



# Annual Report 2009-2010

# DEPARTMENT OF LOCAL GOVERNMENT ANNUAL REPORT 2009-2010

September 2010

Prepared by:

Department of Local Government  
Level 1, Dumas House  
2 Havelock Street  
West Perth WA 6005

Tel: (08) 9217 1500  
Fax: (08) 9217 1555  
Freecall: 1800 620 511 (Country Only)  
Email: [info@dlg.wa.gov.au](mailto:info@dlg.wa.gov.au)  
Web: [www.dlg.wa.gov.au](http://www.dlg.wa.gov.au)

In line with State Government requirements the Department of Local Government's Annual Report 2009-2010 is published in an electronic format with minimal use of graphics and illustrations to help reduce download times. The Department encourages the use of recycled paper if the Annual Report is printed.

For the convenience of readers the annual report is available for download in sections and as an entire document. The annual report is presented in a PDF format, alternative formats may be available upon request.

All or part of this document may be copied. Due recognition of the source would be appreciated.

If you would like more information please contact the Department of Local Government.

# Contents

Statement of Compliance .....	3
Director General's Report.....	4
Executive Summary.....	6
Operational Structure.....	8
Organisational structure .....	10
Performance Management Framework .....	15
Relationship to Government Goals .....	15
Agency Outcome .....	15
Changes to Outcome Based Management.....	16
Agency Performance - Report on Operations .....	18
• Service 1: Implementation of Government Policy .....	21
• Service 2: Local Government Support and Development .....	26
• Service 3: Monitoring Local Governments .....	37
• Service 4: Promotion and Support of Multiculturalism in WA .....	46
Significant Issues Impacting the Agency .....	52
Independent Audit Opinion .....	54
Financial Statements.....	56
Disclosures and Legal Compliance.....	56
Key Performance Indicators .....	96
Other Financial Disclosures.....	103
Governance Disclosures.....	105
Government Policy Requirements.....	109
Annual Report Feedback Form .....	111



# Statement of Compliance

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report for the Department of Local Government for the financial year ending 30 June 2010.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Jennifer Mathews

**ACCOUNTABLE AUTHORITY**

10 September 2010

# Director General's Report

*"I'm very proud  
of the Department's  
achievements in what has  
been a period of significant  
change."*

Jennifer Mathews,  
Director General,  
DLG



Reflecting on the year that's been, I'm very proud of the Department's achievements in what has been a period of significant change.

This report reflects the first full 12 months following our restructure, which occurred on 1 July 2009 and involved the separation of the Regional Development function to form the new Department of Regional Development and Lands.

It also involved the transfer of the Office of Multicultural Interests from the Department for Communities and the transfer of administrative responsibility for the Office of Heritage from the Department of Housing. The three portfolio areas have proven to be an excellent fit with significant synergies and opportunity for cooperation.

A great deal of work has occurred since then in establishing and consolidating our internal operations to ensure we have the right structure in place to deliver the Government's goals and priorities and to address the key issues of sustainability facing the local government sector.

The Department now has four main operational divisions; Strategic Policy and Local Government Reform; Governance and Legislation; the Office of Multicultural Interests and Strategic Business Management; with new Executive Directors appointed to lead each division.

The new arrangements have enabled the Department to provide a broader, more comprehensive range of advice, support and services to local government across the State.

Operationally, a major focus over the past year has been providing support to the State Government's local government reform program.

This has involved engaging with local governments about the options available to them in pursuing structural reform and providing various supports to those local governments participating in the reform process.

The reform program is also aimed at building the capacity of local governments in areas such as strategic planning, asset management and community engagement. This aspect of the program will apply across the sector to all local governments and will continue to be a key focus for the Department.

## Director General's Report [Cont.]

Another focus for the Department will be providing effective regulation and improving the standard of governance within the sector. This will be achieved through a variety of proactive and cooperative approaches that educate and support local governments in implementing good governance practices.

The Office of Multicultural Interests will continue its important role in coordinating the development of State Government policies and programs to promote multiculturalism and improve services to meet the needs of Western Australians from diverse cultural, linguistic and religious background.

I am very proud and appreciative of all the hard work, commitment and contributions made by everyone within the Department over the past 12 months.

I look forward to the exciting times that lie ahead in contributing to a stronger, more effective local government sector that meets the needs of Western Australian communities now and in the years to come.



Jennifer Mathews

**DIRECTOR GENERAL**

10 September 2010

# Executive Summary

## LOCAL GOVERNMENT REFORM

Local governments in Western Australia are large in number (139) and disparate in terms of size, current performance and future sustainability. In this context, the local government reform process initiated by the Local Government Minister, Hon John Castrilli MLA, was a key focus for the Department of Local Government in 2009-2010. The reform agenda aims to improve the capacity of local government in the State through fewer, stronger local governments with better planning, financial and asset management capability.

To progress these goals, the Department engaged with and energised the sector, and worked collaboratively with other agencies such as the Department of Planning and sector partners Western Australian Local Government Association (WALGA) and Local Government Managers Australia (LGMA WA). For example, over 100 local governments throughout the State participated in engagement sessions that were conducted by the Department in conjunction with WALGA in July-August 2009.

The Local Government Reform Steering Committee, a collaborative body appointed by the Minister to report to him regarding reform, completed a comprehensive Interim Analysis in December 2009 and submitted its report in May 2010. The Committee's milestone report included wide-ranging recommendations to target specific problems experienced by local governments.

These included proposals for innovative new structures, such as Regional Transition Groups for local governments to give formal consideration to amalgamation and Regional Collaborative Groups to accommodate joint service delivery. This led to a further round of engagement sessions with the sector. As a result, at the time of this Annual Report, almost 50% of local governments in the State were either progressing reform, or are prepared to do so. This includes three proposed amalgamations, involving eight separate local governments.

Further new opportunities for local governments arose from other recommendations of the Steering Committee and its four Working Groups, including initiatives to strengthen strategic and asset management planning throughout the sector. Another milestone for the Department was the commencement of a major project to scope and cost the provision of local government services to Indigenous communities. This will be progressed in collaboration with state agencies and the relevant local governments.

## GOVERNANCE AND LEGISLATION

In 2009-2010, the Governance and Legislation Division of the Department continued its focus on strengthening good governance in the local government sector and providing effective regulation. The Division performed a range of regulatory and non-regulatory functions which aim to build the capacity and contribute to good governance of the Western Australian local government sector.

A range of statutory functions were undertaken relating to animal welfare, off road vehicle areas, caravan parks and camping grounds, cemeteries and companion animals.



## Executive Summary [Cont.]

A number of important activities were undertaken during the year including implementing changes to re-introduce a first-past-the-post voting system for the October 2009 local government elections arising from the *Local Government Act 1995 - Amendment (Elections) Act 2009* that received assent on 17 August 2009.

Significant support was also provided to assist local governments to conduct elections, including the preparation and distribution of a range of electronic and hard copy publications. Workshops were held around the State to provide training to newly elected Mayors, Presidents and Councillors following the elections.

The Division was responsible for implementing changes arising from the *Local Government Amendment Act 2009* which was proclaimed in November 2009.

This year also saw the commencement of a pilot program for the Better Practice Review Model. The Better Practice Review is an assessment tool that enables individual local governments and the Department to highlight innovation and good practice within a local government and to identify opportunities for improvement.

As part of its regulatory role, the Department received 283 new complaints about local governments and completed 307 complaints. The Authorised Inquiry into the Shire of Cue was also finalised in 2009-2010.

### OFFICE OF MULTICULTURAL INTERESTS

The Office of Multicultural Interests (OMI) is a division of the Department of Local Government and in 2009 the Office launched a new five year strategic plan. In the first year of implementing the Plan, OMI successfully re-aligned its focus and activities around the strategic objectives of participation, equity and promotion.

The Office continued to facilitate high level partnerships and provide strategic advice and policy leadership within the public sector on issues, services and programs affecting culturally and linguistically diverse (CaLD) communities. This included work with a range of agencies on implementation of the WA Language Services Policy 2008 and leadership of the Interagency Settlement Group, the latter of which included development of a catalogue of Commonwealth and State Government programs and services available for people from CaLD backgrounds in WA.

OMI commenced a state wide Community Engagement Strategy to enable CaLD community members to speak directly to government departments to raise issues about the provision of services and propose reforms. Community consultations and roundtables took place in partnership with relevant Government and non-government agencies on key issues including employment, family and domestic violence and transport.

OMI also updated and produced a number of resources including the *Directory of Services for New Arrivals*, which was enhanced by a fully searchable online database, and the *WA Interpreter Card* and associated information brochures aimed at the community and government agencies.

# Operational Structure

## ABOUT THE DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government is the State Government agency responsible for promoting and supporting a strong and sustainable local government sector in Western Australia.

In July 2009, the Department assumed responsibility for the Office of Multicultural Interests and oversight responsibility for the Office of Heritage.

### Vision

Working together: Better communities.

### Mission

To promote sustainable local government and strong and vibrant regions.

### Corporate Values

As a Department we are committed to our corporate values.

<b>Commitment</b>	To providing a high quality and reliable service to our customers.
<b>Respect</b>	The needs of our customers to ensure the highest possible standards of service are achieved.
<b>Integrity</b>	Committed to the provision of advice and direction to our customers.
<b>Diversity</b>	We recognise that we have a wide range of customers from diverse backgrounds and we structure our programs accordingly.

## RESPONSIBLE MINISTERS

The Department is responsible to Hon John Castrilli MLA Minister for Local Government; Heritage; Citizenship and Multicultural Interests.

## DIRECTOR GENERAL

The Director General of the Department is Jennifer Mathews, who is also the Accountable Authority as prescribed under section 52 of the *Financial Management Act 2006*.

# Operational Structure [Cont.]

## ENABLING LEGISLATION

The Department of Local Government was established in 1 July 2009. It is a Department established under the *Public Sector Management Act 1994*.

## ADMINISTERED LEGISLATION

Legislation administered by the Department (as at 30 June 2010):

*Albany Cemeteries Act 1943*  
*Albany Public Cemeteries Subsidies Act 1952*  
*Animal Welfare Act 2002*  
*Busselton Cemetery Act 1944*  
*Caravan Parks and Camping Grounds Act 1995*  
*Carnarvon Electric Lighting Act 1924*  
*Cemeteries Act 1986*  
*City of Fremantle (Free Literary Institute) Act 1948*  
*City of Perth Improvement Act 1913*  
*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*  
*Fremantle Endowment Lands Act 1918*  
*Fremantle Improvement Act 1913*  
*Guildford Cemeteries Act 1936*  
*Guildford Old Cemetery (Lands Revestment) Act 1949*  
*Heritage of Western Australia Act 1990*  
*Kojonup Cemetery Act 1928*  
*Local Government Act 1995*  
*Local Government Grants Act 1978*  
*Local Government (Miscellaneous Provisions) Act 1960 (except for Parts VIII, IX and XV)*  
*Mandurah Church Burial Ground Act 1947*  
*Northam Cemeteries Act 1944*

*Ocean Gardens (Inc.) Act 2004*

*South Fremantle Oil Installations Pipe Line Act 1948*

*Tamala Park Land Transfer Act 2001*

*Toodyay Cemeteries Act 1939*

*Transfer and Use Funds (Shires of Harvey Waroona) Act 1991*

*York Cemeteries Act 1933*

Regulations associated with these Acts are also administered.

## COMPLIANCE WITH LEGISLATION

In performing its functions, the Department complies with the following relevant laws:

*Disability Services Act 1993*

*Equal Opportunity Act 1984*

*Financial Management Act 2006*

*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*

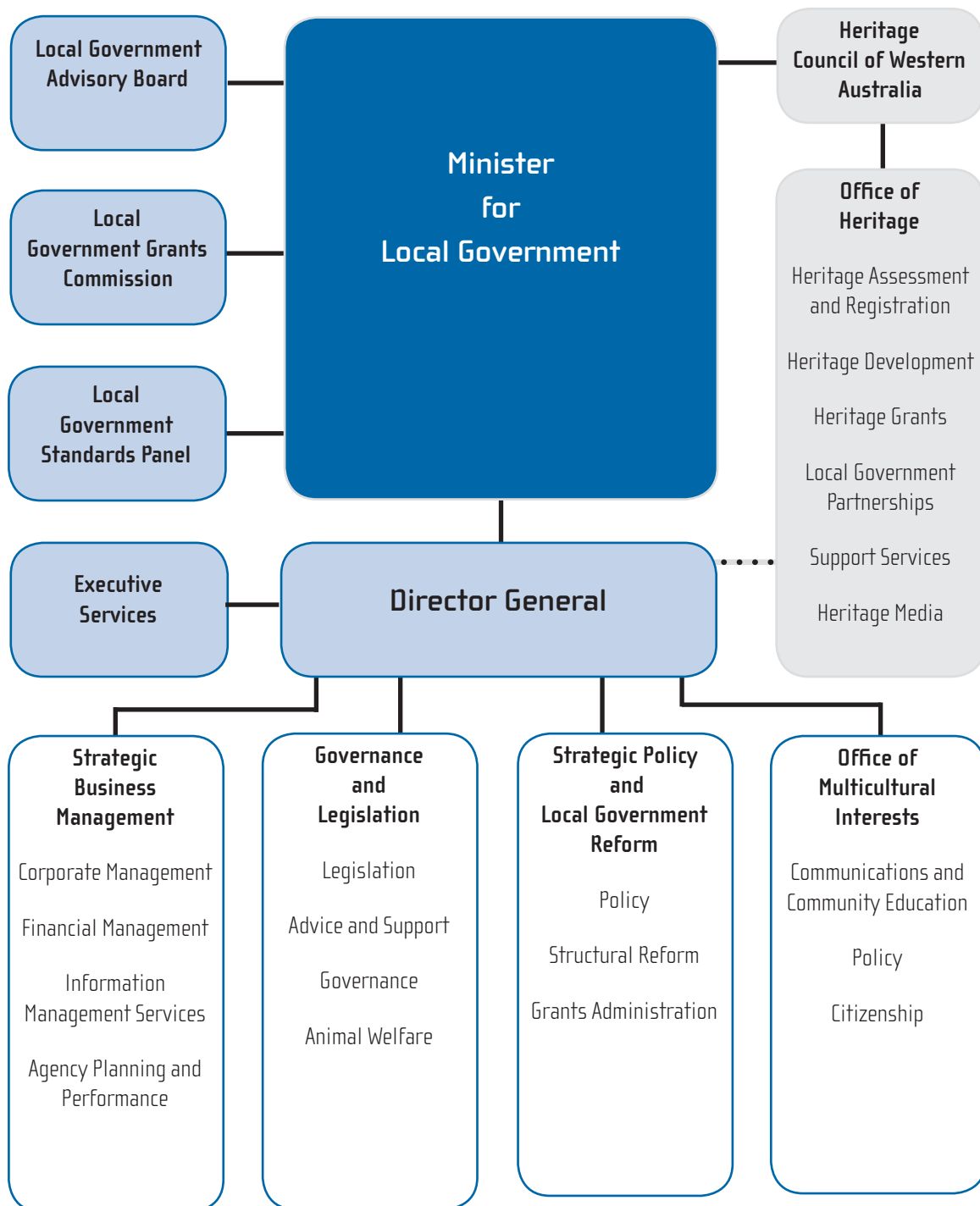
*Public Interest Disclosure Act 2003*

*Public Sector Management Act 1994*

*State Records Act 2000*

# Operational Structure [Cont.]

## ORGANISATIONAL STRUCTURE



# Operational Structure [Cont.]

## CORPORATE EXECUTIVE AND DIVISIONS



DLG Executive Team (left to right): Graeme Gammie, Office of Heritage; Wendy Murray, Strategic Policy and Local Government Reform; Alan Shaw, Strategic Business Management; Jennifer Mathews, Director General; Maria Osman, Office of Multicultural Interests; Brad Jolly, Governance and Legislation.

### Director General

Jennifer Mathews has been Director General since March 2008.

Jennifer has extensive leadership and expertise in various executive public sector roles and was formerly the State Manager of Austrade and the Department of Foreign Affairs and Trade. She has a legal background and has worked as a commercial lawyer in Melbourne and Jakarta before serving in diplomatic posts in Perth, Thailand and Indonesia.

In her current role Jennifer is a member of a number of local government committees including as an Honorary Board Member of

the LGMA (WA Division Inc.); as a member of the Minister for Local Government's Advisory Committee on Women in Local Government; most recently as Chair of the Local Government Reform Steering Committee and currently as Chair of the Local Government Reform Implementation Committee.

The Department of Local Government was restructured following the July 2009 separation from Regional Development. Following the restructure, the Department has five divisions.

### Governance and Legislation

The Governance and Legislation Division performs a range of regulatory and non-regulatory functions which build the capacity and contribute to good governance of the local government sector. The Division also performs a range of statutory functions related to animal welfare, off road vehicle areas, caravan parks and camping grounds, cemeteries and companion animals.

### Strategic Policy and Local Government Reform

The Strategic Policy and Local Government Reform Division works with the local government sector and other relevant agencies to develop and implement policies and strategies to strengthen local governments so they can provide better services to their communities.

### Office of Multicultural Interests

The Office of Multicultural Interests co-ordinates the development of State Government policies and programs to promote multiculturalism and improve services to better meet the needs of Western Australians from diverse cultural, linguistic and religious backgrounds.

### Office of Heritage

The Heritage Council was established under the *Heritage of Western Australia Act 1990* as the State's advisory body on heritage matters. The agency provides for and encourages the conservation of places with cultural heritage significance to Western Australia. The day-to-day activities of administering the Heritage Act are undertaken by the Office of Heritage.

# Operational Structure [Cont.]

## Strategic Business Management

Strategic Business Management (SBM) provides a range of support services for the Department including:

- Financial Services
- Information Services
- Library
- Human Resources
- Technology Services
- Web Applications and Development, and
- Strategic and Agency Planning.

## DEVELOPING OUR EMPLOYEES

The Department aims to build the capacity of our employees by providing and promoting opportunities to gain skills relevant to career development and to achieving our overall business goals. This recognition of the importance of ongoing professional development helps the Department to not only recruit competent and dedicated staff, but also to retain them.

The Performance Development Process was revamped and finalised in 2009-2010 and the Department completed its first Training Needs Analysis. Through this ongoing needs analysis across the organisation, we are able to identify competency levels and develop appropriate programs to meet training needs. The Department is in the interim stages of developing an online facility that will allow employees to better select experiential and educational training options.

