



Department of Local Government
and Regional Development
Government of Western Australia

Department of Local Government and Regional Development **Annual Report 2004-05**



Minister for Local Government and Regional Development

In accordance with the Financial Administration and Audit Act 1985 (Section 66), I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Local Government and Regional Development for the financial year ending 30 June, 2005.

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



Cheryl Gwilliam
DIRECTOR GENERAL

31 August, 2005

Responsible Minister

Minister for Local Government
and Regional Development

Hon John Bowler JP MLA

Accountable Authority

Department of Local
Government and
Regional Development

Cheryl Gwilliam
Director General

Address

1st Floor
Dumas House
2 Havelock Street
WEST PERTH

Postal

GPO Box R1250
PERTH WA 6844

Contact Details

Tel: 9217 1500

Fax: 9217 1555

Freecall: (country only)
1800 620 511

Email: info@dlgrd.wa.gov.au

Website: www.dlgrd.wa.gov.au

Department Profile

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

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

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

This Annual Report provides an overview of the Department's activities for the 2004-05 financial year. It provides information on the strategic focus of the agency, issues and trends that will impact on its activities and future directions for the Department.

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

Table of Contents

Director General's Overview	5
2004-2005 at a Glance	7
Compliance	10
Strategic Focus	12
Department Structure and Staff	13
Corporate Executive	13
Strategies and Legislation	14
Capacity Building	15
Governance and Statutory Support	15
Corporate Business Services	16
Operational Summary	18
Performance Against Services Measures	19
Contribution to the Strategic Planning Framework	22
Trends and Issues	26
Activities Against Services	31
Service 1: Implementation of Government Policy	31
Service 2: Improved Access to Services and Capacity for Development in Regional Communities	37
Service 3: Better Local Government	46
Report on Customer Outcomes	54
Report on Corporate Outcomes	56
Financial Statements Overview	59
Financial Statements Independent Audit Opinion	60
Financial Statements	61
Notes to the Financial Statements	67
Performance Indicators Independent Audit Opinion	80
Performance Indicators	81

Director General's Overview

The Department of Local Government and Regional Development has completed an important year involving numerous achievements in the areas of good governance for local government and effective leadership for regional communities.

This Department plays an integral part in the ongoing need for government to ensure the coordination of service delivery by agencies into regional communities and to provide improved community access to information and services.

One way of achieving this goal is to continue to support the network of 105 Telecentres and 38 Telecentre Access Points available to service people in regional Western Australia. These facilities provide vital access to e-government information and services in areas of the State that would otherwise be unable to enjoy the same facilities that people in the metropolitan area take for granted.

The existence and encouragement of investment into the regions from both public and private sources, along with the continued provision and maintenance of services and infrastructure, is integral to ensuring the sustainable development of regional Western Australia. 2004-2005 was the fourth year of the highly successful \$75 million Regional Investment Fund (RIF) which has contributed to the creation of approximately 4,115 jobs and helped leverage up to \$203 million, from various sources, in relation to the 863 projects that have been approved.

In recognition of the success of the inaugural RIF scheme, the Government has allocated a further \$80 million to be distributed over four years, commencing in 2005-2006. These funds are to be allocated through a number of programs throughout regional Western Australia - the Regional Infrastructure Funding Program, the Regional Headworks Program, the Indigenous Regional Development Program and the Western Australian Regional Initiatives Scheme.

In addition, 2004-2005 saw the commencement of the Outer Metropolitan Community Fund with \$1 million being provided annually for four years. The primary objective of the program is to encourage, promote and support sustainable development in rural fringe localities in outer metropolitan Perth by funding projects to attract investment, increase jobs, improve skills and provide access to technology and services.

The Department continues to support and encourage stronger relationships between local government and Indigenous communities and to assist these communities in building capacity and good governance. The Department has two specialist Indigenous officers whose work includes encouraging service delivery between local governments and Indigenous communities, supporting Indigenous capacity building and governance initiatives and encouraging greater Indigenous participation in local government and regional development.

The State Government's annual investment of \$250,000 towards leadership opportunities has paid dividends, with many regional people being awarded valuable scholarships on renowned leadership programs. Importantly, 16 local governments have been awarded a \$10,000 grant to provide a 12-month work experience opportunity to a young Indigenous person. This has provided many benefits to the individual and improved relationships between local government and Indigenous people.

The Department continues to place a high priority on encouraging a greater participation by women in local government and indicative of this, a mentoring program to support women already working in local government was launched this year. Officers within the Department provide executive support for the Advisory Committee on Women in Local Government who are undertaking a range of projects to encourage and assist women to seek employment and progress their careers in the local government sector, including regional local governments.

