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Statement of Compliance

For the year ended 30 June 2011



To the Minister

Honourable Brendon J Grylls MLA Minister for Regional Development; Lands

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Regional Development and Lands for the financial year ended 30 June 2011.

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

Paul Rosair

Director General Department of Regional Development and Lands

15 September 2011

Message from the Director General



The past twelve months have been both challenging and rewarding for the Department of Regional Development and Lands (RDL).

The State Government has a huge agenda to ensure that regional development in Western Australia is targeted to accommodate the predicted population growth for the next 30-40 years.

This is a challenge we are excited about and committed to achieving.

As a new agency, formed in July 2009, it was important for us to develop our strategic plan which was released in July 2010. The plan outlines our direction, outcomes and planned achievements for the next five years.

It is an important body of work that guides us towards a healthy and robust regional Western Australia where people want to visit, stay, invest, work and play. It also outlines the need for a well managed Crown land estate that benefits all Western Australians.

As I travel around the State I am often asked to define 'regional development'. In the past year I have found myself referring to this simple equation to encapsulate the work of my department:

Land + Royalties for Regions = Regional Development

With stewardship of 93 per cent of the State's Crown land Estate and the opportunity to drive economic and community development projects through the \$6 billion Royalties for Regions fund, we can help effect transformational change throughout regional Western Australia.

It is with great pride that I present the 2010-11 Annual Report as testimony to this.

Achievements have been significant in the north of the State; establishing the Pilbara Cities Office in Karratha and nearing completion of Phase One of the Ord-East Kimberley expansion.

We will look to replicate the success of the Pilbara Cities model in the coming financial year as the Gascoyne and Midwest investment plans gather momentum.

The south of the State will become more of a focus for RDL in 2011-12, with the rollout of SuperTowns.

I am pleased with the way in which our State Land Services and Strategic Policy divisions have worked together on the Rangelands Reform Project throughout the year.

The suspension on the live export of cattle to Indonesia in June 2011 was a timely reminder that pastoralists need access to a greater range of business opportunities, and I look forward to seeing the project progress further in the coming year.

We will continue to support Western Australia's pastoral industry and I thank Leanne Corker, Chair of the Pastoral Lands Board, for providing the specialised advice that allows us to do so.

All of the projects detailed in this Report align with the State's regional development priorities and the Western Australian Planning Commission's State Planning Strategy. In 2010-11 my team have been particularly mindful of our need to collaborate with other government and industry partners to achieve the best outcomes for the State. This collaboration often allows us to leverage resources and funding, meaning we can make a greater impact across Western Australia and this is at the forefront of my mind as I approach the new financial year.

I understand that it is not a single agency that effects change. We have worked closely with our portfolio partners, LandCorp, Landgate and the nine Regional Development Commissions this year.

Our partnerships with other key State Government agencies are detailed throughout this report. Whether we are providing funding or land for a project, delivering it in partnership with another agency or forming part of a coordinated cross-government project, we are improving the lives of Western Australians.

I would also like to thank Andrew Murray, Chairman of the Regional Development Trust, and each of the members of the Trust, for their invaluable advice on the administration of the Royalties for Regions program.

I have enjoyed working with Graham Thomson, Chairman of the Regional Development Council, over the past year and thank him for his involvement in the review of the Regional Development Commissions. I would also like to extend thanks to the Chairs and Chief Executive Officers of the Commissions.

With the commitment of my passionate staff, RDL is well placed to drive change in Western Australia in the year to come.

Paul Rosair Director General

Department of Regional Development and Lands

Overview of the Agency

Executive Summary

Highlights

In 2010-11, the Department of Regional Development and Lands (RDL):

- launched its inaugural Strategic Plan detailing its directions, outcomes and planned achievements for 2010 to 2015
- allocated \$68.20 million through the Royalties for Regions Country Local Government Fund
- allocated \$210.41 million to the Royalties for Regions Regional Community Services Fund
- allocated \$469 million to the Royalties for Regions Regional Infrastructure and Headworks Fund
- established its Pilbara Cities Office to develop infrastructure and services across the region
- funded Stage 1 of the Ngarluma Aboriginal Sustainable Housing project in Roehourne
- invested \$23.30 million of Pilbara Cities funding in the creation of several new land parcels for development in South Hedland
- allocated \$30.40 million to construct service workers accommodation in Karratha with the first 16 tenants moving into Warambie Estate in May 2011
- commenced revitalisation of the Gascoyne region with \$174.94 million over five years, including \$17.53 million in 2010-11 available for major infrastructure, headworks and community priority projects

- developed the Mid West Investment Plan together with the Mid West Development Commission and secured \$220 million for social, community and economic development projects over the next four years
- · opened Mowanjum and Pinjarra Community Resource Centres
- · presented the 40,000th Country Age Pension Fuel Card
- · completed 80 percent of Phase 1 works of the Ord Irrigation Scheme Expansion
- · employed a peak of 62 Aboriginal employees on the Ord Irrigation Expansion works
- · commenced delivery of the Rangelands Reform Program to promote the growth of sustainable, economically diverse Rangelands communities
- commenced strategic planning for the Regional Centres Development Plan (SuperTowns), established steering committee and provided advice on nominated towns to the Regional Development Council



The Country Aged Pension Fuel Card provides support/for the transport needs of an estimated 43,187 age pensioners living in regional areas.

Operational Structure

Responsibilities

The Department of Regional Development and Lands (RDL) is responsible for:

- · administering and managing Western Australia's State land and pastoral leases
- · delivering the \$6.116 billion Royalties for Regions program
- ensuring that challenges and opportunities in regional Western Australia are addressed by clear and comprehensive legislation, policies and procedures.

RDL's objectives and outcomes are delivered through the following seven divisions:

- · Community Development
- · Corporate Services
- · Ord-East Kimberley Expansion
- · Pilbara Cities Office
- · Regional Investment
- · State Land Services
- · Strategic Policy

The responsibilities of each division are summarised in the Organisational and Divisional Activities Chart on page five. Further information about the activities and outcomes achieved by the divisions are detailed in the Report on Operations on page 10.

Changes to the Department in 2010-11

RDL's structure changed in 2010-11, most notably with the introduction of the Pilbara Cities Office.

The Pilbara Cities Office was introduced in July 2010 to implement the Government Pilbara Cities program.

The Pilbara Cities Office is responsible for delivering over \$1 billion in Royalties for Regions funding by 2014-15 to support the Pilbara Cities vision.

In 2010-11, RDL also renamed four of its divisions to better reflect their operations, which remain largely the same.

When the Department was created on 1 July 2009, it inherited the Major Regional Projects and Regional Policy and Operations divisions from the former Department of Local Government and Regional Development, and the State and Pastoral Land Administration functions from the former Department for Planning and Infrastructure. These divisions are now known as Regional Investment, Strategic Policy and State Land Services respectively.

The Community Resource Network Program is now more appropriately titled Community Development, with the division focussed on a wide range of community development initiatives centred round the Community Resource Network.

Reporting Structure

The directors of each division report to the Director General, who is accountable to the Minister for the Department's activities and, through the Minister, to Parliament. Divisional managers make up the third level of management.

The Director General is responsible for:

- · advising the Minister on portfolio issues, operating and financial performance, and any development that is likely to seriously affect the Department's operations
- · setting, monitoring and reviewing the directions of the Department
- · ensuring that the Department's objectives and goals are achieved
- · working collaboratively with other portfolio agencies and the private sector
- · monitoring the performance of the organisation
- · adopting good governance practices in accordance with public sector requirements.

The Corporate Executive Group

The Corporate Executive Group, which is comprised of the Director General and seven directors, meets on a fortnightly basis. The Group takes a leadership role in key planning and policy matters relating to corporate governance of the Department including financial and human resource management issues, risk management, priority setting and performance monitoring.

The Group also takes the lead role in progressing the Department's corporate values, 'The RDL Way'.

The Pastoral Lands Board

The Pastoral Lands Board is a statutory authority established under Section 94 of the *Land Administration Act 1997* (the Act), charged with administering Western Australian pastoral leases in accordance with Part 7 of the Act.

Chaired by Leanne Corker, the Board provides policy advice to the Minister for Regional Development and Lands, monitors pastoral land to ensure it is managed on an economically sustainable basis, and ensures that lessees comply with the Act.

RDL's State Land Services division supports the Board in achieving these outcomes through its Pastoral Land unit.

The Western Australian Regional Development Trust

The Western Australian Regional Development Trust was established under Part 3 Section 11 of the *Royalties for Regions Act 2009* and is chaired by Andrew Murray.

The Trust formally meets on a bi-monthly basis and plays an important role in providing independent and impartial advice and recommendations on the allocation of funds from the Royalties for Regions Fund to the Minister for Regional Development and Lands.

In order to provide such advice, the Trust relies on policy, resourcing and executive support from RDL's Strategic Policy division.

The Regional Development Council

The Regional Development Council is an advisory body established under Part 4 Section 33 of the *Regional Development Commissions Act 1993*. The Council consists of the chairs of the nine Regional Development Commissions, two local government representatives and RDL's Director General, Paul Rosair.

With executive support from RDL's Strategic Policy division, the Council, chaired by Graham Thomson, is able to report back to government on regional issues as well as develop proactive documents such as the Regional Development Policy Framework which was released in January 2011.

Enabling Legislation

The Department of Regional Development and Lands was established as a department on 1 July 2009 under the *Public Sector Management Act 1994*.

Responsible Minister

Honourable Brendon J Grylls MLA, Minister for Regional Development; Lands.

Minister assisting the Minister for State Development.

Organisational and Divisional Activities Chart

MINISTER FOR REGIONAL DEVELOPMENT; LANDS

Hon Brendon Grylls MLA

WESTERN AUSTRALIAN REGIONAL DEVELOPMENT TRUST REGIONAL DEVELOPMENT COUNCIL

DIRECTOR GENERALPaul Rosair

PASTORAL LANDS BOARD

Director, Corporate ServicesJohn Mercadante

OFFICE OF THE DIRECTOR GENERAL

Director, Strategic PolicyMike Rowe

- Develop proactive regional policy including delivery of the Rangelands Reform initiative
- Collate statistical data and information to support regional investment and decision-making
- Provide executive support to the Regional Development Council and Western Australian Regional Development Trust and undertake discretionary policy tasks for the Department
- Develop core policies to improve Aboriginal engagement practices and improve the social, economic and employment outcomes for Aboriginal people

Director, Regional InvestmentColin Slattery

- Deliver, measure and review the Royalties for Regions initiative under the governance framework established in the Royalties for Regions Act 2009
- Ensure that Royalties for Regions service and infrastructure projects have a positive impact on regional Western Australia
- Ensure that Royalties for Regions service and infrastructure projects are clearly defined, implemented and supported by regional decision-making processes

Director, Community DevelopmentDeborah Rice

- Establish Community Resource Centres in regional Western Australia, including remote Aboriginal communities
- Support Community Resource Centres to operate at the highest possible level suitable to their community
- Encourage partnerships between Community Resource Centres and government agencies to increase regional access to government information and services

Director, Ord-East Kimberley ExpansionPeter Stubbs

- Contribute to the social and economic development of the East Kimberley community by increasing the size of the Ord irrigation area to approximately 22,000 ha of agricultural land
- Collaborate with the Federal government to deliver the East Kimberley Development package
- Assist MG Corporation to facilitate the Aboriginal development which provides employment and training opportunities to Miriuwung and Gajerrong people

General Manager, Pilbara CitiesChris Adams

- Revitalise the Pilbara into vibrant, sustainable cities and towns supporting a population of 140,000 by 2035, through the support and provision of:
- Infrastructure coordination
- Land and housing development
- Community engagement
- Economic diversification

Director, State Land ServicesDeclan Morgan

- Responsibly manage Western Australia's Crown land, making up 93 per cent of the State's overall land mass
- Administer the Crown's pastoral estate
- Provide resources and assistance to the Pastoral Lands Board
- Assemble land for residential, industrial, infrastructure corridor, conservation and community needs
- Manage the land acquired for infrastructure corridors
- Participate in strategic native title claim settlement and future act negotiations
- Investigate, identify, report and manage all contaminated sites on Crown land
- Dispose of surplus government land and buildings through the department's Property Asset Clearing House

Senior Officers



Paul Rosair Director General

Paul Rosair is the Director General of RDL and has held this position since the Department was established on 1 July 2009.

Paul has worked for well over 30 years across the government sector in portfolios covering water, environment, land and natural resource management, Aboriginal Affairs and corporate services. He has extensive experience living and working in the regions and has a broad perspective on the issues facing regional Western Australia.

Paul's previous roles include Director of Regional Operations for the Water and Rivers Commission and the Department of Environment. He was also Director of Business and Regional Operations for the Department of Water before moving to the Department of Local Government and Regional Development.

As a Director within the Department of Local Government and Regional Development, Paul was responsible for establishing and implementing the administrative functions of the State Government's Royalties for Regions program.



Chris Adams General Manager, Pilbara Cities

Chris Adams has held key roles in the Pilbara and Kimberley regions for many years, and his vast experience and understanding of these areas enable him to lead and direct the management and strategic direction of the work being done to stimulate growth in the Pilbara.

He was previously Chief Executive Officer for the Town of Port Hedland from 2005 to 2010, and prior to 2005 was Chief Executive Officer for the Shire of Wyndham, East Kimberley.



John Mercadante Director, Corporate Services

John Mercadante was appointed Director of Corporate Services in June 2011 after acting in the position for just over a year. He has more than 20 years experience in human resource management and corporate service roles across a range of State public sector organisations.

John is responsible for RDL's finances, human resources, organisational development, information services, communications and legal services.



Declan Morgan Director, State Land Services

Declan Morgan was appointed Director of State Land Services in April 2011 after acting in the position for 12 months.

Declan has more than 13 years experience in the public service, starting his career at the Waters and Rivers Commission. He then worked with the former Department of Environment as Regional Manager for Kwinana Peel, and acted as Assistant Director of Regional Services for the Department of Environment and Conservation before joining RDL.



Deborah Rice Director, Community Development

Deborah Rice was appointed as Director of the Community Development division in May 2010.

Having lived in regional Western Australia for almost 30 years, she has extensive experience working in education and regional development agencies, and was a partner in community engagement business working with regional industry groups.

Deborah is responsible for the Community Resource Network, supporting over 100 Community Resource Centres in small regional communities.



Mike Rowe Director, Strategic Policy

Mike Rowe has worked in strategic policy development and delivery roles in the West Australian public service since 1993.

His experience spans many agencies including the Department of Agriculture and Food, the Department of Environmental Protection, the Department of Water, the Department of Indigenous Affairs and the Department of the Premier and Cabinet.



Colin Slattery Director, Regional Investment

Colin Slattery has extensive experience in industry development and has developed and implemented strategies on behalf of the State Government. He has also been heavily involved in developing and implementing financial assistance programs for a variety of agencies.

In his current role, Colin has responsibility for delivering the State Government's Royalties for Regions program. Implementation of this program involves coordination and strategic development across a range of government and private organisations.

Colin is also responsible for the development of governance and reporting systems around Royalties for Regions to ensure the objectives of the program are met.



Peter Stubbs Director, Ord-East Kimberley Expansion

Peter Stubbs joined RDL in July 2009 as Director of the Ord-East Kimberley Expansion Project. Prior to this, he worked for nine years as Chief Executive Officer for the Shires of Wyndham East Kimberley and Moora, and for 15 years for the Department of Agriculture.

Peter's environmental science and biology background, his experience in regional development and his personal connection with the Kimberley region led him to join the Department.

Administered Legislation

The Minister for Regional Development; Lands administers the following Acts:

- · Albany Lot 184 (Validation of Title) Act 1956
- · Anglican Church of Australia Diocesan Trustees and Lands Act 1918
- · Anglican Church of Australia Lands Vesting Act 1892
- · Anglican Church of Australia School Lands Act 1896
- · Cambridge Endowment Lands Act 1920
- · Canning Lands Revestment Act 1954
- · Caves House Disposal Act 1965
- · Chevron-Hilton Hotel Agreement Act 1960
- · City of Perth (Lathlain Park Reserves) Act 1950
- · City of Perth (Leederville Park Lands) Act 1950
- · Dampier to Bunbury Pipeline Act 1997
- · East Carey Park Land Vesting Act 1957
- · Fremantle City Council Lands Act 1929
- · Fremantle Endowment Lands Act 1929
- · Fremantle Reserves Surrender Act 1912
- · Geraldton Agricultural and Horticultural Society's Land Act 1914
- · Geraldton Sailors and Soldiers' Memorial Institute Lands Vesting Act 1933
- · Jennacubbine Sports Council (Incorporated) Act 1965
- · Land Administration Act 1997
- · Land Administration Amendment Act 2000
- · Native Mission Stations Act 1923
- · Parks and Reserves Act 1895
- · Perth Town Hall Act 1950
- · Perth Town Hall Agreement Act 1953
- · Regional Development Commissions Act 1993
- · Reserves Acts (various)
- · Resumption Variation (Boulder-Kambalda Road) Act 1973
- Returned Sailors and Soldiers' Imperial League of Australia, WA Branch Incorporated

- · Headquarters Building Act 1933
- · Roman Catholic New Norcia Church Property Act 1929
- · Royalties for Regions Act 2009
- · Special Lease (Gypsum) Act 1918
- Special Lease (Lake Clifton) Act 1916
- · Special Lease (Stirling Estate) Act 1916
- · Special Lease Enabling Act 1914
- · Town of Claremont (Exchange of Land) Act 1964
- War Service Land Settlement Scheme Act 1954

Other key legislation impacting on the Department's activities

In the performance of its functions, the Department of Regional Development and Lands complies with the following relevant written laws:

- · A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth)
- Auditor General Act 2006
- · Contaminated Sites Act 2003
- Corruption and Crime Commission Act 2003
- · Disability Services Act 1993
- · Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- · Industrial Relations Act 1979
- · Minimum Conditions of Employment Act 1993
- · Native Title Act 1993 (Commonwealth)
- · Occupational Safety and Health Act 1984
- · Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1991
- Workers Compensation and Injury Management Act 1981

Performance Management Framework

Outcome-based Management Framework

As the Department was formed on 1 July 2009, the 2009-10 budget papers noted that during the 2009-10 year the department would develop its outcome structure, including effectiveness and efficiency indicators.

The following outcome-based management framework has now been approved and has been submitted with the department's 2010-11 budget papers.

Government Goal:

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

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Capacity of regional communities to develop economic growth and social wellbeing is increased.

Key effectiveness indicator:

Client satisfaction with regional development services.

Service one:

Regional investment.

Key Efficiency Indicators:

1) average cost per funded initiative administered

2) average internal cost per satellite site supported

Service three:

Regional policy.

Key Efficiency Indicators:

Average cost per item of written advice requiring Minister's attention.

Outcome two:

State lands are administered to meet the State's economic, social and cultural objectives.

Key effectiveness indicator:

Percentage of customers satisfied that the management and use of Crown land is supporting the State's economic, social and cultural objectives.

Service two:

State land administration

Key Efficiency Indicator:

Cost per Crown land action.

Changes to Outcome-based Management Framework

The Department of Regional Development and Lands' Outcome Based Management Framework did not change during 2010-11.

Shared Responsibilities with Other Agencies

RDL works closely with a number of government and non-government agencies to deliver programs and services. The Department supports the State Government's desired outcome of a greater focus on service delivery, infrastructure investment and economic development, to improve the overall quality of life in remote and regional areas.

The Department is a proactive member of a number of key strategic Directors General working groups addressing areas such as land availability, streamlining government approvals, State workforce needs and Aboriginal affairs.

The Department works closely with agencies that receive Royalties for Regions funding in order to ensure the successful delivery of funded projects. In addition, the Department works in partnership with Regional Development Commissions to deliver the Regional Grants Scheme and Country Local Government Fund and in supporting the Regional Development Council.

The Department also works in partnership with LandCorp and other State development agencies to ensure the timely and effective release of State lands and progression of associated approval processes.

Agency Performance

Report on Operations

2009-10 Royalties for Regions Progress Report released

In September 2010, RDL prepared the 2009-10 Royalties for Regions Progress Report.

The Report detailed all projects funded by Royalties for Regions in the 2009-10 financial year, and is an important document for RDL both in terms of the transparency of the program and keeping stakeholders and the community informed of our progress.

2010-11 Royalties for Regions funds allocated

In 2010-11, RDL continued to administer the Royalties for Regions program in accordance with the *Royalties for Regions Act 2009*.

Royalties for Regions provides a framework to support and maintain strong and vibrant regions through funding improvements in:

- · infrastructure and headworks
- · across-government strategic regional and community services projects
- · the provision of contestable grant funding.

The Treasurer appropriated \$817.80 million to the Royalties for Regions Fund for the 2010-11 financial year. This amount represents 25 per cent of the forecast \$3.271 billion mining and offshore petroleum royalty revenue for 2010-11.

In 2010-11, \$760.44 million was budgeted for spending on the Royalties for Regions program.

The tables on pages 11 to 25 detail the amount of Royalties for Regions funding disbursed to successful applicants in 2010-11 through each of the three funding initiatives, and provide a brief description of the funded projects.