Study assistance through funding and/or flexible working arrangements is also available for employees who undertake approved external study relating to their area of work. Expenditure on training was down when compared to last year, a reduction of \$172.89 per employee, however the number of hours per employee increased significantly, with an increase in 2009-2010 of 7.24 hours per employee.

TABLE 1 - Developing our staff: Training

	2009-2010
Training expenditure per employee (\$)	\$385.11
Training hours per employee (hours)	17.5

Additional statistical information relating to staff can be found under Other Financial Disclosures.

# Operational Structure [Cont.]

## GRADUATE DEVELOPMENT

The Department entered the second year of the revamped graduate program in 2009-2010 with great success. The intake of graduates from 2008-2009, who had initially been placed throughout the Department based on their areas of interest, have all had the opportunity to secure either a higher level acting or permanent roles at the Department or elsewhere in the sector.

The graduates are mentored by senior managers and their skills and knowledge are increased by attending Department specific courses, as well events organised through the Public Sector Commission Graduate Program.



*"It's been a great second year so far and the benefits of doing a grad program have been inarguable. All participants have had the opportunity to find their feet in acting positions, scoping out positions where they have been able to continue to learn and contribute in a significant way to the Department achieving its goals."*

**Davia Bennett, Graduate Officer, DLG**

## INTERNAL COMMUNICATIONS

Internal communications contribute to building team spirit, fostering a positive work culture and ensuring employees are informed about departmental activities.

Our Intranet keeps staff regularly informed about the latest developments within our business and provides information about social activities and events and as a new feature in 2009-2010, also includes a bulletin board.

The Intranet continues to receive positive feedback from staff and now operates as a place for staff to access important resources, including multimedia resources such as training videos. We also provide a monthly staff newsletter, Insider, which provides a brief update on the department's business activities.

## WORK-LIFE BALANCE

We recognise that successfully balancing work and personal lives is essential to our employees' health and well-being. The Department supports part time work, flexible working arrangements, job sharing and purchase leave requests.

### Healthy Living and Wellness

Healthy living is an integral part of the Department's vision for all employees and we provide all employees with access to professionally-delivered health and wellness programs.



## Operational Structure [Cont.]

Several initiatives commenced complementing those already in place through the Department's Wellness Program. These include:

- Healthy living workshops
- Health and fitness assessments

The Department continues to provide:

- Influenza immunisation programme
- Subsidised fitness and relaxation classes

The Department also regularly enters a team in the Bank of Queensland Corporate Cup Challenge.



Pictured Above: DLG volleyball players participating in the Corporate Cup Challenge. Five sports awards were presented to Department at the end of the 2009 season.

## SOCIAL CLUB

In 2009-2010, the Department of Local Government's Social Club held various events and activities for the benefit of its members and other departmental staff. The Social Club also continued to be



open to Dumas House staff of the new Department of Regional Development and Lands until a new departmental social club was established early in 2010.

Events held during the year included morning teas in support of various charities, lunches and sundowners. The Social Club aims for these events to be a fun social outlet for our staff, within an enjoyable and pleasant environment.

Pictured Above: Wendy Chew donates at the Biggest Morning Tea.

The Social Club also coordinates staff charity donations and in 2009-2010 our staff donated over \$2200 towards various charities in Western Australia.

*"It feels good to be able to support and contribute to charities in our community and our Social Club helps to facilitate this with events and collections throughout the year."*

**Vicky Nazer, Acting Manager, Legislation and Reform Policy, DLG**

## EMPLOYEE ASSISTANCE PROGRAM

The Department acknowledges that our staff face difficulties from time to time and offers an Employee Assistance Program. The Program is available for all staff and provides help through counselling and support and is a service that helps employees when they need it the most.



# Performance Management Framework

## RELATIONSHIP TO GOVERNMENT GOALS

The Government goal of *'Stronger focus on the Regions'* and *'greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas'* is strongly supported by the Department of Local Government. This is prevalent through the four services implemented by the Department.

## AGENCY OUTCOME

*'An increased capacity of communities to develop good government, economic growth and social wellbeing'* is the desired outcome of the Department in respect to local government. This outcome is executed through the provision of the following services:

### SERVICE 1:

#### Implementation of government policy

Provide the Minister and Government with quality information and advice on local government issues.

### SERVICE 2:

#### Local Government Support and Development

Provide advice, information and support to local governments.

### SERVICE 3:

#### Monitoring of Local Government

Monitor the compliance of local governments with legislative and regulatory requirements.

---

*'A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is a widespread acceptance of the principle of Multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities'* is the desired outcome of the Department in respect to Office of Multicultural Interests. This outcome is executed through the provision of the following service:

### SERVICE 4:

#### Promotion and Support of Multiculturalism in Western Australia

Promote the ideals of multiculturalism to public sector agencies and the community. Develop and influence policies that reflect the principles of Multiculturalism.

# Performance Management Framework [Cont.]

## CHANGES TO OUTCOME BASED MANAGEMENT

In March 2010, the Department submitted documentation requesting changes to the Outcome Based Management structure to the State Government's Outcome Structure Review Group.

The Outcome Structure Review Group endorsed the proposed changes for 2010-2011.

In summary the Outcome Based Management structure is aligned with the Department's changes to the structure and policy roles which now include responsibilities to the Office of Multicultural Interests and the Office of Heritage.

The new service areas are:

### **SERVICE 1:**

**Build the strategic capability of the Local Government sector**

Leading the local government public policy reform agenda to improve capability in the sector.

### **SERVICE 2:**

**Strengthen good governance in the Local Government sector and provide effective regulation**

Supporting the local government sector to fulfil its statutory obligations.

### **SERVICE 3:**

**Promotion and Support of Multiculturalism in Western Australia**

Promote the ideals of multiculturalism to the public sector agencies and the community.

Develop and influence policies that reflect the principles of multiculturalism.

# Performance Management Framework [Cont.]

The following is a summary of the financial performance and position of the Department as at 30 June 2010. The summary is based on the following information provided in the Department's Statement of Comprehensive Income and Statement of Financial Position.

**TABLE 2 - Financial Targets: Actual Performance Compared to Budget Targets**

	<b>2009-10 Target \$000</b>	<b>2009-10 Actual \$000</b>	<b>Variation \$000</b>
Total Cost of Services (expense limit) (sourced from Statement of Comprehensive Income)	117,114	24,758	92,356
Net Cost of Services (sourced from Statement of Financial Position)	116,909	24,352	92,557
Total Equity (sourced from Statement of Financial Position)	12,510	16,264	(3,754)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(886)	(22,383)	(21,497)
	No.	No.	No.
Approved full time equivalent (FTE) Staff level	122	116	6

# Agency Performance – Report on Operations

**TABLE 3 [Part One] - Summary of Key Performance Indicators**

	2009-10 Target	2009-10 Actual	Reason for Significant Variation
<b>Outcome:</b> An increased capacity of communities to develop good government, economic growth and social wellbeing.			
<b>Key Effectiveness Indicators:</b>			
• Ministerial office satisfaction with policy and legislative advice.	80%	86%	
• Client satisfaction with information and services.	80%	77%	
• Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority.	85%	57%	See Note 1.
<b>Service 1: Implementation of Government Policy</b>			
<b>Key Efficiency Indicators:</b>			
• Average costs per piece of written advice requiring Minister's attention.	\$2,230	\$889	Higher number of Ministerial correspondence than expected.
• Average cost of legislative amendments drafted.	\$33,111	\$37,452	Estimated expenses were lower than actual.
<b>Service 2: Local Government Support and Development</b>			
<b>Key Efficiency Indicators:</b>			
• Average internal cost of Commonwealth Local Government Grant Determinations.	\$4,020	\$3,619	
• Average cost per Country Local Government of support grant management and capacity building under the Country Local Government Fund.	\$4,543	\$4,535	

Note 1 – This indicator is calculated from two years – boundary changes, and inquiry and investigation reports. These issues can vary greatly in the degree of complexity, from which minor issues which can be resolved informally, through to major issues which are resolved through formal inquiry process (including local consultation for boundary changes) and a formal report to the Minister.

# Agency Performance – Report on Operations [Cont.]

TABLE 3 [Part Two] - Summary of Key Performance Indicators			
	2009-10 Target	2009-10 Actual	Reason for Significant Variation
<b>Service 3: Monitoring of Local Governments</b>			
<b>Key Efficiency Indicators:</b>			
• Average cost per inquiry and investigation	\$2,045	\$1,665	Actual number of inquiries and investigations were higher than estimated.
• Average cost for monitoring each Local Government	\$3,724	\$5,799	Estimated expenses were lower than actual.
• Average cost per dealing with an application for boundary change.	\$15,481	\$14,910	
<b>Outcome:</b> A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society and in which there is a widespread acceptance of the principle of multiculturalism to enable achievement of substantive equality for culturally and linguistically diverse communities.			
<b>Key Effectiveness Indicators:</b>			
• Extent to which the principles of multiculturalism are accepted and practised in Western Australia.	65%	88%	
• Extent to which policies and practices of public sector agencies reflect the principles of multiculturalism.	75%	71%	
<b>Service 4: Promotion and support of Multiculturalism in Western Australia</b>			
<b>Key Efficiency Indicators:</b>			
• Average cost per policy project/initiative for Multiculturalism	\$35,876	\$38,529	Estimated expenses were lower than actual.

## Agency Performance – Report on Operations [Cont.]

As well as its formal Performance Indicators, the Department continues to monitor its professional standards in the provision of information and advice. Through its annual client survey, the Department tracks the level of client satisfaction with the quality and timeliness of advice provided. Previous ratings are not included due to the restructure of the Department; therefore no comparative amounts are shown for the preceding reporting period in accordance with Treasurer's Instructions 949 (5). See Financial Statement note 3(s).

**TABLE 4 - Overall Client Assessment**

	2010 Mean Rating
Quality of advice provided	84%
Timeliness of advice provided	86%

# Agency Performance – Report on Operations [Cont.]

## SERVICE 1: Implementation of Government Policy

**Provide the Minister and Government with quality information and advice on local government issues.**

---

### LEGISLATIVE DEVELOPMENT AND REVIEW

In 2009-2010, the Department continued the development, progression and enactment of various legislative amendments to improve the operation of Acts it administers.

#### PRINCIPAL LEGISLATION

##### ***Local Government Act 1995 - Amendment (Elections) Act 2009***

The Bill was given Royal Assent on 17 August 2009 as Act No. 15 of 2009. These amendments replaced the provisions for a Preferential Proportional Representation system of voting for local government elections with provisions for a first-past-the-post system, and were introduced in time to operate at the October 2009 local government elections.

##### ***Local Government Act 1995 – Amendment Act 2009***

The Bill was given Royal Assent on 16 September 2009 as Act No. 17 of 2009. Over 40 amendments to the Act were made. Key provisions included new powers for local governments to remove graffiti and strengthening the financial interest provisions.

##### ***Dog Act Amendment Bill 2009***

The Department has commenced preparations to release a Green Bill for public and stakeholder feedback on all proposed amendments, including mandatory microchipping.

##### ***Cat Control legislation – Proposed new legislation***

The Department prepared a consultation paper, in line with the Regulatory Impact Assessment process, which was released for a seven week consultation period, beginning on 9 June 2010. The paper sought feedback on compulsory identification through microchipping, registration and sterilisation.

#### SUBSIDIARY LEGISLATION

The Department prepared drafting instructions in consultation with stakeholders, and provided policy and administrative support to develop a number of regulations.

# Agency Performance – Report on Operations [Cont.]

## ***Animal Welfare Regulation Amendments***

In 2009-2010 the Department:

- Developed the draft *Animal Welfare (Commercial Pigs) Regulations 2010*
- Amended the *Animal Welfare (General) Regulations 2003* to insert the listing of the current Slaughtering Establishments Code of Practise in Schedule 1, and
- Amended the *Animal Welfare (General) Regulations 2003* to make it an offence to dock a dog's tail for cosmetic reasons.

## ***Local Government Amendment Act 2009 – Regulations***

- In 2009-2010 the Department made amendments to the *Local Government (Functions and General) Regulations 1997* regarding the impounding of shopping trolleys, and the *Local Government (Administration) Regulations 1997* requiring the declaration of the value of gifts received by elected members.

## LOCAL LAWS

In administering the local law-making procedures of the *Local Government Act 1995*, the Department monitored compliance with the procedures, provided comment on the content of proposed local laws, and provided an advisory service to local governments making or reviewing their local laws. The Department maintained its good working relationship with Parliament's Delegated Legislation Committee.

A total of 119 proposed local laws were reviewed by the Department during 2009-2010.

Two gazetted local laws were disallowed in Parliament, namely the *City of Armadale Signs Amendment Local Law 2008* and the *City of Joondalup Cats Local Law 2008*.

## GOVERNMENT STRUCTURES ASSOCIATED WITH THE REFORM PROCESS

In 2009, Local Government Minister Hon John Castrilli MLA established a collaborative Local Government Reform Steering Committee to progress a package of major structural and capacity building reforms in the local government sector. The Committee was supported by four Working Groups with broad representation from the sector:

- Corporate and Strategic Planning
- Commercial Enterprise and Development
- Training and Capacity Building, and
- Legislative Reform.

Following receipt of local government reform submissions from all local governments in September 2009 and reports from its four Working Groups, the Local Government Reform Steering Committee completed a comprehensive Interim Analysis in December 2009, before submitting its report to the Minister in May 2010. A significant number of the report's recommendations, which will contribute to building capacity in local government, were under consideration at the time of this report.



# Agency Performance – Report on Operations [Cont.]

Other key proposals from the report are already being progressed, including four amalgamations involving 10 separate local governments. The report's proposals for innovative new structures to strengthen the sector have also been advanced. These include Regional Transition Groups for local governments to give formal consideration to amalgamation, and Regional Collaborative Groups to accommodate joint service delivery.

In June 2010, the Minister appointed a Local Government Reform Implementation Committee to progress the State Government's reform initiatives and implement agreed capacity building initiatives. The Committee, which met for the first time in June 2010, is supported by five Working Groups:

- Human Resources and Change Management
- Finance
- Information Management and Technology
- Governance and Legal, and
- Strategic Planning and Community Engagement.

These working groups have broad representation from the sector and will provide practical resources and specialist advice to local governments transitioning to amalgamation. The Department chairs these groups and provides executive support.

# Agency Performance – Report on Operations [Cont.]

## ANIMAL WELFARE

The Department administers the *Animal Welfare Act 2002* through its Animal Welfare Branch, with a strong focus on compliance in both the general and scientific areas.

The Branch's 24 hour/7 days a week emergency hotline received 95 calls in relation to various animal welfare concerns. This is almost double that of the last financial year.

There are 212 appointed General Inspectors under the Act within WA. These include appointments from the Department of Agriculture and Food WA, Department of Environment and Conservation, local governments and the RSPCA (WA). All WA Police (WAPol) officers are empowered as General Inspectors under the Act.

### **Compliance with Part 3 of the Act – Offences against animals**

Enforcement is undertaken through a multi-agency collaborative approach to animal welfare as intended by the Act. This is evidenced by the number of investigations and prosecutions undertaken by the Branch either on its own or in conjunction with WAPol, RSPCA, other Government agencies, or with private companies.

The Branch received 128 animal welfare complaints in relation to suspected breaches of the Act during 2009-2010. Complaints were received from Federal, State and Local Government, animal welfare interest groups and members of the public.

During 2009-2010, the Department's General Inspectorate had two successful prosecutions. The first conviction occurred in October 2009 when a livestock transporter pleaded guilty to animal cruelty after he was witnessed throwing a live sheep from the top deck of his truck. The transporter was fined \$2,500 plus costs.

The second conviction occurred in December 2009 when a sheep farmer was found guilty of animal cruelty and failing to comply with two direction notices after his sheep suffered from severe fly strike. The farmer was fined \$2,000 plus costs, and was also required to have his flock regularly inspected by a veterinary surgeon for a period of time.

As the lead government agency for animal welfare, the Branch was notified by the Australian Quarantine and Inspection Service of seven adverse animal welfare incidents that occurred at export abattoirs in WA in 2009-2010. All notifications are currently being investigated.

### **Compliance with Part 2 and Part 3 of the Act – Use of animals for scientific purposes**

The main objective of the Branch's scientific area is to monitor the use of animals for scientific purposes and issue scientific licences to establishments for the use and/or supply of animals in Western Australia. Approval of licences is done with strict adherence to both the Act and a National Code.



## Agency Performance – Report on Operations [Cont.]

The Department issued 33 licences to scientific establishments permitting the use of animals for scientific purposes (which include research, teaching and project development), of which 14 were also issued with a licence to supply animals for research/teaching. Additionally, the Department issued 79 licenses to Independent Schools for the purposes of teaching and housing animals in schools.

Any occurrences that appear to breach the requirements of the licence conditions, the Code, or the Act, are promptly queried and, if necessary, investigated by the Scientific Inspector. The outcome of these investigations may involve prosecution or result in internal reform processes related to animal ethics and staff training.

The *Australian Code of Practice for the Care and Use of Animals for Scientific Purposes 2004* is currently being reviewed. Feedback received through consultation is now being assessed.

# Agency Performance – Report on Operations [Cont.]

## SERVICE 2: Local Government Support and Development

**Provide advice, information and support to local governments.**

---

### LOCAL GOVERNMENT STRUCTURAL REFORM AND CAPACITY BUILDING

In July-August 2009, the Department, in conjunction with WALGA, conducted half-day seminars on the local government reform agenda attended by a total of 110 local governments at 13 venues across the State. In 2010, the Department held a further series of engagement briefings with local governments on the proposed Regional Transition Group (RTG) and Regional Collaborative Group (RCG) models. The engagement program in this regard is ongoing, with the appointment of a dedicated Departmental Case Manager to each proposed grouping.

The Local Government Structural Reform Program, which commenced in 2009-2010, provides funds to help local governments meet costs that are directly attributable to reform and to support Regional Business Planning.

Funding guidelines were created for this Program, and during 2009-2010 the following funds were committed:

- \$2,450,000 to support amalgamations, and
- \$460,000 to support Regional Collaborative Groups to undertake Regional Business Planning.

To aid both structural reform and capacity building, the Department commissioned the development of a Regional Business Plan Framework to provide RTGs with a robust business planning framework and methodology. A similar framework for RCGs is under development. The completion of such plans will help local governments consider whether an amalgamation would benefit their communities (RTGs) or, in the case of remote local governments with large land areas, how best to streamline services and structures to provide greater benefits to their communities (RCGs).