2004-2005 saw the completion of amendments to the *Local Government Act 1995*. It included various matters resulting from the Department's first major review of the legislation since the Act came into operation on 1 July 1996 and contained amendments to some 75 provisions of the Act.

One of the main objectives of the review of the Act was to remove any inefficient or impractical provisions that had been of concern to local government, and to identify a number of areas where the Act needed to be tightened up and Government policies implemented. Sixteen Amendment Bill Information Sessions were conducted around the State in mid 2005 to ensure that local governments were fully aware of the changes to the Act, and the effect that these changes will have on their operations.

In addition, the Department assisted in the facilitation of local government structural reform, monitored and investigated the operations of local governments, supported the development of elected members and employees and progressed drafting of legislation to support the establishment of a local government tribunal to assess complaints relating to elected members.

The year also saw elections in all three spheres of Government and the challenge for this Department was to maintain a community focus for the local government elections held on 7 May 2005.

Through the Department's local government elections marketing campaign, much was achieved in terms of raising the profile of the elections as well as encouraging more women and Indigenous people to stand for council and importantly, encouraging more people to exercise their democratic right to vote.

All of these priorities were realised through candidate information sessions, Returning Officer training, a coordinated advertising campaign in conjunction with the Western Australian Electoral Commission and the Western Australian Local Government Association and, the development of an election feature on the Department's website.

Variability in the number of vacancies and the number of contested elections from year to year makes it difficult to compare 2005 results with those of 2003. However what is clear, is that there has been a 3% increase in female councillors, 10 additional Indigenous councillors have increased the total number to 36, postal voter turnout has increased marginally by 2.39% and more than 47 in-person voting councils saw increases in voter turnout.

This year, CommUnity, the local government board game for primary school children, was developed by the Department. The game is aimed at raising the profile of local government with young people. CommUnity provides a valuable learning tool for children to gain a greater understanding of local government and the importance of being a good citizen within the community. In excess of 550 games have been distributed to local governments, primary schools and community members.

The close working relationship between the Department and the Western Australian Local Government Association, and Local Government Managers Australia continues to be valuable and productive. I express my appreciation to the respective executive for their support and contributions during this year.

I would like to thank the previous Ministers for Local Government and Regional Development, Hon Tom Stephens MLC and Hon Ljiljanna Ravlich MLC for the leadership and vision that they displayed throughout their respective terms of office.

To Hon John Bowler MLA, Minister for Local Government and Regional Development, I extend my appreciation for the clear strategic direction that he has set for the Department.

I also express my appreciation to the Directors and all officers of the Department for their support in delivering the Department's outcomes.

I look forward to continuing to meet the challenge during 2005-2006.



Cheryl Gwilliam
DIRECTOR GENERAL

SERVICE 1 IMPLEMENTATION OF GOVERNMENT POLICY

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

SnapShot

16 information sessions conducted on revisions to the Local Government Act 1995...draft review paper on caravan park and camping prepared...training begins for general inspectors under the Animal Welfare Act 2002...new board game developed for children to promote local government

MAJOR ACHIEVEMENTS

- Supported the implementation of the Regional Development Policy, 'Regional Western Australia - A Better Place to Live'.
- Assisted the Local Government Advisory Board in the preparation of a report on policy provisions as applied to land used for charitable purposes.
- Extended the Western Australian Local Government Grants Commission public hearing program. Hearings were held at over 40 local governments.
- Prepared a draft review paper on the *Caravan Park and Camping Grounds Act 1995*.
- Analysed public submissions received on the issues paper released as part of the review of the *Control of Vehicles (Off Road Areas) Act 1978*.
- Supported the passage of the Local Government Amendment Act 2004, the third amendment Bill for the *Local Government Act 1995*, through the Parliament and conducted 16 information sessions throughout the State to assist local governments to implement the new legislation. The new legislation contains provisions to achieve the recommendations of the Legislative Council's Standing Committee on Public Administration and Finance, which considered matters relating to the employment of the CEO at the City of Joondalup.
- Completed amendments to constitution, functions and general, finance, administration and audit regulations under the *Local Government Act 1995* and conducted information sessions on these changes in conjunction with the information sessions on Act changes.
- Reviewed further submissions on the Local Government (Official Conduct) Amendment Bill and finalised proposals for introduction to Parliament. The Bill will introduce a new system of dealing with complaints of improper behaviour by elected members.
- Commenced training sessions for General Inspectors under the Animal Welfare Act 2002, licensed 39 scientific establishments and appointed 44 new General Inspectors - now 181 in total.
- Jointly produced and published (with the Department of Agriculture, RSPCA and industry bodies) a pocket guide, 'Is it fit to load? A guide to the selection of animals fit to transport in WA'.
- Developed and distributed 'CommUnity' - a board game for primary school-aged children which raises the profile of the role and the importance of local government to the community.
- Preparations are well advanced for the completion of revised publications, information and statistics for each region in Western Australia, including 'Economic Perspective Overviews', 'People and Populations' - a profile of the demographic trends for each region that forms a companion to the 'Economic Perspective Overviews', and 'Trends and Indicators' - a collection of social and economic statistics for each of the nine country regions and for the metropolitan area.