More detailed information about Royalties for Regions funded projects will be available in the 2010-11 Royalties for Regions Progress Report, anticipated to be released in late 2011.

Funding initiatives

Royalties for Regions operates under the following three funds:

- The Country Local Government Fund
- · The Regional Community Services Fund
- · The Regional Infrastructure and Headworks Fund

Country Local Government Fund

In 2010-11, the State Government invested \$68.20 million through the Royalties for Regions Country Local Government Fund, and will extend the program a further year to 2013-14. This is building on the \$97.50 million allocated to 110 local governments in 2008-09, funding some 560 projects renewing and creating vital local community infrastructure.

Regional Community Services Fund

In 2010-11, \$210.41 million was allocated to support priority services that have shown their effectiveness in enhancing the access to government services and infrastructure and quality of life for residents in regional areas.

Regional Infrastructure and Headworks Fund

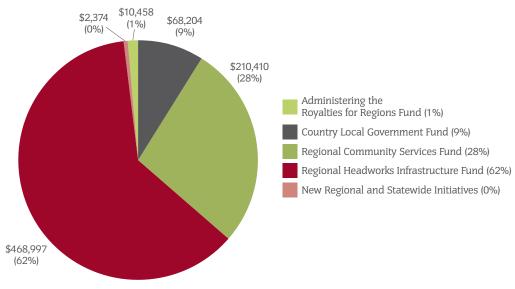
In 2010-11, \$469 million was allocated to support large-scale, strategic regional infrastructure and headworks projects acknowledged as being of strategic importance to Western Australia

The Fund aims to support strong investment in regional Western Australia, and help leverage investment from other sources for projects that will contribute to the development of regional infrastructure and headworks. It also supports planning for infrastructure at the regional level and encourages regional communities to develop infrastructure projects that benefit local organisations and communities.

The following chart outlines the allocation of the 2010-11 Royalties for Regions Budget.

Funds disbursed in 2010-11

ROYALTIES FOR REGIONS FUND 2010-11 ALLOCATED BUDGET (in Millions) Country Local Government Fund



Funded agent	Project description	Disbursed amount \$'000
Local	Local Government Local infrastructure asset renewal and new assets	
Government Authorities	In 2010-11, \$23.8 million was allocated to individual regional local governments toward the cost of implementing their forward capital works plans.	\$23,800
Department of Regional Development and Lands	Administration of Country Local Government Fund	\$550
	Regional groupings of local government	
Regional Development Commissions	\$33 million will be allocated to groups of regional local governments to invest in regionally significant infrastructure projects, developed with the support of Regional Development Commissions.	\$20,000
Department of Local Government	Capacity building – Regional governance services and asset management tools	
	\$10.6 million was provided to deliver complementary capacity-building initiatives with a particular focus on strategic and asset management planning.	\$6,610

Regional Community Service Fund

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Country Age Pension Fuel Card The \$24.75 million commitment in 2010-11 enabled Disability Support Pension, Wife Pension, Widow B Pension, and Carer Payment Centrelink income and asset tested pensioners to become eligible for the card. It also allowed for additional semi-rural country postcodes in the Peel region to be included in the scheme. The Country Age Pension Fuel Card provides eligible pensioners in country Western Australia with \$500 a year towards the cost of fuel and taxi travel from participating providers. Country age pensioners live on modest, fixed incomes and generally do not have access to extensive public transport. This means that they have a greater reliance on their own vehicles or taxis to attend appointments, undertake recreational activities, go shopping or visit family and friends. The Fuel Card provides support for the transport needs of an estimated 43,187 age pensioners living in regional areas with approximately \$19.08 million expended on fuel and \$1.16 million on taxis at 1 July 2011. The Fuel Card is issued automatically every financial year, providing the age pensioner remains eligible.	\$24,750
Department of Health	Royal Flying Doctor Service A total of \$36.97 million has been committed to date to the Royal Flying Doctor Service (RFDS), funding two replacement turboprop and one new RFDS jet aircraft, bringing the fleet to a total of 14 aircraft. The additional aircraft will be based at Port Hedland, Kalgoorlie and Jandakot. Funding has also provided extra crews and medical staff and will further enhance existing services. Part of this funding includes up to \$3 million to fund the new medical jet service for the next three years with the support of Rio Tinto Iron Ore.	\$8,519

Funded agent	Project description	Disbursed amount \$'000
Department of Health	Patient Assisted Travel Scheme The Patient Assisted Travel Scheme provides permanent country residents in a WA Country Health Service region with financial assistance when travelling more than 100 kilometres to access the nearest eligible medical specialist service (including Telehealth). Country patients needing to travel more than 70 kilometres to access specialist medical treatment for cancer or dialysis, where the health service is unable to provide a transport service, are also eligible for assistance. Royalties for Regions is providing funding of \$49.82 million from 2008 to 2014, which will revitalise the service to country patients through increased subsidy rates, increased support for the aged, disabled and those undertaking cancer treatment, and simplification of the	\$9,038
	program through improved administrative processes.	
Department of Health	Rural Generalist Pathways The Rural Generalist Pathways (RGP) initiative will train medical graduates towards a career in rural medicine. The RGP aims to increase the number of generalist doctors with procedural qualifications practicing in rural and remote Western Australia. Royalties for Regions has committed \$8.5 million (over five years) to provide assistance towards travel and accommodation costs for those medical graduates participating in the RGP program.	\$1,000

Project description	Disbursed amount \$'000
Regional Workers Incentives This initiative will provide increased district allowances for public sector workers in regional Western Australia as part of the process to attract and retain public sector workers who provide essential government services in the north of the State. The current methodology was established in 1968 and	
has not been revised since. Funding will also allow this policy to be updated with a view to providing a fair and reasonable benefit to public sector employees located in regional Western Australia. The district allowance was considered the most effective vehicle for achieving this.	\$19,206
district allowances will be undertaken biannually and be based on the Regional Price Index, which will ensure fair and reasonable compensation to regional employees and that the benefit of the district allowance is being applied in the regions where the cost of living is the highest.	
Boarding Away from Home Allowance This existing allowance provides financial support and assistance to parents of students in regional Western Australia that have no practicable alternative to boarding away from home in order to attend school. Royalties for Regions has provided additional funds to ensure the scheme can benefit even more students. More than 2,000 students who live 56 kilometres or more from their nearest school could benefit from up to \$2,050 each	\$1,776
	Regional Workers Incentives This initiative will provide increased district allowances for public sector workers in regional Western Australia as part of the process to attract and retain public sector workers who provide essential government services in the north of the State. The current methodology was established in 1968 and has not been revised since. Funding will also allow this policy to be updated with a view to providing a fair and reasonable benefit to public sector employees located in regional Western Australia. The district allowance was considered the most effective vehicle for achieving this. The methodology for calculation and adjustment of the district allowances will be undertaken biannually and be based on the Regional Price Index, which will ensure fair and reasonable compensation to regional employees and that the benefit of the district allowance is being applied in the regions where the cost of living is the highest. Boarding Away from Home Allowance This existing allowance provides financial support and assistance to parents of students in regional Western Australia that have no practicable alternative to boarding away from home in order to attend school. Royalties for Regions has provided additional funds to ensure the scheme can benefit even more students. More than 2,000 students who live 56 kilometres or more from

Funded agent	Project description	Disbursed amount \$'000	Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Community Resource Centres The Community Resource Centre (CRC) network builds on one of Western Australia's longest running and most successful regional community service programs, the Telecentre program. Telecentres were rebranded as CRCs in April 2010. The CRCs will now provide comprehensive education and training sessions that create pathways to employment for regionally based people, in addition to existing services that include access to computers and highspeed internet and government information referral services.	\$10,000	Department of Corrective Services	Kimberley and Pilbara Youth Justice Services The funding will enable the development of services to assist in the prevention of youth offending in the early stages, and provide an extended hours family service for at-risk youth and their families in the Kimberley and Pilbara regions. The program offers services in four main areas: Preventing and diverting young people from entering detention centres. Helping young people complete community-based sentences after they have been convicted of a crime.	\$3,286
Department of Food and Agriculture WA	Wild Dogs Management Plan This one-off investment will allow landholders to establish enhanced control operations and make improvements to the State Barrier Fence over three to five years, to enable improved wild dog management in the future.	\$1,020		 Intervening with young people and their families to help them back on track when a young person develops a criminal record. Working with young people in detention or coming out of detention. 	



Funded agent	Project description	Disbursed amount \$'000
Department of Education	Foodbank Foodbank is a non-denominational, charitable organisation that sources donated and surplus foods from the food and grocery industry, to distribute to welfare and community agencies that provide food assistance to people in need. The Foodbank WA School Breakfast Program commenced in 2001 with 11 schools. In 2008 the initiative reached 277 schools (240 being public schools) and 11,455 students. The program targets schools with a low Socio Economic Index ranking. This funding will ensure the program can expand to additional schools in remote and regional areas of Western Australia. A total of \$1.56 million will support this proposal, with Royalties for Regions contributing 50 per cent (\$780,000), and the Department of Education providing the balance of the funds required over the four years.	\$195
Department of Education	Clontarf College The Clontarf Foundation aims to actively engage Indigenous students in targeted schools through the establishment of eight additional Clontarf Academies in Carnarvon, Newman, Northam, Wyndham, Katanning, Derby, Roebourne-Karratha and Fitzroy Crossing. Royalties for Regions allocated \$1.64 million in 2010-11 from a total of \$5.04 million over three years.	\$980

Funded agent	Project description	Disbursed amount \$'000
Department of Agriculture and Food WA	Regional Men's Health The Wheatbelt Men's Health (WMH) program is an interdisciplinary program operating within a 'community development model' that focuses on a wellness (not illness) approach, and links those in need to programs within the WMH or to other resources through referral. WMH has operated as an important and well-utilised men's health and wellbeing service; providing education, counselling and support for men and families in situational distress since 2001, and the range of operations has extended beyond the Wheatbelt to an area between Kalbarri and Esperance. WHM aims to extend the Regional Men's Health and Well-being Initiative across the nine regions.	\$517
WA Tourism Commission	WA Indigenous Tourism Operators Committee (WAITOC) WAITOC is the peak industry body for Aboriginal tourism in the State and plays an important role in advocacy, providing marketing support for emerging products and the provision of networking opportunities in the State's tourism industry. Royalties for Regions is providing one-off funding to support the operations of WAITOC to enable it to transition to a new self-sustaining operational and funding model.	\$330



Funded agent	Project description	Disbursed amount \$'000
Department of Culture and Arts	Funding will be utilised to extend the reach of the Better Beginnings – Early Literacy program into more regional areas. Better Beginnings is a universal literacy program for children from birth to five years and their families, that aims to develop early literacy skills in young children through fostering a love of books and language. The program's objectives are to: introduce children to developmentally appropriate books and language activities support parents as their child's first teacher in modelling early literacy practices link families to the resources and services that libraries offer people of all ages.	\$628
Department of Communities	Responsible Parenting Support Services Royalties for Regions will be providing \$27.9 million over four years to ensure the benefits of the Responsible Parenting program can be extended into the Mid West, South West, Great Southern, Wheatbelt and Goldfields Regions. This will provide home visitation services, support and advice to at-risk families with both older children and young babies and toddlers. The Responsible Parenting Support Service was established in 2004 to address community concern regarding children involved in truanting, anti-social and criminal behaviour by supporting the parents of these children.	\$1,388

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Rangelands Reform Implementation A three year, \$2.25 million Rangeland Reform program will address long standing problems faced by our pastoral industry. The outcomes of this program will include better support for pastoralists who wish to diversify their land use. This will give greater economic certainty to those who work and live on our rangelands which, in turn, will support communities in regional centres.	\$300
Public Transport Authority WA	"Orange" School Bus Initiatives Royalties for Regions will provide \$10.9 million over four years to improve conditions for regional students travelling long distances to access a school education. These funds will upgrade the regional school bus network to ensure that new buses are equipped with air conditioning and automatic transmission. From 1 July 2011, the zonal system will be abolished and contractors will be paid to operate their air conditioning on school trips all year round.	\$1,900
Department of Mines and Petroleum	Exploration Incentive Scheme (EIS) In 2010-11 Royalties for Regions has provided an additional \$20.7 million for exploration to support future growth of the resources industry in the Pilbara and wider regional Western Australia. The objective of the EIS is to encourage exploration in Western Australia, through activities such as co-funded drilling for mineral and petroleum discoveries, improved and increased surveys, and improved data access.	\$24,610

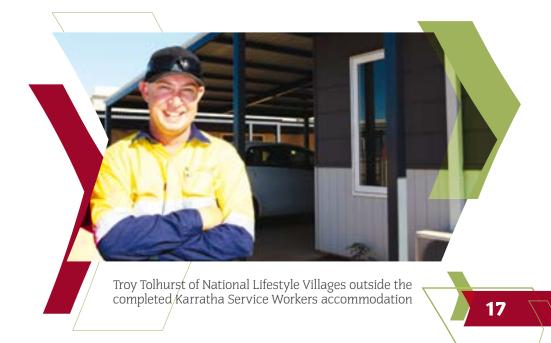
Funded agent	Project description	Disbursed amount \$'000
Regional Development Commissions	Regional Strategic Projects A total of \$302.5 million over four years has been allocated to the Regional Development Council. The Council will determine the priorities of these funds. This includes the allocation of \$1 million to each Regional Development Commission to provide a contestable Regional Grants Scheme (RGS) and \$125,000 to each Regional Development Commission to assist with administration associated with this responsibility. In the 2010-11 contestable round of the RGS, 233 projects, valued at over \$140 million, received more than \$27 million in funding. The grants were spread across a diverse range of service and infrastructure projects including community and sporting facility upgrades, health initiatives, support for community events and the expansion of tourism attractions. The Council will provide advice to the Minister on the use of the funds. The Council's strategic regional priorities that are outlined in the Regional Development Policy Framework: An Action Agenda for Regional Development will assist in determining where this funding should be directed. Specific contestable funding rounds will be designed to assist in this process. Projects funded under this initiative include: Busselton Foreshore Redevelopment Funding of \$6,100,891 has been made available to contribute to the upgrade and renewal of the public foreshore between Busselton Town Centre and the beach. Dunsborough Foreshore Enhancement Funding of \$3,643,000 has been made available to enhance the Dunsborough Foreshore through the upgrade of landscape and amenities. Avon Water Reuse Project A total of \$3,590,000 has been made available to upgrade existing pumping and piping infrastructure	
	from the Northam Waste Water Treatment Plant to Northam Shire and Race Club facilities.	

Regional Infrastructure and Headworks Fund

Funded agent	Project description	Disbursed amount \$'000
	Pilbara Cities Initiatives	
Department of Health	Nickol Bay Hospital Upgrade New obstetric services and staff accommodation were funded in 2010-11, increasing the capacity for Karratha's Nickol Bay health facility. A detailed and comprehensive business case has been developed to support additional investment in Karratha and the West Pilbara health service for future population needs. This will inform the project definition stage of the new Karratha Health Campus.	\$1,000
Department of Regional Development and Lands	Pilbara Cities Strategic Infrastructure Fund A total of \$460 million will be provided by Royalties for Regions for RDL to partner with the Australian Government and the private sector, including mining companies and Indigenous corporations, on major infrastructure projects to address the development of this nationally important region. In 2010-11 \$20 million was utilised to address urgent capital infrastructure and amenity needs in the Pilbara. Projects targeted include: office and residential accommodation for health care workers revitalisation of the Port Hedland waterfront and jetty area enhancements of the Karratha Service Workers accommodation improvements to the Hedland Senior High School verge landscaping in Karratha.	\$10,349

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Pilbara Cities Office The Pilbara Cities Office has a mandate to cooridinate a whole of government approach and engage with communities and industry to revitalise the Pilbara through the Pilbara Cities Vision. Key roles and functions of the Office are to: engage with the Pilbara Development Commission and community stakeholders to build the capacity of local communities, services, infrastructure and community wellbeing work with the Department of Planning to ensure the implementation of decisions of the Ministerial Taskforce on Approvals, Development and Sustainability ensure that services are delivered in a coordinated and timely fashion with appropriate community input through engagement with the Traditional Owners, industry, Pilbara Regional Planning Committee, Pilbara Development Commission and the Infrastructure Coordinating Committee.	\$750
Horizon Power Office of Energy Pilbara Development Commission	Pilbara Underground Power Project (PUPP) – Capital and Recurrent The Pilbara Underground Power Project has been allocated \$49.8 million in 2010-11 to ensure a reliable power supply for cyclone prone communities and the industries surrounding them. PUPP will deliver underground power to the towns of South Hedland, Roebourne, Karratha and Onslow, all located in an area commonly known as "Cyclone Alley". Port Hedland, Point Samson and parts of Roebourne were completed under an earlier program. The current project will assist in ensuring energy security to the region and will upgrade or replace ageing power distribution infrastructure.	\$65,310

Disbursed amount Funded agent **Project description** \$'000 Karratha Service Workers Accommodation The Karratha Service Workers Accommodation project will provide accommodation for employees in the retail, personal services, hospitality, tourism and general service worker sectors. The mining boom has resulted in a high demand for permanent accommodation in Karratha. Mining expansion in the area has seen the major mining companies' secure available rental housing on the market, placing significant upward pressure on home purchase prices for non-mining employees. LandCorp \$28,400 This makes it difficult for non-resource sector employees to afford to live in Karratha unless they receive a significant level of accommodation support from their employer. Although the State Government, through LandCorp, continues to release significant land in Karratha with the aim of improving housing affordability, the provision of the service workers accommodation will target a specific sector that has a demonstrated need for secure rental accommodation.



Funded agent	Project description	Disbursed amount \$'000
LandCorp	Housing for Workers – South Hedland Town Centre Revitalisation	
	The South Hedland Town Centre requires a comprehensive revitalisation strategy to improve confidence in the future of the town from business and residential investment perspectives.	
	LandCorp has prepared a development plan to achieve this and received \$23.3 million of Royalties for Regions funding over three years to implement the first two stages of the development plan.	\$15,495
	The resources boom in the Pilbara has contributed to the prosperity of Australia but has also created unprecedented demand for housing and associated social facilities in towns such as Port Hedland, Newman and Karratha.	
	In Port Hedland, additional housing has been provided through subdivisions such as Pretty Pool. Development of land along the coast has been limited environmental issues such as storm surges, dust from stockpiles and potential impacts on turtles.	
	West Pilbara Water	
Water Corporation	The Water Corporation and RDL are examining deferred water and wastewater projects in the Water Corporation capital works program that may be eligible to receive funding through the Royalties for Regions Regional Infrastructure and Headworks Fund.	\$1,957
	Any projects funded will ease the significant demands being placed on the Water Corporation's varied services in the Pilbara and Kimberley.	
	Currently, the Roebourne wastewater treatment plant upgrade has been funded.	

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Ngarluma Aboriginal Sustainable Housing (NASH) The NASH project, initiated by the Ngarluma Aboriginal	
	Corporation, aims to increase accommodation and improve the social and economic wellbeing of the people in Roebourne through the development of 50 hectares of land currently classified as Unallocated Crown Land.	\$4,500
	Stage 1 of the project involves the creation of 100 lots, including 50 for social and government employee housing to be purchased by the Department of Housing, and 50 lots for the Ngarluma Aboriginal Corporation.	
	Roebourne Housing Initiatives	
Department of Housing	An allocation of \$5 million has been provided to the Department of Housing to address the overcrowding and social housing density in the town of Roebourne.	\$5,000
	The project will begin to address these issues by constructing 12 new social housing units. These houses are an essential part of the overall strategy to reduce the high levels of social housing that is concentrated in the precinct known as 'The Village'.	
	preemet known as the vinage.	