Another capacity building initiative by the Department was the launch in 2010 of a sector-wide program to help local governments improve their integrated strategic planning and asset management. The Department was successful in negotiating a grant from the Commonwealth Local Government Reform fund of \$2.351million, to be matched from State funds, to implement this state-wide initiative. Relevant guidelines are being prepared, and 12 country local governments have received first-round grants to develop new asset management plans.

# Agency Performance – Report on Operations [Cont.]

Planning commenced for the provision of local government services in Indigenous communities, in line with the commitment in the Bilateral Agreement on Remote Indigenous Services (2006), and recommendations from the Local Government Advisory Board. The Department allocated grants to 14 local governments to undertake the scoping and costing of future local government services in Indigenous communities. Importantly this process will consider opportunities for local Indigenous employment and options for maximum service efficiency. A template was developed to help local governments take a consistent approach and to enable this data to be aggregated across the State for future funding negotiations with the Commonwealth Government.

In 2010, the Department further supported structural reform and capacity building through the establishment of a Panel of Approved Consultants. This resource will assist local governments with their regional business plans, strategic planning and asset management improvement and Indigenous service planning.

The Department produced a range of communications materials to keep the sector and the community informed about the progress of reform around the State. Bulletins, information sheets, guidelines and publications were distributed to local governments and made available on the Department's website throughout the year.

## LOCAL GOVERNMENT SUPPORT AND ADVICE

Providing advice and support to the local government sector is an important role of the Department of Local Government.

In 2009-2010, the Department continued to support local governments through a number of key programs including the Chief Executive Officer (CEO) Support Program, Mayors' and Presidents' Workshops, New Councillor Workshops, Local Government Elections campaign, Local Government Advisory Hotline and Indigenous Support Programs.

### **Chief Executive Officer Support Program**

The Chief Executive Officer Support Program was offered to those appointed to the position of Chief Executive Officer for the first time. The Department also worked closely with the Local Government Managers Australia to ensure the program continues to develop inline with contemporary local government practices.

### **Workshops for Mayors, Presidents and Councillors**

A series of workshops were held throughout the State following the Local Government Elections in 2009. The workshops provided an opportunity for newly elected Mayors, Presidents and Councillors to discuss and gain a better understanding of their role in local government.

### **Indigenous Support Program**

A range of initiatives were undertaken to strengthen the relationship between local government and Indigenous communities. The initiatives aim to raise the awareness of local government in Indigenous communities and encourage a greater role by Indigenous people in local government.

# Agency Performance – Report on Operations [Cont.]

In 2009-2010, a dedicated support officer assisted local governments with community engagement strategies and programs, provided one-on-one Indigenous Councillor training and information sessions in Indigenous areas to increase local awareness of the election process and encourage increased participation.

## **Indian Ocean Territories**

The Department has a Service Delivery Arrangement with the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government whereby it provides 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.

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

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

In 2009-2010, the Department provided advice to a range of stakeholders on the provisions and operation of the Act. The Local Government Advisory Hotline, which was established in 2008-2009 continues to provide immediate advice and information to local government elected members and staff.

## LOCAL GOVERNMENT ELECTIONS 2009

Local Government Elections were held across the State on 30 October 2009. The elections saw the re-introduction of the first-past-the-post system of voting and a number of local governments change from a ward systems of electing councillors to a whole of district representation.

In addition to providing support and advice to local government preparing for the elections, the Department implemented a broad communications strategy in the three months leading up to the local government elections. The strategy was aimed at: promoting the elections, encouraging candidates to stand for council and increasing voter participation.

The following publications were produced and distributed ahead of the elections to assist members of the public, as well as future and current councillors:

- *Standing for Council - Information for Candidates*
- *Frequently Asked Questions About Your Local Government Elections*
- *Local Government in Western Australia - A Guide for Indigenous Communities*
- *First Past The Post Information Flyer*
- *Your Community - Your Local Government*
- *Returning Officer's Manual*
- *Standing for Council DVD and PowerPoint Presentation*



# Agency Performance - Report on Operations [Cont.]

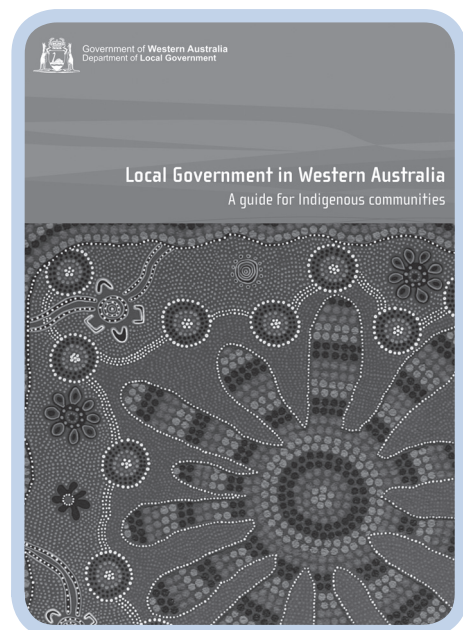
Elections Bulletins were regularly provided to local governments to keep CEOs and Returning Officers informed of general elections issues, to provide a reminder of critical dates and to provide updates on important legislative changes.

A key focus of the 2009-2010 campaign was increasing the awareness of the local government elections among people of culturally and linguistically diverse (CaLD) backgrounds to promote greater participation at both candidate and voter levels. The Department provided promotional materials to the Office of Multicultural Interests who distributed the information.

Publications promoting Indigenous participation were sent to all local governments with Indigenous communities in their districts, and the Department's Indigenous Support Officer visited or directly distributed information to 45 communities across the State.

## Key Milestones of the 2009 Local Government Elections

- There were 669 vacancies at the elections, 632 were ordinary four year vacancies, and 37 were extraordinary vacancies of two year terms.
- 1,050 candidates stood for election, 738 were men and 312 were women.
- 652 members were elected to office. This total comprised 13 Mayors and 639 Councillors. Of the 652 candidates elected, 408 were previous members and 244 were new members.
- In 2009, 199 elected candidates were female and 453 male.
- The number of women elected to local government has risen to 387 or 30.3% following the 2009 general elections. The number of Indigenous councillors dropped from 35 to 28.
- Voter turnout was 31.8% in the October 2009 elections (this is calculated using the number of the State's voters as a percentage of the State's eligible electors in wards where a contested election was held). The turnout is a gross figure across the State and there were significant differences between local governments and even between wards within local governments.
- The highest rates of voter participation were in the Shires of Shark Bay (63.8%), Mount Marshall (62.1%) and Kent (59.4%); whilst the lowest rates of voter participation were in the Town of East Fremantle (12.7%), the City of Bayswater (13.2%) and the Shire of Harvey (13.8%).



## Extraordinary Elections

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 23 extraordinary elections were conducted between October 2009 to 30 June 2010.

# Agency Performance - Report on Operations [Cont.]

## REMUNERATION OF CHIEF EXECUTIVE OFFICERS 2009-2010

The Salaries and Allowances Tribunal is required to report annually on the remuneration of Chief Executive Officers (CEOs) under the *Salaries and Allowances Act 1975*. Local governments are required, under the *Local Government Act 1995*, to take the recommendations of the Tribunal into account when advertising for and preparing a contract for the appointment of a CEO.

The Director General of the Department is a Statutory Adviser to the Tribunal. In this capacity, the Department forwarded survey forms to the 139 local governments and 8 regional local governments seeking CEO remuneration information for 2009-2010. The information was collated and provided to the Salaries and Allowances Tribunal. The Department provided additional information relating to CEO contracts where there is provision for an increase or increment to the base salary and the basis of this, also regarding local government reform and emerging impacts with respect to CEO remuneration.

In the recommendations of the Salaries and Allowances Tribunal in its Report dated 25 June 2010, 13 local governments were allocated to a band one higher than their previous band; two regional local governments were allocated to a band two higher and one to a band one higher than previously; and a general adjustment of 3.5% was made to the remuneration payable to local government CEOs.

The following table indicates the remuneration range for each band and the number of local governments in each.

TABLE 5 - Summary of CEO Remuneration Bands			
Level	Total Reward Package	Number of Local Governments	Number of Local Government Regional Councils
Band 1	\$109,321 – \$147,871	28	3
Band 2	\$121,979 – \$165,708	39	0
Band 3	\$134,638 – \$182,393	23	1
Band 4	\$144,994 – \$196,777	4	0
Band 5	\$158,803 – \$214,615	10	1
Band 6	\$176,065 – \$238,205	9	1
Band 7	\$195,627 – \$264,672	13	2
Band 8	\$231,464 – \$288,262	10	0
Band 9	\$231,875 – \$314,154	3	0
<b>TOTAL</b>		<b>139</b>	<b>8</b>

Three regional councils are not included as their CEOs are not in receipt of remuneration.



# Agency Performance – Report on Operations [Cont.]

## GRANTS AND FUNDING

The Department provides grants and funding assistance to a range of local governments and community groups. The major funded activity in 2009-2010 was local government reform, with grants provided to:

- local governments that had resolved to amalgamate, and
- local governments that have demonstrated a willingness to assess their capability and consider joining with one or more other local governments with a view to improving services, either through amalgamation or resources sharing arrangements.

Grant programs are detailed below.

## ROYALTIES FOR REGIONS

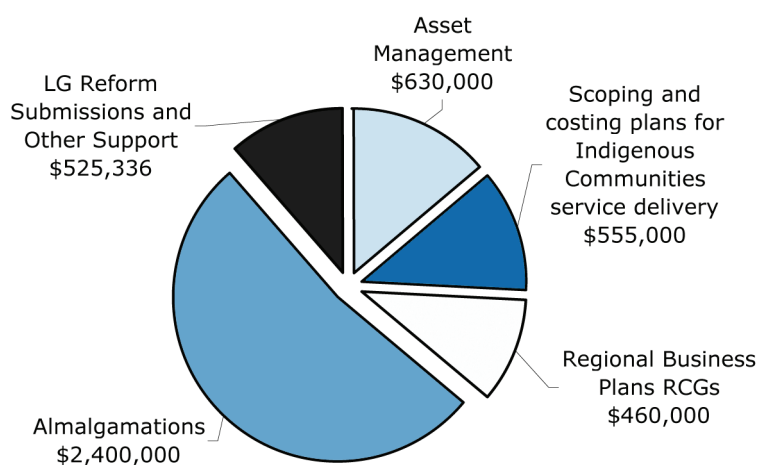
### Country Local Government Fund

A decision was made for the transfer of the administration of the Country Local Government Fund (CLGF) direct funding of infrastructure to local governments and regional groups to the Department of Regional Development and Lands. A total of \$4.975million was allocated for a range of structural reform initiatives. A total of \$4.570million of the allocation was expended on grants which are detailed in the table below. The balance of the funding was applied towards staff and administration costs.

TABLE 6 - Royalties for Regions - Grants Expenditure	
CLGF Grants Expenditure	Approved Amount
<b>Reform Submission Assistance</b>	\$525,336
<b>Voluntary Amalgamation</b> assistance expended on three proposed amalgamating entities	\$2,400,000
<b>Regional Business Planning</b> funding to assist Regional Collaborative Groups to develop Regional Business Plans	\$460,000
<b>Indigenous Business Planning</b> grants to scope and cost local government services in Indigenous communities.	\$555,000
<b>Asset Management</b> funding expended on Regional Transition Groups and Regional Collaborative Groups to assist local governments plan the implementation of asset management systems	\$630,000
<b>TOTAL CLGF Grants Expenditure 2009-2010</b>	<b>\$4,570,336</b>

# Agency Performance – Report on Operations [Cont.]

Graph 1 – CLGF Grants Expenditure by Program 2009-2010



## ELECTION COMMITMENTS

The Department is administering three election commitments made in response to community needs:

### Choose Respect Bunbury

The Bunbury Choose Respect Program was established in response to requests from the wider City of Bunbury community to provide funding to develop and maintain a culture of respect at school and in the community. A total of \$160,000 was committed to the project by the State Government to be paid in four annual instalments to Choose Respect Ltd, a not-for-profit organisation.

During 2009-2010, systems, structures and resources were utilised effectively to commence the implementation of Choose Respect throughout Bunbury. A Project Facilitator has also been employed to support the management team and coordinate project activities.

**TOTAL Choose Respect Funds Expended 2009-2010**     \$40,000

### Kalamunda Community and Cultural Centre (KCCC)

The Shire of Kalamunda is developing a Community and Cultural Centre. The facility is designed to showcase Western Australian experiences, products, culture and heritage and enable local and regional groups to participate in cultural, economic and community development. In total \$1.4million was allocated towards its construction through two instalments.

**TOTAL KCCC Funds Expended 2009-2010**     \$700,000

### TS Bunbury Unit Committee Inc.

The State Government pledged \$350,000 in support for the construction of two boat sheds, an administration centre and galley at the new Bunbury Naval Cadet Base. An additional \$350,000 in funding was also approved by the Commonwealth of Australia.

The construction of the administration Centre is now complete and the opening was held on 16 January 2010.

**TOTAL TS Bunbury Funds Expended 2009-2010**     \$220,000

# Agency Performance – Report on Operations [Cont.]

Three grant instalments were acquitted over the course of the year, enabling payment of the subsequent instalment.

## *COMMUNITY AND LEADERSHIP GRANTS*

### **Leadership WA**

Leadership WA provides an experiential leadership program and community service opportunities for high-potential leaders from all sectors. Seminars and field trips are held over a one-year period aiming to assist participants to develop their leadership skills. The Department has contributed to the program as a sponsor since 2003.

**TOTAL Leadership WA Funds Expended 2009-2010**     \$60,000

### **Community Facilities Grants Program**

The Community Facilities Grants Program (CFGP) funded country local governments, incorporated community groups and Indigenous communities for capital works to provide facilities for public use. The State Government allocated \$1million to support the successful grant applicants for the 2008-09 funding round. The CFGP was discontinued from 1 July 2009 in response to a requirement by government for savings.

A total of \$24,176 was expended on outstanding grants during this period and 38 grants were acquitted.

A total of 21 grants remain to be acquitted in order to complete the program's funding processes.

**TOTAL CFGP Funds Expended 2009-2010**     \$24,176

### **Local Government Managers Australia Inc. WA (LGMA)**

The Local Government Managers Australia Inc. (WA Division) was provided with \$108,000 as financial support to develop and administer a series of Integrated Master Class workshops to assist senior staff in the change processes associated with local government reform.

**TOTAL Funds Expended 2009-2010**     \$108,000

### **Outer Metropolitan Community Fund (OMCF)**

The objective of the Outer Metropolitan Community Fund was to encourage, promote and support the sustainable development of outer metropolitan areas of Perth. The primary focus of the OMCF was on enhancing services and capital works in areas nearer the boundary of the relevant Regional Development Commissions. The OMCF program was discontinued from 1 July 2009 in response to government savings needs.

19 projects that had been given Ministerial Approval in previous financial years met the funding conditions this year and the grants were paid. 21 grants acquittals were processed and a further 30 acquittals that remain outstanding in order to complete the program's funding processes.

**TOTAL OMCF Funds Expended 2009-2010**     \$1,027,111

# Agency Performance – Report on Operations [Cont.]

## Local Government Scholarship Program (LGSP)

Scholarships of \$11,500 each are made available to selected local governments to offer twelve month traineeships for young people under the age of 30 years, preferably from an Indigenous background, to work on a full-time basis within their local government. The scholarships are intended to give young people living in areas of high Indigenous population and low socio-economic status an opportunity to contribute to youth policies, programs and services and become active role models within their communities. The local government is required to match the grant funding on a dollar-for-dollar basis.

**TABLE 7 - Local Government Scholarship Program**

Scholarships Approved	Approved Amount
Six scholarships were approved this year for a seventh round of funding; five of which were paid during 2009-2010.	\$57,500
Six outstanding scholarships from previous rounds were paid during 2009-10:	
• Round 6 – 5 Scholarships	\$57,500
• Round 5 – 1 Scholarship	\$11,500
Five grants were acquitted.	
<b>Total LGSP Funds Expended 2009-2010</b>	<b>\$126,500</b>

## LOCAL GOVERNMENT SCHOLARSHIP SCHEME

### Public Sector Management (PSM) Program

The Local Government Scholarship Scheme (LGSS) is a trust account that holds funds for the purpose of awarding scholarships on a competitive basis to mid-level local government officers who are keen to improve their management and leadership potential. Recipients participate in the Public Sector Management Program. Four local government officers were successful in obtaining funding in 2009-2010.

**TOTAL LGSS Funds Expended 2009-2010**      **\$27,500**

## WESTERN AUSTRALIAN STATE – LOCAL GOVERNMENT AGREEMENT

During 2009-2010, in consultation with the Department of the Premier and Cabinet, the Department of Local Government prepared a draft Memorandum of Understanding for consideration as a statement of intent by the State Government and the Western Australian Local Government Association and Local Government Managers Australia WA Division to work together in an open and productive relationship in the interests of the Western Australian community.

A final draft Agreement was achieved and this provides a guide for State – Local Government relations on local government matters.

# Agency Performance – Report on Operations [Cont.]

## WOMEN IN LOCAL GOVERNMENT

### **Advisory Committee on Women in Local Government**

The Advisory Committee on Women in Local Government continued to provide advice to the Minister for Local Government on ways of encouraging and assisting women to seek employment and progress their careers in the local government sector.

The working paper, *Women in Local Government: Towards a Strong and Sustainable Sector 2009-2012*, launched by the Minister for Local Government in April 2009 is underpinned by recognition of the strong business case for women in senior management and decision-making and the significant contribution women have to make in ensuring a strong and sustainable local government sector, particularly at a time of major reform in the sector.

In October 2009, the Local Government and Planning Ministers' Council gave strong endorsement to a Women in Local Government Strategy and the Commonwealth Minister for Local Government announced funding of \$490,000 for a range of projects to increase the levels of participation in local government at both elected member and senior management levels.

### ***Local Government Managers Australia (LGMA) Year of Women in Local Government 2010 (YoWiLG 2010)***

The Department contributed to the LGMA National Steering Committee, formed to plan and implement YoWiLG 2010. A major initiative, in conjunction with LGMA WA Division, was a two day Women in Local Government Conference 2010 held on 3-4 June 2010 and specifically tailored to the professional development of women seeking senior positions in the sector. The attendance of 220 women on each day of the conference was a 100% increase on attendance at the 2009 Conference. A Mentoring Program for Women in Local Government was launched at the conference and will target approximately ten women aspiring to senior management positions.