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

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

SnapShot

\$18.1 million invested in regional projects...five new telecentres brings total of information centres in small regional centres to 139...leadership programs funded

MAJOR ACHIEVEMENTS

- Allocated funds for projects in regional Western Australia through the fourth year of the Government's Regional Investment Fund (RIF) including \$18.1 million to support the construction of regional infrastructure and assist cross-regional projects.
- Completed the first round of the Regional Headworks Program (under the RIF), which is designed to encourage, promote and support the sustainable development of regional Western Australia by assisting with the costs of providing essential services (headworks) to eligible commercial or industrial projects. A total of \$692,806 was approved to 18 successful applicants.
- Conducted regional investment tours for the MidWest and Wheatbelt regions in partnership with Regional Development Commissions.
- Approved \$988,906 in grants for 32 projects under the Outer Metropolitan Community Fund.
- Allocated funding and provided advice and assistance for projects through the WA Leadership Program. Completed the Leaders in Sport Leadership Program, designed to strengthen group skills and leadership capacity of 30 regionally-based emerging community leaders.
- Finalised a report on the review of the *Regional Development Commissions Act 1993*, which was tabled in Parliament in September 2004. The report recommended no substantial redrafting of the Act but supported a number of changes to increase the efficiency and relevance of the State's regional development structures.
- Continued to provide administrative support to the Regional Development Council.
- The Telecentre Program continued to improve the capacity for small regional communities to access the new services and the benefits of new technology with 5 new Telecentres commencing operation and 12 more existing Telecentres being provided with assistance to provide broadband access to their community. This brings the total number of information technology-enabled service and/or information provision facilities established in small regional towns to 139, which includes 91 Telecentres, 2 Telecentres in remote Indigenous communities, 8 Modular Interactive Telecommunication Environments (MITES) and 38 Telecentre Access Points (TAPs). 94 Telecentres and MITES have also been equipped with ISDN videoconferencing facilities.
- The Telecentre Program established satellite based videoconferencing in a further six remote Indigenous communities where terrestrially-based telecommunications infrastructure was unable to support this communications technology.

SERVICE 3 BETTER LOCAL GOVERNMENT

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

SnapShot

Local government elections promoted in campaign...guidelines on budgets and council motions produced...16 scholarships for Indigenous youth employment created...careers in local government promoted

MAJOR ACHIEVEMENTS

- Developed and implemented a comprehensive local government election media and marketing campaign to increase community awareness as well as increasing candidate nominations and voter turnout.
- Comprehensive advice provided and information prepared and distributed, to encourage Indigenous people to enrol, become a candidate and vote in local government elections.
- Continued the local government guideline series and produced new guidelines including 'Clarity in Council Motions', 'Opening and Closing Funds used in Annual Budget' and 'Disruptive Behaviour by the Public at Council Meetings'.
- Briefing sessions provided to local governments throughout the State to assist them with their election processes.
- Material prepared and distributed through careers expos, in particular, to promote the local government sector as a career choice for secondary and tertiary students.
- Through the Ministerially-appointed Advisory Committee in Local Government, commencement of a mentoring program for women in management and decision-making positions and those aspiring to those positions. Strategies to improve selection processes within local governments initiated.
- Continued the Young Indigenous Local Government Scholarship - 16 scholarships of \$10,000 each were awarded to local governments to employ young indigenous people under 25 years of age.
- Provided advice and facilitation support as necessary to encourage service delivery between local governments and Indigenous communities.
- Monitored the financial performance of local governments and examined audit reports that showed that significant compliance issues had been raised.
- Allocated \$178.2 million in financial assistance grants and local roads grants to 142 local governments and provided advice to the Australian Government on the allocation of funding to Indian Ocean Territories local governments.
- Provided support as requested to the Panel Inquiry into the City of Joondalup.
- Worked with Councils to resolve governance and financial issues.
- In excess of 30 ward reviews have been completed.
- Reduced the number of outstanding complaints against local governments and elected members.
- Facilitated operational reviews at the City of Albany, City of Nedlands, Shire of Ashburton, and the Shire of Northampton along with an advisory and support panel at the Shire of Kojoonup.

STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAWS

Legislation Administered by the Department (as at 30 June, 2005)

Acts

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

REGULATIONS ASSOCIATED WITH THESE ACTS ARE ALSO ADMINISTERED.

Compliance with Written Laws

The Department complies with the following written laws:

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

COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT 1994 SECTION 31(1)

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

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

A total of 11 recruitment processes were completed during 2004-2005, in accordance with the Recruitment, Selection and Appointment Standard.

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

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

COMPLIANCE WITH ELECTORAL ACT 1907 SECTION 175ZE(1)

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

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

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

In compliance with the above, the following is submitted:

Marketforce (for advertising)	\$33,056.94
Patterson Market Research	\$9,955.00

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

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

No PIDs were received by the Department in 2004-2005.



C GWILLIAM
ACCOUNTABLE OFFICER

31 August, 2005

Strategic Focus

Vision

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

Our Principles

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

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

Our Service Standards

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

The Department aims to ensure:

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

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

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

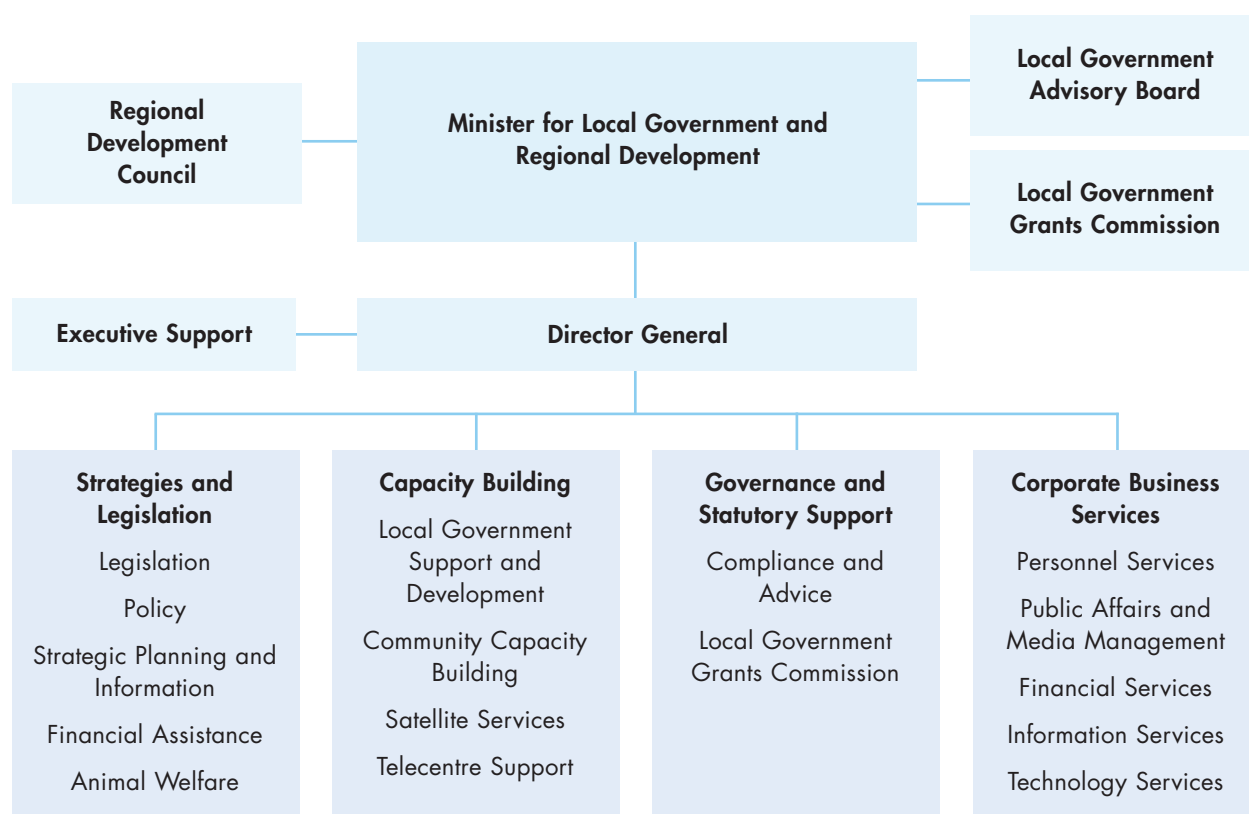
The relationship between the Department's three service areas and the Government's strategic objectives is outlined below.