Funded agent	Project description	Disbursed amount \$'000
Department of Planning	Northern Towns Development Fund The Northern Towns Development Fund was established in recognition that effective planning at a local level is needed to identify priorities for local and regional infrastructure to underpin sustainable growth and develop liveable towns. The Fund will: address immediate streamlining of the land release process	\$5,908
	 facilitate short to medium term delivery of effective planning instruments facilitate long-term regional and local planning capacity. 	
Department of Regional Development and Lands Pilbara Development Commission	Pilbara Cities Community Fund Phase 2 of the Pilbara Revitalisation Project proposes this funding be dedicated to supporting initiatives developed between community, industry, state and federal agencies and Indigenous groups. As a result, 21 Pilbara Cities Community Fund projects commenced in 2010-11.	\$39,860



Funded agent	Project description	Disbursed amount \$'000
	Kimberley Revitalisation	
Department of State Development	Ord-East Kimberley Expansion Project – Capital and Recurrent The Ord-East Kimberley Expansion Project is funded by \$220 million from Royalties for Regions in partnership with a \$195 million investment from the Commonwealth in the form of the East Kimberley Development Package. The project supports education, housing, health and community services.	\$64,178
Department of Transport	Broome Small Boat Facility – Stage 1 An amount of \$35 million in Royalties for Regions funding has been allocated to the project over three years. The project vision is to provide a new boating facility in Broome that will accommodate 80 per cent of the requirements of the recreational and commercial boating craft of the region to 2031. During 2010-11 the project work completed included data collection and technical investigations necessary for the detailed design of a facility, consultation regarding cultural heritage approvals, and development of a revised draft concept plan at the preferred Broome Port site at West Roebuck Bay.	\$1,050
Department of the Attorney General	Kununurra Justice Complex \$43 million over four years has been provided for the construction of a new courthouse and justice complex in Kununurra. The current premises are under severe space and operational constraints, do not meet current needs and cannot accommodate the forecast growth for court services in the region.	\$1,300
Department of the Attorney General	Broome Justice Complex \$500,000 has been provided over two years to undertake detailed scoping, planning, site selection and costing for a new courthouse and justice complex in Broome.	\$350

Funded agent	Project description	Disbursed amount \$'000	Funded agent	Project description	Disbursed amount \$'000
	Gascoyne Revitalisation			Shark Bay Community Sport and Recreation Centre	
Department of Regional Development and Lands	Gascoyne Revitalisation Plan – Phase 1 In May 2010 the State Government announced its commitment to modernise and transform Gascoyne communities by providing the Gascoyne Revitalisation Plan (GRP) Royalties for Regions funding of \$150 million over the next five years (commencing in 2010-11) for major infrastructure, headworks and community priority projects.			\$3.9 million in Gascoyne Revitalisation funding will enable the construction of a Community Sport and Recreation Centre in Denham. The remaining funds for the \$5.1 million project are being contributed by the Royalties for Regions Regional Grants Scheme and the Shire of Shark Bay, with contributions of \$250,000 and \$950,000 respectively.	
	The initiative is a major new component of the Royalties for Regions Regional Infrastructure and Headworks Fund. The GRP draws from the region's 10 year infrastructure and headworks program outlined in the Gascoyne Regional Development Plan 2010 – 2020 and forms part of the overall Gascoyne revitalisation.			This centre will provide the community of Shark Bay with a much needed integrated venue for indoor sport, recreation and community meetings. It will also provide the community with an emergency evacuation facility that can accommodate up to 500 people for short periods in the event of a disaster.	
	The first phase of the Plan supported the strategically significant infrastructure and community priority projects			Gascoyne Junction rebuilding and enhancement of town centre and tourism facilities	
	detailed below: Carnarvon Fascine Foreshore Development Phase 1 Town/Beach Robinson Street		Department of Regional	Gascoyne Revitalisation funds of \$3 million have been allocated to the Shire of Upper Gascoyne for the urgent rebuilding and enhancement of the Gascoyne Junction	
	This \$8 million project, fully funded by Royalties for Regions, will be pivotal in enhancing and increasing retail and commercial development opportunities in the Carnarvon town central business district (CBD) whilst enhancing the attractiveness of the Town of Carnarvon as a tourist destination.		Development and Lands (Cont'd)	town centre since floods in December 2010. The initiative will deliver an integrated retail, tourism and accommodation development including a general store, licensed premises, restaurant, service station and tourist park featuring air-conditioned cabins, caravan park and camping grounds.	\$2,450
	This revitalisation will be achieved through improving traffic flows along Robinson Street, enhancing existing streetscapes, landscapes and amenities while improving			The proposed land for development is above the one-in-one hundred year flood level.	
	bicycle and pedestrian access and safety. The project will also see the mitigation of flood risk to the			The estimated total cost of the project is \$3.5 million with the Shire of Upper Gascoyne contributing the balance of \$0.5 million.	
	town CBD. Exmouth CBD Revitalisation and Foreshore Development			Gascoyne Revitalisation Unit	
	The Exmouth CBD Revitalisation and Foreshore Development is a \$740,000 project for the master planning and design of these community spaces. This project will provide a place for the resident and non			The Gascoyne Revitalisation Unit has been established to work closely with the four Gascoyne local governments, the Gascoyne Development Commission, State government agencies, industry and community to implement the GRP.	
	resident populations to interact, enjoy and live. Royalties for Regions is contributing \$676,000 million towards this planning to accompany \$640,000 million committed by the Shire of Exmouth.			The Unit consists of three positions with one based in Carnarvon.	

		Disbursed
Funded agent	Project description	amount \$'000
Department of Regional Development and Lands	Carnarvon Fascine Redevelopment Planning The Carnarvon Fascine Redevelopment Planning project is the third stage in the Carnarvon Fascine Revitalisation Project. Technical studies, including an environmental impact study, dredging plan and geotechnical report and clearance approvals such as native title for the Fascine Waterway will be completed in this stage. The overall Carnarvon Fascine Revitalisation Project will see the development of the town centre and waterway, including access for recreational boats. This will bring together the parklands, town beach and boating activities to provide a very attractive area for the local population and tourists.	\$312
Department of Regional Development and Lands	Carnarvon Library and Art Centre The new Carnarvon Library and Art Centre is a \$4.26 million project involving the relocation of the existing library and the provision of an art centre at a new site in Carnarvon. Royalties for Regions is contributing a total of \$3.64 million to this project with \$1.86 million from the Gascoyne Revitalisation Fund and \$1.78 million from the Gascoyne Regional Grants Scheme. The remaining funding of \$610,000 is being provided by the Shire of Carnarvon.	\$700

Funded agent	Project description	Disbursed amount \$'000	
	Carnarvon Police and Justice Complex		
Department of the Attorney General	Royalties for Regions has committed \$9.5 million over the next two years to complement \$43 million already committed by the State Government to build a new Police and Justice Complex in Carnarvon.	#200	
	The new facility will be built on the Gascoyne Traders Site (lots 557 and 1059 on the corner of Robinson Street and Babbage Island Road).	\$380	
	Construction is expected to commence in 2013 with the new complex operational by late 2014.		
	Carnarvon Boat Ramp Project		
Department of Transport	Construction on a new recreational boat ramp in Carnarvon has begun and is expected to be operational September 2011.	\$2,100	
	This project will increase safety for both commercial and recreational vessels in the region.		



Off shore works on the new Carnarvon Boat Ramp

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Service Workers Accommodation – Coral Bay New service workers accommodation will be built in Coral Bay with \$3.1 million in Royalties for Regions funding. This project will provide quality, affordable staff accommodation for seasonal workers. Construction will occur on a parcel of land covering 8,263 m² owned by the Baiyungu Aboriginal Corporation (BAC). The facility will be leased back by the State for a	\$9,040
Department of Water	period of 10 years and at the end of this lease term the State will return the accommodation village to BAC. Gascoyne Irrigation Pipeline The Gascoyne Irrigation Pipeline replacement project commenced in 2010-11 with agreements struck between the Gascoyne Water Co-operative Limited and the Department of Water, to enable transfer of the Royalties for Regions and Commonwealth grant funds to the irrigators. Gascoyne Water Co-operative Limited awarded the pipeline design and construction tender to Pipe Fusions Australia in March 2011, and the project is on track for completion next financial year. The upgrade of the Gascoyne Irrigation Pipeline will have substantial economic, social and environmental benefits for the Gascoyne region.	\$1,000

Funded agent	Project description	Disbursed amount \$'000
	General	
Department of Education	Regional Schools Plan A Regional Education Plan totalling \$100.5 million over four years commenced in 2010-11 to assist with the development of schools. The Regional Education Plan includes Esperance Primary, Derby District High School, Denmark High School and Broome, Carnarvon, Hedland, Karratha, Pinjarra, Collie, Merredin, Northam, Narrogin and Katanning Senior High Schools.	\$5,000
Country Hostels Authority	Regional Residential College Upgrades \$2.48 million has been allocated for regional residential college upgrades in 2010-11. Implementation of capital works at Esperance and Merredin Residential Colleges will take place over the next three years, and will ensure they have the capacity to meet the demand for boarding places. The boarding capacity will be increased from 90 to 114 in the Esperance Residential College Redevelopment and from 70 to 88 in the Merredin Residential College Upgrade.	\$2,485
Department of Regional Development and Lands and Department of Commerce	Regional Mobile Communications The Regional Mobile Communications project will address the shortcomings of mobile telephone coverage on the State's major regional highways. Priority areas under consideration include the Pilbara, Midwest, Gascoyne, Kimberley and Wheatbelt regions. Benefits are expected to extend to the Goldfields, Peel, Great Southern and South West regions.	\$200

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands Western Australian Police Department of Corrective	Community Safety Network The Community Safety Network, allocated \$94.5 million over three years, will see radio communications coverage in regional Western Australia upgraded.	
	The project will deliver two main benefits to regional Western Australian communities:	¢/ 700
	 Improved mobile telecommunications coverage through synergies with the Regional Mobile Communications Project 	\$6,700
Services	· Better emergency services delivery.	
Fire and Emergency Services Authority	 Current networks will be examined in some of the State's major regional areas and may be replaced or expanded to improve the information flow, response times and interoperability between major emergency services organisations. 	



Investment in digital radio towers (above) through the Community Safety Network will see communications coverage in regional Western Australia upgraded.

Funded agent	Project description	Disbursed amount \$'000
	Government Regional Officers' Housing (GROH)	
Department of Housing	In 2009 the State Government announced a major stimulus package that included the provision of \$200 million in Royalties for Regions funding for the GROH program to deliver 400 properties.	\$59,550
	As at 31 May 2011, 269 properties were complete with the full 400 to be completed by 30 June 2012.	
	The housing aids in attracting and retaining workers such as nurses, teachers and police officers to live and work in remote and regional Western Australia.	
	Recreational Boating Facilities Scheme	
Department of Transport	Contestable grant funding was made available for the planning or development of new recreational boating facilities and the upgrades of existing ones.	
	In 2010-11 strategic works were completed on reclamation and construction of boat ramp, ablutions and services at the Albany Boat Harbour.	\$1,700
	Works also commenced on strategic onshore facilities in Carnarvon, Coral Bay and Jurien Bay.	
	Regional Airports Development Scheme (RADS)	
Department of Transport	RADS ensures regional aviation infrastructure and airport services are developed and maintained to facilitate air access and enhance economic growth in Western Australia.	
	Applicants can use the funds for 'airside' projects such as installing runway lighting, upgrading airstrips and erecting animal exclusion fencing.	
	The grants may also be put towards eligible 'landside' improvement projects such as developing terminal buildings, Royal Flying Doctor patient transfer facilities and installing security equipment.	\$2,897
	The 2010-11 funding allocation boost attracted a record RADS round of 50 applications. Successful projects were announced in June 2011.	
	During 2010-11 a number of previously funded projects were completed and launched in Denmark, Billiluna and Cunderdin.	

Funded agent	Project description	Disbursed amount \$'000
Department of Environment and Conservation	Conservation Parks Infrastructure and Roads \$20 million over four years was allocated to the Conservation Parks Infrastructure and Roads initiative to: promote Western Australia's parks as a key resource for the expanding nature-based recreation and tourism industries, while maintaining their conservation value improve access to low-cost caravan and camping opportunities in natural areas throughout Western Australia improve the safety and level of road access to parks and other natural areas in Western Australia deliver improvements in park management and infrastructure to increase the quality of experiences for park visitors.	\$2,500
Department of Health	Kalgoorlie Hospital \$15.5 million has been made available over the next three years to the Kalgoorlie Health Campus redevelopment project. The construction of a three bed palliative care addition to the existing medical ward was completed in December 2010. The redevelopment is scheduled for completion in 2013.	\$6,700

Funded agent	Project description	Disbursed amount \$'000
Department of Health	Albany Hospital	\$20,300
	A total of \$60.9 million has been allocated towards the redevelopment of the Albany Health Campus to support the delivery of:	
	 additional mental health capacity (increase of six acute beds) 	
	· improved maternity, nursery and delivery suite services	
	· improved capacity to meet theatre, day surgery and CSSD requirements	
	· infrastructure compliance with current standards	
	· HDU and isolation units	
	· improved capacity for emergency department.	
Donartmont	Bunbury to Albany Gas Pipeline Corridor	
Department of Regional Development and Lands	\$20 million of Royalties for Regions funding is available to secure the necessary land for the Bunbury to Albany Gas Pipeline Corridor, including \$1 million in 2010-11 to commence the land assembly phase.	\$250
Department of Regional Development and Lands	Rushton Park	
	A total of \$125,000 was allocated to the City of Mandurah for the completion of the Rushton Park pavilion facilities.	
	Grandstand seating capacity has been increased to 720 and the provision of Australian Broadcast Commission television facilities enables regional sporting events to be broadcast.	\$125

Funded agent	Project description	Disbursed amount \$'000
Department of Regional Development and Lands	Living Lakes Feasibility and Planning RDL will undertake a study to determine the feasibility, cost and benefit to the community of enhancing existing lake systems in the Wheatbelt and adjoining regions. This initiative proposes to enhance existing lake systems and create permanent and accessible water bodies by using engineering solutions such as weirs, channels and canals. It is intended that these natural lakes will be transformed into permanent living reservoirs that will re-establish the native flora and fauna and will attract people, industry, services and recreational facilities to the area.	\$200
Verve	Midwest Solar Farm Initiative Verve Energy is entering into an agreement with a commercial partner to develop a 10 MW solar photovoltaic power plant in the Mid West Region. The initiative is expected to encourage future private investment in solar technology by identifying unintended barriers in existing approvals, regulatory or market processes so they can be rectified, reducing investment risk for future developments.	\$5,000
Department of Regional Development and Lands	Regional Capital Works Initiative This funding will provide an opportunity to partner with regional local governments and the Federal Government to develop key regional infrastructure projects. The Regional Development Council will prioritise how the \$218.8 million over four years is to be spent. Funding of \$5 million has been made available through this initiative to expand the capacity of the Bunbury Regional Entertainment Centre and update the existing accommodation of the Centre to ensure a consistent level of finish throughout the building. This will provide improved facilities for a range of events, including a fully integrated theatre and conference facility.	\$9,400

Pilbara Cities Office established

In July 2010, RDL established its Pilbara Cities Office.

Funded through a \$1.1 billion Royalties for Regions investment over the forward estimates, Pilbara Cities is focused on key delivery initiatives in the Pilbara region involving:

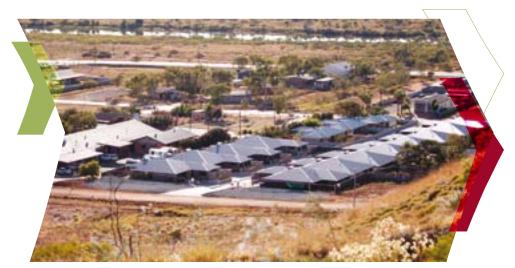
- · Land and housing development
- Infrastructure coordination
- · Community engagement
- · Economic diversification.

The new Office, headed by General Manager, Chris Adams employs 11 full-time employees based in Karratha and Perth when operating at full capacity.

In 2010-11, the Pilbara Cities Office developed and implemented strategic initiatives in conjunction with the Pilbara Development Commission, local government authorities, other government departments and communities to maximise the benefits of the funding available.

As the lead agency responsible for the delivery of the Pilbara Cities Vision, the Pilbara Cities Office is coordinating a whole-of-government approach to the delivery of more attractive, sustainable communities within the Pilbara.

The Pilbara Cities Office is working with Federal, State and local governments, the private sector, resource companies, Aboriginal organisations and traditional owners to develop infrastructure and services across the region to attract and retain a resident population of over 140,000 by 2035.



Government Regional Officers Housing in the Pilbara

Affordable housing in regional Western Australia

The lack of available housing acts as a significant barrier in attracting and retaining people to live, work and invest in regional and remote Western Australia.

In 2010-11, RDL committed to developing affordable housing throughout the State via the following initiatives.

Ngarluma Aboriginal Sustainable Housing (NASH)

The NASH project will see a 380-lot residential development, school and commercial centre built in Roebourne in conjunction with the Ngarluma Aboriginal Corporation.

Stage 1 of the project commenced in 2010-11 and involved the creation of 100 lots. Fifty lots are for social and government regional officers' housing to be purchased by the Department of Housing, and 50 lots for the Ngarluma Aboriginal Corporation.

An important component of the project is Indigenous participation and a transition of skills to the local community.

Following the early success of this project, a similar development is currently being negotiated with Kariyarra traditional owners to support the development of residential and group housing in South Hedland.

South Hedland housing for workers

Throughout 2010-11, \$23.3 million in Pilbara Cities funding has been spent on reconfiguring the South Hedland Central Business District to make it a more attractive and functional area.

A key component of this investment has been the creation of several new land parcels for development. The project, managed through LandCorp, has attracted private sector investment to South Hedland with new apartment blocks and other commercial developments well advanced in their planning.

Stage 2 of the project, which will produce land for a further 750 dwellings, is scheduled to commence in 2011-12.

Karratha Service workers accommodation

Warambie Estate is now providing affordable rental accommodation for service workers in Karratha.

Pilbara Cities, through Royalties for Regions, allocated \$30.4 million to construct the 100-unit Warambie Estate. LandCorp project managed the village, and construction was carried out by National Lifestyle Villages and Ecofit Homes.

The first 16 tenants moved into the Estate in May 2011 and were relieved to have secured affordable, energy efficient accommodation close to the Karratha town centre.

The remainder of the one, two and three-bedroom units will be leased with full occupancy expected in September 2011.

Pilbara Underground Power Project

Work on the \$101.99 million Pilbara Underground Power Project commenced in Karratha in September 2010, with construction due to start in South Hedland and Wedgefield early in the 2011-12 financial year.

The Project will provide the cyclone-affected coastal communities of Karratha, Roebourne, South Hedland and Onslow with a safe and reliable electricity supply through underground networks. It will also significantly improve the visual amenity of the townships, making them more attractive and inviting places to live.

In Karratha, two transformers at Pegs Creek and one transformer at Bulgarra have been commissioned. The second transformer at Bulgarra will also be commissioned once certain load conditions have been met to ensure load transfer can take place to the new 22 kV network.

The Project is progressing well and is due for completion across the Pilbara in mid-2013.

Relocation of Port Hedland Waste Water Treatment Ponds

The Pilbara Cities program has committed \$42 million towards the relocation of the Port Hedland Waste Water Treatment Ponds to South Hedland.

The treatment ponds are currently located on highly desirable, developable land. Relocating the ponds will enable the currently used and surrounding land to be developed into much needed housing lots. Once the ponds have been relocated, up to 2,500 new housing allotments can be created at the existing site.

The Water Corporation has commenced design and approval processes for the project, with procurement and construction related activity due to commence in late 2011.



The old Wastewater Treatment Plant site in Port Hedland will be developed for up to 2,500 new dwellings

Pilbara Cities Community Fund

The following 21 Pilbara Cities Community Fund projects commenced in 2010-11:

- · Bloodwood Tree Association
- · Bayton West Family Centre
- · Cattrall Park Redevelopment
- · Shire of Roebourne Administration Centre
- · Shire of Roebourne Anti Social Taskforce Initiatives
- · Bulgarra Sporting Facilities Precinct
- · Karratha Youth and Families Space
- · Karratha Leisure Centre
- · Hedland Senior High School Upgrade
- · Martu Knowledge Program
- Puntukurnu Aboriginal Medical Service
- Roebourne Art Group Art Centre
- · Roebourne Youth Centre
- Roebourne Housing Initiatives
- Tom Price Sporting Precinct
- · East Pilbara Communications Enhancement Shire of East Pilbara
- · Cemetery Beach/Koombana Community Parks Town of Port Hedland
- · GP Housing Project Town of Port Hedland
- · Woodbrook Lore Grounds (Ngarluma)
- · South Hedland Aquatic Centre Upgrade Town of Port Hedland
- · South Hedland Library and Community Centre Town of Port Hedland

These strategic infrastructure projects will help establish a more sustainable social and economic base for the Pilbara region.

Further information relating to these projects will be available in the Royalties for Regions Progress Report expected to be released in December 2011.

Phase 1 of the Ord Irrigation Scheme Expansion

Phase 1 of the Ord Irrigation Scheme Expansion aims to release approximately 8,000 hectares of new land for irrigated agricultural production. It includes infrastructure built with the aim of creating an environment for subsequent private sector investment which will broaden and deepen the economic base of Kununurra.

Phase 1 infrastructure includes:

- · 14-kilometre water channel
- 19-kilometres of road
- · hillside drains
- · syphon structures
- · 150 person accommodation village.

The Garrjang Workers Village was successfully completed in May 2010. It accommodates 152 construction workers in the Ord-East Kimberley Expansion Project however from 15 March 2011 the Village has been used as emergency accommodation for 250 people following flooding to the Warmun community.

Phase 1 works are approximately 80 per cent complete, with full completion reforecast to September 2011. Fifteen days lost due to wet weather in October 2010 and near record rainfall from January to March 2011 delayed the commencement of 2011 construction works

Phase 2 of the Ord Irrigation Scheme Expansion

Phase 2 of the Ord Irrigation Scheme Expansion cannot commence without Commonwealth environment approval under the *Environmental Protection and Biodiversity Conservation (EPBC) Act.* This is being undertaken at an Environmental Impact Statement (EIS) assessment level.

Groundwater modelling was completed in May 2011 and provides a thorough understanding of groundwater risks and how they could be managed to ensure sustainability of the future irrigation system. This work, led by the Department of Agriculture and Food WA, was a key requirement in the EPBC Act approval process for Phase 2 of the project.