### ***Australian Local Government Women's Association Initiatives***

As a member of the Australian Local Government Women's Association (ALGWA) National Steering Committee, the Department contributed to the implementation of *The Way Forward* initiative and to the development of the *50:50 Vision - A National Program for Gender Equity in Local Government*.



Pictured Left: Recipients of the Certificate of Recognition for 20 Years of Service to Local Government presented at the LGMA Year of Women in Local Government Conference 2010 (left to right): Anne Brinkworth; Chris Thompson; Maria Haynes; and Ainslie Evans.

# Agency Performance – Report on Operations [Cont.]

## CROSS AGENCY PARTNERSHIPS

### ***Keep Australia Beautiful Council***

The Department continues to participate on the Keep Australia Beautiful Council and sponsored a special commendation award for the Tidy Towns Awards, won by the Yakanarra Community.

### ***Strong Families***

As a signatory to the Strong Families Partnership Agreement, the Department is an Industry Partner and member of the Strong Families Monitoring Group.

### ***Drug and Alcohol Office Senior Officers Group***

As one of 14 State agencies on this Group, the Department contributed to the development of the Western Australian Drug and Alcohol Strategy.

### ***Community Services Policy Group***

In 2009-2010 this Group, of which the Department is a member, commenced drafting a State social policy framework for consideration by the Community Services Leadership Group.

### ***“Closing the Gap” State Operations Committee***

Through its participation in this cross agency committee, the Department contributed to the planning for integrated service delivery to Indigenous communities.

### ***Strategic Library Partnership Agreement***

Through its membership of the associated Steering Committee, the Department contributed to the planning for the structural reform of public libraries in WA, in partnership with the State Library of WA and the WA Local Government Association.

### ***Local Government Industry Working Group/Electrical, Utilities and Public Administration Training Council Inc.***

Through its representation on this Working Group, the Department provided input to the relevant Training Council on matters relating to local government vocational education and training.

## WA LOCAL GOVERNMENT GRANTS COMMISSION

The Western Australian Local Government Grants Commission (the Commission) is a statutory body established under section 4 of the *Local Government Grants Act 1978*.

Its principle function is to make recommendations to the state Minister for Local Government for the allocations of the Financial Assistance Grants to Western Australia's 139 local governments. The Financial Assistance Grants contain two components: a General Purpose Component and a Road Component.

In 2009-2010, the Commission allocated \$229million in Financial Assistance Grants to local governments. The Commission visited 27 local governments for the purpose of conducting public hearings on the grant determination for each of these local governments.

The Commission is also progressing with a review of its methodology to ensure greater levels of transparency in the grants determination process. The aim is to complete the review by December 2010.



# Agency Performance – Report on Operations [Cont.]

## SERVICE 3: Monitoring Local Government

**Monitoring the compliance of local government with legislative and regulatory requirements.**

---

### LOCAL GOVERNMENT ADVISORY BOARD

The Local Government Advisory Board is a statutory body established under section 2.44 of the *Local Government Act 1995* to provide advice to the Minister for Local Government on local government constitutional matters. It has five members including members nominated by local government and the Department of Local Government.

The Board's major function is to assess proposals to change local government boundaries and their systems of representation and then make recommendations to the Minister.

In 2009-2010, the Board processed 19 ward and representation reviews resulting in changes to ward boundaries and an overall reduction of 16 councillors across Western Australia's 139 local governments.

The Board commenced two formal inquiries into local government amalgamations during the year as a result of the State Government's local government structural reform agenda and was also heavily involved in considering further requests by local governments for councillor reductions and boundary amendments. The Board's involvement in these issues will increase in 2010-2011 as the reforms gather momentum.

### MONITORING AND COMPLIANCE

The Department oversees the regulatory compliance of all local governments with the *Local Government Act 1995* and associated regulations. It achieves this primarily through the proactive monitoring of each local government's adherence to the legislation. In its proactive monitoring role the Department reviews local government statutory compliance audit returns and auditor's reports and undertakes compliance audits on local governments. Analysis of this material reveals trends and systematic issues for targeted improvement programs.

Complaints received by the Department fall into three distinct types: General Complaints, Serious Breach Complaints and Minor Breach Complaints. Each category is defined by the requirement to follow different legislative processes in each case.

# Agency Performance - Report on Operations [Cont.]

In 2009-2010, the Department received 283 new complaints and completed 307 (24 of the completed complaints were received in the previous year). This compares with 280 received and 293 completed in the 2008-2009 financial year. The Governance Branch average work output per month for 2009-2010 has stayed at a consistent 25 complaints completed per month, which is the same output as last financial year.

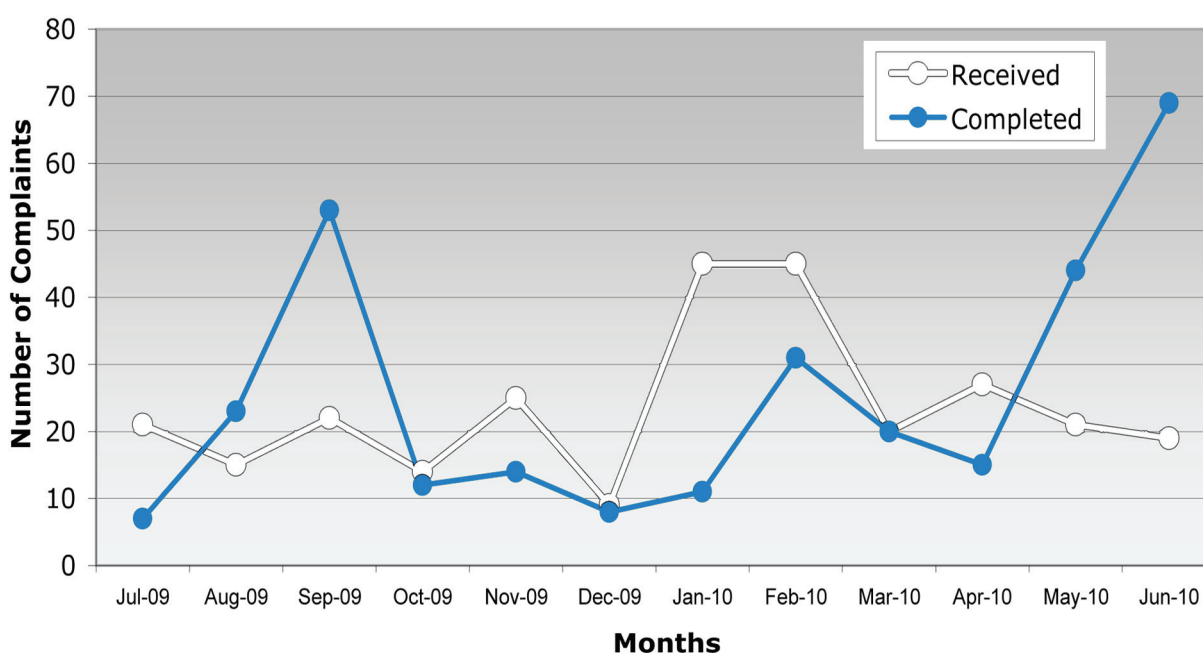
Complaints received by the Department may contain multiple allegations of separate offences. Complaints containing multiple allegations take more time and resources to address than a complaint that deals with only one allegation. It is therefore important to record not only complaints, but also the number of allegations that are reported. During this financial year the Department completed 307 complaints, containing a total of 393 allegations. This compares with 293 completed complaints in 2008-2009, containing a total of 322 allegations. An increase in the number of allegations per complaint supports the view that the complexity of matters under investigation has increased.

## Percentage of Allegations Completed

The Department's Governance Branch finalised 63% of allegations within 90 working days (excludes complaints dealt with by the Standards Panel), and 93% of all allegations were finalised within 12 months. This compares with 69% and 92% in the previous financial year. The increase in complexity of allegations and increased workload has increased the time taken to finalise investigations.

Graph 2 shows the increase in workload resulted in increased time taken to complete investigations with a direct correlation with a growing number of complaints waiting to be dealt with (See Graph 4). The allocation of staff members to the Better Practice Review Program also had an impact on the number of complaints completed during this period. During the final part of the financial year additional short term resources were engaged to deal with the back-log of complaints and Graph 4 shows a peak in work output during May 2010 through to June 2010 as a result.

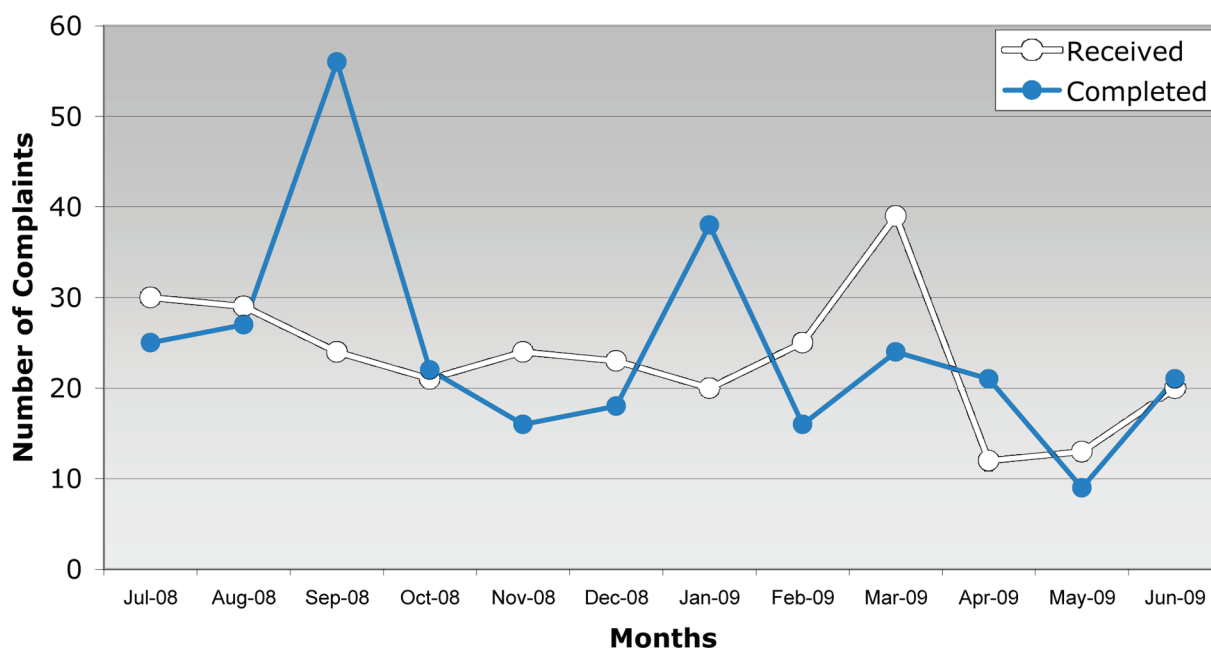
**Graph 2 - Complaints Received and Completed 2009-2010 – Per Month**





# Agency Performance - Report on Operations [Cont.]

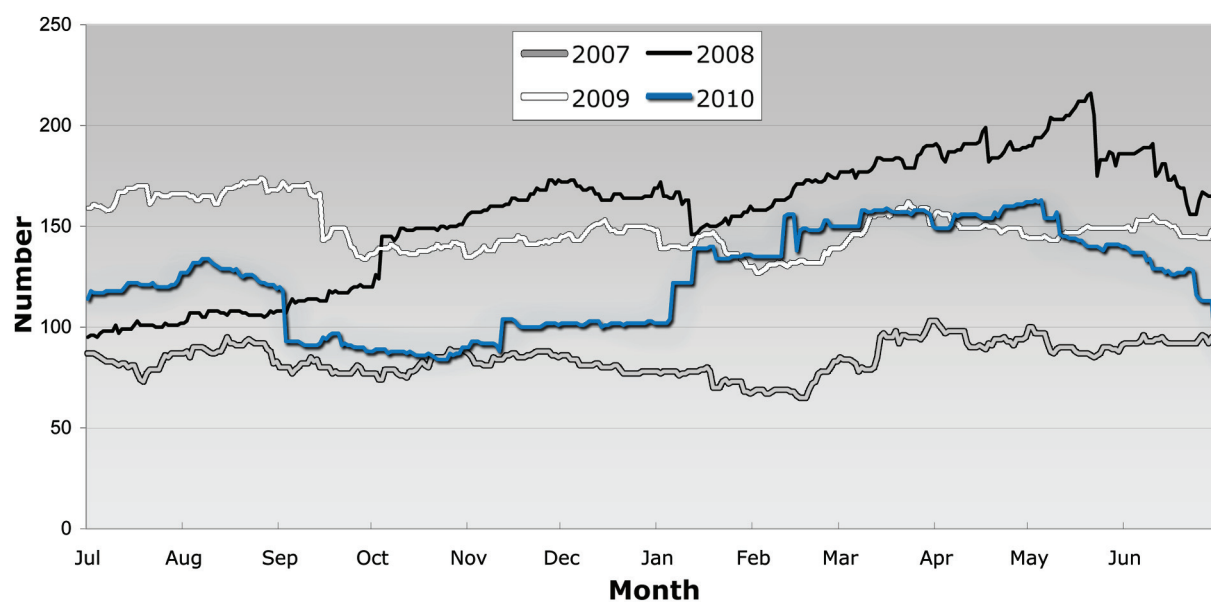
Graph 3 - Complaints Received and Completed 2008-2009 – Per Month



Graph 4 - Agency Performance Report – 2007 - 2010

A comparison of daily workload per staff member

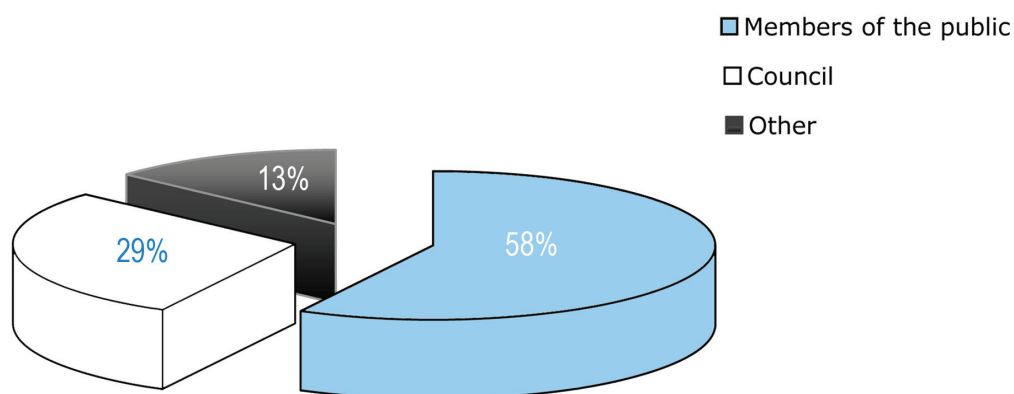
Complaints Being Dealt With for Financial Year



# Agency Performance – Report on Operations [Cont.]

## TRENDS AND STATISTICS

**Graph 5 – Source of complaints received 2009-2010**  
Total Complaints 2009-2010



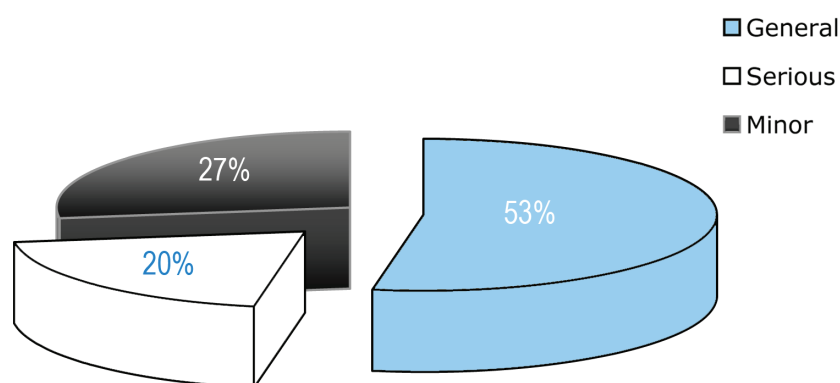
### Source of Complaints

Correspondence from members of the public has risen 10% from last year (Graph 5), with complaints from Council dropping 10% during the same period. There is a correlation between Graph 5 and Graph 6 showing that members of the public are the most common source of complaints and they tend to report matters as General Complaints.

'Other' indicates other Government agencies including Corruption and Crime Commission as well as unknown (or anonymous) complainants. 'Council' includes Chief Executive Officers, Mayors, Presidents, Deputy Mayors and Presidents and all other employees of the Council.

## BREAK DOWN OF TYPE OF COMPLAINTS

**Graph 6 – Breakdown of Complaints 2009-2010**



### General Complaints

General complaints encompass the majority of all complaints received by the Department are defined as those that do not fall under the provisions of the *Local Government (Official Conduct) Amendment Act 2007*. These general complaints can be dealt with in a number of ways; Table 8 provides a breakdown of the type of allegations received under this category, including a list of outcomes of the various methods used to deal with these complaints.

TABLE 8 - General Allegations Completed 2009-2010

	Description of Allegation																	
	Failure to lodge an Annual Return when due	Breach of the financial interest provisions by elected members	Breach of the financial interest provisions by employees	Failure to disclose financial interest or a proximity interest before or at Council or Committee meeting	Failure to lodge Annual Return by 31 August	Improper use of information by elected members	Improper use of information by employees	Improper use of information to gain advantage or to cause detriment	Miscellaneous	Offence under other written law (not the Local Government Act)	Other	Other actions of elected members and employees	Other processes and procedures at an administrative level	Procedures within council or committee meetings	Process and Procedures at Administrative level related to Planning Issues	Process and procedures at elected members level related to planning issues	Tendering processes	TOTAL
Complaint dismissed	2			5				1	1									9
Advice Provided No Further Action Required		1				1			1		3	22	13		24	5	1	71
Departmental Prosecution		1							1									2
Departmental Warning Issued		6	2		20						1	1						30
Unsubstantiated		8	2			3						2	1	1		3		20
Complaint Unfounded			1						2			5	1	1	4	1	1	16
Referred to Other Agency						1				1		3						5
Recorded for Ongoing Monitoring Purposes							1				1	7	1	1	4			15
No Jurisdiction to Act No Role for Department or Minister										1	1	10	7		6	3		28
Process Improvement Recommended												2	2	1	1			6
Referred to Local Government for Other Action												1	1	1	1		1	5
TOTAL	2	16	5	5	20	5	1	1	5	2	6	53	26	5	40	12	3	207

# Agency Performance - Report on Operations [Cont.]

## Serious/Minor Complaints (Local Government (Official Conduct) Amendment Act 2007)

The *Local Government (Official Conduct) Amendment Act 2007* provides avenues for dealing with allegations specifically concerning councillor misconduct. The legislation provides for the referral of “*minor offences*” to a three member Local Government Standards Panel or, in the case of “*serious offences*”, referral to the State Administrative Tribunal.