Government Strategic Objectives	Desired Outcome	Services
<p>To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth.</p> <p>To ensure that regional Western Australia is strong and vibrant.</p>	<p>An increased capacity of our multicultural communities to develop good government, economic growth, social well-being and environmental sustainability.</p>	<ol style="list-style-type: none">1. Implementation of Government policy Ensuring that the Minister and the Government are provided with quality information and support.2. Improved access to services and capacity for development in regional communities Enhancing the social and economic development of communities through the provision of assistance, funding and leadership.3. Better local government Through advice, support and compliance monitoring, assist local governments to be more efficient and effective and to achieve good governance and be responsive to community needs.

Department Structure and Staff

The Department comprises four divisions:

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



CORPORATE EXECUTIVE

- Cheryl Gwilliam** *Director General (B.A. (Politics); B.Ec; M. Industrial Relations)*
Ms Gwilliam has extensive experience in public sector management, including as former CEO of the State Supply Commission and executive positions with contracting and industry agencies.
- Ian Cowie** *Director Strategies and Legislation (B.A. (Hons 1st Class); M. Sc. (Econs)*
Mr Cowie has a strong public sector policy background and been involved with many legislative reforms relevant to Local Government.
- Stephen Cole** *Director Capacity Building (Assoc. App Geology; B.Ec)*
Mr Cole has extensive experience in Local Government operations. He also has been involved in the development of a significant number of projects relating to regional development initiatives including the Telecentre Network throughout the State.
- Quentin Harrington** *Director Governance and Statutory Support (M. Sc. Agric.)*
Mr Harrington has a strong public sector policy background. He has also been extensively involved in industry and policy development in regional and non-regional areas.
- Andre Faulkner** *Director Corporate Business Services (B. App Sc. Psych.; M. Psych.)*
Mr Faulkner has extensive experience in the corporate services area and has worked in a number of different organisations and agencies in varying financial, human resource and administrative roles.

STRATEGIES AND LEGISLATION DIVISION

SnapShot

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

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

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

Policy coordinates the Department's strategic policy development to meet the Government's policy commitments. It conducts reviews of relevant legislation and prepares policy recommendations and advice for the Minister. It also conducts relevant research and liaises with key industry stakeholders. The branch is also responsible for providing support for the State Regional Development Council and is an active partner with other government agencies in the development of whole-of-government policy and strategies that impact upon local governments and regional development such as the State Sustainability Strategy. The branch also supports relevant Ministerial councils.

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

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

Animal Welfare administers the *Animal Welfare Act 2002*, develops and implements animal welfare strategies in line with Government and departmental policies, and liaises with other Government and non-Government agencies and the community on animal welfare issues. In addition, the branch provides training to General Inspectors appointed under the Act. The branch manager is appointed as Scientific Inspector and has a statutory responsibility to monitor the use of animals by, and the supply of animals to, scientific establishments in WA. Licensing of these establishments is also performed by the branch.

CAPACITY BUILDING DIVISION

SnapShot

Enables community development...conducts support programs for local governments...satellite services through Westlink...financial aid and support for WA Telecentre Network

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

Local Government Support and Development provides advice and support to local government elected members and officers on the operation of the *Local Government Act* (and regulations) 1995, which assists local governments to function efficiently and effectively. The branch conducts programs, such as governance reviews, the CEO Support Program, Mayors' and Presidents' Support Program and Peer Support Team that provide assistance and advice and draw on the experiences of people in the industry to comment on council processes, recommend best practice and provide a mentoring role. The branch also develops guidelines and procedures to support local governments' operations.

Community Capacity Building provides advice, assistance and information to communities to enhance their economic and social development. It develops and implements cross-regional policies and strategies to develop skills and strengthen communities and is involved with the development of leadership programs.

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

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

GOVERNANCE AND STATUTORY SUPPORT DIVISION

SnapShot

Ensures compliance with legislation...Western Australian Local Government Grants Commission distributes general purpose grants to local governments

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

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

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

CORPORATE BUSINESS SERVICES

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

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

Corporate Services Reform

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

Department Structure and Staff

The Shared Corporate Services structure is being addressed by the Department in a number of areas as the transition date approaches.