Nine public submissions to the EIS were received in April 2011. Further bird surveys were required as Gouldian Finch, a listed threatened species, were found adjacent to the project area.

EPBC Act approval is anticipated in the first quarter of 2011-12. Phase 2 works will commence following that approval.

Aboriginal Development Package

The Aboriginal Development Package (ADP) is a State Government contribution of \$12.4 million over five years to support Miriuwung and Gajerrong employment and provide a sustainable future for Miriuwung and Gajerrong people.

The ADP is delivered by the Yawoorrong Miriuwung Gajerrong Noong Dawang Aboriginal Corporation (MG Corporation) under commitments established in the Ord Final Agreement, which paved the way for the Ord Expansion to be undertaken.

2010-11 was the first full year of operation of the ADP, and highlights included:

- \$600,000 scholarships program to fund higher education for Miriuwung and Gajerrong people
- \$650,000 training and development program over the wet season attended by 152 Aboriginal people
- \cdot \$110,000 driving licence facilitation and driver training program
- support for two new Miriuwung and Gajerrong businesses, Gerdan Tours and Mijing Contracting
- a partnership established between MG Corporation with Many Rivers Organisation to provide micro finance support for new business ventures
- introduction of an employment subsidy of up to \$20,000 per person per year to encourage Miriuwung and Gajerrong labourers to take up an apprenticeship
- exploring the possibility of establishing an agricultural training facility for Aboriginal people at the Frank Wise Institute in Kununurra.



Driver's licence facilitator

MG Corporation partnered with Wunan Foundation and the Department of Indigenous Affairs to assist Aboriginal people in obtaining driver licences.

A driver's licence facilitator was employed to assist Aboriginal people in obtaining a valid licence and in turn increase their employability.

The first six months of the program, part-funded through the ADP, resulted in:

- · 65 people engaged in pre-licence discussions
- · sourced identification for 21 people
- · formal resolution of fines for 19 individuals
- · 11 learners permits issued
- · 1 probationary licence obtained
- · 1 unrestricted licence obtained
- · 1 extraordinary licence obtained.

Following the success of the first six months of the program, MG Corporation is purchasing a driver training vehicle to extend the level of support offered.

Aboriginal employment in the Kimberley

The Ord Irrigation Expansion works employed a peak of 62 Aboriginal employees during 2010-11. Approximately half of these employees were Miriuwung and Gajerrong people, with half entering the workforce following unemployment.

In total, 54 Miriuwung and Gajerrong people have commenced employment in the past year.

The dry season 2010 Ord Expansion Construction and Indigenous Employment Teams included 29 Aboriginal people previously unemployed. An additional eight Aboriginal people were moved from unemployment to non-construction employment with other businesses in the East Kimberley during this period.

The challenge for the remainder of the project is to grow Aboriginal employment figures and assist existing employees in transitioning to higher skilled positions.

Mid West Investment Plan

RDL worked closely with the Mid West Development Commission (MWDC) and the Mid West community to produce the *Mid West Investment Plan 2011-2021* (MWIP). The MWIP, released by the MWDC in June 2011, is designed to provide a strategic direction for the Mid West region over the next ten years to 2021.

The MWIP outlines the objectives for the region and the initiatives and projects required to be undertaken to enhance the region's economic and social development.

RDL also secured \$220 million of Royalties for Regions funding in the 2011-12 State Budget for investment in social, community and economic development projects over the next four years.

RDL will collaborate with the MWDC, State and Federal agencies and local governments throughout the Mid West to continue project development and delivery in 2011-12.



The Community Resource Centre Network grows

At 30 June 2011 there were 107 Community Resource Centres (CRCs) officially open for business throughout Western Australia, with Mowanjum and Pinjarra opening in October 2010 and May 2011 respectively.

The following new CRCs have commenced operating and will be officially opened during the next financial year:

· Brunswick Junction · Dandaragan · Gascoyne Junction

· Mount Barker · Mulan · Yarloop

Westlink grows government and private sector partnerships

Simulcasts delight regional audiences

Westlink has developed partnerships with numerous organisations to broadcast live simulcast events throughout Western Australia via the Westlink satellite television network.

In 2010-11 the following free simulcasts were broadcast:

- · Berliner Philharmoniker live from the Perth Concert Hall
- · Die Fledermaus broadcast from Perth's Supreme Court Gardens
- · William Shakespeare's "A Midsummer Night's Dream" live from the new State Theatre Centre

CRCs were encouraged to hold events for their local community to enjoy these broadcasts which bring culture to the regions.

Government agencies broadcast to the regions

Westlink government clients continued to use the satellite network this financial year to reach a broad regional audience for the delivery of information sessions, policy changes and general feedback.

Health programs were broadcast most Tuesday evenings to health professionals scattered throughout Australia via Westlink and the Rural Health Networks.

Indigenous Community Television

Based in Alice Springs, Indigenous Community Television continued to make use of the Westlink broadcast spectrum in 2010-11.

The network is used on weekends to reach all regional and remote Aboriginal communities, providing grassroots programming that would not normally be available on nationally televised services.

Bridging the Gap

Through the Bridging the Gap program, the Department of Commerce (DoC) has received Federal government funding to improve public access to internet facilities and computer training in remote Indigenous communities.

In 2010-11, a formal agreement between the DoC and RDL was signed. The agreement states that the DoC will provide RDL with \$178,000 each year for three years to fund 15 CRCs to procure new hardware and software. RDL has made contact with each of the eligible CRCs, seeking suggestions on how the funding could be spent.

Guidelines and application papers have been developed and will be available to the eligible CRCs.

Regional access to information improved

In April 2010, RDL provided grant monies to each CRC to assist in establishing a dedicated government information area within their Centre. $\,$

This area houses a desktop computer and printer that provide free public access to government websites, information and online services as well as brochure holders and display boards containing government information and promotional items.

To support the distribution of government information and to ensure regional communities have access to a wide range of brochures and information, RDL established a "pick and pack" publication service in 2010-11.

The service, administered by Quickmail, enables individual CRCs to order publications, brochures and other government materials from an online database and have them delivered direct to the Centre.

Perth-based government agencies now have a central repository for materials they need distributed to the CRC Network, resulting in increased regional access to information.



Jon Underwood operating the Westlink satellite television network,

New business opportunity for the Meekatharra CRC

The Meekatharra CRC is now providing online licensing services on behalf of the Department of Transport (DoT).

RDL facilitated the agreement which means residents from Meekatharra and surrounding areas have been able to conduct all of their driver and vehicle transactions at the one site since March 2011.

The successful partnership between the DoT and the Royalties for Regions funded CRC is an important step for RDL in ensuring regional Western Australians have access to government services.

Improved approach to running CRCs

The way in which funding is provided to the Western Australian Community Resource Network was reviewed in 2010-11. All members of the network are now required to enter into a Financial Assistance Agreement and submit annual Business Plans with RDL.

Previously, separate applications and acquittals were required for each funding stream. In order to streamline this process, CRCs are now required to submit annual Business Plans, outlining how each funding stream will be spent and ensuring a more professional approach to running CRCs.

The 2010-11 reports submitted by CRCs have generally shown a high awareness of the key outcomes of the CRC program and the links to the Royalties for Regions funding priorities. These reports are providing valuable information for promoting the Network and highlight the variety of projects and programs that respond to community needs.

Release of CRC support funding is conditional upon the applicant meeting RDL's planning and reporting requirements.

Two new CRC funding schemes developed

Following the review into the way in which funding is provided to the Western Australian CRC Network, RDL announced two new funding schemes in November 2010.

The Building and Infrastructure Fund/Regional Collocation Scheme provide CRCs, or applicants in the process of establishing a CRC, the funding to establish suitable premises to operate from.

Funding of up to \$250,000 is available to support CRCs in:

- · purchasing a suitable building
- · relocating to alternative premises
- · upgrading or extending existing premises
- · constructing a new facility.

The Special Projects Fund provides support to CRCs to undertake innovative, creative and collaborative projects.

Grants from \$2,500 to greater than \$10,000 are available.

In 2010-11, \$866,475.16 has been distributed to CRCs through the two new funding schemes.

Community Resource Network Traineeship Program

The Community Resource Network Traineeship Program provides pathways to employment in regional and remote Western Australia.

Since the Program's introduction in December 2009, over 80 people have begun traineeships through CRCs across the State.

The traineeships provided are nationally recognised qualifications in Certificates such as:

- · Business
- · Business Administration
- · Information Technology
- · Library and Information Services
- · Community Services
- Tourism
- Financial Services
- · Arts Administration



The Community Resource Network Traineeship Program provides pathways to employment in regional and remote Western Australia.

The Program aims to build and retain capacity in regional and remote areas by expanding employment opportunities.

Management Support Online now available

In 2010-11, RDL entered an agreement with the Western Australian Council of Social Service which allows CRCs access to an online service called Management Support Online (MSO).

MSO is a 'one stop shop' designed to assist non-government organisations in the development of good practice governance, management, operational and administrative support.

Community networking made easy

Throughout 2010-11, CRCs have maintained a consistent approach for the delivery of training, education, communications and access to information for the State's regional communities.

The introduction of a new domain, www.crc.net.au, together with a standardised email system launched in July 2010, have allowed CRCs to establish consistent email and website naming conventions to assist anyone wishing to communicate with them. For example, to contact the Augusta CRC, customers can reach them by email at augusta@crc.net.au or visit their website at www.augusta.crc.net.au.

An updated website Content Management System and new vibrant designs were also rolled out during 2010-11.

CRC Network Training Program

Learning and development opportunities are available to support CRC personnel including staff, trainees, management committee members and volunteers, who are generally limited to participate in training due to the tyrannies of living and working in regional Western Australia.

The CRC Network Training Program is well attended, with the majority of participants able to access training locally. In 2010-11, 76 workshops were delivered and accessed by over 700 CRC Network personnel.

The importance of equity and access to training across the regions is recognised, and RDL will continue to explore, support and expand additional learning development opportunities for the CRC Network.



Community members participating in training at their local Community Resource Centre

Rangelands Reform Program

RDL commenced delivery of the Royalties for Regions funded Rangelands Reform Program in December 2010.

The Rangelands Reform Program is focused on promoting the growth of sustainable, economically diverse Rangelands communities through alternative forms of land tenure, encouraging new investment opportunities and land uses, and the identification of measures to restore the Rangelands' productive capacity and conservation values.

The Rangelands Reform Program has also established a whole-of-government approach to effectively work through the issues confronting the Rangelands. A Rangelands Reform Senior Officers' Group, as well as Diversification and Economic Development Working Groups have been formed, each with cross-agency representation.

A website has been developed for the Program in order to keep stakeholders informed of its elements and progress towards meeting objectives.

The Diversification Working Group has been developing changes to the Pastoral Lands diversification permit website information so that it provides a 'one stop shop' approach to accessing information.

The most urgent of the objectives of the Rangelands Reform Program is the development of drafting instructions for the new forms of Crown land tenure within the *Land Administration Act 1997.* Drafting instructions have commenced with two new tenure options being developed; a perpetual pastoral lease and Rangelands lease. Additional permitting provisions to encourage diversification are also being considered. These options are likely to be subject to a native title negotiation process in order to be implemented.

A Rangelands Tenure Options Discussion Paper was released in April 2011 to provide Rangelands stakeholders with information on the proposed new forms of Crown tenure, and to provide the opportunity for public comment on the proposed amendments. The Department received 73 responses to the discussion.

Drafting instructions were originally intended to be completed in the 2010-11 financial year. However, extensive consultation requirements in the legislative amendment process mean they are now expected to be completed in time to release a draft bill for comment and for the bill to be introduced in 2012.

A draft statement of the State Government's long-term vision for the Rangelands was prepared.

2015 Pastoral Lease Renewal Program

A project team has been established to facilitate the registration of 503 new pastoral leases due to expire on 1 July 2015.

The team has been tasked to complete legal documentation, land exclusions and mapping requirements for the rollover of all pastoral leases following their expiry. Over the past year, the project team has made substantial progress in keeping pastoral lessees and industry stakeholders informed of matters such as timelines, processes and project milestones. Actions have been implemented towards the finalisation of the agreed 'early exclusions' prior to 30 June 2015.

In addition, the team has been active in facilitating the preparation of a new draft lease document, soon to be distributed for discussion within the pastoral industry.



Western Australia's rangelands

Land Administration Act Legislation Project

In 2010-11, RDL proceeded to develop drafting instructions for amendments to the *Land Administration Act 1997* (LAA) and associated legislation.

The final report on the review of the LAA, recommended a wide range of amendments to the LAA and other acts that interface with it, which was tabled in Parliament in August 2005. This project is designed to achieve greater effectiveness in Crown land administration and comprises seven major themes.

While substantial progress has been made on a number of these themes, the impact of proposed changes on a wide array of other acts, agencies and parties has necessitated extensive consultation and detailed consideration of the effects of those amendments.

By September 2011 it is expected that drafting instructions will be at a stage where Cabinet's approval can be sought to commence drafting of a first stage of the Bill. Cabinet approval to draft the second stage will be sought in March 2012. In July 2012, RDL aims to seek Cabinet's approval for the introduction of the Bill(s) to Parliament.

Fast Track Native Title

In 2010-11, RDL worked with explorers and Indigenous groups to create a faster, simpler process for reaching native title agreements that clear the way for exploration in Western Australia.

RDL worked with the Department of Premier and Cabinet (previously the Office of Native Title) and the State Solicitors Office to establish a template Indigenous Land Use Agreement (ILUA) that has been used in a current 'future act' matter.

The ILUA sets out standard terms and conditions that explorers seeking a tenement grant can choose to adopt, rather than enter into negotiations with traditional owners.

The agreement process is yet to be finalised and is subject to field testing with the native title representative body and the Tribunal's ILUA compliance checking and registration process.

All policies and the request form will undergo an internal review process prior to adoption and implementation in 2011-12.



South West Settlement Project

The South West Settlement Project commenced in the second quarter of 2010-11. Funding for this whole-of-government initiative is provided by the Project's lead agency, the Department of Premier and Cabinet.

In accordance with the *Native Title Act 1993* (NTA), seven native title claims have been registered in the South West region. Before RDL can transact on Crown land it must comply with the 'future act' provisions of the NTA by consulting and/or negotiating with the relevant claimant groups. This can result in a lengthy and costly process for both parties and may result in delays in delivering Crown land for significant projects. To address this, RDL entered into a Heads of Agreement with the South West Aboriginal Land and Sea Council on behalf of the State to negotiate an agreement that would involve the seven claimant groups.

Under the terms of the proposed agreement, the seven claimant groups will surrender their native title rights and interests in return for a 'package of benefits'.

The package of benefits includes:

- · a Land Base whereby areas of Crown land will be transferred to Noongar ownership or control
- · a land access and heritage regime
- · a community development and economic base
- · a strong governance model
- · formal recognition of Noongar people.

RDL's involvement in this land-based project will continue until 30 June 2012. The final agreement is due for completion by November 2012, with a Crown land handover program scheduled to be in operation for a further five years thereafter.

Yawuru Indigenous Land Use Agreement

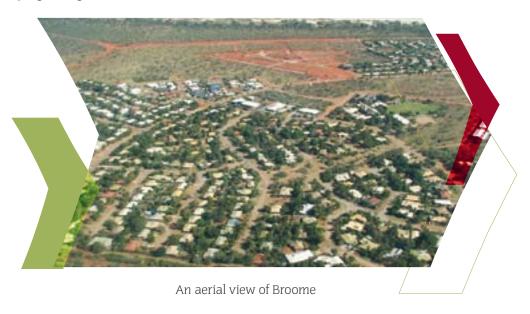
The implementation of the Yawuru Indigenous Land Use Agreement commenced in 2010-11, following the signing of an agreement in February 2010 for native settlement between the Yawuru people, native title holders of the Western Australian town of Broome, the State Government and the Broome Shire Council.

The agreement covers approximately 5,300 square kilometres of land within and around Broome to be used for residential, conservation, tourism, heavy and light industry purposes, as well as the development of a future airport on the outskirts of Broome.

The Land Use Agreement also provide the Yawuru people with funds to be used for capacity building for their local Indigenous community, preservation of culture and heritage, economic development and social housing.

RDL is working closely with local stakeholders and the native title claimants to develop the agreement for the site at the centre of this whole-of-government initiative, coordinated by the Department of Premier and Cabinet.

The land assembly process, including various survey requirements to create the nominated land and tenure contained within the Indigenous Land Use Agreements is progressing.



Whole-of-State Risk Management Strategy

In 2010-11, RDL began developing a proposal for a proactive State-wide risk management program for all unallocated Crown land (UCL) and unmanaged reserves (UMR).

This model is intended to address the State's liability exposure and land management responsibilities in relation to its extensive Crown land holdings. At Treasury's request, it will seek to provide a clear understanding of current funding, functions and needs across all major Crown land management agencies of the State.

The model will cover, within reason, the following land management functions:

- · Fire prevention and mitigation
- · Control of declared plants and animals (weeds and vermin)
- · Hazard identification and mitigation
- · Contaminated sites
- · Trespass and enforcement
- · Recreational use of Crown land
- · Property management
- · Common boundary fencing in pastoral regions.

Following Cabinet's review in January 2011 of RDL's submission for additional fire management funding for UCL and UMR, the risk management strategy has been expanded to include all relevant agencies' needs in relation to the management of Crown land under their control.

An RDL-led interagency Crown Land Management Reference Group was established in November 2010. The function of this group is to engage and consult with other relevant agencies to clarify their land management functions and seek their assistance in estimating costs for a State-wide, collaborative risk management program.

The following agencies have indicated their support at Chief Executive Officer and Senior Manager levels for this project:

- · Department of Environment and Conservation
- · Fire Emergency Services Authority of WA
- · Department of Indigenous Affairs
- · Department of Agriculture and Food
- · Western Australian Local Government Association

This is a large-scale project and additional resources have been sought to drive it to completion by 2011-12.

Property Asset Clearing House

The Property Asset Clearing House (PACH) provides whole-of-government coordination for the disposal of surplus land and buildings by establishing a central listing of all properties that are proposed for disposal, accessible by all general government agencies and public financial or non-financial corporations.

In 2010-11, 26 surplus properties were registered on PACH for disposal by various State government agencies.

Sales totalling \$38.9 million, inclusive of GST, have been achieved. Included in this figure is the settlement of four surplus metropolitan school sites at a total value of \$26 million. RDL will continue preparations for the disposal of other school sites in 2011-12.



Transfer of Crown Land

In 2010-11 RDL transferred Crown land valued at \$7.6 million at discounted or nominal amounts totalling \$3.7 million. All transfers are approved by the Minister for Lands and do not include:

- · land exchanges
- \cdot value reductions reflecting social infrastructure provisions not normally required of developers
- · conditional tenures granted under section 75 of the *Land Administration Act 1997* for social and community benefits where the State retains equity in the land.

The following table details these transactions.

Crown land assembly for major projects

RDL delivers Crown land options that provide the foundation for economic, social and cultural developments currently worth over \$60 billion to Western Australia's economy.

The resources sector is a major client of RDL, with land identification, clearances and assembly activity occurring for the following key projects throughout 2010-11:

- · Ashburton North Strategic Industrial Area
- · Browse Liquefied Natural Gas Precinct
- · Gorgon Joint Venture
- · Port Hedland port expansion.

In 2011-12 RDL will continue to actively work with agencies involved in these projects to deliver Crown land options.

Land Parcel	Location	Area	Transferee	Transfer Price	Valuation	Reason
Lot 2278 on DP188036 (Reserve 40410)	Newman	1.5461 ha	Warlparringu Pty Ltd	\$1.00	\$1,500,000	Part of the Native Title agreement for Newman Town Site (BN at folio 120)
Lot 743 DP210085	Dora Street and Dickson Drive, Broome	994 m²	Nyamba Bura Yawuru	\$1.00	\$350,000	As part of Yawuru ILUA
Lot 500 DP 68497	Shire of East Pilbara, Newman	14 ha	Grandtown Pty Ltd	\$1.00	\$1,100,000	Aboriginal Economic Development
Lot 505 on DP 66459	Dargin Place, Orelia	6.2310 ha	LandCorp	\$3,700,000	\$4,675,000	Discounted land sale to LandCorp
Lots 191-195	Victoria Oval, Northam	18,210 m ²	Shire of Northam	\$41,364	\$910,000	Subdivision for residential/aged persons development

Bunbury to Albany Gas Pipeline Corridor Project

RDL will secure the gas pipeline corridor from Bunbury to Albany, with \$20 million in Royalties for Regions funding allocated to the approvals and land assembly phase for the project.

The project will plan and secure the pipeline corridor which will commence at the terminus of the existing Dampier to Bunbury Natural Gas Pipeline and terminate at the outskirts of Albany.

The awarding of the tender for a consultant to undertake a study to determine corridor route alignment options is expected to be announced in early October 2011.

Once the corridor route alignment is determined, various approvals including environmental, flora and fauna, Aboriginal heritage, native title and mining approvals will be required. The predicted timeframe for obtaining these approvals is approximately two years.

Once approvals have been obtained, the land assembly phase, which includes negotiating and paying compensation to affected landholders, will commence.

