dept. Of Local Government & Regional Development



## METHODOLOGY

The Department commissioned independent consultant Advantage Communications, to undertake a client satisfaction survey on its behalf.

For consistency in reporting, the consultant used the survey questionnaires developed in previous periods, with some slight modifications. The survey covered the target groups of:

- The Minister of Local Government and Regional Development (2).
- Local Government CEOs (144)
- Regional Development Commission CEOs (9)
- Financial Assistance Branch Clients (244)
- Westlink Clients (28)
- Telecentres (100)

With the exception of the Minister's Office staff who requested a written questionnaire, surveys were conducted over the telephone. A total of 376 surveys were completed from the population of 527 clients. This is a response rate of 71% and gives a maximum standard error ratio of +2.7% at the 95% confidence level. Figure 2 below breaks the response rate down by client type.

All survey participants were requested to rate specific aspects of the Department's service delivery on a 7 point scale comprising "Very dissatisfied", "Dissatisfied", "Slightly dissatisfied", "Neither Satisfied nor Dissatisfied", "Slightly satisfied", "Satisfied" and "Very Satisfied".

# Performance Indicators

For the Year ended 30 June 2006

It was considered important that the survey reflect client attitudes towards service delivered in the 2005/06 financial year. Consequently, responses were elicited from those respondents that had experienced dealings with the Department in the preceding 12 months. Respondents were given the opportunity to indicate whether a particular question was “*Not Relevant/Can't Say*”. This enabled the consultant to separate those who were neither satisfied nor dissatisfied from those to whom the question was not relevant or where an opinion could not be given. It also enabled the elimination of any potential bias that would arise from large numbers of “*Not Relevant/Can't Say*” responses.

**Figure 2: Summary of Sample Response Rates and Survey Error**

Client Type	Population	Returned Sample	Response Rate	Associated Sample Error
Local Governments	144	108	75%	±4.7%
Regional Development Commissions	9	9	100%	-
Ministerial contacts (past and current minister)	2	2	100%	-
Telecentres	100	82	82%	±4.6%
Financial Assistance Branch clients	244	149	61%	±5.0%
Westlink clients	28	26	93%	±5.0%
<b>Total</b>	<b>527</b>	<b>376</b>	<b>71%</b>	<b>±2.7%</b>

## KEY EFFECTIVENESS INDICATORS

	2005-06 Target	2005-06 Actual	Comments
Ministerial office satisfaction with policy and legislative advice	71%	86%	Previously shown as a numeric score from a 7-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Client satisfaction with information and services	75%	83%	
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority.	80%	93%	



Department of Local Government  
and Regional Development  
Government of Western Australia

[www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

**FURTHER INFORMATION**

For more information about this Annual Report,  
contact the Department of Local Government and  
Regional Development on:

**Tel: (08) 9217 1500**

**Fax: (08) 9217 1555**

**Freecall: 1800 620 511** (Country Only)

This Annual report is also available on the  
Department's website at [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)