Career and Personal Development

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

Training for staff is recognised as one of the major factors in staff development. In 2004-05, the Department facilitated over 1000 hours of training to its employees, which included training tailored to specific needs of employees.

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

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

There were no new workers compensation claims lodged in 2004-05 or employees undergoing rehabilitation.

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

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

Department Structure and Staff (cont.)

Cultural Diversity and Language Services Outcomes

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

Staff Profile

As at 30 June 2005 the Department had 105 employees, 53 female and 52 male. The following table illustrates the gender representation on a salary and tenure basis.

Salary Range (\$)			
	Total	Women	Men
0 - 37,366	13	11	2
36,661 - 42,957	10	8	2
44,543 - 48,362	14	8	6
50,156 - 53,008	12	8	4
57,795 - 61,664	24	9	15
64,928 - 71,898	14	5	9
75,659 - 81,092	11	3	8
85,693 - 93,076	3	0	3
98,180 - 105,561	2	0	2
greater than 105,561	2	1	1
Total	105	53	52
Employment Type			
	Total	Women	Men
Permanent Full-time	83	35	48
Permanent Part-time	7	6	1
Fixed Term Full-time	14	9	5
Fixed Term Part-time	3	3	0
Trainees	2	1	1
Total	105	53	52

Of the total staff employed by the Department, 79% were employed on a full-time basis, 8.6% on a part-time basis, 11% on term contracts and 2% as trainees.

HUMAN RESOURCE FUTURE DIRECTIONS

EEO Programs

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

An agency-wide EEO/diversity survey of all employees was undertaken in 2004-2005 with a maximum response rate. As at 30 June 2005 7.2% of staff were from culturally diverse backgrounds and 2.4% were Indigenous Australians.

Operational Summary

The Department continues to provide new and current employees with awareness raising of EEO principles and concepts. Included in its EEO and Diversity Plan is a number of actions which support an environment that is free of harassment and inappropriate behaviour and where people are treated with courtesy and respect. During 2004-05, staff and managers participated in training to raise awareness of their responsibilities in this regard.

Youth Employment and Training

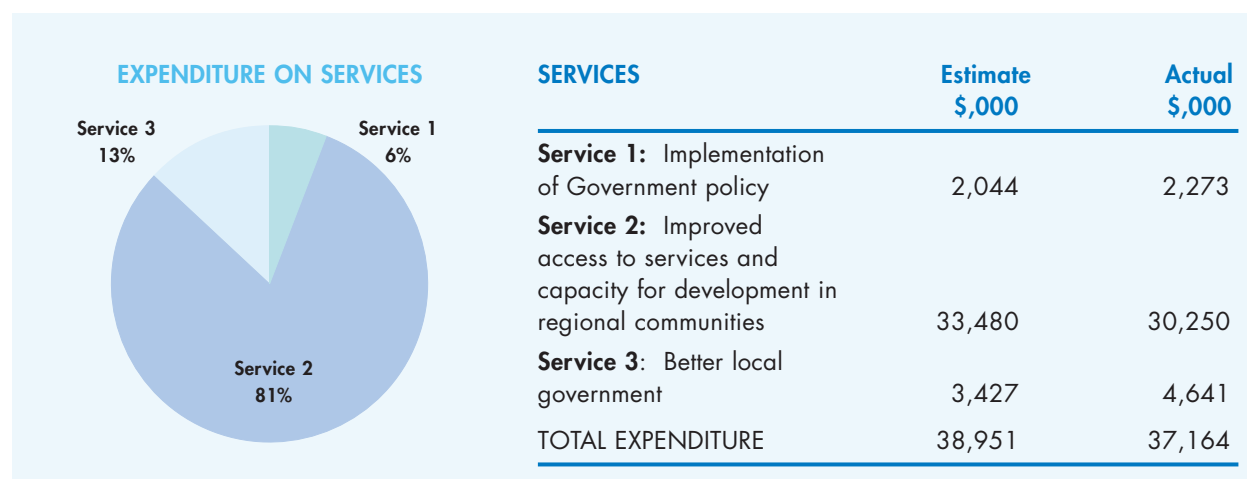
The Department is committed to youth employment and training. As at 30 June 2005, two trainees were employed and three people were provided work experience and student practicum placements from tertiary institutions.

In 2005-06, the Department will endeavour to employ four tertiary graduates.

During 2004-2005, the Department spent \$37.164 million to provide advice and services to its key stakeholders. A total of \$21.9 million was committed to projects through the Regional Investment Fund.