RDL-LandCorp Memorandum of Understanding

This year RDL and LandCorp entered into a Memorandum of Understanding (MoU) to reflect the responsibilities of the Minister for Lands pursuant to the Land Administration Act 1997 and the Western Australian Land Authority Act 1992.

The MoU's intention is to facilitate transparent and accountable dealings in Crown land between RDL and LandCorp in a coordinated manner, based on strong information sharing principles.

The MoU was signed by RDL's Director General and LandCorp's Chief Executive Officer on 14 February 2011 and will be reviewed in three years' time. It replaces an earlier Valuation Protocol signed between the former Department for Planning and Infrastructure and LandCorp in 2006.

Wittenoom Project

RDL continued to manage the asbestos-contaminated area of Wittenoom in 2010-11.

Throughout the year the Ethnographic and Archaeological Study and the Technical Workshop were completed.

War Service Land Settlement Scheme

In early May 2011, a Deed of Cessation was signed by RDL's Director General and the Secretary of the Commonwealth Department of Agriculture, Fisheries and Forestry facilitating the transfer of the War Service Land Settlement Scheme (WSLSS) from the Commonwealth to the State of Western Australia.

The WSLSS is a cooperative scheme administered by the Commonwealth and the States for the repatriation of servicemen returning from World War II, the Korean War and the Malayan Emergency.

Of the 1,134 farms leased under the Scheme, 419 were developed out of contributed Crown land while the rest were subdivisions of existing freehold farms purchased with and enhanced by Commonwealth moneys. To date, there are 441 leases remaining.

The Scheme was purchased for \$1.35 million and the terms of the agreement require the State to close down the scheme within three years, with the exception of original settlers (i.e. original lessee, surviving spouse, children, or family company).

Accelerated closure of the Scheme is dependent on additional resourcing. It is proposed that a project team be established to encourage existing lessees to acquire the freehold of their leased lands. Funding is currently being sought for this purpose.

SuperTowns

RDL commenced strategic planning for the Regional Centres Development Plan (SuperTowns) in early 2011.

With population growth set to double in Western Australia over the next 30 to 40 years, SuperTowns will offer more opportunities and amenities for people who choose to live in the State's regional areas and provide an attractive alternative to living in Perth.

As the lead agency delivering the initiative, RDL chairs a high-level steering committee established to provide recommendations on the initial selection of towns and to coordinate the delivery of the program at the State level.

The Steering Committee (comprising senior representatives from a number of government departments, the Regional Development Council and the six southern Regional Development Commissions) evaluated nominations for the initial SuperTowns program based on local and regional economic drivers as well as each community's readiness to attract and sustain growth.

In June 2011, the Steering Committee provided advice on nominated towns to the Regional Development Council, which made recommendations to government for consideration by Cabinet.

The successful towns and Royalties for Regions funding allocation will be announced in July 2011.

Aboriginal Engagement Strategy

In 2010-11, RDL commenced work on the Aboriginal Engagement Strategy to ensure that Aboriginal people are properly engaged and have an inclusive function in all RDL project outcomes.

The strategy has not been finalised however the research stage is complete, and as a direct result of this research, RDL has developed communication workshops to improve the facilitation skills of staff dealing in community engagement. Approximately 50 staff were identified for the workshops which commenced in June 2011 and will continue into the new financial year.

In addition, RDL is providing support sessions for its native title negotiators every quarter. These support sessions consist of problem solving, discussion with specialist negotiators from other organisations, and identification of practices that improve outcomes of their negotiations.

RDL Director General joins the Aboriginal Affairs Coordinating Committee

In late 2009-10, RDL's Director General, Paul Rosair was invited to join the Directors General Aboriginal Affairs Coordinating Committee (AACC) and was an active member throughout 2010-11. The Department's Aboriginal Affairs Branch provides the Director General with advice and support on Aboriginal matters to support his involvement on the Committee.

Further, the Aboriginal Affairs Branch has built a strong relationship with the Committee's Chief Operating Officer, allowing RDL to make a positive contribution to Aboriginal Affairs in Western Australia.

Review of Regional Development Commissions

The Economic and Expenditure Reform Committee requested that the Minister for Regional Development conduct a review of the functions and responsibilities of the nine Regional Development Commissions in Western Australia.

RDL provided full secretariat and executive support to the Review Committee, including financial support for the costs of the review.

The review was completed within the extended timeframe agreed to by the Minister, with the Committee, including Director General, Paul Rosair delivering its report in November 2010. The report was noted by Cabinet in December 2010 and the Government Response to the review was released in July 2011.

Supporting the Regional Development Council and Regional Development Coordination Group

RDL continued to provide support to the Regional Development Council and Regional Development Coordination Group on strategic regional issues and through executive support in 2010-11.

RDL provided secretariat duties to the Council and Coordination Group for each of the six meetings held by both groups in 2010-11, and provided a range of briefings, discussion papers and policy advice for all the meetings and other occasions as required.

In addition to this ongoing support, RDL provided secretariat services to the Chair of the Council when attending external meetings related to the Council, and assisted in the development of the Council's Regional Development Policy Framework: An Action Agenda for Regional Development.

Regional Development Policy Framework: An Action Agenda for Regional Development

In January 2011, the Regional Development Council released the *Regional Development Policy Framework: An Action Agenda for Regional Development.*

RDL prepared the Action Agenda with direction from the Council and imput from the nine Regional Development Commissions, with the aim to prioritise investment decisions to achieve more effective regional development outcomes.

The Action Agenda formed the basis of the Regional Development Council Action Agenda Funding Scheme.

Regional Development Council Action Agenda Funding Scheme

On 8 June 2011 the Regional Development Council Action Agenda Funding Scheme was launched. Through the scheme, \$75 million in Royalties for Regions funding has been made available for local, regional and State-wide strategic projects.

The Scheme will support the Regional Development Council to deliver strategic outcomes to the regions aligned with Action Agenda. The first round will focus on projects with a total value in excess of \$500,000.

Applications close on 22 July 2011 and will be assessed by RDL in consultation with the nine Regional Development Commissions.

Supporting the Western Australian Regional Development Trust

Throughout 2010-11, RDL continued to provide the Western Australian Regional Development Trust with executive support including management of the governance, administrative and financial arrangements of the Trust.

In addition to this ongoing support, RDL finalised and received endorsement for a Governance Framework for the Trust in July 2010.

The Framework includes a Charter, Code of Conduct and Conflict of Interest policies.

Developing a Public Policy Framework for Regional Development Discussion Paper

As well as providing executive support to the Western Australian Regional Development Trust, the department addressed the Trust's comments that RDL "enunciate its regional development philosophy policy and destination" through a discussion paper on developing a public policy framework for regional development. The paper will be presented to the Trust in July 2011.

The Rural, Remote and Regional Women's Network of Western Australia

The Rural, Remote and Regional (RRR) Women's Network of Western Australia is a communication network that is co-funded with the Western Australian Department of Agriculture and Food.

In 2010-11, RDL provided administrative functions to support the network's Reference Group and holds an ex-officio position on the Management Group.

The network produces a free quarterly magazine, an e-newsletter and a website that brings together women from rural, remote and regional Western Australia to promote and expand the contribution that women make to their communities.

In addition to producing these publications and maintaining the website, the RRR Network launched a Facebook page in early 2011.



Data collection being carried out for the Regional Price Index

Regional Price Index

RDL is updating the Regional Price Index which was last published in 2007.

The Regional Price Index is a cost comparison of common goods and services across a number of regional locations to Perth. It is based on the premise of taking a person living in Perth, identifying how much it costs that person to buy a selection of commonly used goods and services, and then pricing these goods at different regional locations throughout Western Australia.

The Regional Price Index will be used to support and develop regional policy in Western Australia. One of its key uses will be as a tool to assist with the calculation of the District Allowance paid to regional public sector employees to reflect the additional costs generally associated with working in regional Western Australia.

RDL, in consultation with the Department of Treasury and Finance and the Department of Commerce, established 28 locations across the State where 500 items making up the Regional Price Index 'basket of goods' were collected. The Western Australian Community Resource Network provided significant assistance with the management and collection of data.

Data collection was completed in May 2011 and data collation, checking, synthesis and analysis are being undertaken.

Regions in Profile

In March 2011, RDL released a new suite of the 'A Region in Profile' publication.

The publications, produced in conjunction with the Regional Development Commissions approximately every three years, focus on each of the nine regions of Western Australia. They are a promotional tool for the regions, incorporating an understanding of key industries such as agriculture, mining, manufacturing services and tourism. In addition, the publications highlight current trends in population and employment as well as future growth investment opportunities and Indigenous participation.

The publications have also been an effective educational and promotional tool for government departments and relative agencies, with the Department of Training and Workforce Development taking 200 copies of each of the nine publications to distribute at overseas exhibitions to showcase opportunities for growth in Western Australia.

Actual Results versus Budget Targets

Financial Summary

The table below highlights the key comparisons between the estimated and actual results for 2010-11 and also reflects the key financial movements from 2009-10.

	2011 Actual \$000	2011 Estimate \$000	Variance \$000	2011 Actual \$000	2010 Actual \$000	Variance \$000
Total appropriations provided to deliver services	17,217	17,226	(9)	17,217	31,312	(14,095)
Total Cost of Services	187,630	251,546	(63,916)	187,630	81,593	106,037
Less Total Income	(17,375)	(10,131)	(7,244)	(17,375)	(14,481)	(2,894)
Net Cost of Services	170,255	241,415	(71,160)	170,255	67,112	103,143
Income disclosed as Administered Income	101,192	140,177	(38,985)	101,192	57,365	43,827

Appropriations decreased from \$31.3 million in 2009-10 to \$17.2 million in 2010-11 as a result of the closure of the Regional Investment Fund.

The increase in Total Cost of Services of \$106 million from 2009-10 to 2010-11 was predominantly due to increased expenditure from the Royalties for Regions program for:

- · Pilbara Cities projects (\$34 million)
- · Regional Strategic Projects (\$23 million)
- · Country Local Government Fund (\$28 million)
- · expansion of the Country Age Pension Fuel Card (\$10 million)
- · Community Resource Network support (\$4 million).

The variance between estimated and actual Total Cost of Services of \$64 million was predominantly due to lower than expected grant payments for the Country Local Government Fund (\$94 million estimated expenditure versus \$32 million actual).

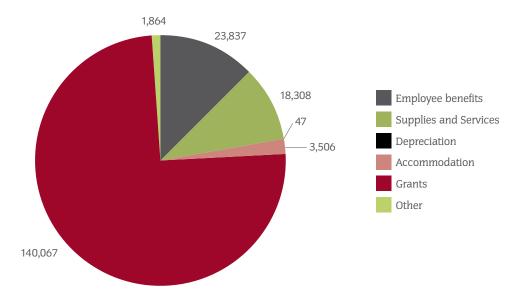
RDL also collects administered income in relation to the sale and leasing of State Crown land. Administered income increased by \$44 million in 2010-11 mainly as a result of accelerated land sales associated with the Government's global land sales target and notional revenue associated with the transfer of land from other State Government agencies.

Operating expenses by category

As indicated below grants expenditure was the major category of expenditure for RDL in 2010-11 mainly due to funded initiatives through the Royalties for Regions Program.

	\$'000	
Employee benefits	23,837	12.7%
Supplies and services	18,308	9.8%
Depreciation	47	0.0%
Accommodation	3,506	1.8%
Grants	140,067	74.7%
Other	1,864	1.0%
Total cost of services	187,629	

Operating expenses by category \$'000

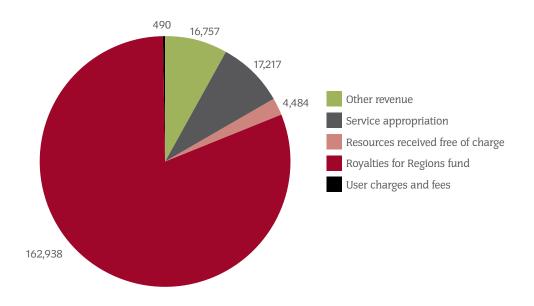


Income by Category

As indicated below Royalties for Regions was the major source of funding for RDL in 2010-11 (80.7%).

\$'000	
490	0.2%
16,757	8.3%
17,217	8.5%
4,484	2.2%
162,938	80.8%
201,886	
	490 16,757 17,217 4,484 162,938

Income by category \$'000



Summary of Key Performance Indicators

For the year ended 30 June 2011

	2010-11	2010-11	2009-10	Reasons for Significant Variance
	Actual	Target	Actual	
Key Effectiveness Indicators				
Client satisfaction with regional development services	82%	75%	86%	The 2010-11 results continue to exceed the targeted client satisfaction rate.
Percentage of customers satisfied that the management and use of Crown land is supporting the State's economic, social and cultural objectives	72.6%	70%	82.3%	The variance between this year's actual results and those recorded in 2010 reflect the more comprehensive satisfaction levels captured with a higher response rate and an expanded survey.

Key Efficiency Indicators				
Average cost per funded initiative administered	\$11,968	\$11,213	\$7,591	The increase in average cost per funded initiative administered between 2009-10 and 2010-11 is mainly attributable to additional funding for administering the Royalties for Regions program and other regional development programs. While the number of initiatives has remained relatively stable the size and complexity of the initiatives has increased.
				The variance between the 2010-11 Actual and Target is predominantly attributable to outstanding Country Local Government Fund agreements as at 30 June 2010.
Average internal cost per satellite site supported	\$3,823	\$4,026	\$3,193	The Department operated with limited corporate resources in 2009-10 resulting in a lower corporate service cost allocation for 2009-10 compared with 2010-11.
Average cost per item of written advice requiring Minister's attention	\$784	\$398	\$268	In 2010-11, the Department increased it's resourcing to deal with more complex requests for information, which resulted in the higher actual result compared to target.
Cost per Crown land action	\$3,486	\$3,406	\$3,427	

Significant issues impacting the agency

Current and emerging issues and trends

Rangelands diversification

The severe dry seasons which have occurred in the State's Rangelands for a number of years have had an adverse impact on their productive capacity, and on the people living in Rangelands communities.

Through the Rangelands Reform Program, initiatives designed to address these problems are being developed through the encouragement of new investment opportunities and land uses, identification of measures to restore the Rangelands' productive capacity and conservation values, and new forms of land tenure.

Royalties for Regions administration

The administration of the Royalties for Regions program has escalated significantly since the original budget was announced for 2008-09. RDL has assumed greater responsibility in the management of projects; taking over the management of the Country Local Government Fund in April 2010, providing executive support to the Western Australian Regional Development Trust and managing the enhanced role of the Regional Development Council.

Adequate resourcing is required in 2011-12 and beyond, to ensure the increasing funding from higher royalties revenue and escalating number of approved projects do not adversely impact on RDL's effectiveness in managing the program.

RDL is conscious that as Royalties for Regions is a relatively new, \$6.1 billion program, it is subject to intense scrutiny. RDL is committed to upholding the highest reporting and evaluation standards to accurately inform Parliament and the public how funds are being distributed.

Crown land management

The Perth Hills fires in January 2011 re-emphasised the importance of an integrated fire risk management strategy for populated areas.

RDL regards fire as a pre-eminent risk and is working closely with the Fire and Emergency Services Authority to ensure the proper management of fire risk on the 32,000 parcels of unallocated Crown land (UCL) and unmanaged reserves (UMR) in the metropolitan area, regional centres and town sites throughout the State.

The management of other Crown land-related risks is being addressed by the Department through the interagency Crown Land Management Reference Group, which will identify the various risks and management costs for UCL, UMR and other Crown land under the control of State agencies.

Gascoyne floods

During December 2010, the Gascoyne and Carnarvon area were declared a natural disaster zone with homes, infrastructure and plantations having been inundated by flood waters

RDL responded to the disaster by implementing a new pastoral rent relief application system for the disaster in a timely manner.

To date, RDL has waived \$65,206.54 in pastoral lease rent with a further \$9,640 worth of applications currently being assessed.

A total of 28 applications for rent relief were received covering 31 pastoral leases as a result of the disaster.

Native title agreements

Growth in the Pilbara and Kimberley regions, including the Browse Basin Project, require complex native title agreements and land tenure transactions.

Ensuring adequate resources for these functions is a key challenge for RDL moving forward.

Crown land assembly

Also posing resourcing challenges for RDL, is the support required for the land assembly elements of Pilbara Cities and the large number of mining-related developments in the Pilbara. These include the Ashburton North Strategic Industrial Area, the Mount Anketell Strategic Industrial Area, Boodarie Industrial Estate and port expansions.

Economic and social trends

Population growth

For the fourth successive year, Western Australia's population increased at a faster rate than in any other Australian state or territory.

At 30 June 2011, Western Australia's estimated resident population increased to 2.29 million, an annual growth rate of 2.2 per cent. Growth is never uniform across the State, although every non-metropolitan region's population, in aggregate, experienced positive growth over the past five years. The Peel, South West and Pilbara regions were the fastest growing, with their population increasing by 4.4 per cent, 3.1 per cent and 2.6 per cent respectively.

The strong growth of the Western Australian economy underpins the State's population growth forecasts. Population is expected to increase by 40 per cent over the next 40 years. On current trends alone this means that an additional 500,000 people will live in regional Western Australia.

Through initiatives like the Royalties for Regions funded Regional Centres Development Plan (SuperTowns), RDL is assisting in planning for this growth by creating communities to cater for it.

Labour shortages

A key challenge upon the State now, and for at least the next several years, will be the attraction and retention of skilled labour. Analysis shows that over the next five years continued economic growth, immigration forecasts, and retirements mean that the State could need an additional 150,000 workers within five years.

Housing shortages

Exponential growth in construction-related activity, particularly in the North West of Western Australia, will place additional pressures on already tight housing markets in some regional areas.

If not well planned and managed, this tightening of the housing market will lead to loss of local business and increased propensity towards 'fly-in/fly-out' workforces, thereby diminishing regional benefits.

RDL is working across government to attempt to address critical land supply issues in housing constrained markets.

Pilbara Cities investment

The reconstruction of communities and infrastructure after recent natural disasters in the eastern states, coupled with tight credit markets, may reduce RDL's ability to attract and retain private sector investment to the Pilbara Cities project and represents a key strategic issue.

Cross government and industry collaboration

RDL supports the need for greater cross government and industry collaboration but recognises the lengthy consultation and planning processes involved.

RDL is addressing this challenge by engaging with all levels of government through a number of working groups and committees. These include but are not limited to:

- · Aboriginal Affairs Coordinating Committee
- · Directors General Royalties for Regions Reference Group
- · Directors General Workforce Development Group
- · Directors General Approvals Working Group
- · Infrastructure Coordinating Committee
- · Land Availability Working Group
- · Northern Australia Ministerial Forum
- · Regional Development Australia
- · State's Broadband Working Group
- Western Australian Planning Commission
- · Western Australian Local Government Association.

The Department also plans to engage with government and industry stakeholders at a series of briefings in the first quarter of 2011-12. These briefings are designed to strengthen existing relationships and facilitate new opportunities to work collaboratively.

Community Engagement

The Western Australian community has a growing expectation for greater engagement on RDL projects. RDL is committed to informing and involving the community where possible and will drive this through its Corporate and External Affairs unit in 2011-12.

Access to government information

Community Resource Centres now provide free public access to government websites, information and online services.

The challenge for RDL in 2011-12 is to capitalise on this functionality by developing partnerships and generating business opportunities to allow CRCs to act as a conduit for information to flow between government and regional communities

Changes in written law

There were no changes in any written law that affected the Department during the financial year.

Disclosure and legal compliance

Financial Statements

Independent audit opinion

To the Parliament of Western Australia Department of Regional Development and Lands

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Regional Development and Lands.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, 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, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

Director General's Responsibility for the Financial Statements

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 for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director General, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Regional Development and Lands at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Department of Regional Development and Lands. The Director General is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions, and other relevant written law.

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the controls exercised by the Director General based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the controls exercised by the Department of Regional Development and Lands are sufficiently adequate to 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Regional Development and Lands. The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions.

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, the key performance indicators of the Department of Regional Development and Lands are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

In conducting this audit, I have complied with the independence requirements of the *Auditor General Act 2006* and the Australian Auditing Standards, and other relevant ethical requirements.

Colin Murphy Auditor General 15 September 2011

Certification of Financial Statements

For the year ended 30 June 2011

The accompanying financial statements of the Department of Regional Development and Lands 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 2011 and the financial position as at 30 June 2011.

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.