The Department has a significant role in developing procedures and providing administrative support to the Standards Panel. It also provides an investigative role in regard to the serious offences directly reported under the provisions of this legislation. Where appropriate, the Department has a role in collating the evidentiary material necessary for the referral of serious offences to the State Administrative Tribunal for consideration.

TABLE 9 - Allegations of Serious Breach 2009-2010

Serious Breach Allegations Completed Between 01 July 2009 and 30 June 2010 For Serious Official Conduct Projects							
	Description of Allegation	Failure to lodge an annual return when due	Failure to disclose financial interest or a proximity interest before or at Council or Committee meeting	Failure to vote at a Council meeting or a delegated power Committee meeting	Improper use of information to gain advantage or to cause detriment	Miscellaneous	Other - Non Conforming
Departmental Warning Given		1	4	1			
Non-Complying Complaint			1		1	35	
Complaint Dismissed				1	3	24	4
<b>TOTAL</b>		<b>1</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>59</b>	<b>4</b>
							<b>75</b>

# Agency Performance – Report on Operations [Cont.]

## Minor Complaints – Standards Panel

In the period of 1 July 2009 to 30 June 2010, the Standards Panel received 50 Complaints of Minor Breach. These complaints included some with multiple allegations about the same council member, some with one or more allegations about two council members, and some with an allegation or allegations in common with another complaint or other complaints about the same Council Member. During this financial year, the Standards Panel completed 108 allegations.

## Allegations of Minor Breach

Table 8 shows a break down of outcomes for allegations of Minor Breaches during the financial year.

**TABLE 10 - Allegations of Minor Breach 2009-2010**

Minor Breach Allegations Completed Between 01 July 2009 and 30 June 2010 For Minor Official Conduct Projects										
	Description of Allegation	Alleged breach of a Local Government's Code of Conduct	Breach of Meeting Procedures Local Law (Standing Orders)	General principles governing elected member behaviour	Improper use of information	Misuse of local government resources	Non-disclosure of interest adverse to impartiality	Prohibition against involvement in administration	Relations with local government employees	Securing personal advantage or disadvantaging others
No Breach		3	5	1	3	2	12	2	22	24
Complaint Dismissed			4							
No Jurisdiction			5						5	7
Public Apology			3						1	2
Public Censure			1		2					4
<b>TOTAL</b>		<b>3</b>	<b>18</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>12</b>	<b>2</b>	<b>28</b>	<b>37</b>
										<b>108</b>

# Agency Performance – Report on Operations [Cont.]

## **Authorised Inquiries into the Shire of Cue and Shire of Shark Bay**

In 2009-2010, the Department finalised its inquiry into the Shire of Cue. In May 2009, the Department commenced an authorised inquiry into the Shire of Shark Bay to investigate a number of governance issues; this inquiry was in its final stages as at 30 June 2010.

## **Legislation Support**

Statutory approvals cover the following:

### *Local Government Act 1995*

- **S5.7(1)** Reduced Quorum
- **S5.69** Approval to Participate
- **S6.2(1)** Extension of time to adopt Annual Budget
- **S6.4(3)** Extension of time to complete and submit Annual Financial Report
- **S6.28** Basis of Rates
- **S6.33(3)** Differential Rates – Unimproved Value
- **S6.35(5)** Minimum Payments
- **S6.74** Sale of land for non payment of rates–power to have land reverted in the crown

### *Cemeteries Act 1986*

- **S12** Burials Outside of Proclaimed Cemeteries.

The Department has dealt with 112 Statutory Approvals relating to the *Local Government Act 1995* and the *Cemeteries Act 1986* during the financial year of 2009-2010.

## OTHER PROJECTS

### **Better Practice Reviews**

The pilot phase for the Better Practice Review Program commenced in October 2009 with assistance from the City of Gosnells, the Town of Vincent, and the City of Rockingham. The program is still under development and continues to receive valuable feedback and advice from the local governments who agreed to take part. The Department wishes to acknowledge the assistance provided by the councillors and staff of these local governments.

The Department also wishes to acknowledge the assistance of the New South Wales Department of Local Government who provided one of their senior staff members to help develop the program in Western Australia.

# Agency Performance – Report on Operations [Cont.]

Broadly, a Better Practice Review is designed to assess the effectiveness and efficiency of a local government's operations. It comprises a visit to the local government to examine its operational practices including its ability to comply with relevant legislation, regulations and guidelines. Importantly a review also examines a local government's framework for monitoring its own performance and its strategic management. But the heart of the review is the "reality check", where the review team will look with the local government at the reality of its operations and how it meets recognised standards and community expectations of local government governance.

The program has the flexibility to be tailored to target the areas of a local government that may be experiencing operational difficulties.

## **City of Albany**

In 2009-2010, the City of Albany reported to the Department a number of operational issues relating to its governance, financial management and town planning functions. The Better Practice Review Program was considered the most appropriate measure for responding.

The Better Practice Review was implemented to identify and report on recommended process improvements and to work with the City in striving towards best practice in the overall governance of the City. The Better Practice Review team consists of a team leader specialising in governance, a senior planning officer from the Department of Planning and a senior Department Accountant. The review team is also working in collaboration with specialist consultants engaged by the City in mediation and town planning. The Better Practice Review at the City has been an extensive process, involving employees at all levels, and elected members. The review team is expected to report in August 2010.

# Agency Performance – Report on Operations [Cont.]

## SERVICE 4: Promotion and Support of Multiculturalism in WA

**Promote the ideals of multiculturalism to public sector agencies and the community. Develop and influence policies that reflect multiculturalism.**

### OFFICE OF MULTICULTURAL INTERESTS

Western Australia continues to have the largest proportion of people born overseas with more than half a million people (27.1% or 531,747 persons) born overseas. People from more than 200 countries live, work and study here, speaking as many as 270 languages and identifying with more than 100 religious faiths. (Source: Australia Bureau of Statistics)

This cultural diversity brings with it many and varied benefits, including a creative, sustainable and successful economy. It also brings with it challenges. These challenges include the need for government, private and not-for-profit service organisations to respond to the State's rich cultural diversity by planning, tailoring and delivering services and programs that meet the specific needs of people from culturally and linguistically diverse backgrounds.

The Office of Multicultural Interests (OMI), a division of the Department of Local Government, is tasked with highlighting the benefits of multiculturalism and responding to the challenges it presents through its work in supporting the development of State Government policies and programs to promote multiculturalism and improve services to Western Australians from diverse cultural, linguistic and religious backgrounds. OMI provides leadership on multiculturalism within the public sector, to the Western Australian community and with business - creating partnerships for a more inclusive and productive society.

The *OMI Strategic Plan 2009-2013*, launched in May 2009, outlines the following objectives aimed at ensuring that people from culturally and linguistically diverse (CaLD) backgrounds are able to participate fully in social, economic and cultural life:

<b>Participation</b>	Full participation of CaLD communities in social, economic and cultural life
<b>Equity</b>	Remove the barriers to equity experienced by CaLD communities
<b>Promotion</b>	Promote the benefits of Western Australia's cultural and linguistic diversity

These objectives are implemented in three priority areas identified in the *OMI Strategic Plan 2009-2013* – the WA public sector, CaLD communities and across Western Australia.



# Agency Performance – Report on Operations [Cont.]

OMI's major achievements during 2009-2010 include:

## PUBLIC SECTOR

In the public sector OMI has:

- Facilitated CaLD engagement in government decision making processes, policies and programs
- Supported the public sector to achieve substantive equality for people of CaLD backgrounds, and
- Developed policies and supported programs to increase cross-cultural awareness and counter racism.

One of the most successful ways that OMI has assisted WA's CaLD communities is through strategic partnerships and public sector projects. Some of these include:

### WA Language Services Policy 2008

OMI is responsible for the *WA Language Services Policy 2008*. The Policy reflects the State Government's commitment to provide accessible services to all Western Australians through ensuring effective communication between government agencies and their clients. As part of its role to ensure consistency with the Language Services Policy, OMI has advised other agencies in the development of their agency-specific language services policies including the WA Police (WAPOL), Department of Health and the Registrar of Births, Deaths and Marriages.

Following extensive stakeholder consultation with government and non-government agencies, OMI revised the *WA Interpreter Card* and developed two brochures, one aimed at the community and the other for State agencies.

The online version of the community brochure has been translated into ten languages (Arabic, Karen, Chinese, Dari, Dinka, Italian, Polish, Serbian, Swahili and Vietnamese).

### Accommodating Everyone Working Group

OMI, in conjunction with the Equal Opportunity Commission (EOC) established the Accommodating Everyone Working Group to facilitate implementation of the recommendations of the EOC report *Accommodating Everyone – an inquiry into whether persons from culturally and linguistically diverse backgrounds and Aboriginal people are being discriminated against in the private rental market*. The Working Group oversaw development of a matrix identifying responses to the recommendations. Approximately 50% of the recommendations were implemented in 2009-2010. OMI's website promoted two flyers, produced by the EOC and Department of Commerce, which provided guidelines to landlords and tenants on Equal Opportunity law.

### Interagency Settlement Group

OMI established a senior level Interagency Settlement Group in August 2009 in collaboration with the Department of Immigration and Citizenship, which included representatives of key State and Commonwealth agencies involved in the delivery of settlement services to migrants and humanitarian entrants. The Group coordinated the first national stock-take of programs and services available to migrants and humanitarian entrants in WA, developed an implementation plan and gathered information on the best practice examples under priority areas identified by the Group.

# Agency Performance – Report on Operations [Cont.]

## **WA Implementing the Principles of Multiculturalism Locally guide**

OMI chaired an across-agency Working Group comprising representatives of the Department of Local Government, the Western Australian Local Government Association, Melville, Gosnells and Katanning Local Government Authorities and selected non-government organisations to oversee development of a guide for local governments. The Guide will be launched at the Western Australian Local Government Association convention in August 2010.

## **Cultural Competence Training Package for the Public Sector**

OMI commenced the development of an introductory cross cultural competence training package for use across the public sector. A reference group was established comprising representatives from Transcultural Mental Health, Mental Health Commission, Public Sector Standards Commission, Public Sector Commission and the Department of Local Government.

## **Strategic Advice to Agencies**

OMI provided strategic advice and information to a range of public sector agencies including:

- **Department of Child Protection:** Provision of data on children in care, parenting issues, working with interpreters and unaccompanied minors.
- **Department of Transport:** Input into the development of strategies to address issues faced by CaLD communities obtaining and keeping a drivers licence.
- **Department of Training and Workforce Development:** OMI provided advice about how to engage and provide access to CaLD communities for the Skills Expo and provided a summary of the benefits of immigration for inclusion in the State Migration Plan.
- **Transperth:** Provided advice and information to ensure equitable access to public transport for CaLD communities. This has resulted in the installation of a dedicated TIS telephone service at the Wellington Street train station, a translated poster, a major update to the Transperth website to include translated information and audio files in 12 languages and a radio campaign through ethnic radio 6EBA FM.

**Multicultural Advisory Group Support** was provided to the Minister for Citizenship and Multicultural Interests - Multicultural Advisory Group. In 2009, OMI assisted with the re-appointment of the Group, engaged members as part of the OMI Community Engagement Strategy, undertook research and provided advice to the Multicultural Advisory Group on agenda issues raised by members.

## **Briefings and Submissions**

OMI provided 452 ministerial briefings and responded to 110 email requests for advice and information submitted to the Office by members of the public and representatives from government and non-government organisations. OMI also provided submissions to a number of Commonwealth and State based inquiries, reports and discussion papers having implications for services and policies which impact on CaLD communities. Submissions include:

- *Australian Human Rights Commission on African Australians – A Report on Human Rights and Social Inclusion Issues.*
- Department of Housing, in response to the Social Housing Taskforce's review of social housing in WA, with a particular focus on the unique needs of Humanitarian Entrants and CaLD populations.

# Agency Performance – Report on Operations [Cont.]

- Department of Immigration and Citizenship's review of the Integrated Humanitarian Settlement Services (IHSS) Program.
- Department of Education, Employment and Workplace Relations discussion paper, *The Future of Employment Services in Australia*.

## EMPOWERING CULTURALLY AND LINGUISTICALLY DIVERSE COMMUNITIES

At the community level, OMI has:

- Provided CaLD communities with the information, skills and opportunities to support settlement, integration and citizenship
- Undertaken research, consultation, and partnerships to identify, address and advocate the needs of CaLD communities, and
- Supported projects, programs and events that promote multiculturalism and engage all Western Australians.

### Community Engagement Strategy

During 2009-2010 OMI developed a State-wide Community Engagement Strategy to ensure CaLD communities are consulted and empowered to provide input into State Government policies and programs. The Strategy was implemented through the following initiatives:

- **Two community consultations:** The first consultation focused on employment issues faced by CaLD communities and was held at Herb Graham Recreation Centre on 23 March 2010. OMI partnered with the Public Sector Commission, Department of Training and Workforce Development and ApprentiCentre for the consultation. The second focused on transport issues and was held on 26 June at Citiplace Community Centre, Perth Train Station and was presented in partnership with the Department of Transport and Transperth. Discussion papers were produced prior to each consultation. A summary report of the outcomes of the employment consultation was produced and distributed to participants and is publically available.
- **Two community roundtables:** One roundtable was held with key non-government organisations and community groups on family and domestic violence issues and another with the Somali community.
- **Future consultations:** Planning has commenced for regional consultations in the Pilbara and Kimberley and a consultation on family issues in partnership with the Department for Child Protection and Department for Communities in the second half of 2010. OMI aims to conduct up to four formal consultations in metropolitan and regional Western Australia annually.

### Ethnic Organisations Fund

OMI developed and implemented a new three-year funding program to support projects that build the capacity of CaLD communities and provide them with the information, skills and opportunities to support successful integration and citizenship. Three organisations were awarded funding for projects under the Ethnic Organisations Fund program – the Coalition for Asylum Seekers, Refugees and Detainees, Edmund Rice Centre and Metropolitan Migrant Resource Centre.

# Agency Performance – Report on Operations [Cont.]

## **Integrated Services Centres**

Located at Parkwood and Koondoola Primary Schools Integrated Services Centres provide an integrated model of service delivery in the areas of health, mental health, settlement and housing assistance to humanitarian entrant children and their families. The Centres were implemented through a partnership between OMI, Department of Health and Department of Education. OMI negotiated the transfer of management of the Integrated Services Centres to the Department of Health effective from 1 January 2010 and formalised this through a Memorandum of Understanding between the Minister for Health and the Minister for Citizenship and Multicultural Interests.

## *WESTERN AUSTRALIA*

At the State level, OMI has:

- Facilitated strategic partnerships between CaLD communities, peak industry bodies, trade and consular sectors to enhance social and economic outcomes
- Recognised the achievements of CaLD communities and their contribution to the State, and
- Promoted cultural diversity as an international, economic, social and cultural asset for Western Australia.

## **Harmony Week 2010**

Harmony Week is a State Government multicultural community relations initiative that provides an educative, participatory and celebratory role in highlighting Western Australia's cultural, religious, linguistic and ethnic diversity. During Harmony Week in March 2010, OMI, in conjunction with Edith Cowan University, coordinated the Vice Chancellors' Oration, delivered by her Excellency Quentin Bryce AC, Governor-General. OMI also organised an informal luncheon meeting between the Governor-General and women from new and emerging communities from more than 18 peak and ethnic organisations. OMI developed a Communications Strategy that resulted in an interactive website, media, events and promotional initiatives and a Harmony Week Kit.

## **Community Grants Program**

OMI administers a Community Grants Program that aims to increase opportunities for collaboration and promotion of multiculturalism and to address the needs of CaLD communities. OMI processed 125 grant applications and 69 grant follow-ups and acquittals, provided advice and information to over 1,680 stakeholders and delivered 100 face-to-face meetings with CaLD groups to assist and advise on grant applications. OMI co-delivered two grant writing workshops to 40 participants from new and emerging communities, conducted six community stakeholder engagement visits and reconstituted the Grants Assessment Panel to include more community representatives.

# Agency Performance – Report on Operations [Cont.]

## Directory of Services for New Arrivals in Western Australia

The highly popular OMI publication *Directory of Services for New Arrivals in Western Australia* was updated and produced online and in print. It was launched by the Minister for Citizenship and Multicultural Interests in June 2010. The online version contains a fully searchable database of over 600 government and non-government organisations, including service descriptions and contact details. The Directory is a comprehensive information resource that aims to empower new arrivals and CaLD communities and improve knowledge and understanding of, and access to, key government and non-government services.

## Multicultural Community Service Awards

OMI coordinated the 2009 Western Australian Multicultural Community Service Awards, which aim to increase awareness of the contributions of CaLD communities to the development of WA. There was considerable media coverage for the awards which increased the recognition of CaLD individuals and organisations and their work in the community services sector. In partnership with the Small Business Development Commission, OMI included a new multicultural business award for the first time.



Pictured Above: OMI Awards 2009 (left to right): Mr Alan Morton, Detective Senior Sergeant – State Security Investigation Group, WA Police; Ms Cate Ham, Rainbow Coast Neighbourhood Centre; Ms Hue Le – Hue Le Designs; Mrs Robyn Sterrett; Hon John Castrilli MLA, Minister for Local Government; Heritage; Citizenship and Multicultural Interests; Mr Paul Kyaw; Brother Geoff Seaman (represented by Mr Frank Pelusey); Ms Sarah Janali – Reel Connections; Mr Mulugeta Teklehaimanot Reda; Mrs Liz Gunther.



# Significant Issues Impacting the Agency

## LOCAL GOVERNMENT

Local government in Western Australia is a \$2billion industry, but its effectiveness is constrained by historical boundaries and structures and fragmented and duplicated systems. This results in:

- Inefficiencies and lost opportunities for government, business and communities (the Economic Audit Committee's First Report (2009) found that local government planning, and approval processes lack practicality and are unable to meet the complexities and demands of modern development requirements)
- A number of small local governments with weak rate bases that have become heavily grant dependent (grants account for more than 40 per cent of Total Operating Revenue for 39 of the State's local governments,)
- Excessive expenditure on administration (WA has 139 local government areas supported by close to 1,300 elected members, many with less than 100 people), and
- Limited planning, asset and financial management capacity (36% of WA local governments undertake limited or no strategic planning and 81% of WA local governments undertake limited or no planning for asset maintenance and renewal)

The Local Government Reform Strategy is aimed at achieving fewer but stronger local governments with the capacity to operate at best practice levels and to deliver optimal services to communities throughout Perth and regional Western Australia. Ongoing involvement from stakeholders and the local government sector is critical to the successful implementation of reform.