Funding of Outcome and Services

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



PERFORMANCE AGAINST SERVICE MEASURES

Service 1: Implementation of Government Policy

Key Effectiveness Indicator

	2004-05 Target	2004-05 Actual	
Ministerial office satisfaction with policy and legislative advice	60%	86%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.

Service Performance Measures

	2004-05 Target	2004-05 Actual	Reason for Significant Variations
Quantity			
Written advice requiring Minister's attention	2,100	3,101	Reflects higher than expected number of written advices.
Legislative amendments drafted.	5	18	Higher number of legislative amendments drafted than expected.
Quantity			
Minister's satisfaction with the quality of service delivered from the Department.	60%	89%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Timeliness			
Minister's satisfaction with the timeliness of the service delivered from the Department.	60%	93%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Cost (Efficiency)			
Average cost per piece of written advice requiring Minister's attention.	\$877	\$660	Reflects higher than expected number of written advices.
Average cost of legislative amendments drafted	\$40,600	\$12,611	Higher number of legislative amendments drafted than expected.



PERFORMANCE AGAINST SERVICE MEASURES

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

Key Effectiveness Indicator

	2004-05 Target	2004-05 Actual
Client satisfaction with information and services	75%	83%

Service Performance Measures

	2004-05 Target	2004-05 Actual	Reason for Significant Variations
Quantity			
Advice and information provided to clients.	35,000	18,166	Advice is readily available electronically in relation to the preparation of funding applications
Applications for financial assistance evaluated.	131	362	Higher number of applications received than expected
Local governments assessed for financial assistance.	144	144	
Satellite receiving sites installed and supported	252	242	
Applications funded for financial assistance	355	603	Higher number of grant applications funded than expected.
Quality			
Survey results of client satisfaction with the level of quality of service delivered by the Department. 75%		86%	
Timeliness			
Client satisfaction with the Department's response time for dealing with service delivery and other issues.	75%	86%	
Cost (Efficiency)			
Average cost per advice and information provided to clients.	\$71	\$145	Advice is readily available electronically in relation to the preparation of funding applications
Average cost per application evaluated.	\$31,693	\$12,217	Higher number of grant applications received than expected.
Average cost per local government assessed.	\$2,771	\$4,285	The costs incurred by Grants Commission were higher than estimated.
Average internal cost per satellite site supported.	\$5,564	\$4,225	Estimated expenditure was lower than expected due to renegotiated charges
Average grant approved for local and regional communities.	\$70,569	\$35,743	Higher number of grant applications funded than expected.

PERFORMANCE AGAINST SERVICE MEASURES

Service 3: Better Local Government

Key Effectiveness Indicator

	2004-05 Target	2004-05 Actual	
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority.	80%	86%	

Service Performance Measures

	2004-05 Target	2004-05 Actual	Reason for Significant Variations
Quantity			
Telephone enquiries dealt with	13,000	9,923	Lower number of telephone enquiries dealt with than expected.
Inquires and investigations.	500	205	The anticipated increase in the number of complaints generated as a result of the Joondalup Inquiry did not eventuate
Items of Departmental correspondence (advice) prepared.	6,149	10,639	Reflects higher than expected number of correspondence (advice) prepared.
Local governments monitored	144	144	
Applications for boundary change processed.	10	19	The number of applications received was greater than estimated.
Quality			
Ministerial Office satisfaction with the quality of inquiry and investigation reports	80%	86%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Timeliness			
Ministerial Office satisfaction with the timeliness of inquiry and investigation reports	60%	86%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Ministerial Office satisfaction with the timeliness of boundary changes reports	60%	86%	Previously shown as a numeric score from a 5-point rating scale. Now shown as a percentage rating from a 7-point rating scale.
Cost (Efficiency)			
Average cost per . telephone enquiry	\$62	\$105	Lower number of telephone enquiries dealt with than expected.
Average cost per inquiry and investigation.	\$856	\$2,626	The anticipated increase in the number of complaints generated as a result of the Joondalup Inquiry did not eventuate
Average cost per item of correspondence (advice) prepared.	\$234	\$167	Reflects higher than expected number of correspondence (advice) prepared.
Average cost of monitoring each local government.	\$4,222	\$5,312	Estimated expenditure was higher than expected.
Average cost per dealing with an application for boundary change	\$14,542	\$6,481	The number of applications was greater than estimated.