S Kerr Chief Finance Officer 15 September 2011 P Rosair Director General 15 September 2011

Statement of Comprehensive Income

For the year ended 30 June 2011			
Note	2	2011 20	10
	\$	000 \$0	00
COST OF SERVICES			
Francisco			
Expenses		027 470	20
r - //		,837 17,2	
Supplies and services	7 18,	,308 15,8	96
Depreciation and amortisation expense	3	47	59
Accommodation expenses	9 3,	,506 1,88	85
Grants and subsidies	140,	,067 42,5	67
Impairment loss on non-current assets)	- 1	15
Other expenses	1,	,864 3,8	39
Total cost of services	187,	,629 81,5	93
Income			
Income Revenue			
	2	490 4	41
Revenue	_	490 4 128	41 -
Revenue User charges and fees	3		-
Revenue User charges and fees 12 Commonwealth grants and contributions 13	3 1 16,	128	40
Revenue User charges and fees 12 Commonwealth grants and contributions 13 Other revenue 14 Total Revenue	3 1 16,	128 ,757 14,0	40
Revenue User charges and fees 12 Commonwealth grants and contributions 13 Other revenue 14	3 16, 17,	128 ,757 14,0	40

Income from State Government	15		
Service appropriation		17,217	31,312
Resources received free of charge		4,484	3,785
Royalties for Regions Fund	_	162,938	36,363
Total income from State Government		184,639	71,460
SURPLUS/(DEFICIT) FOR THE PERIOD		14,385	4,348
	_		
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	24	(3,057)	172,148
Total other comprehensive income		(3,057)	172,148
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	_	11,328	176,496
	_		

See also 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

As	at	30	June	201	1

As at 50 june 2011			
	Note	2011 \$000	2010 \$000
ACCETC		\$000	\$000
ASSETS			
Current Assets			
Cash and cash equivalents	25	13,816	104
Restricted cash and cash equivalents	16,25	52,752	24,089
Receivables	17	8,987	27,129
Amounts receivable for services	18	32	32
Total Current Assets	_	75,587	51,354
Non-Current Assets			
Restricted cash and cash equivalents	16,25	456	219
Amounts receivable for services	18	2,504	2,221
Property, plant and equipment	19	253,232	256,348
Total Non-Current Assets	_	256,192	258,788
TOTAL ASSETS	=	331,779	310,142
LIABILITIES			
Current Liabilities			
Payables	21	12,058	12,471
Provisions	22	4,856	3,782
Other current liabilities	23	87	66
Total Current Liabilities	_	17,001	16,319
	_		

Non-Current Liabilities

Provisions	22	1,085	635
Other non-current liabilities	23	-	4
Total Non-Current Liabilities	_	1,085	639
	-		
Total LIABILITIES		18,086	16,958
NET ASSETS		313,693	293,184
	-		
EQUITY	24		
Contributed equity		125,869	116,688
Reserves		169,091	172,148
Accumulated surplus/(deficit)	_	18,733	4,348
TOTAL EQUITY	_	313,693	293,184

See also 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 2011

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
		\$000	\$000	\$000	\$000
Balance at 1 July 2009	24	-	-	-	-
Changes in accounting policy or correction of prior period errors	_	-	-	-	-
Restated balance at 1 July 2009		-	-	-	-
Total comprehensive income for the year		-	172,148	4,348	176,496
Transactions with owners in their capacity as owners:					
Capital appropriations		105	-	-	105
Other contributions by owners	_	116,583	_		116,583
Total	_	116,688	172,148	4,348	293,184
Balance at 30 June 2010	_	116,688	172,148	4,348	293,184
Balance at 1 July 2010		116,688	172,148	4,348	293,184
Total comprehensive income for the year		-	(3,057)	14,385	11,328
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		9,181	-	-	9,181
Distributions to owners	_	-	-	-	_
Total	_	9,181	(3,057)	14,385	20,509
Balance at 30 June 2011	_	125,869	169,091	18,733	313,693

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 2011

	Note	2011 \$000	2010 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		16,902	30,997
Capital appropriations		-	105
Holding account drawdowns		32	32
Royalties for Regions Fund		172,509	36,363
Cash and cash equivalent assets transferred from other agencies	_	22,001	_
Net cash provided by State Government	_	211,444	67,497
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(22,353)	(15,235)
Supplies and services		(13,728)	(6,205)
Accommodation		(3,849)	(1,282)
Grants and subsidies		(139,334)	(41,343)
GST payments on purchases		(14,348)	(4,246)
GST payments to taxation authority		(2,864)	(2,643)
Other payments		(1,234)	(2,195)

Receipts

110001p15			
User charges and fees		574	789
Commonwealth grants and contributions		128	-
GST receipts on sales		1,085	3,962
GST receipts from taxation authority		13,707	1,486
Other receipts	_	13,434	12,717
Net cash provided by/(used in) operating activities	25	(168,782)	(54,195)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets	_	(50)	(112)
Net cash provided by/(used in) investing activities		(50)	(112)
Net increase/(decrease) in cash and cash		42,612	13,190
equivalents			
Cash and cash equivalents at the beginning of		04.440	11.000
period		24,412	11,222
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25	67,024	24,412

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 2011								
		Regional restment		ate Land istration	Region	al Policy	Tot	al
	2011	2010	2011	2010	2011	2010	2011	2010
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COST OF SERVICES								
Expenses								
Employee benefits expense	8,589	4,237	13,576	12,031	1,673	964	23,838	17,232
Supplies and services	9,849	8,612	7,838	7,032	621	252	18,308	15,896
Depreciation and amortisation expense	12	1	34	58	1	-	47	59
Accommodation expenses	1,065	463	2,258	1,351	183	71	3,506	1,885
Grants and subsidies	139,547	42,116	520	451	-	_	140,067	42,567
Loss on disposal of non-current assets	-	-	-	115	-	-	-	115
Other expenses	318	64	1,472	3,740	74	35	1,864	3,839
Total cost of services	159,380	55,493	25,698	24,778	2,552	1,322	187,630	81,593
Income								
User charges and fees	31	40	459	401	-	-	490	441
Commonwealth grants and contributions	128	-	-	-	-	-	128	-
Other revenue	8,767	11,283	7,962	2,754	28	3	16,757	14,040
Total income other than income from State Government	8,926	11,323	8,421	3,155	28	3	17,375	14,481
NET COST OF SERVICES	150,454	44,170	17,277	21,623	2,524	1,319	170,255	67,112
Income from State Government								
Service appropriation	4,625	12,386	11,407	17,722	1,185	1,204	17,217	31,312
Royalties for Regions Fund	49	36,363	4,425	-	10	-	4,484	36,363
Resources received free of charge	162,638	_	300	3,785	_	-	162,938	3,785
Total income from State Government	167,312	48,749	16,132	21,507	1,195	1,204	184,639	71,460
SURPLUS/DEFICIT FOR THE PERIOD	16,858	4,579	(1,145)	(116)	(1,329)	(115)	14,384	4,348

Schedule of Assets and Liabilities by Service

As at 30 June 2011								
	Regional Investment		State Land Administration		Regional Policy		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets								
Current assets	56,997	42,388	17,834	10,528	756	258	75,587	53,174
Non-current assets	900	457	255,111	258,188	180	143	256,191	258,788
Total assets	57,897	42,845	272,945	268,716	936	401	331,778	311,962
Liabilities								
Current liabilities	12,123	11,421	4,348	6,114	530	605	17,001	18,140
Non-current liabilities	305	98	709	498	71	43	1,085	639
Total liabilities	12,428	11,519	5,057	6,612	601	648	18,086	18,779
NET ASSETS	45,469	31,326	267,888	262,104	335	(247)	313,692	293,183

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

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2011

Tor the year ended 30 june 2011	2011 Estimate \$000	2011 Actual \$000	Variance \$000	2011 Actual \$000	2010 Actual \$000	Variance \$000
Delivery of Services Item 46 Net amount appropriated to deliver services Amount Authorised by Other Statutes	16,998	16,943	(55)	16,943	31,097	(14,154)
- Salaries and Allowances Act 1975	228	274	46	274	215	59
Total appropriations provided to deliver services	17,226	17,217	(9)	17,217	31,312	(14,095)
Capital						
Item 122 Capital appropriations	-	-	-	-	105	(105)
GRAND TOTAL	17,226	17,217	(9)	17,217	31,417	(14,200)
Details of Expenses by Service						
Regional Investment	224,881	159,380	(65,501)	159,380	55,493	103,887
State Land Administration	25,642	25,698	56	25,698	24,778	920
Regional Policy	1,023	2,552	1,529	2,552	1,322	1,230
Total Cost of Services	251,546	187,630	(63,916)	187,630	81,593	106,037
Less Total Income	(10,131)	(17,375)	(7,244)	(17,375)	(14,481)	(2,894)
Net Cost of Services	241,415	170,255	(71,160)	170,255	67,112	103,143
Adjustments	(224,189)	(153,038)	71,151	(153,038)	(35,800)	(117,238)
Total appropriations provided to deliver services	17,226	17,217	(9)	17,217	31,312	(14,095)
Capital Expenditure						
Purchase of non-current physical assets	88,429	(50)	(88,479)	(50)	112	(162)
Adjustments for other funding sources	(88,429)	50	88,479	50	(7)	57
Capital appropriations		-	-	-	105	(105)
Details of Income Estimates						
Income disclosed as Administered Income	140,177	101,192	(38,985)	101,192	57,365	43,827
	140,177	101,192	(38,985)	101,192	57,365	43,827

Adjustments comprise Royalties for Regions funding, Resources Provided Free of Charge, movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 29 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2010 and between the actual results for 2010 and 2011.

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards 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 TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Department for the annual reporting period ended 30 June 2011.

Note 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.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

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).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Department's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses 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.

(c) Reporting entity

The reporting entity comprises the Department and bodies included at note 33 "Related bodies"

Mission

The Department's mission is to plan and manage Western Australia's State lands and facilitate and development of sustainable regional communities so they have a sense of purpose and control over their future.

The Department's operations are predominantly funded by Parliamentary appropriations, however a number of programs are administered by the Department are funded from Royalties for Regions. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

Services

The Department provides the following services:

Service 1: Regional Investment

Provide support to the regional Community Resource Centre network, the Regional Development Council and Commissions.

Service 2: State Land Administration

State Land administers and manages Crown land to support the needs of the community of Western Australia and to deliver primary land tenure for strategic infrastructure projects.

Service 3: Regional Policy

This service focuses on delivering effective government policy to support regional development and service delivery, including modernising legislation.

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 37 'Disclosure of administered 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.

The 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 recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business 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 fair 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 to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

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 2010-2011 Budget Statements, the Department retained \$17.375 million in 2011 (\$14.481 million in 2010) from the following:

- · proceeds from fees and charges;
- · sale of goods;
- · proceeds from Pastoral Leases and Rental Properties;
- \cdot transfer of Ord Expansion Funds from Department of State Development; 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 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 into the Department's bank account.

Gains

Realised or unrealised gains 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 [other than where they form part of a group of similar items which are significant in total].

Initial recognition and measurement

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 the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 19 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 19 'Property, plant and equipment'.

Depreciation

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

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

Buildings 20 to 40 years

Plant and equipment 10 to 15 years

Office equipment 5 years

Software^(a) 3 to 5 years

Motor vehicles 3 to 7 years

Infrastructure 55 to 80 years

(a) Software that is integral to the operation of related hardware $% \left(x\right) =\left(x\right) +\left(x\right)$

Land is not depreciated

(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 which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value. The Department recognises the acquisition of easements associated with the Dampier to Bunbury Natural Gas Pipeline as intangible assets at cost. These assets are subject to impairment based on the active operation of the pipeline.

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

Licences up to 10 years

Development Costs 3 to 5 years

Software^(a) 3 to 5 years

Website costs 3 to 5 years

(a) Software that is not integral to the operation of any related hardware

Licenses

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

Development Costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Computer Software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website Costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of 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.

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 Department recognises the acquisition of easements associated with the Dampier to Bunbury Natual Gas Pipeline as intangible assets at cost. These assets are subject to impairment based on the active operation of the pipeline.

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) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount or fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

All Crown land holdings are vested in the Department by the Government. The Department of Regional Development and Lands (DRDL) is the only agency with the power to sell Crown land. The Department transfers the Crown land any attached buildings to DRDL when the land becomes available for sale.

(j) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(k) 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 for 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.

(l) Cash and cash equivalents

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

(m) Accrued salaries

Accrued salaries [see note 21 'Payables'] represent the amount due to staff but unpaid at 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 [See note 16 'Restricted cash and cash equivalents'] consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(n) Amounts receivable for services (holding account)

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(o) Receivables

Receivables are recognised 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.

(p) 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 at fair value, as they are generally settled within 30 days.

(q) 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.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual 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 liability is settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to the defer settlement of the liability for at least 12 months after the reporting period.

Long service leave

The liability for 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 liability is settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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.

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. Conditional long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a noncurrent provision until the fifth year.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995

The GSS 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 Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB. The concurrently funded part of the GSS is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS 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.

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

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'.

(r) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, and the GESBS. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(s) 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 at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services are received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(t) Jointly controlled operations

The Department has interests in joint ventures that are jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves the use of assets and other resources of the venturers rather than the establishment of a separate entity. The Department recognises its interests in the jointly controlled operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint venture. The Department also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

(u) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 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 a 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.

Note 4. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future 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

Several estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Note 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 2010 that impacted on the Department.

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land & buildings recognised in the financial statements have not been found to significantly expose the Department to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows reported in the Department's Statement of Cash Flows relate to increases in recognised assets.

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 Department has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Department. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 2009-11	Amendments to Australian 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].	1 Jan 2013
	The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Department does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.	
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 Jan 2011
	This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	
AASB 1053	Application of Tiers of Australian Accounting Standards	1 July 2013

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.

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

1 July 2013

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.

Amendments to Australian Accounting Standards
AASB arising from the Trans-Tasman Convergence Project
- Reduced Disclosure Requirements [AASB 101 &
AASB 1054]

1 July 2013

This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies

AASB 2010-5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)	1 Jan 2011	AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	1 Jan 2013
	This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.			This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.	
AASB 2010-6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	1 July 2011	AASB 1054	Australian Additional Disclosures	1 July 2011
	This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.			This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from	
	The Standard is not expected to have any financial impact on the Department. DTF has not yet determined the application or the potential impact			other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	
	of the amendments to these Standards for agencies.		AASB	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project	1
AASB 9	Financial Instruments	1 Jan 2013	2011-1	[AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]	1 July 2011
	This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.			This Amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and	
	The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.			incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.	

Note 6. Employee benefits expense

	2011	2010
	\$000	\$000
Wages and salaries ^(a)	21,981	15,955
Superannuation – defined contribution plans(b)	1,856	1,277
	23,837	17,232

- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.
- (b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

Employment on-costs expenses, such as workers' compensation insurance, are included at note 11 'Other expenses'.

Employment on-costs liability is included at note 22 'Provisions'.

Note 7. Supplies and services

	2011	2010
	\$000	\$000
Communications	884	610
Consultants and contractors	15,379	13,107
Consumables	334	422
Travel	824	493
Other	887	1,264
	18,308	15,896

Note 8. Depreciation and amortisation expense

	2011 \$000	2010 \$000
<u>Depreciation</u>		
Plant, equipment and furniture	47	59
Total depreciation	47	59

Note 9. Accommodation expenses

	\$000	\$000
Lease rentals	2,906	1,164
Repairs and maintenance	597	712
Cleaning	4	9
	3 507	1 885

2011

2011

2010

2010

Note 10. Grants and subsidies

	2011	2010
	\$000	\$000
Recurrent		
Community Resource Network - Operational Support	10,070	8,093
Community Resource Network Program	2,052	497
Crown Land - Fire Risk Management (FESA)	450	450
Regional Infrastructure Fund	8,771	8,161
Royalties for Regions - Country Age Pension Fuel Card	23,853	14,225
Royalties for Regions - Country Local Government Fund	30,199	4,024
Royalties for Regions - Gascoyne Development	2,141	-
Royalties for Regions - Mobile Communication	588	601
Royalties for Regions - Ord Expansion Aboriginal Development Package	3,324	1,552
Royalties for Regions - Pilbara Cities Community Projects	35,036	4,962
Royalties for Regions - Pilbara Infrastructure and Headworks	5,862	-
Royalties for Regions - Regional Community Services	17,646	-
Other Grants and Subsidies	75	1
	140,067	42,567

Note 11. Other expenses

note in ether enpenses		
	2011	2010
	\$000	\$000
Doubtful debts expense	519	43
Employment on-costs	41	180
Wittenoom Relocation Compenation Expenses	519	1,287
Service Delivery Agreement (Department of Planning)	-	2,150
Other	785	180
	1,864	3,839
Note 12. User charges and fees		
	2011	2010
	\$000	\$000
Regulatory Fees	-	68
Services Rendered	490	373
	490	441

Note 13. 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 monies received by the Department of the Commonwealth in respect of the Indian Ocean Territories. Revenue retained persuant to this agreement is to be applied to the Department's Services. Monies received by the Department in respect of the services provided shall be credited to the Department's operating account.

	2011 \$000	2010 \$000
Opening balances	-	-
Plus: Gross revenues	128	-
	128	-
Less: Gross expenditures	6	-
Closing balances	122	_

The Department has a Service Delivery Arrangement with the Commonwealth Department of Regional Australia, 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. These local governments are Indian Ocean Territories, however, they operate under the auspices of the WA Local Government Act 1995. Under a special arrangement, the Australian Minister for Local Government and Territories is the designated Minister under that Act.

Note 14. Other revenue

	2011	2010
	\$000	\$000
Sales-Proceeds Sale Closed roads	-	2
Rents and Leases	4,476	2,726
Ord Expansion Contributions ^(a)	7,230	10,653
Yawuru Agreement Implementation Project (b)	2,300	-
Other revenue	2,751	659
	16,757	14,040

- (a) Ord Expansion Project contributions provided by the Department of State Development and the Department of the Attorney General.
- (b) Contributions provided by the Department of the Attorney General.

Note 15. Income from State Government

	2011 \$000	2010 \$000
Appropriation received during the year:		
Service appropriation ^(a)	17,217	31,312
	17,217	31,312
Resources received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Local Government	168	-
Landgate	4,068	3,562
State Solicitor's Office	248	223
	4,484	3,785
Royalties for Regions Fund:		
- Country Local Government Fund ^(c)	44,280	4,125
- Regional Community Services Account ^(c)	48,458	18,130
- Regional Infrastructure and Headworks Account ^(c)	65,244	9,317
- Administeration (New Statewide Initiative) (C)	4,956	4,791
	162,938	36,363
	184,639	71,460

- (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 direct to equity.
- (c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

Note 16. Restricted cash and cash equivalents

	2011 \$000	2010 \$000
<u>Current</u>		
Royalties for Regions Fund ^(a)	44,950	18,083
Cash and cash equivalents	7,802	6,006
	52,752	24,089
Non current		
Non-current		
Accrued salaries suspense account(b)	456	219
	456	219

- (a) Unspent funds are committed to projects and programs in WA regional areas.
- (b) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Note 17. Receivables

Note 17. Necestables		
	2011	2010
	\$000	\$000
Current		
Receivables	2,556	1,942
Allowance for impairment of receivables	(595)	(214)
GST receivable	3,042	2,292
Other debtors	3,984	23,109
Total current	8,987	27,129
Total receivables	8,987	27,129
Reconciliation of changes in the allowance for impairment of	f receivables:	
Balance at start of year	214	171
Doubtful debts expense	519	47
Amounts written off during the year	(138)	(4)
Balance at end of year	595	214
·		

The Department does not hold any collateral or other credit enhancements as security for receivables.

Note 18. Amounts receivable for services (Holding Account)

	2011	2010
	\$000	\$000
Current	32	32
Non-current	2,504	2,221
	2,536	2,253

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.

Note 19. Property, plant and equipment

	2011 \$000	2010
Land	\$000	\$000
At fair value ^(a)	251,322	255,382
At lall value.	251,322	255,382
Buildings	231,322	255,562
At fair value ^(a)	1,794	792
At fair value.	1,794	792
Office equipment	1,7 94	772
At cost	74	108
Accumulated depreciation	(64)	(58)
Accumulated depreciation	10	50
Computer Hardwares		
At cost	68	46
Accumulated depreciation	(17)	(3)
Accumulated depreciation	51	43
<u>Fixtures & Furnitures</u>		
At cost	249	249
Accumulated depreciation	(211)	(188)
Accumulated depreciation	38	61
Communications		
At cost	54	44
Accumulated depreciation	(42)	(39)
recumulated depreciation	12	5
Other Equipment	12	
At cost	6	_
Accumulated depreciation	(1)	_
Accumulated depreciation	5	
Other Non - Current Assets		
At cost	_	15
		15
	253,232	256,348

Land and buildings were revalued as at 1 July 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. In undertaking the revaluation, fair value was determined by reference to market values for land: \$237,903,050 and buildings: \$495,000. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost.

Reconcilations 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.