Capacity building initiatives are essential to system wide improvement within the sector. These initiatives will be rolled out over 2010 and 2011 and will focus on building integrated strategic planning capacity and asset and financial management knowledge and systems. They will deliver a huge opportunity for local governments to ensure their viability into the future.

Business Plan templates are providing a common and rigorous standard to the assessment by local governments of future opportunities for amalgamation and service collaboration. Significantly 22 local governments will progress an analysis of costs and options on how local government services are best delivered in remote Aboriginal communities.

## MULTICULTURAL INTERESTS

Of all States and Territories, Western Australia has the largest proportion born overseas, with more than half a million residents or 27% of the population born overseas. People from more than 200 different countries live, work and study in Western Australia, speaking as many as 270 languages and identifying with more than 100 religious faiths. This diversity brings with it many benefits as well as challenges.

The benefits of cultural and linguistic diversity are significant bringing economic growth, cultural networks and social capital to Western Australia.

## Significant Issues Impacting the Agency [Cont.]

The economic benefits of multiculturalism include job creation, support of trade, diversification and enhancement of the skill level of the population, improved economies of scale and the fostering of innovation and flexibility in the labour force. Business and skilled migrants are a leading source of new capital, business establishment, export income and employment generation. The inflow of migrants and temporary workers in 2009 was one of the biggest contributors to Australia's superior performance during the global economic downturn.

To sustain the State's economic growth, reliance on migration, particularly in meeting skills shortages, is critical. The State Government is taking a strategic approach to the needs of people who come to WA with the assets of international experience, networks, languages and creativity.

The Office of Multicultural Interests (OMI) provides leadership on multiculturalism and engages with the public sector, the Western Australian community and businesses to create partnerships for an inclusive and productive society.

People from culturally and linguistically diverse (CaLD) backgrounds may face systemic barriers in accessing equitable services. These barriers restrict the capacity of individuals to settle successfully, gain employment and participate fully in WA's society.

OMI works with Government agencies to ensure that services are culturally appropriate and respond to the needs of all community members.

# Independent Audit Opinion



## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

#### **DEPARTMENT OF LOCAL GOVERNMENT FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010**

I have audited the accounts, financial statements, controls and key performance indicators of the Department of Local Government.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes, including Administered transactions and balances.

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

#### **Director General's Responsibility for the Financial Statements and Key Performance Indicators**

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. This document is available on the OAG website under "How We Audit".

An audit does not guarantee that every amount and disclosure in the financial statements and key 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 key performance indicators.



**Department of Local Government**  
**Financial Statements and Key Performance Indicators for the year ended 30 June 2010**

**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 at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key 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 2010.



COLIN MURPHY  
AUDITOR GENERAL  
8 September 2010

# Financial Statements

## DISCLOSURES AND LEGAL COMPLIANCE

For the Year Ended 30 June 2010

### *CERTIFICATION OF FINANCIAL STATEMENTS*

The accompanying financial statements of Department of Local Government have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2010 and the financial position as at 30 June 2010.

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



Les Nagy

**CHIEF FINANCE OFFICER**

30 August 2010



Jennifer Mathews

**ACCOUNTABLE AUTHORITY**

30 August 2010

# Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$000
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expense	6	10,815
Supplies and services	7	3,345
Depreciation and amortisation expense	8	72
Accommodation expenses	9	1,791
Grants and subsidies	10	8,734
Other expenses	11	1
<b>TOTAL cost of services</b>		<u>24,758</u>
<b>Income</b>		
<b>Revenue</b>		
Commonwealth grants and contributions	12	197
Other grants and contributions	13	138
User chargers and fees	14	9
Other revenue	15	62
<b>Total revenue</b>		<u>406</u>
<b>Total income other than income from State Government</b>		<u>406</u>
<b>NET COST OF SERVICES</b>		<u>24,352</u>
<b>INCOME FROM STATE GOVERNMENT</b>	16	
Service appropriation		16,810
Royalties for Regions		6,175
Resources received free of charge		327
<b>Total income from State Government</b>		23,312
<b>DEFICIT FOR THE PERIOD</b>		<u>(1,040)</u>
<b>Other comprehensive income</b>		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>(1,040)</u>

Refer to the 'Schedule of Income and Expenses by Service'. The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

For the Year Ended 30 June 2010

	Note	2010 \$000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	26	16,665
Restricted cash and cash equivalents	17	27,953
Receivables	18	1,660
Amounts receivable for services	19	103
<b>Total Current Assets</b>		<u>46,381</u>
<b>Non-Current Assets</b>		
Restricted cash and cash equivalents	17	143
Amounts receivable for services	19	531
Property, plant and equipment	20	75
Intangible assets	21	30
<b>Total Non-Current Assets</b>		<u>779</u>
<b>TOTAL ASSETS</b>		<u>47,160</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	23	28,507
Provisions	24	2,010
<b>Total Current Liabilities</b>		<u>30,517</u>
<b>Non-Current Liabilities</b>		
Provisions	24	379
<b>Total Non-Current Liabilities</b>		<u>379</u>
<b>Total Liabilities</b>		30,896
<b>NET ASSETS</b>		<u>16,264</u>
<b>EQUITY</b>	25	
Contributed equity		-
Accumulated surplus		16,264
<b>TOTAL EQUITY</b>		<u>16,264</u>

Refer to the 'Schedule of Assets and Liabilities by Service'. The Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the Year Ended 30 June 2010

2010	Note	Contributed equity \$000	Accumulated surplus / (deficit) \$000	Total equity \$000
<b>Opening balance at 1 July 2009</b>	25	599	47,212	47,811
Total Comprehensive income for the year			(1,040)	(1,040)
Transactions with owners in their capacity as owners:				
Distributions to owners		(30,507)	-	(30,507)
Transfer to accumulated surplus		29,908	(29,908)	-
Total		-	16,264	16,264
<b>Balance at 30 June 2010</b>		-	<u>16,264</u>	<u>16,264</u>

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

# Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriation		16,771
Holding account drawdown		103
Royalties for Regions fund		6,175
Distribution of cash to owners		(8,756)
<b>Net cash provided by State Government</b>		<u>14,293</u>
<b>Utilised as follows:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits		(11,620)
Supplies and services		(3,335)
Accommodation		(1,786)
Grants and subsidies		(32,771)
GST payments on purchases		<u>(3,720)</u>
<b>Receipts</b>		
Other receipts		718
Receipts from Commonwealth		187
GST receipts from Australian Taxation Office		15,591
GST receipts on sales		112
<b>Net cash provided by/(used in) operating activities</b>	26	<u>(36,624)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current physical assets		(52)
<b>Net cash provided by/(used in) investing activities</b>		(52)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(22,383)
Cash and cash equivalents at the beginning of period		67,144
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<u>44,761</u>

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

# Schedule of Income and Expenses by Service

For the Year Ended 30 June 2010

2010	Implementation of Government Policy \$000	Local Government Support and Development \$000	Monitoring of Local Governments \$000	Promotion and Support of multiculturalism in Western Australia \$000	Total \$000
<b>COST OF SERVICES</b>					
<b>Expenses</b>					
Employee benefits expense	2,252	4,049	1,805	2,709	10,815
Supplies and services	642	1,288	382	1,033	3,345
Depreciation and amortisation expense	16	27	15	14	72
Accommodation expenses	343	584	306	558	1,791
Grants and subsidies	10	7,637	3	1,084	8,734
Other expenses	-	1	-	-	1
<b>Total cost of services</b>	<u>3,263</u>	<u>13,586</u>	<u>2,511</u>	<u>5,398</u>	<u>24,758</u>
<b>Income</b>					
<b>Revenue</b>					
Commonwealth grants and contributions	-	197	-	-	197
Other grants and contributions	-	-	38	100	138
User charges and fees	9	-	-	-	9
Other revenue	(9)	(5)	39	37	62
<b>Total income other than income from State Government</b>	--	<u>192</u>	<u>77</u>	<u>137</u>	<u>406</u>
<b>NET COST OF SERVICES</b>	<u>3,263</u>	<u>13,394</u>	<u>2,434</u>	<u>5,261</u>	<u>24,352</u>

Note - This table continues onto the next page.

## Schedule of Income and Expenses by Service [Cont.]

2010	Implementation of Government Policy \$000	Local Government Support and Development \$000	Monitoring of Local Governments \$000	Promotion and Support of multiculturalism in Western Australia \$000	Total \$000
<b>Income from State Government</b>					
Service appropriation	3,721	6,371	3,330	3,388	16,810
Royalties for Regions Fund	1,369	2,335	1,224	1,247	6,175
Resources received free of charge	73	123	65	66	327
Total income from State Government	5,163	8,829	4,619	4,701	23,312
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<u>1,900</u>	<u>(4,565)</u>	<u>2,185</u>	<u>(560)</u>	<u>(1,040)</u>

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



# Schedule of Assets and Liabilities by Service

For the Year Ended 30 June 2010

2010	Implementation of Government Policy \$000	Local Government Support and Development \$000	Monitoring of Local Governments \$000	Promotion and Support of multiculturalism in Western Australia \$000	General - Not Attributed \$000	Total \$000
<b>ASSETS</b>						
Current assets	80	301	81	46	45,873	46,381
Non-current assets	173	294	155	157	-	779
<b>Total assets</b>	<u>253</u>	<u>595</u>	<u>236</u>	<u>203</u>	<u>45,873</u>	<u>47,160</u>
<b>LIABILITIES</b>						
Current Liabilities	532	6,539	463	619	22,364	30,517
Total non-current liabilities	91	128	76	84	-	379
<b>Total liabilities</b>	<u>623</u>	<u>6,667</u>	<u>539</u>	<u>703</u>	<u>22,364</u>	<u>30,896</u>
<b>NET ASSETS</b>	<u>(370)</u>	<u>(6,072)</u>	<u>(303)</u>	<u>(500)</u>	<u>23,509</u>	<u>16,264</u>

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

# Summary of Consolidated Account Appropriations and Income Estimate

For the Year Ended 30 June 2010

	2010 Estimate \$000	2010 Actual \$000	Variance \$000
<b>DELIVERY SERVICES</b>			
Item 103 Net amount appropriated to deliver services	16,637	16,586	(51)
Section 25 transfer of service appropriation	-	-	-
Royalties for Regions Fund	100,000	6,175	(93,825)
Amount Authorised by Other Statutes			
- Salaries and Allowances Act 1975	224	224	-
<b>Total appropriations provided to deliver services</b>	<u>116,861</u>	<u>22,985</u>	<u>(93,876)</u>
<b>CAPITAL</b>			
Capital appropriations	-	-	-
<b>ADMINISTERED TRANSACTIONS</b>			
Item 104 Administered grants, subsidies and other transfer payments	250	250	-
<b>Total Administered Transactions</b>	<u>250</u>	<u>250</u>	
<b>GRAND TOTAL</b>	<u>117,111</u>	<u>23,235</u>	<u>(93,876)</u>
<b>DETAILS OF EXPENSES BY SERVICE</b>			
Implementation of Government Policy	2,769	3,263	494
Local Government Support and Development	106,740	13,586	(93,154)
Monitoring of Local Governments	3,001	2,511	(490)
Promotion and Support of Multiculturalism	4,604	5,398	794
<b>Total Cost of Services</b>	117,114	24,758	(92,356)
Less: total income	(205)	(406)	(201)
Net Cost of Services	116,909	24,352	(92,557)
Adjustments	(48)	(1,367)	(1,319)
<b>Total appropriations provided to deliver services</b>	<u>116,861</u>	<u>22,985</u>	<u>(93,876)</u>
<b>CAPITAL EXPENDITURE</b>			
Purchase of non-current physical assets	135	52	(83)
Adjustment for other funding sources	(135)	(52)	83
<b>Capital appropriations</b>	-	-	-

# Summary of Consolidated Account Appropriations and Income Estimate [Cont.]

	2010 Estimate \$000	2010 Actual \$000	Variance \$000
<b>DETAILS OF INCOME ESTIMATES</b>			
Income disclosed as Administered income	<u>250</u>	<u>250</u>	-

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

# Notes to the Financial Statements

## DEPARTMENT 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 the Funds through which the Department controls resources to carry on its functions.

## 1. AUSTRALIAN ACCOUNTING STANDARDS

### General

The Department's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Department has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

### Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI1101 Application of Australian Accounting Standards and Other Pronouncements*. No Standards and Interpretations that have been issued or amended but not operative have been early adopted by the Department for the annual reporting period ended 30 June 2010.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with 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 wording.

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

Where modification is required and has had 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.

# Notes to the Financial Statements [Cont.]

## **(b) Basis of Preparation**

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

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

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

The judgements that have been made in the process of applying the Department's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed at note 4 'Key sources of estimation uncertainty'.

## **(c) Reporting Entity**

The reporting entity comprises Department of Local Government.

### **Mission**

To promote sustainable local government and strong and vibrant regions.

The Department is predominantly funded by Parliamentary appropriations.

### **Services**

The Department provides the following services:

#### **SERVICE 1:**

##### **Implementation of government policy**

Provide the Minister and Government with quality information advice on local government issues.

#### **SERVICE 2:**

##### **Local Government Support and Development**

Provide advice, information and support to local governments.

#### **SERVICE 3:**

##### **Monitoring of Local Government**

Monitor the compliance of local governments with legislative and regulatory requirements.

# Notes to the Financial Statements [Cont.]

## SERVICE 4:

### Promotion and Support of Multiculturalism in Western Australia

Promote the ideals of multiculturalism to public sector agencies and the community. Develop and influence policies that reflect the principles of Multiculturalism.

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 principle financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 37 'Disclosure of administrated expenses and income' and note 38 'Administered assets and liabilities'.

### (d) Contributed Equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, 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 appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non discretionary and non reciprocal.

### (e) Income

#### Revenue recognition

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 transfer to the purchaser and can be measured reliably.

#### *Provision of services*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

#### *Service Appropriations*

Service Appropriations are recognised as revenues at nominal value 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 bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

# Notes to the Financial Statements [Cont.]

## *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2009 - 2010 Budget Statements, the Department retained \$0.406million in 2010 from the following:

- Proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions; and
- 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, 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.

Royalties for Regions of funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited in to the Department's bank account.

## *Gains*

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

## **(f) Property, plant and equipment and infrastructure**

### **Capitalisation/Expensing of assets**

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income.

### **Initial recognition and measurement**

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

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

### **Subsequent measurement**

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

## *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.



# Notes to the Financial Statements [Cont.]

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

Asset Class	Useful Life
Computer Hardware	3 years
Office Equipment	5 - 10 years
Plant and Machinery	5 - 10 years

## (g) Intangible Assets

### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

The expected useful lives for each class of intangible asset are:

- Licences up to 5 years

### Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

## (h) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

# Notes to the Financial Statements [Cont.]

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

## **(i) Leases**

The Department holds operating leases for head office and a number of branch office buildings. 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.

## **(j) Financial Instruments**

In addition to cash and bank overdraft, the Department has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
  - Amounts receivable from services
- Financial Liabilities
  - Payables

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.

# Notes to the Financial Statements [Cont.]

## **(k) Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

## **(l) Accrued Salaries**

Accrued salaries [*refer to note 23 'Payables'*] represent the amount due to staff but unpaid at the end of the financial year, as the pay date for 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.

The accrued salaries suspense account [*refer to note 17 'Restricted cash and cash equivalents'*] consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet an additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

## **(m) 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 leave entitlements and asset replacement.

## **(n) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. 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.

## **(o) Payables**

Payables are recognised at the amounts payable 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.

## **(p) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

# Notes to the Financial Statements [Cont.]

## Provisions - Employee Benefits

### *Annual Leave and Long Service Leave*

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

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

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

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

### *Superannuation*

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

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 under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Department to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. 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 and GESBS Schemes.

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

# Notes to the Financial Statements [Cont.]

## 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. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

### **(q) Superannuation Expense**

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

### **(r) 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 income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from the Government in the Statement of Comprehensive Income.

### **(s) Comparative Figures**

In accordance with TI 949 (5)

*"Where an agency undergoes a restructure that results in significant changes to the activities and/or services it carries out, no comparative amounts for the preceding reporting period should be disclosed in the financial statements (including the notes) for the reporting period in which the changes occurred. The agency shall disclose by way of note the reason for the non-disclosure of comparative amounts in the financial statements".*

We have analysed the issue pertaining to the Department in accordance with the requirements of TI 949(5) for the reporting period 2009-2010.

At the inception of Royalties for Regions (R4R) in October 2008, the former Department of Local Government and Regional Development's (DLGRD) role was set to change. In the latter half of 2008-2009 Cabinet approved the formation of the Department of Regional Development and Lands (DRDL) effective from 1 July 2009. This change was all part of the overall Machinery of Government (MOG) initiatives that affected the former DLGRD.

# Notes to the Financial Statements [Cont.]

The following issues summarise the major MOG factors that affected the internal functions with restructuring:

1. The functions pertaining to regional development were transferred to DRDL with effect from 1 July 2009;
2. The designation of the DLGRD was altered to the DLG with effect from 1 July 2009;
3. Transfer of the Office of Multicultural Interests from Communities 1 March 2009;
4. Responsibilities to the Office of Heritage (separate annual report);
5. The public policy role of DLG is to build the strategic capability and to strengthen governance within the Local Government sector;
6. To reflect this change in focus there has been a restructure of the department, in particular with the executive levels;
7. A new strategic plan;
8. A new Outcome Based Management (OBM) structure (approved for the 2010-2011 Budget) to align with the strategic plan; and
9. The new structure completed in 2009-2010 supports the overall Local Government Reform Strategy.

## 3. *JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES*

The preparation of financial statements requires management to make judgements about the application of accounting policies that have significant effect on the amounts recognised in the financial statements. The Department evaluates these judgements regularly.

### **Operating lease commitments**

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

## 4. *KEY SOURCES OF ESTIMATION UNCERTAINTY*

The Department makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

### **Long Service Leave**

In calculating the Department's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

# Notes to the Financial Statements [Cont.]

## 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

### Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Department.