	Land	Buildings	Office Equipment	Computer Hardwares	Fixtures & Con Furnitures	nmunications	Other (Equipment Cur	Other Non - rent Assets	Total
2011	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at start of year	255,382	792	50	43	61	5	_	15	256,348
Additions	-	-	-	53	-	10	6	-	69
Transfers ^(a)	-	-	-	-	-	-	-	-	-
Other disposals	-	-	(34)	(31)	-	-	-	(15)	(80)
Classified as held for sale	-	-	-	-	-	-	-	-	-
Revaluation increments	(4,060)	1,003	-	-	-	-	-	-	(3,057)
Impairment losses(b)	-	-	-	-	-	-	-	-	-
Impairment losses reversed ^(b)	-	-	-	-	-	-	-	-	-
Depreciation	-		(6)	(14)	(23)	(3)	(1)	-	(47)
Carrying amount at end of year	251,322	1,794	10	51	38	12	5	_	253,232

	Land	Buildings	Office Equipment	Computer Hardwares	Fixtures & Co Furnitures	ommunications C	Other Non - urrent Assets	Total
2010	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at start of year	_							
Additions	-	-	34	31	48	-	15	128
Transfers ^(a)	83,234	907	16	15	69	5	-	84,246
Other disposals	-	-	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-	-	-
Revaluation increments	172,148	-	-	-	-	-	-	172,148
Impairment losses(b)	-	(115)	-	-	-	-	-	(115)
Impairment losses reversed(b)	-	-	-	-	-	-	-	-
Depreciation	-	-	-	(3)	(56)	-	-	(59)
Write-off of assets destroyed by earthquake	-	-	-	-	-	-	-	-
Carrying amount at end of year	255,382	792	50	43	61	5	15	256,348

⁽a) The Department of Regional Development and Lands (DRDL) is the only agency with the power to sell Crown land. The land is transferred to DRDL for sale and the Department accounts for the transfer as a distribution to owner (DTO).

⁽b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where an asset measured at fair value is written-down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.

Note 20. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets as at 30 June 2011.

The Department held intangible assets with an indefinite useful life during the reporting period. The Department recognises the acquisition of easements associated with the Dampier to Bunbury Natural Gas Pipeline as intangible assets with an indefinite useful life. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have either been classified as assets held for sale or written-off.

Note 21. Payables

	2011	2010
	\$000	\$000
Current		
Trade payables	5,276	2,431
Accrued expenses	5,293	7,863
Accrued salaries	1,489	932
Other - Expenses incurred by the Department of Local Government	-	1,245
Total current	12,058	12,471

Note 22. Provisions

	2011 \$000	2010 \$000
<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	1,990	1,523
Long service leave ^(b)	2,417	1,924
	4,407	3,447
Other provisions		
Employment on-costs ^(d)	449	335
	4,856	3,782
Non-current		
Employee benefits provision		
Long service leave ^(b)	964	583
Deferred salary scheme ^(c)	15	11
	979	594
Other provisions		
Employment on-costs ^(d)	106	41
	1,085	635
	5,941	4,417

⁽a) Annual leave liabilities have been classified as current as there is no unconditional 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:

	2011	2010
	\$000	\$000
Within 12 months of the end of the reporting period	1,239	1,523
More than 12 months after the reporting period	751	-
	1,990	1,523

(b) Long service leave liabilities have been classified as current where there is no unconditional 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:

	2011	2010
	\$000	\$000
Within 12 months of the end of the reporting period	1,039	1,924
More than 12 months after the reporting period	2,342	583
	3,381	2,507

(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Actual settlement of the liabilities will occur as follows:

	2011	2010
	\$000	\$000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the reporting period	15	11
	15	11

(d) 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 the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

Movements in other provisions

Wiovements in other provisions		
	2011	2010
	\$000	\$000
Movements in each class of provisions during the financial ve	or other than	
Movements in each class of provisions during the financial ye employee benefits, are set out below.	ear, other than	
Employment on-cost provision		
Carrying amount at start of year	376	-
Additional provisions recognised	180	376
Carrying amount at end of year	556	376

Note 23. Other liabilities

	2011	2010
	\$000	\$000
Current		
Other - Unearned Revenue	87	66
Total current	87	66
Non-current		
Other employment on-cost provisions	_	4
Total non-current		4

Note 24. Equity

The Government holds the equity interest in the Department on behalf of the community. Equity represents the residual interest in the net assets of the Department. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

Contributed equity		
	2011	2010
	\$000	\$000
Balance at start of period	116,688	-
Contributions by owners		
Capital appropriation	-	105
Other contributions by owners		
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	9,181	-
Transfer of net assets from other agencies		
Contribution from other agencies	-	116,583
Total contributions by owners	9,181	116,688
BALANCE AT END OF PERIOD	125,869	116,688

Reserves	
----------	--

	2011	2010
	\$000	\$000
Asset revaluation surplus		
Balance at start of year	172,148	-
Net revaluation increments/(decrements):		172,148
Land	(4,060)	
Buildings	1,003	
Balance at end of year	169,091	172,148
Accumulated surplus/(deficit)		
	2011	2010
	\$000	\$000
Balance at start of year	4,348	-
Result for the period	14,385	4,348
Balance at end of year	18,733	4,348
Total Equity at end of period	313,693	293,184

Note 25. 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:

	2011	2010
	\$000	\$000
Cash and cash equivalents	13,816	104
Restricted cash and cash equivalents	53,208	24,308
[note 16 'Restricted cash and cash equivalents']		
	67,024	24,412

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	\$000	\$000
Net cost of services	(170,254)	(67,112)

2011

2010

Non-cash items:

Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	47	59
Doubtful debts expense (note 11 'Other expenses')	519	43
Resources received free of charge (note 15 'Income from State Government')	4,484	3,785
Adjustment for other non-cash items	439	(1,219)

(Increase)/decrease in assets:			Note 26. Commitments		
Current receivables ^(a)	(7,488)	(1,552)	The commitments below are inclusive of GST where relevant.		
Current inventories	-	153			
Non-current receivables	(283)	-	Lease commitments		
				2011	2010
Increase/(decrease) in liabilities:				\$000	\$000
Current payables ^(a)	(498)	10,106	Commitments in relation to leases contracted for at the end		
Current provisions	1,079	1,503	of the reporting period but not recognised in the financial statements are payable as follows:		
Other current liabilities	21	1,847	Within 1 year	2,854	1,244
Non-current provisions	450	(369)	Later than 1 year and not later than 5 years	10,148	341
Other non-current liabilities	(4)	4	<u>-</u>	13,002	1,585
Net GST receipts/(payments) ^(b)	(836)	(1,442)	=		
Change in GST in receivables/payables ^(c)	3,542	_	Representing:		
Net cash provided by/(used in) operating activities	(168,782)	(54,195)	Non-cancellable operating leases	13,002	1,585
				13,002	1,585
(a) Note that the Australian Taxation Office (ATO) received of GST and the receivable/payable in respect of the	vable/payable in re	espect	=		
current assets are not included in these items as th	ey do not form pai	rt of the	Non-cancellable operating lease commitments		
reconciling items.				2011	2010
4) min d (60m il/ i li l				\$000	\$000
(b) This is the net GST paid/received, ie. cash transacti	ons.		Commitments for minimum lease payments are payable as follows:		
(c) This reverses out the GST in receivables and payabl	es.		Within 1 year	2,854	1,244
			Later than 1 year and not later than 5 years	10,148	341
			_	13,002	1,585

The Department has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

Grant commitments

	2011	2010
	\$000	\$000
Grants committed at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	49,072	170
Later than 1 year and not later than 5 years	12,049	_
	61,121	170

Grant commitments are primarily funded from future years' revenue and arise when a funding application has been approved.

Other expenditure commitments

	2011	2010
	\$000	\$000
Other expenditure commitments contracted for at the end of but not recognised as liabilities, are payable as follows:	the reporting p	period
Within 1 year	81	3,098
Later than 1 year and not later than 5 years	-	2,362
	81	5,460
These commitments are all exclusive of GST.		

Note 27. Contingent liabilities and contingent assets

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Department has pending litigation that may affect the financial position. One action for compensation against the Department. The potential maximum financial effect is \$614,208.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Department is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the Department may have a liability in respect of investigation or remediation expenses.

Department of Environment and Conservation (DEC) has approved a program under section 12 of the *Contaminated Sites Act 2003* for the systematic identification, inspection, reporting and treatment of suspected contaminated sites on Crown land under direct State Land Services (SLS) management.

Initial inspection of the approximately 10,000 suspected contaminated sites will be conducted by contractors, with SLS management determining whether the inspection reports indicate that a site merits further investigation and reporting to DEC. Subsequent detailed examination and reporting to DEC will be conducted by duly qualified environmental consultants and contaminated sites auditors, contracted by SLS.

The extent of the Department's liability will only be able to be assessed as DEC progressively classifies sites under a program, which is expected to continue for many years.

Note 28. Events occurring after the end of the reporting period

At the time of reporting, management are not aware of any events that have occurred that would significantly impact the financial statements.

Note 29. 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 \$250,000.

Total appropriations provided to deliver services

Significant variances between estimate and actual for 2011

No significant variance in the total appropriation.

Significant variances between actual results for 2010 and 2011

	2011	2010	Variance
	\$000	\$000	\$000
Total appropriation provided to deliver services for the $year^{(a)}$	17,217	31,312	(14,095)
Total income ^(b)	17,375	14,481	2,894

- (a) Total appropriation provided to deliver services for the year The variance is due to the final payment of \$14 million received in 2009/10 for the Regional Infrastructure Fund.
- (b) Total income The variance is due to increased revenue for pastoral leases and funds received for the management of potential contaminated sites on Crown Lands.

Service expenditure

Significant variances between estimate and actual for 2011

	2011	2011	
	Estimate	Actual	Variance
	\$000	\$000	\$000
Regional Investment (a)	224,881	159,380	(65,501)
Regional Policy (b)	1,023	2,552	1,529

- (a) Regional Investment The variance is predominantly due to lower than expected grant payments for the Country Local Government Fund (\$94 million estimated expenditure versus \$32 million actual) as well as the transfer of the Wild Dogs Management plan to Department of Food and Agriculture WA (\$4.8 million).
- (b) Regional Policy The variance is due to an increase in resourcing created from an internal restructure of activities to meet increased service delivery obligations.

Significant variances between actual results for 2010 and 2011

	2011	2010	Variance
	\$000	\$000	\$000
Regional Investment (a)	159,380	55,493	103,887
State Land Administration (b)	25,698	24,778	920
Regional Policy (c)	2,552	1,322	1,230

- (a) Regional Investment The variance is predominantly due to increased expenditure from the Royalties for Regions program on Pilbara Cities projects (\$34 million), Regional Strategic Projects (\$23 million), Country Local Government Fund (\$28 million), expansion of the Country Age Pension Fuel Card (\$10 million) and Community Resource Network support (\$4 million).
- (b) State Land Administration The variance is generally in line with anticipated annual cost escalation of 3% on the operational costs of the Division.
- (c) Regional Policy The variance is due to an increase in resourcing created from an internal restructure of activities to meet increased service delivery obligations.

Capital contribution

Significant variances between estimate and actual for 2011

No significant variance in Capital contribution.

Significant variances between actual results for 2010 and 2011

	2011	2010	Variance
	\$000	\$000	\$000
Capital contribution ^(a)	-	105	(105)

(a) Capital contribution - The Department received one off funding for upgrade of office equipment (\$105,000) in 2009-10 as part of the split from the Department for Planning and Infrastructure.

Administered Income

Significant variances between estimate and actual for 2011

	2011	2011		
	Estimate	Actual	Variance	
	\$000	\$000	\$000	
Income disclosed as Administered Income ^(a)	140,177	101,192	(38,985)	

(a) Administered Income - The Department receives revenue from sale of Crown land and forwards these proceeds on to Treasury. It is difficult to predict what revenue will be earmed in a financial year as the returns on a parcel of land will vary greatly based on the location, the size of the land parcel and obviously the timing of the sale itself. A general estimate was made at the time based on known transactions that were potentially available for sale in 2010/11 and this target was not achieved as some parcels of land were not fully approved and sold by 30 June 2010.

Significant variances between actual results for 2010 and 2011

	2011	2010		
	Actual	Actual	Variance	
	\$000	\$000	\$000	
Income disclosed as Administered Income ^(a)	101,192	57,365	43,827	

(a) Administered Income - The Department receives revenue from sale of Crown land and forwards these proceeds on to Treasury. It is difficult to predict what revenue will be earmed in a financial year as the returns on a parcel of land will vary greatly based on the location, the size of the land parcel and obviously the timing of the sale itself. In line with the Government's objective to ensure the release of additional land to meet the supply issues in the market, the Department achieved a higher sales result than in 2010.

Note 30. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and 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 the 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 30(c) 'Financial instruments disclosures' and note 17 '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 the 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 mange 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 [for example, equity securities or commodity prices changes]. The Department's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

(b) Categories of financial instruments

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

	2011	2010
	\$000	\$000
Financial Assets		
Cash and cash equivalents	13,816	104
Restricted cash and cash equivalents	52,752	24,089
Loans and receivables ^(a)	8,481	27,090

<u>Financial Liabilities</u>

Financial liabilities measured at amortised cost	12,058	12,472
--	--------	--------

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial instrument disclosures

Credit risk and interest rate exposures

The following table discloses 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.

Interest rate exposures and ageing analysis of financial assets(a)

	<u>Interest rate exposure</u>						<u>F</u>	Past due but	not impaired		
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed interest rate	Variable interest rate	Non- interest bearing	Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years	Impaired financial assets
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Financial Assets</u>											
2011											
Cash and cash equivalents		13,816			13,816						
Restricted cash and cash equivalents		52,752			52,752						
Receivables ^(a)		5,945			5,945	40	974	462	52		
Amounts receivable for services	_	2,536			2,536						
		75,049			75,049	40	974	462	52		
2010	_										
Cash and cash equivalents		104			104						
Restricted cash and cash equivalents		24,089			24,089						
Receivables ^(a)		24,837			24,837	145	675	67	47	3	
Amounts receivable for services	_	2,253			2,253						
	_	51,283			51,283	145	675	67	47	3	

⁽a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities(a)

			<u>Inter</u>	rest rate expo	<u>osure</u>		\overline{V}	Maturity date	5			
	Weighted Average Effective Interest Rate	Carrying Amount	Fixed interest rate	Variable interest rate	Non- interest bearing	Adjustment for discounting	Total Nominal Amount	Up to 3 months	3-12 months	1-2 years	2-5 years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Financial Liabilities</u>												
2011												
Payables		12,058			12,058			12,058				
	_	12,058			12,058			12,058				
2010	-											
Payables	_	12,472			12,472			12,472				
		12,472			12,472			12,472				

⁽a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

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

Note 31. Remuneration of senior officers

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

\$	2011	2010
30,001 -40,000	0	1
50,001 - 60,000	0	1
60,001 - 70,000	0	1
80,001 - 90,000	0	1
90,001 - 100,000	0	1
100,001 - 110,000	0	1
110,001 – 120,000	3	0
120,001 - 130,000	1	0
130,001 - 140,000	2	1
140,001 - 150,000	1	1
160,001 - 170,000	1	1
190,001 - 200,000	1	0
	\$000	\$000
Total remuneration of senior officers	1,220	898

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

None of department's senior officers are members of the Pension Scheme

Note 32. Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2011	2010
	\$000	\$000
Auditing the accounts, financial statements and performance indicators	86	66
	86	66

Note 33. Related bodies

The Department had no related bodies during the financial year 2010-11 and 2009-10 .

Note 34. Affiliated bodies

The Department had no affiliated bodies during the financial year 2010-11 and 2009-10.

Note 35. Special purpose accounts

Special Purpose Account

<u>Dampier to Bunbury Natural Gas Pipeline Account (Administered)</u> (a)

This Account holds funds received pursuant to section 45(2) of the *Dampier to Bunbury Pipeline Act 1997* for application in accordance with section 45(5) of that Act.

	2011	2010
	\$000	\$000
Balance at the start of the year	24,108	26,142
Receipts	28	87
Payments	(4,156)	(2,121)
Balance at the end of the year	19,980	24,108

Deposits Land Applications (Administered) (b)

This Account holds fees, rentals, deposits, premiums or performance bonds received from applicants pending the issue of licences or leases, or the sale of Crown land or in relation to improvements to Crown land in accordance with provisions of the *Land Administration Act 1997.*

	2011	2010
	\$000	\$000
Balance at the start of the year	68,660	13,218
Receipts	2,553	55,442
Payments	(13,733)	_
Balance at the end of the year	57,480	68,660

War Service Land Settlement (Administered) (b)

	2011	2010
	\$000	\$000
Balance at the start of the year	560	4
Receipts	521	556
Payments	(1,077)	-
Balance at the end of the year	4	560

Wittenoom Relocation Trust Account (Controlled) (C)

The purpose of this account is to hold funds for the purpose of purchasing property in the Wittenoom town site, relocating residents, demolition and disposal of acquired property.

	2011	2010
	\$000	\$000
Balance at the start of the year	3,871	2,392
Receipts	250	1,558
Payments	(704)	(79)
Balance at the end of the year	3,417	3,871

- (a) Established under section 16(1)(b) of FMA.
- (b) Established under section 16(1)(c) of FMA.
- (c) Established under section 16(1)(d) of FMA.

Note 36. Supplementary financial information

(a) Write-offs

During the financial year 2011: \$136,771 (2010: \$4,000) was written off the Department's asset register under the authority of:

	2011	2010
	\$000	\$000
The accountable authority	-	4
The Minister	138	-
	138	4

Note 37. Disclosure of administered income and expenses by service

	State Lan	ds	General – Not	Attributed	Total	
	2011	2010	2011	2010	2011	2010
	\$000	\$000	\$000	\$000	\$000	\$000
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	634	699	-	-	634	699
Supplies and services	846	670	-	-	846	670
Accommodation expenses	29	31	-	-	29	31
Grants and subsidies	125	400	-	-	125	400
Cost of Sales	-	-	57,372	23,307	57,372	23,307
Cost of Assets Transferred	-	-	303	80,648	303	80,648
Transfer payments	-	-	70,629	52,382	70,629	52,382
Other expenses	526	563	-	-	526	563
Share of joint venture expenses (refer to note 38 (i))	51	8	-	-	51	8
Total administered expenses	2,211	2,371	128,304	156,336	130,515	158,708
Income						
For transfer:						
Regulatory fees and other charges	24	737	-	-	24	737
Assets not previously recognised	-	-	27,562	6,026	27,562	6,026
Land sales	-	-	56,103	39,420	56,103	39,420
Lease rental	-	-	17,503	11,181	17,503	11,181
Share of joint venture revenues (refer to note 38 (i))		1		-		1
Total administered income	24	738	101,168	56,627	101,192	57,365

			ar o ara laba		
Note 38. Administered assets and liabilities			Non-Current Liabilities		
	2011	2010	Provision	36	119
	\$000	\$000	Total Administered Non-Current Liabilities	36	119
<u>Current Assets</u>					
Cash and cash equivalents	86,353	97,062	Total Administered Liabilities	63,430	71,339
Receivables	13,026	5,966			
War Service Land Settlement Scheme	1,352	-	(i) Notes to the Schedules of Administered Items – Join	t venture	
Share of joint venture current assets (i)	882	886			
Total Administered Current Assets	101,613	103,914	The Minister has a 21% interest in a joint venture with LandCo Bunbury to develop, subdivide and sell land in Bunbury.	orp and the Ci	ty of
			Buribury to develop, subdivide and sell land in Buribury.		
Non-Current Assets					
Land and Buildings at fair value (ii)	4,446,849	4,638,781	The following represents the Minister's interests in the joint venture operation:		
Easements, at fair value (ii)	15,612	13,550			
Share of joint venture non current assets (i)	590	622		2011	2010
Total Administered Non-Current Assets	4,463,051	4,652,953		\$000	\$000
Total Administered Assets	4,564,664	4,756,867	Expenses		
			Estate expenses	4	1
<u>Current Liabilities</u>			Operating expenses	47	7
Payables	4,713	4,724	Share of joint venture expenses	51	8
Provision	121	45			
Income in Advance	1,043	-	Revenues		
Refundable deposits	57,462	65,860	Interest	-	1

7

48

63,394

558

33

71,220

Share of joint venture revenues

Funds held in trust

Share of joint venture current liabilities (i)

Total Administered Current Liabilities

Current assets

Cash	-	26
Work in progress	882	855
Other current assets	_	5
Share of joint venture current assets	882	886
Non current assets		
Undeveloped land	590	622
Share of joint venture non current assets	590	622
Total share of joint venture assets	1,472	1,508
Current liabilities		
Current liabilities Accrued expenses	48	33
	48 48	33 33

(ii) Notes to the Schedules of Administered Items – Land values

Land is measured at fair value based on independent valuations provided by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011.

Fair value has been determined on the basis of current market value where an active market exists or current use where no market exists and/or the current land use is specialised in nature. Revaluations are made with sufficient regularity to ensure that the carrying value of land does not differ materially from its fair value at reporting date

Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2010) were compliant with fair value at 30 June 2011.

Contingent liabilities

There were no contingent liabilities in relation to the Administered assets and liabilities schedule as at 30 June 2011.

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

For the year ended 30 June 2011

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 Regional Development and Lands' performance, and fairly represent the performance of the Department of Regional Development and Lands for the financial year ended 30 June 2011.

Paul Rosair Director General 15 September 2011

Department Level Government Desired Outcomes and Key Performance Indicators

The Department of Regional Development and Lands (RDL) was formed on 1 July 2009, from elements of the former departments of Local Government and Regional Development and Planning and Infrastructure.

The relationship between the desired outcomes of the RDL and the Government goals are outlined in the table below.

Government Goals

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

Department Desired Outcomes

Increased capacity of regional communities to develop economic growth and social wellbeing.

State lands are administered to meet the State's economic, social and cultural objectives.

Department Services

Regional Investment. Regional Policy.

State Land Administration.