---

<b>AASB 101</b>	<i>Presentation of Financial Statements (September 2007)</i> . This standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
<hr/>	
<b>AASB 2007-10</b>	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i> . This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australia Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
<hr/>	
<b>AASB 2008-13</b>	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 &amp; AASB 110]</i> . This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Department where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department of Planning and Infrastructure). The Department does not expect any financial impact when the Standard is first applied prospectively.
<hr/>	
<b>AASB 2009-2</b>	<i>Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 &amp; AASB 1038</i> . This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

---



# Notes to the Financial Statements [Cont.]

## Future Impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *'Application of Australian Accounting Standards and Other Pronouncements'*. Consequently, the Authority has not applied early any following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

---

**AASB 2009-11** *Amendments to the Australia Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].*

The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Authority does not expect and financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

The operative for reporting periods beginning on/after 1 Jan 2013.

---

**AASB 1053** *Application of Tiers of Australian Accounting Standards*

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

The Standard does not have any financial impact on the Department. However it may affect disclosures in the financial statements of the Department if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.

The operative for reporting periods beginning on/after 1 July 2013.

---

**AASB 2010-2** *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

The Standard is not expected to have any financial impact on the Department. However this Standard may reduce some note disclosures in financial statements of the Department. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

The operative for reporting periods beginning on/after 1 July 2013.

---



# Notes to the Financial Statements [Cont.]

2010  
\$000

## 6. EMPLOYEE BENEFITS EXPENSE

Wages and salaries <sup>(a)</sup>	8,821
Superannuation – defined contribution plans <sup>(b)</sup>	900
Long service leave <sup>(c)</sup>	249
Annual leave <sup>(c)</sup>	725
Other related expenses	135
Employment on-costs <sup>(d)</sup>	(15)
	<u>10,815</u>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(c) Includes a superannuation contribution component

(d) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included in note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 7. SUPPLIES AND SERVICES

Consultants and contractors	1,865
Resources received free of charge	327
Travel	201
Printing and Advertising	96
Insurance	45
Repairs and maintenance	84
Communication	106
Consumables	156
Other	465
	<u>3,345</u>

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 8. DEPRECIATION AND AMORTISATION EXPENSE

<b>Depreciation</b>	
Office equipment and furniture	35
Computer Hardware	34
<b>Total depreciation</b>	<u>69</u>
<b>Amortisation</b>	
Intangible assets	3
<b>Total amortisation</b>	<u>3</u>
<b>TOTAL depreciation and amortisation</b>	<u>72</u>

## 9. ACCOMMODATION EXPENSES

Lease rentals	1,776
Other	15
	<u>1,791</u>

## 10. GRANTS AND SUBSIDIES

<b>Recurrent</b>	
Country Local Government Fund	4,605
Local Government Grants	2,502
Office of Multicultural Interests	1,055
Others	572
	<u>8,734</u>

## 11. OTHER EXPENSES

Loss on disposal of assets	1
----------------------------	---

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 12. COMMONWEALTH GRANTS AND CONTRIBUTIONS

Recurrent	<u>197</u>
-----------	------------

## 13. OTHER GRANTS AND CONTRIBUTIONS

Department of Premier and Cabinet	100
Department of Planning and Infrastructure	38
	<u>138</u>

## 14. USER CHARGES AND FEES

Scientific permits	<u>9</u>
--------------------	----------

## 15. OTHER REVENUE

Other revenue	<u>62</u>
---------------	-----------

## 16. INCOME FROM STATE GOVERNMENT

Appropriation received during the year:	
Service appropriations <sup>(a)</sup>	<u>16,810</u>
Resources received free of charge <sup>(b)</sup>	
Determined on the basis of the following estimates provides by agencies:	
- Crown Solicitors Office	<u>327</u>
Royalties for Regions Fund:	
- Country Local Government Fund <sup>(c)</sup>	6,175
	<u>23,312</u>

# Notes to the Financial Statements [Cont.]

2010  
\$000

- (a) Service appropriations are accrual amounts reflecting the net 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) Where assets or services have been received free of charge or for nominal cost, the Department recognises revenue equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contributions of assets or services are in the nature of contributions by owners, the Department makes an adjustment directly to equity.
- (c) This is a sub-fund within the over-acting 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

## 17. RESTRICTED CASH AND CASH EQUIVALENTS

### Current

Royalties for Regions Fund (a)	5,940
Pending Section 21 transfer to Regional Development and Lands	22,001
Special purpose accounts (refer to Note 35 [Special purpose accounts])	12
	<u>27,953</u>

- (a) These unspent funds are committed to projects and programs in WA regional areas.

### Non-current

Accrued salaries suspense account (b)	143
	<u>143</u>

- (b) 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.

## 18. RECEIVABLES

### Current

Receivables	1,621
GST receivable	39
<b>Total current</b>	<u><b>1,660</b></u>

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 19. AMOUNT RECEIVABLE FOR SERVICES

Current	103
Non-Current	531
	<u>634</u>

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

## 20. PROPERTY, PLANT AND EQUIPMENT

### Computer Hardware

At cost	187
Accumulated depreciation	(147)
	<u>40</u>

### Office equipment

At cost	125
Accumulated depreciation	(96)
	<u>29</u>

### Plant and machinery

At cost	44
Accumulated depreciation	(38)
	<u>6</u>
	<u>75</u>

## Notes to the Financial Statements [Cont.]

Reconciliation of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out in the table below.

2010	Computer Hardware \$000	Office equipment \$000	Plant and machinery \$000	Total \$000
Carrying amount at start of year	67	74	-	141
Additions	7	12	6	25
Transfers	-	(22)	-	(22)
Other disposals	-	-	-	-
Depreciation	(34)	(35)	-	(69)
<b>Carrying amount at end of year</b>	<b><u>40</u></b>	<b><u>29</u></b>	<b><u>6</u></b>	<b><u>75</u></b>

2010  
\$000

### 21. INTANGIBLE ASSETS

#### Licenses

At cost	33
Accumulated depreciation	(3)
	<u>30</u>

#### Reconciliation:

Carrying amount at start of year	-
Additions	33
Transfers	-
Other disposals	-
Amortisation	(3)
<b>Carrying amount at end of year</b>	<b><u>30</u></b>

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 22. IMPAIRMENT OF ASSETS

There were no indications of impairment to property, plant and equipment at 30 June 2010.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period, and at the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2010 have either been classified as assets held for sale or written-off.

## 23. PAYABLES

### Current

Trade payables	6,304
Cash balance payable to DRDL	22,001
Accrued salaries	188
Other	14
<b>Total current</b>	<b><u>28,507</u></b>

## 24. PROVISIONS

### Current

#### *Employee benefits provision*

Annual leave <sup>(a)</sup>	779
Long service leave <sup>(b)</sup>	1,064
	<u>1,843</u>

#### *Other provisions*

Employment on-costs <sup>(c)</sup>	161
Purchased Leave	6
	<u>167</u>
	<u>2,010</u>

# Notes to the Financial Statements [Cont.]

	2010 \$000
<b>Non-current</b>	
<i>Employee benefits provision</i>	
Long service leave <sup>(b)</sup>	<u>353</u>
<i>Other provisions</i>	
Employment on-costs <sup>(c)</sup>	26
	<u>379</u>
(a) Annual leave liabilities have been classified as current as there is no conditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:	
Within 12 months of the end of the reporting period	477
More than 12 months after the reporting period	302
	<u>779</u>
(b) Long services leave liabilities have been classified as current as there is no conditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:	
Within 12 months of the end of the reporting period	582
More than 12 months after the reporting period	835
	<u>1,417</u>
(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, apart from unwinding of discount (finance cost), is disclosed in note 6 'Employee benefits expense'.	

## Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

## Employment on-cost provisions

Carrying amount at start of year	196
Additional provisions recognised	
Payments/other sacrifices of economic benefit	(9)
Unwinding of the discount	
<b>Carrying amount at end of year</b>	<u>187</u>



# Notes to the Financial Statements [Cont.]

2010  
\$000

## 25. EQUITY

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community.

### Contributed equity

Balance at start of period	599
----------------------------	-----

### Distributions to owners

Transfer of net assets to other agencies	(30,507)
--	----------

Transfer from accumulated surplus	29,908
-----------------------------------	--------

<b>Balance at end of period</b>	<b>-</b>
---------------------------------	----------

### Accumulated surplus/(deficit)

Balance at start of year	47,212
--------------------------	--------

Transfer to contributed equity	(29,908)
--------------------------------	----------

Result for the period	(1,040)
-----------------------	---------

<b>Balance at end of year</b>	<b><u>16,264</u></b>
-------------------------------	----------------------

## 26. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	16,663
---------------------------	--------

Cash on hand	2
--------------	---

Restricted cash and cash equivalents	28,096
--------------------------------------	--------

[Refer to note 17 'Restricted cash and cash equivalents']	
	<b><u>44,761</u></b>

# Notes to the Financial Statements [Cont.]

	2010 \$000
<b>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>	
Net cost of services	(24,352)
<b>Non-cash items:</b>	
Depreciation and amortisation expense (note 8)	72
Resources received free of charge (note 16)	327
<b>(Increase)/decrease in assets:</b>	
Current receivables <sup>(c)</sup>	(787)
<b>Increase/(decrease) in liabilities:</b>	
Current payables <sup>(c)</sup>	(23,414)
Current provisions	(96)
Other liabilities	(418)
Non-current provisions	(424)
Net GST receipts <sup>(a)</sup>	11,983
Change in GST in receivables/payables <sup>(b)</sup>	485
<b>Net cash provided by/(used in) operating activities</b>	<b>(36,624)</b>
(a) This is net GST paid/received ie. Cash transactions.	
(b) This reverses out the GST in receivables and payables.	
(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect to sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.	

## 27. RESOURCES PROVIDED FREE OF CHARGE

No resources were provided free of charge.

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 28. COMMITMENTS

### Lease commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Within 1 year	1,411
Later than 1 year not later than 5 years	2,707

### Representing:

Cancellable operating leases	181
Non-cancellable operating leases	3,937
	<u>4,118</u>

## 29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### Contingent liabilities

In addition to the assets and liabilities included in the financial statements, the Department has no contingent assets or liabilities as at 30 June 2010.

## 30. INDIAN OCEAN TERRITORIES

The Agreement, pursuant to Section 23 of the Financial Management 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.

Opening balances	(11)
Plus: Gross revenues	197
	<u>186</u>
Less: Gross expenditures	<u>(144)</u>
Closing balances	<u>42</u>

# Notes to the Financial Statements [Cont.]

## 31. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below: Significant variations are considered to be those greater than 10% or \$100,000.

	2010 Estimate \$000	2010 Actual \$000	Variance \$000
<b>Significant variances between estimate and actual for 2010</b>			
Total appropriations provided to deliver services:			
<b>Total appropriations provided to deliver services for the year</b>	16,861	16,810	(51)
<b>Royalties for Regions</b>	100,000	6,175	(93,825)
The variation in funding for Royalties for Regions is attributable to the deferral of spending as part of the mid-year review corrective measures.			
Implementation of Government Policy	2,769	3,263	494
Local Government Support and Development	106,740	13,586	(93,154)
Monitoring of Local Governments	3,001	2,511	(490)
Promotion and Support of Multiculturalism in Western Australia	4,604	5,398	794
	<u>117,114</u>	<u>24,758</u>	<u>(92,356)</u>
The variation in spending is due to the deferral of spending as part of the mid-year review corrective measures.			

# Notes to the Financial Statements [Cont.]

## 32. FINANCIAL INSTRUMENTS

### **(a) Financial risk management objective and policies**

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

#### **Credit risk**

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at note 32(c) 'Financial disclosures' and note 18 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of reporting period there were no significant concentrations of credit risk.

#### **Liquidity risk**

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

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

#### **Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department's exposure to market risk for changes in interest rates.

The Department is not exposed to interest rate risk because all cash and cash equivalents and restricted cash are non-interest bearing and the Department does not have any borrowings.

# Notes to the Financial Statements [Cont.]

## (b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2010 \$000
Financial Assets	
Cash and cash equivalents	16,665
Restricted cash and cash equivalents	28,096
Loans and receivables <sup>(a)</sup>	2,255
Financial Liabilities	
Financial liabilities measured at amortised cost	28,507
(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable)	

## (c) Financial instruments disclosures

### Credit risk and interest rate exposures

The following table disclose the Department's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

# Notes to the Financial Statements [Cont.]

## Interest rate exposures and ageing analysis of financial assets

NON-INTEREST BEARING	
<b>2010</b>	
<i>Financial Assets</i>	
Cash and cash equivalents	16,665
Restricted cash and cash equivalents	28,096
Receivables <sup>(a)</sup>	1,621
Amounts receivable for services	634
	<u>47,016</u>
 (a) The amount of loans and receivables excluded GST recoverable from the ATO (statutory receivable)	
<i>Financial Liabilities</i>	
Payables	28,507
	<u>28,507</u>

There is no amount past due but not impaired.

The payables are interest free and due for maturity within 3 months from year end.

### ***Fair Values***

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

### ***Interest rate sensitivity analysis***

The Department is not required to conduct an analysis as it has no interest bearing assets or liabilities.

# Notes to the Financial Statements [Cont.]

## 33. REMUNERATION OF SENIOR OFFICERS

The number of senior officers on **Corporate Executive** during the financial year whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

\$	No. of Officers	2010 \$000
\$20,001 - 30,000	1	
\$30,001 - 40,000	2	
\$50,001 - 60,000	1	
\$70,001 - 80,000	1	
\$100,001 - 110,000	1	
\$120,001 - 130,000	2	
\$130,001 - 140,000	-	
\$250,001 - 260,000	1	
<b>Total remuneration of senior officers</b>		<b><u>831</u></b>

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.

	2010 \$000
--	---------------

## 34. REMUNERATION OF AUDITOR

Remuneration payable to the Auditor General in respect to the audit for the current financial years is as follows:

Auditing the accounts, financial statements and performance indicators	<b><u>47</u></b>
--	------------------



# Notes to the Financial Statements [Cont.]

2010  
\$000

## 35. SPECIAL PURPOSE ACCOUNTS

### Special Purpose Account – section 16 (1)(c) of FMA

#### Local Government Scholarship Scheme Trust Fund

The purpose of the trust account is to hold funds for the purpose of awarding scholarships to local government officers for attendance at the managerial study courses.

Balance at the start of the year	15
Receipts	25
Payments	(28)
<b>Balance at the end of the year</b>	<b><u>12</u></b>

## 36. SUPPLEMENTARY FINANCIAL INFORMATION

### (a) Write-offs

There were no amounts written off during the financial year.

## 37. ADMINISTERED EXPENSES AND INCOME

### COST OF SERVICES

#### Expenses

Grants and subsidies	250
<b>Total administered expenses</b>	<b><u>250</u></b>

#### Income

Appropriations	250
<b>Total administered income</b>	<b><u>250</u></b>

# Notes to the Financial Statements [Cont.]

2010  
\$000

## 38. ADMINISTERED ASSETS AND LIABILITIES

### Current Assets

Restricted cash and cash equivalents	3,784
--------------------------------------	-------

<b>Total administered Current Assets</b>	<b>3,784</b>
--	--------------

<b>TOTAL ADMINISTERED ASSETS</b>	<b>3,784</b>
----------------------------------	--------------

### Current Liabilities

Other payables	3,784
----------------	-------

<b>Total administered Current Liabilities</b>	<b>3,784</b>
---	--------------

<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>3,784</b>
---------------------------------------	--------------

## 39. EVENT OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no events occurring after the balance sheet date that the Department is aware of as at the date of this report.

# Certification of Key Performance Indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Local Government's performance, and fairly represent the performance of the Department of Local Government for the financial year ended 30 June 2010.



Jennifer Mathews

**DIRECTOR GENERAL**

30 August 2010

# Key Performance Indicators

## RELATIONSHIP TO GOVERNMENT GOALS

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcome, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Stronger Focus on the Regions.  Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	An increased capacity of communities to develop good government, economic growth and social wellbeing.  A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.	1. Implementation of Government Policy 2. Local Government Support and Development 3. Monitoring of Local Governments  4. Promotion and Support of Multiculturalism in Western Australia

### Role of the Department

The Department of Local Government is the State agency responsible for promoting and fostering strong, sustainable local government. The Department provides leadership and advice to local governments throughout Western Australia. It also has a key role in promoting and supporting good governance in the sector, through its administration and enforcement of the Local Government Act 1995.

The Office of Multiculturalists Interests is an important Division of the Department, particularly as Western Australia is the most culturally diverse State in Australia. The Office of Multicultural Interests co-ordinates the development of State Government policies and program to promote multiculturalism and improve services to better meet the needs of West Australians from diverse, cultural and religious backgrounds.

The Department also has administrative responsibility for the Office of Heritage which operates within the Corporate structure of the Department for administrative and governance purposes. The Office of Heritage provides support to the Heritage Council which is an independent statutory authority that is the State's advisory body on heritage matters. The Heritage Council provides for and encourages the conservation of places with cultural heritage significance to Western Australia.

# Key Performance Indicators [Cont.]

## COMPARATIVES

No comparatives are provided due to the following restructuring:

1. The functions pertaining to regional development transferred to DRDL with effect from 1 July 2009;
2. The designation of the DLGRD was altered to the DLG with effect from 1 July 2009.

## OUTCOMES AND EFFECTIVENESS INDICATORS

	2009-10 Target	2009-10 Actual	Comment
<b>Outcome: An increased capacity of communities to develop good government, economic growth and social wellbeing.</b>			
Ministerial office satisfaction with policy and legislative advice.	80%	86%	
Client satisfaction with information and services.	80%	77%	
Conclusions drawn from departmental investigations are substantially accepted by the appropriate authority.	85%	57%	See note 1
<b>Outcome: A Western Australian public sector which recognises that Western Australian's play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.</b>			
Extent to which the principles of multiculturalism are accepted and practised in Western Australia.	65%	88%	
Extent to which policies and practices of public sector agencies and reflect the principles of multiculturalism.	75%	71%	

Note 1 - This indicator is calculated from two areas – boundary changes, and inquiry and investigation reports. These issues can vary greatly in the degree of complexity, from minor issues which can be resolved informally, through to major issues which are resolved through a formal inquiry process (including local consultation for boundary changes) and a formal report to the Minister.