These desired outcomes are the Key Performance Indicators which are used to measure the Department's effectiveness and efficiency in the delivery of our services.

Department Level Government Desired Outcome: Increased capacity of regional communities to develop economic growth and social wellbeing.

Key to this increased capacity is local decision-making supported by a variety of departmental services aimed to encourage effective, efficient, sustainable and responsible local decision making and community growth.

The Department provides a host of regional development services, including:

- · Administration of the Royalties for Regions program
- · Advice and support to the Regional Development Commissions, including the Regional Grants Scheme and secretariat support
- · Westlink Services
- Community Development, including advice, funding and support to the Community Resource Centres.

Effectiveness Indicator:

Client satisfaction with regional development services.

To determine the effectiveness of the delivery of the Department's regional development services and programs, an independent external survey was conducted gathering feedback from clients selected from a cross section of agency contacts including government departments, local government bodies, businesses, non-government organisations and regional community groups.

The surveys addressed the level of satisfaction with the Department's performance in a range of community services, local infrastructure investment and large-scale strategic infrastructure, including Pilbara Cities and Ord-East Kimberley Expansion Project.

291 surveys were completed from 358 valid clients giving a relatively high response rate of 81%, with a maximum standard error ratio of \pm 2.5% at the 95% confidence level

Key Effectiveness	2010-11	2010-11	2009-10	Reasons for Significant
Indicators	Actual	Target	Actual	Variance
Client satisfaction with regional development services	82%	75%	86%	The 2010-11 results continue to exceed the targeted client satisfaction rate.

Efficiency Key Performance Indicators

Service 1: Regional Investment

This service empowers regional communities to identify their priorities, needs and solutions, and invest Royalties for Regions resources to improve the quality of life in regional Western Australia. We do this by creating new opportunities through funding initiatives that build infrastructure, create development and business opportunities, improve the delivery of essential services and information, increase skills and capability, and strengthen communities.

Regional Investment recognises State Government investment in the development of regional Western Australia. This investment increases the capacity of regional communities to develop both economic growth and social well being. This promotes increased sustainability and a sense of community, resulting in a remote and regional Western Australia where people choose to stay and live and raise a family.

Our efficiency indicators gauge the cost of providing these services based on a measurable unit of quantity, for example results are presented on a cost per funded initiative.

Key Efficiency Indicators	2010-11 Actual	2010-11 Target	2009-10 Actual	Reasons for Significant Variance
Average cost per funded initiative administered	\$11,968	\$11,213	\$7,591	The increase in average cost per funded initiative administered between 2009-10 and 2010-11 is mainly attributable to additional funding for administering the Royalties for Regions program and other regional development programs. While the number of initiatives has remained relatively stable the size and complexity of the initiatives has increased. The variance between the 2010-11 Actual and Target is predominantly attributable to outstanding Country Local Government Fund agreements as at 30 June 2010.
Average internal cost per satellite site supported	\$3,823	\$4,026	\$3,193	The Department operated with limited corporate resources in 2009-10 resulting in a lower corporate service cost allocation for 2009-10 compared with 2010-11.

Service 2: Regional Policy

This service focuses on delivering effective government policy to support regional development and service delivery, including modernising legislation. It ensures that the Department's work is proactively supporting Aboriginal development and engagement through the Department's programs and behaviour. Regional policy business works across government and other sectors to enhance planning and service delivery. Regional policy business addresses the challenges and opportunities of living, working and doing business in the regions.

Average cost is calculated by the internal costs incurred in the Strategic Policy Division divided by the tracked number of written advice requiring Minister's attention.

Key Efficiency Indicators	2010-11	2010-11	2009-10	Reasons for Significant
	Actual	Target	Actual	Variance
Average cost per item of written advice requiring Minister's attention	\$784	\$398	\$268	In 2010-11, the Department increased it's resourcing to deal with more complex requests for information, which resulted in the higher actual result compared to target.

Department Level Government Desired Outcome: State lands are administered to meet the State's economic, social and cultural objectives.

Effectiveness Indicator: Percentage of customers satisfied that the management and use of Crown land is supporting the State's economic, social and cultural objectives.

RDL's State Land Services Division administers and manages the Crown estate (State land) to support the needs of the community of Western Australia and to deliver primary land tenure for strategic infrastructure projects. The extent to which customers are satisfied that their needs are supported by the State Land Services Division is an indicator of the Department's effectiveness.

The primary users of State Land Services Division services are other State government agencies and local governments. A customer survey conducted by independent consultants asked these customers to rate their satisfaction with State Land Services Division services as well as asking to what extent they felt Crown land has been provided to meet the States economic, social and cultural objectives. Customers were also asked to rate the Department's management of risk on Crown land under its control.

162 recipients or beneficiaries of State Land Services Division services, including private enterprise, a sample of CEOs and Senior Officers in local government agencies, and selected government agencies were asked a variety of questions over the telephone in order to obtain detailed feedback and data. The survey achieved a response rate of 73% which was up on last year's rate of 66%, giving a maximum standard error ratio of \pm 0.0% at the 95% confidence level.

Key Effectiveness	2010-11	2010-11	2009-10	Reasons for Significant
Indicators	Actual	Target	Actual	Variance
Percentage of customers satisfied that the management and use of Crown land is supporting the State's economic, social and cultural objectives	72.6%	70%	82.3%	The variance between this year's actual results and those recorded in 2010 reflect the more comprehensive satisfaction levels captured with a higher response rate and an expanded survey.

Efficiency Key Performance Indicators

Service 3: State Land Administration

RDL's State Land Services Division administers and manages Crown land to support the needs of the community of Western Australia and to deliver primary land tenure for strategic infrastructure projects.

The Department works in close partnership with private and public entities to ensure that land needs are met in a sustainable and responsible manner. In doing so the Department works proactively with a wide range of lands stakeholders, including Aboriginal people and pastoralists, to ensure that the many and varied interests of Western Australians are recognised and understood. With this wide client base, gathering feedback to ensure continual improvement is imperative.

The cost per Crown land action is calculated by dividing the total recurrent budget allocated to State Land Services by the number of Crown land actions.

A Crown land action occurs when any type of registrable document created via the Document Processing System is lodged at Landgate by State Land Services staff. Crown land actions also include issued surveys, and the number of tenure searches, inspections and rent re-appraisements which are all tracked and reported on a monthly basis.

Key Efficiency Indicators	2010-11	2010-11	2009-10	Reasons for Significant
	Actual	Target	Actual	Variance
Cost per Crown land action	\$3,486	\$3,406	\$3,427	

Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Pricing Policies of services provided

The Department charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by the Department of Treasury and Finance.

The current list of fees and charges, Gazette 115 dated 23 June 2009, were implemented on 1 July 2009 as published in the Gazette on 23 June 2009.

Details are available on the State Law Publisher website at www.slp.wa.gov.au.

Capital Works

Capital project incomplete

No capital projects were started during 2010-11.

Capital projects completed

No capital projects were completed during 2010-11.

Employment and Industrial Relations

Staff profile

	2010-11 Headcount	2010-11 Actual FTE (approved FTE of 283)
Permanent full-time	186	186
Permanent part-time	32	14
Temporary full-time	37	37
Temporary part-time	7	3
Total	262	240

As at 30 June 2011, RDL had an approved full-time equivalent (FTE) of 283 and an actual FTE of 240.

During the period 2010-11, the Department commenced and finalised a number of recruitment and selection processes, resulting in an increased headcount from 234 at the start of the first quarter, to 262 at the end of the fourth quarter.

The representation of permanent officers increased from 193 to 218, and temporary staff numbers increased from 41 to 44.

The increase in appointments represents a significant level of recruitment being undertaken in order to continue to establish an operating structure for RDL and implement the Royalties for Regions initiative and new State-wide projects undertaken by the Department.

Information and Communications Technology (ICT) consolidation

In 2010-11, RDL established integrated, agency-specific ICT infrastructure.

Since the Department's inception in July 2009, it has operated on different network infrastructures, receiving support from the Department of Local Government, the Department of Planning and the Department of Transport.

In September 2010, the Department's email services were consolidated.

In April and May of 2011, RDL migrated its corporate records from TRIM (hosted by the Department of Local Government) to Objective (hosted by the Department of Transport) and finally, its network infrastructure to the Department of Transport. This means that all RDL offices are now on a single network, making the sharing of information and systems more efficient.

New website launched

The ICT consolidation afforded RDL the opportunity to bring together disparate departmental websites and intranets.

In June 2011, RDL launched its new website which provides stakeholders with a single source of Departmental information. The new website provides easily accessible, accurate and timely information about the Department's projects and programs.

A new intranet site for RDL staff was developed in 2010-11 and is expected to go live in the first quarter of 2011-12.

RDL progress towards new Works Management System

Throughout 2010-11, RDL moved closer to implementing a new Works Management System to service the State Land Services division.

The Works Management System will replace the current operational systems built on an outdated platform. With some of these applications now difficult to support, there is a critical need for the acquisition of a Works Management System to be progressed in 2011-12.

Once implemented, the Works Management System will allow the State Land Services division to streamline their business activities and as a result, serve stakeholders more efficiently.

RDL on the move

Many of the ICT milestones achieved in 2010-11 were in preparation for metropolitan staff to move to new offices located at 140 William Street, Perth.

Midland staff (currently working out of Midland Square) and West Perth staff (based in Dumas House) will relocate to William Street in September 2011. The move will consolidate RDL's metropolitan offices, improving the Department's service delivery.

Graduate Program

In 2010-11, RDL joined a combined Graduate Program with the Department of Mines and Petroleum, the Department of State Development and the Department of Commerce.

The program, now involving four Western Australian Government departments, offers opportunities to help develop the professional skills and knowledge of graduates. It is an Indigenous Australian and youth targeted employment initiative, with RDL striving to grow diversity in the workplace.

The Department will host two graduates for a period of three months during the second half of 2011, and will also undertake recruitment and selection of two graduates for commencement in January 2012.

Pilot Mentoring Program

RDL introduced a Pilot Mentoring Program to staff in March 2011. Staff were invited to nominate for one of 12 mentoree places available, by providing a statement outlining the value a mentor would provide to their professional development and the qualities they were seeking in a mentor as well as their commitment to the program. From there, successful nominees were matched with a trained mentor from within the Department.

The program aims to assist in the career development of RDL staff through the sharing of the skills and abilities of our talented employees.

Following an evaluation of the Pilot Program, an ongoing Mentoring Program offering more opportunities for both mentors and mentorees will be implemented.

The RDL Way

In 2009-10, volunteers participated in workshops to develop RDL's corporate values, resulting in the Department's values statement, 'The RDL Way'.

During 2010-11, all staff participated in The RDL Way workshops and contributed many ideas about the type of workplace they would like RDL to be.

The Corporate Executive Group is keen to build on ideas identified through the workshops. The Department has established a working group to progress the identified priorities, and is conducting an Employee Opinion Survey in 2011-12.

The RDL Way has been incorporated into organisational strategies including the Code of Conduct, Work and Development Plans and the Department's Workforce Plan.

RDL is committed to the ideals behind the values statement and ensuring that we conduct ourselves and our daily operations in The RDL Way.

Cultural Awareness training

RDL's Aboriginal Affairs Branch successfully delivered seven Cultural Awareness training sessions to staff in the second half of the 2010-11 financial year.

The training was introduced to improve understanding of Aboriginal culture, improve communication between staff and Aboriginal people, and encourage community development principles that ensure long-term outcomes.

The evaluation process has indicated sessions were well received by staff and will be rolled out agency-wide in 2011-12.

Welcome to Country Policy

RDL's Aboriginal Affairs Branch also established a uniform policy for staff to observe when preparing or coordinating 'Welcome to Country' or 'Acknowledgement' ceremonies on behalf of the Department.

RDL recognises the Welcome to Country or Acknowledgement ceremonies as a way to pay respect to Aboriginal people and culture, and will encourage staff to refer to Policy following formal approval by the Corporate Executive Group in early 2011-12.

Wellness Program

In 2010-11, RDL commenced developing a Wellness Program to ensure employees maintain a well balanced and healthy life.

The program, which includes a number of seminars related to physical, emotional, occupational, spiritual and intellectual wellbeing, as well as work and personal relationships, will be available to staff in late 2011.



RDL's Aboriginal Affairs Coordinator, Lindsay Bridge, delivered seven Cultural Awareness training sessions to staff in 2010-11.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, 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 of Regional Development and Lands other than normal contracts of employment of service.

Other Legal Requirements

Advertising under the *Electoral Act 1907*

In compliance with section 175ZE of the *Electoral Act 1907*, the department 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.

	2011	2010
	\$000	\$000
Advertising agencies		
Market research organisations		
- Advantage Communications and Marketing		8
- Patterson Market Research	5	
Polling organisations		
Direct mail organisations		
- Quick Mail	4	
Media advertising organisations		
- Adcorp Australia	274	247
- Marketforce Communications Limited	113	
- Optimum Media Decisions (WA) Limited	81	
Total expenditure		280

Disability Access and Inclusion Plan outcomes

RDL was formed on 1 July 2009 and until 2011 has reported against the previous Department of Planning and Infrastructure Disability Access and Inclusion Plan (DAIP) which is due to expire in 2012.

RDL has prepared a draft DAIP for 2011-2015 which is specifically tailored to the functions, facilities and services provided by the Department, and reaffirms RDL's commitment to disability access and inclusion.

Community consultation regarding the Department's new DAIP is scheduled to commence in the second half of 2011, and will ensure that the new DAIP properly reflects the needs of people with disabilities, their families and their carers.

In addition to the development of the new DAIP, a number of initiatives consistent with the six desired outcomes were progressed. These included:

- The drafting of an access and inclusion policy statement to guide the Department and affirm our commitment to ensuring that people with disabilities, their families and their carers are able to fully access the range of Departmental services and facilities; providing them with the same opportunities, rights and responsibilities enjoyed by all other people in the community.
- The implementation of a new Departmental website which is designed to ensure accessibility to people with disabilities, with all documents available in alternative formats upon request.
- The formation of a substantive equality committee which will oversee the progress of the Department in achieving the outcomes identified in the DAIP.

Continued induction training for all new staff, including raising awareness of their responsibilities and obligations in regards to discrimination and harassment under the *Equal Opportunity Act 1984*.

Statement of compliance with Public Sector Standards and Code of Ethics

(Public Sector Management Act 1994, S31 (1))

RDL is committed to ensuring the highest standards of probity and accountability in all our interactions with our customers, community and colleagues.

The Department has a comprehensive Code of Conduct which is widely distributed, publicised and applied in accordance with the Public Sector Commissioner's Conduct Guide and Code of Ethics.

The Department is also committed to the requirement that all public sector employees participate in Accountable and Ethical Decision Making Workshops. As of 30 June 2011, 90 per cent of targeted staff had met this requirement. Ongoing training sessions are scheduled for 2011-12 to ensure that employees new to the Department and those yet to complete the training, have the opportunity to do so.

New staff members are required to undertake a corporate induction to ensure they are aware of their rights and responsibilities as public sector employees.

The Department has a Conflict of Interest policy and procedure to ensure potential conflicts of interest are considered within an ethical framework and managed accordingly. New employees are also requested to attend the Public Sector Commission's training session *Induction: Your guide to Ethics and Integrity in the WA Public Sector.*

RDL's human resource management practices are reviewed on a regular basis to ensure we meet our legislative and governance responsibilities in regards to managing people.

The Department's Work and Development Plan program encourages open and honest discussion between managers and employees not only regarding outcomes, but acceptable and ethical workplace behaviour.

Recruitment and selection training has been developed and implemented for all managers and staff who participate as selection panel members.

Responsibility for compiling applications for the Department's recruitment and selection processes lay with the Department of Treasury and Finance Shared Services Centre.

On 21 April 2010, the Department was advised of a defect in the recruitment system, iRecruitment. The Department ensured all affected processes were identified and implemented measures to ensure compliance with public sector standards. Accordingly no breach claims against these processes were submitted.

For the period from 1 July 2010 to 30 June 2011 there was one request for review under Public Sector Standards in Human Resource Management which was referred to and subsequently dismissed by the Public Sector Commissioner.

Three incidents relating to workplace conduct were reported during the year, resulting in one minor breach of discipline.

Recordkeeping Plan

RDL is committed to meeting the requirements of the *State Records Act 2000* through the creation and implementation of an appropriate recordkeeping plan which details policies, practices and standards adopted by our agency.

The Department provided the State Records Commission with an amended Recordkeeping Plan, which was approved in April 2011. A fully reviewed plan is due to be submitted in April 2012.

SRC Standard 2 Recordkeeping Plans; Principle 6 - Compliance

Requirement 1: The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once every five years

The Department achieved a major milestone by consolidating its electronic document records management systems (eDRMS) in May 2011. Following this, Department-wide policies and processes are being developed to reflect the new working environment.

Requirement 2: The organisation conducts a recordkeeping training program

Following the migration of records from TRIM to Objective, RDL undertook an extensive recordkeeping training program from April through to June 2011.

During that period, the Information Services Branch designed and delivered over 40 training sessions with more than 95 per cent of staff attending. Each two-hour session covered information regarding the *State Records Act 2000*, State Records Office principles and guidelines, employee responsibilities and eDRMS-specific training.

Requirement 3: The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time

RDL regularly reviews and improves the training program to ensure staff understand their responsibilities. The Information Services Branch monitors eDRMS activity and provides ongoing, customised support to each organisational division. The effectiveness of the program is measured by analysing the uptake of the eDRMS and the lessening reliance on non-approved recordkeeping tools, such as network drives.

Requirement 4: The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan

The Department's induction program contains a component on information services, including records management. During the induction, staff learn about the recordkeeping responsibilities of government employees, contractors and board members. Topics covered include information about the Act, the recordkeeping plan itself, Departmental policies, procedures and practices, as well as State Records Office standards and principles which underpin our Departmental recordkeeping activities.

Government Policy Requirements

Substantive Equality

RDL is serious about responding to the different needs and priorities of regionally based individuals and communities to ensure equity of access to services and information.

A Substantive Equality Committee has been formed with three meetings held in 2011 including an address by the Manager of the Substantive Equality Unit in the Equal Opportunity Commission.

All RDL directors review divisional processes to reduce systemic barriers and improve positive and inclusive practices.

The Department is continuing work to address barriers for Aboriginal people in applying for Crown land, and has started a needs and impact assessment regarding uptake of the Country Aged Pension Fuel Card by people from culturally diverse backgrounds as well as people from remote Indigenous communities.

To ensure Aboriginal people seeking access to Crown land are treated fairly and with due consideration of their unique circumstances, the Department has conducted a review of the Aboriginal Land Application process. This review has included:

- · Aboriginal Land Application guidelines and application form redrafted.
- The drafting of an information template for an Aboriginal Living Area Development Plan. This supports an application for land intended as a living area.
- · The development of a business plan template for Aboriginal business enterprise proposals involving Crown land.
- · The drafting of an Aboriginal Land Policy.

These documents are yet to undergo a substantive equality assessment, which will be carried out prior to Departmental endorsement and formal introduction.

Occupational Safety & Health (OSH) and Injury Management

Statement of Agency commitment to OSH and injury management

RDL is committed to ensuring that its operational activities are carried out with full regard for the health, safety and welfare of employees, contractors and the public.

During 2010-11, the Department has undertaken a review of the existing policies that were adopted from predecessor agencies.

Processes relating to OSH and injury management are consistent with the services provided by the Department of Treasury and Finance Shared Services Centre.

The Department has an OSH Committee that meets bi-monthly to discuss any matters that are identified or referred through health and safety representatives. Regular workplace inspections have been implemented, and action is taken through the Committee to address any identified matters.

The Department ensures compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981* through a systematic approach to injury management that combines expert assistance from external providers with the support of supervisors and human resource staff at the Department.

Formal mechanism for consultation with employees on OSH matters

RDL's OSH Committee ensures mechanisms for employee consultation are in place. OSH representatives and the Committee are identified as the two main sources by which the consultative process on OSH matters in the workplace will be supported.

The OSH Committee facilitate consultation and cooperation between the employer and employees, and is responsible for:

- making recommendations and providing assistance in the development of strategies to ensure the effective management of OSH
- · monitoring and reviewing OSH measures (including inspections)
- · assisting in the resolution of OSH issues that arise in the workplace
- \cdot obtaining information and consulting with the employer about proposed changes that may affect $\ensuremath{\mathsf{OSH}}$
- · identifying training needs for employees/volunteers and supervisors/managers
- · considering matters referred to it
- · undertaking other functions assigned to it by legislation.

Assessment of OSH management systems

The OSH Committee ensures regular audits are undertaken to assess the effectiveness of OSH management systems.

These audits take into account several factors to determine the level of associated risks to the organisation's operations, the effectiveness of the existing systems, their capability to achieve established objectives, and the consequences to the Department.

OSH and injury management performance

Measure	Target	2010-11
Fatalities	0	0
LTI/DIR	0 or 10% reduction	0
LTI/DSR	0 or 10% reduction	0
Injured workers (%)	100	100
Managers trained (%)	100	10

RDL has identified the low level of compliance of managers trained in OSH and injury management, and will target 100 per cent compliance during the 2011-12 reporting period.

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