# Key Performance Indicators [Cont.]

## EFFECTIVENESS MECHANISM – CLIENT SURVEY (SBM)

Assessment of the effectiveness of the Department's services must rely considerably upon the views and perceptions of the recipients. The Department views an annual client survey as an appropriate mechanism for assessing the impact of its advice and support services on its clients.

For 2009-2010 the Department of Local Government and the Office of Multicultural Interests (OMI) commissioned independent contractor, Advantage Communications, to undertake client surveys on its behalf, with results that had to be comparable with those of previous years.

### METHODOLOGY

For consistency in reporting, the contractors used the survey questionnaires developed in previous periods, with some slight modifications.

It was considered important that the surveys reflect client attitudes towards service delivered in the 2009-2010 financial year. Consequently, responses were elicited from those respondents that had experienced dealings with the Department or OMI in the preceding 12 months.

Clients were provided with an advice letter together with an advance copy of the questionnaire allowing them to respond by reply paid mail, by fax, by email, or by waiting to be contacted by an interviewer during the following weeks. Telephone interviews were conducted with those clients who had not responded by the cut-off date.

The Department of Local Government survey covered the target groups of the current Minister, Local Government and Regional Council CEOs.

A total of 124 surveys were completed from the population of 153 clients. This is a response rate of 81% and gives a maximum standard error ratio of +/-3.8% at the 95% confidence level. Figure 2 below breaks the response rate down by client type.

For the Office of Multicultural Interests, the client survey canvasses the perceptions of members of the community (including local government representatives) and State Government public sector agencies in respect of the achievement of each of the four principles of multiculturalism – civic values, fairness, equality and participation.

A total of 209 surveys were completed from the population of 302 clients. This is a response rate of 73% for CaLD clients and 61% for public sector agencies, and a sampling error at 95% confidence level of +/- 4.3% and +/- 7.5% respectively.

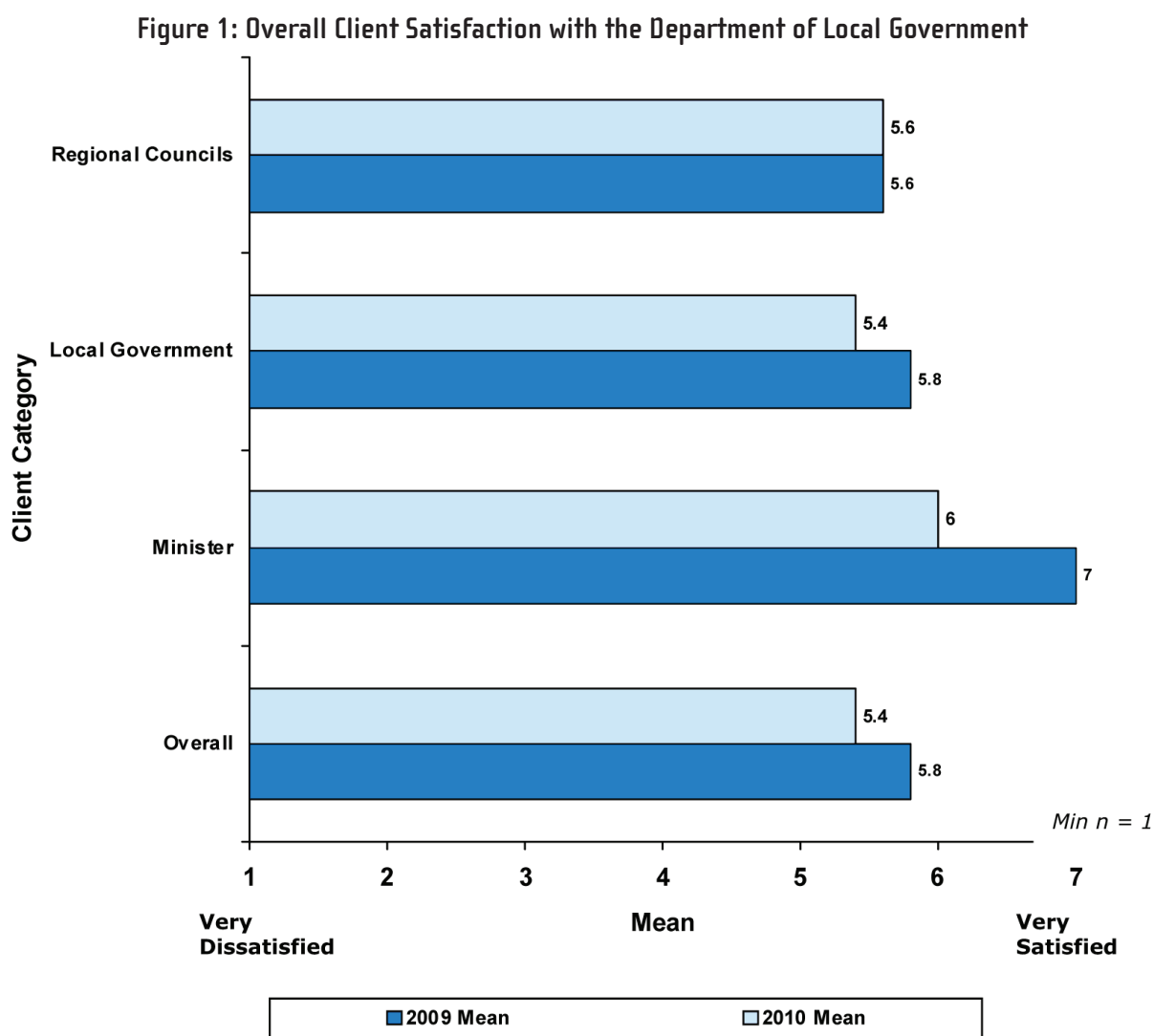
# Key Performance Indicators [Cont.]

## FINDINGS

The Office of Multicultural Interests (OMI) survey found that public sector representatives are more likely to report that their agencies' policies and practices are in keeping with the principles of multiculturalism (87.5%) than are CaLD community respondents (70.7%) when asked if these principles are in evidence in their dealings with the public sector. However, higher KPIs than last year and low 'negative' responses for both customer groups indicate that there is a high level of awareness and satisfaction with OMI's key activities and programs and that it continues to perform well at promoting the ideals of multiculturalism.

Figure 1 shows the overall mean score of satisfaction with the Department of Local Government, excluding OMI, for the total population (all the client groups averaged together) and the three separate audiences for the 2009 and 2010 survey reports. 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, the survey shows that clients are generally satisfied with the level of service provided by the Department, with all client groups returning average ratings well within the satisfied range. Compared to the ratings last year, there have only been minor variations in client responses.



## Key Performance Indicators [Cont.]

Figure 2: Summary of Sample Response Rates and Survey Error

Client Type	Population	Returned Sample	Response Rate	Associated Sample Error
Local Governments	141	112	74%	$\pm 4.2\%$
Regional Councils	11	11	100%	-
Ministerial contact (current minister)	1	1	100%	-
<b>Total</b>	<b>153</b>	<b>124</b>	<b>81%</b>	<b><math>\pm 3.8\%</math></b>
CaLD (Culturally and Linguistically Diverse Communities)	192	140	73%	$\pm 4.3\%$
Public Sector Agencies	110	69	61%	$\pm 7.5\%$



# Key Performance Indicators [Cont.]

## EFFICIENCY INDICATORS

	2009-10 Target	2009-10 Actual	Variation
<b>Service 1: Implementation of Government Policy</b>			
<b>Key Efficiency Indicators:</b>			
• Average costs per piece of written advice requiring Minister's attention.	\$2,230	\$889	Higher number of Ministerial correspondence than expected.
• Average cost of legislative amendments drafted.	\$33,111	\$37,452	Estimated expenses were lower than actual.
<b>Service 2: Local Government Support and Development</b>			
<b>Key Efficiency Indicators:</b>			
• Average internal cost of Commonwealth Local Government Grant Determinations.	\$4,020	\$3,619	
• Average cost per Country Local Government of support grant management and capacity building under the Country Local Government Fund.	\$4,543	\$4,535	
<b>Service 3: Monitoring of Local Governments</b>			
<b>Key Efficiency Indicators:</b>			
• Average cost per inquiry and investigation	\$2,045	\$1,665	Number of inquiries and investigations were higher than estimated.
• Average cost for monitoring each Local Government	\$3,724	\$5,799	Estimated expenses were lower than actual.
• Average cost per dealing with an application for boundary change	\$15,481	\$14,910	
<b>Service 4: Promotion and support of Multiculturalism in Western Australia</b>			
<b>Key Efficiency Indicators</b>			
• Average costs per policy project/initiative for Multiculturalism	\$35,876	\$38,529	Estimated expenses were lower than actual.

## MINISTERIAL DIRECTIVES

Treasurer's Instruction 903(12) requires the Department to disclose information on any Ministerial directives. The Minister for Local Government did not issue any directives on Department of Local Government operations during 2009-2010.

# Other Financial Disclosures

## PRICING POLICIES OF SERVICES PROVIDED

The Department does not provide cost recoverable services.

## CAPITAL WORKS

No capital projects were completed during 2009-2010.

## CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no Senior Officers, or firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interests in existing or proposed contracts with the Department and Senior Officers

## SUMMARY OF EMPLOYEES

	2010 \$000
Number of employees	122
Permanent Full Time	83
Contract Full Time	35
Part Time – Permanent and Contract	4
Seconded Out	11
Seconded In	9
Employees under 25 years (youth) {%}	6.5%
Employees over 45 years (mature workers) {%}	44.02%
Women in the workforce {%}	61%
Women in executive senior management {%}	9.01%
Indigenous Australian employees	2.8%
Employees from culturally diverse backgrounds {%}	26.22%
Employees with disabilities {%}	7.5%
Note "{%}" represents the category as a percentage of the total number of employees.	

## Other Financial Disclosures [Cont.]

### REVIEWING OUR HUMAN RESOURCE POLICIES

During 2009-2010 a review of all major human resources policies continued. The review will ensure we meet not only best practice standards, but also "best fit". Our revised policies will aim to help attract and retain quality staff by providing a workplace that is healthy and safe, free from harassment and discrimination, and which allows employees to balance work and family commitments.

### INDUSTRIAL RELATIONS

The majority of Departmental staff are employed under the *Public Service General Agreement 2006*; one officer is employed under the *Salaries and Allowances Act 1975*.

# Governance Disclosures

## CONFLICT OF INTEREST

In addition to activities undertaken to ensure compliance with Public Sector Standards and Ethical Codes, during the year all staff in the Department attended a one-day workshop on Accountable and Ethical Decision Making in the Public Sector. The course dealt in depth with conflict-of-interest matters.

The Department already has a separate Conflict of Interest Policy, to reflect its increased emphasis within the organisation. Previously this issue was incorporated within the department's Code of Conduct.

## ELECTORAL ACT 1907 SECTION 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Department of Local Government is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Details are as follows:

Expenditure with Advertising Agencies	\$29,053
Adcorp Australia Limited	
Lester Blades	
State Law Publisher (National Aust Bank)	
WA Rangers Association	
Expenditure with Promotional/Market Research Agencies	\$3,666
Heritage Council of WA	
Expenditure with Publication Agencies	\$24,970
Key 2 Design	
Optima Press Pty Ltd	
Quality Press WA	
Expenditure with Publication Agencies	\$3,785
Northside Logistics & Finishers	
Expenditure with Media Advertising	\$8,795
Media Decisions OMD	
<b>Total Expenditure</b>	<b>\$70,269</b>

# Governance Disclosures [Cont.]

## DISABILITY ACCESS AND INCLUSION PLAN

The Department is committed to ensuring that people with disabilities are able to access the Department's services, facilities and information by providing them with the same opportunities, rights and responsibilities enjoyed by others in the community. The Department will review this plan in 2010-2011. The Department aims to achieve this plan by ensuring that:

People with disabilities have the same opportunities as other people to access our services and any events organised by:

- providing opportunities for people with disabilities to comment on access to services and information provided by the Department
- ensuring that any events organised by the Department are accessible to people with disabilities
- incorporating the objectives of the Disability Access and Inclusion Plan (DAIP) into relevant plans and strategies of the Department, and
- ensuring that our employees, contractors, and agents are aware of our DAIP.

People with disabilities have the same opportunities as other people to access our office and other facilities by ensuring:

- that our office is accessible and meets the legislative and access standards for accessibility
- our employees are aware of facilities available to people with Disabilities, e.g. toilets, access ramps, and
- that our signage is clear and easy to understand.

People with disabilities receive information from us in a format that will enable them to access the information as readily as other people are able to access it by:

- improving community awareness that our information is available in alternative formats upon request
- ensuring our employees' awareness of accessible information needs and how to obtain information in other formats
- committing to making publications as accessible as possible (written in plain English, succinct, publicly available), and

People with disabilities receive the same level and quality of service from our employees as other people by:

- improving and maintaining employee awareness of disability and access issues and relevant legislation
- improving employee skills to better our services to people with disabilities;
- advancing the awareness of new employees regarding disability and access issues, and
- increasing employees' knowledge and skills so they can receive complaints from people with a disability.

## Governance Disclosures [Cont.]

People with disabilities have the same opportunities as other people to make complaints to us:

- Our Complaints and Policy are accessible for people with disabilities and are available in formats to meet the needs of people with disabilities.

People with disabilities have the same opportunities as other people to participate in any public consultation we may undertake.

- We ensure inclusive opportunities for people with disabilities to participate in any public consultation we may undertake.

### COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Department's Code of Conduct states requirements for maintaining ethical behaviour in our workplace and clarifies the standards of behaviour that are expected of our staff. It offers practical guidance in areas where staff need to make personal and ethical decisions and ensures they maintain a consistent and appropriate level of behaviour with colleagues, associates and our customers.

All staff have a legal and ethical responsibility to comply with departmental policy, procedures and the Code of Conduct; perform their duties effectively and act in a manner that promotes a productive and harmonious working environment. This information is communicated clearly to all new staff members as they join the Department, and is reinforced through our intranet and staff newsletters. As part of the workforce plan, staff induction material is due to be reviewed in 2009-2010 to incorporate information on the Public Interest Disclosure Act 2003 and how to make a disclosure.

### FREEDOM OF INFORMATION

The Freedom of Information (FOI) 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.

2009-2010 FOI Statistics	
Total Number of FOI applications received 2009-2010	15
Number resolved	10
Number of FOI Internal reviews	2
Number of FOI External reviews	1

# Governance Disclosures [Cont.]

## REVIEW OF EFFICIENCY AND EFFECTIVENESS OF DEPARTMENTAL RECORD KEEPING TRAINING PROGRAM

New staff members receive introductory group / individual training of approximately 30 minutes which guides them through basic TRIM operations. Regular training sessions are also provided to enable staff to learn more about specific aspects of the system.

During these training sessions, valuable feedback is provided which guides the planning of future sessions. Comprehensive training is being provided to members of OMI who have just received access to TRIM. More Department wide training is expected during the year to ensure proper recordkeeping within DLG.

## REVIEW OF EFFICIENCY AND EFFECTIVENESS OF DEPARTMENT RECORD KEEPING SYSTEMS

In 2009-2010 there were 29,851 documents registered, a substantial increase (40%) on the 21,091 registered in 2008 – 2009.

All incoming documents are scanned into the TRIM system which allows staff to view them electronically. This has enabled faster responses to public enquires.

Regular training on data entry conventions and the registration process has ensured more relevant titling of documents which is easier for searching. This process is reviewed on a regular basis to ensure it is effective and efficiency.

# Government Policy Requirements

## SUBSTANTIVE EQUALITY

As an agency represented on the Strategic Management Council, the Department of Local Government (DLG) is required to annually negotiate the scope of implementation for The Policy Framework for Substantive Equality with the Commissioner for Equal Opportunity. The Department will therefore be developing and implementing the required framework in the next year by undertaking an assessment of its functions and an impact assessment as to which function has the greatest priority.

This framework will include strategies to ensure accessibility, sensitivity, fairness and equity for all that may experience barriers when accessing services. The framework will also be linked to the Departments Equity and Diversity Plan. The Office of Multicultural Interests joined the Department in March 2009 and is a program partner for this initiative.

## OCCUPATIONAL HEALTH AND SAFETY

The Department complies with the *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*. This requirement is part of the Western Australian Government's commitment to a national strategy, The *National Occupational Health and Safety (OHS) Strategy 2002-2012 (National Strategy)* which aims for Australian workplaces to be free from death, injury and disease. The National Strategy has a target of reducing work related fatalities by 20% and a reduction in accidents and injuries by 40% between 2002 and 2012.

The Department is committed to providing a safe and healthy working environment for our employees, associates and customers. As part of this commitment, it is the intention to have a committee responsible for distributing information and instructions to ensure a safe workplace. A review of our policy and process has begun, and includes the obligation to assess and reduce identified risks to employees in the workplace as well as an Injury Management Framework to promote the early and safe return to work of injured officers. It also incorporates the wider issue of overall health and wellbeing.

	2009–2010
Number of fatalities	0
Loss Time Injuries as a result of a safety incident/diseases	0
Number of severe claims	0
Loss Time Injury Severity Rate (%)	0



## NOTES



## Annual Report Feedback Form

The Department welcomes feedback regarding our 2009-2010 Annual Report. This will assist us in improving future Annual Reports so that they are more informative for the reader.

### How would you rate the Report's content?

☐ Excellent      ☐ Very good      ☐ Good      ☐ Average      ☐ Poor

### How would you rate the Report's presentation?

☐ Excellent      ☐ Very good      ☐ Good      ☐ Average      ☐ Poor

### What would you suggest could be changed, added or removed to improve the Annual Report?

---

---

---

---

---

### Any other comments or suggestions?

---

---

---

---

---

Please return this form to : Executive Director, Strategic Business Management, Department of Local Government, GPO Box R1250, PERTH WA 6844

Your contact details (optional):

---

---

---

## NOTES

## NOTES



If you would like more information please contact us.

**Department of Local Government**

Level 1, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Tel: (08) 9217 1500  
Fax: (08) 9217 1555  
Freecall: 1800 620 511 (Country Only)  
Email: [info@dlg.wa.gov.au](mailto:info@dlg.wa.gov.au)  
Web: [www.dlg.wa.gov.au](http://www.dlg.wa.gov.au)

**Office of Multicultural Interests**

Level 2, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Tel: (08) 9217 1600  
Fax: (08) 9321 5205  
Freecall: 1800 620 511 (Country Only)  
Email: [harmony@omi.wa.gov.au](mailto:harmony@omi.wa.gov.au)  
Web: [www.omi.wa.gov.au](http://www.omi.wa.gov.au)