CONTRIBUTION TO THE STRATEGIC PLANNING FRAMEWORK, BETTER PLANNING: BETTER SERVICES

Goals	Strategic Outcomes		Strategic Initiatives
People and Communities <i>To enhance the quality of life and well-being of all people throughout the State</i>	<p>Safe and secure Western Australian communities</p> <p>Enhances safety, security and wellbeing of the vulnerable within our community</p> <p>Opportunities for health, participation and security are optimised in order to enhance the quality of life as people age</p> <p>Contributing factors to social and economic disadvantage in our community are addressed</p>	<p>A society where Indigenous Australians have greater economic and social opportunities and the capacity to determine their own lives</p> <p>Vibrant communities that enhance and promote safety, a sense of openness, walkability, our rich cultural diversity and the Western Australian lifestyle</p>	<p>Response to the Gordon Inquiry (participation)</p> <p>Regional Western Australia - A Better Place to Live (coordination and policy implementation)</p> <p>Community Leadership Initiative (coordination)</p> <p>Active Ageing at the Local Level Initiative (development of Initiative as lead agency)</p>
Department Service Service 2: Improved access to services and capacity for development in regional communities			Department Programs Telecentre Support Westlink Community Capacity Building
The Economy <i>To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth</i>	<p>New jobs and employment growth</p> <p>Plentiful and diversified employment opportunities</p> <p>Greater economic infrastructure that facilitates new development</p> <p>Appropriate and competitive pricing regimes for land, infrastructure (roads, rail and ports), services and utilities</p>	<p>An environment that encourages diversification, investment and exports for economic growth while ensuring that the community and global environmental and social goals are met.</p> <p>All Western Australians sharing the benefits of economic growth</p>	<p>Regional Western Australia - A Better Place to Live (coordination and policy implementation)</p> <p>Production of Regional Economic Perspective brochures</p>
Department Services Service 1: Implementation of government policy Service 2: Improved access to services and capacity for development in regional communities			Department Programs Policy Legislation Local Government Grants Financial Assistance (particularly the Regional Investment Fund) Regional Headworks Community Capacity Building

CONTRIBUTION TO THE STRATEGIC PLANNING FRAMEWORK, BETTER PLANNING: BETTER SERVICES

Goals	Strategic Outcomes		Strategic Initiatives
The Environment <i>To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected</i>	Effective contribution to global efforts to reduce Greenhouse emissions Supported management and sustainable development of Indigenous held land		Draft State Greenhouse Strategy (participation) Sustainable Energy Policy (participation) State Sustainability Strategy (participation) Keep Australia Beautiful Council including Tidy Towns Program and Litter Taskforce (participation)
Department Service Service 1: Implementation of government policy			Department Programs Policy Community Capacity Building
The Regions <i>To ensure that regional Western Australia is strong and vibrant</i>	Enhance government decision-making based on a thorough understanding of regional issues Planning in partnership for a sustainable future Effective government service delivery to the regions that is responsive to the needs of diverse communities More skilled regional communities Improved regional infrastructure	Lifelong learning in the regions Effective health service delivery Safe and cohesive regional communities Enhanced quality of regional lifestyles Improved environmental management Sustainable natural resource management Conserved and restored natural and built heritage	<i>Regional Western Australia - A Better Place to Live</i> (coordination and policy implementation) Community Leadership Initiative (coordination) Active Ageing at the Local Level Initiative (development of Initiative as lead agency) Rural, Remote and Regional Women's Network (co-funding and support) Strategic Aviation Committee (participation)
Department Services Service 1: Implementation of government policy Service 2: Improved access to services and capacity for development in regional communities Service 3 Better local government	Diversified regional economies Enhanced regional investment Fair pricing for regional residents and businesses		Department Programs Policy Telecentre Support Westlink Community Capacity Building Local Government Development and Support Financial Assistance Legislation Strategic Planning and Information

CONTRIBUTION TO THE STRATEGIC PLANNING FRAMEWORK, BETTER PLANNING: BETTER SERVICES

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

CONTRIBUTION TO THE STRATEGIC PLANNING FRAMEWORK, BETTER PLANNING: BETTER SERVICES

Goals	Strategic Outcomes		Strategic Initiatives
Governance (cont.) <i>To govern for all Western Australians in an open, effective and efficient manner</i>			<p>Operational Guidelines for local governments (policy development and implementation)</p> <p>Early Years Strategy Steering Committee (participation)</p> <p>Strong Families Monitoring Group (participation)</p> <p>Active Ageing Steering Group (participation)</p> <p>Drug and Alcohol Strategy Officers Group (participation)</p> <p>ARC Linkage Grant Project Impact of gender diversity on regional boards and committees (participation)</p> <p>ARC Linkage Grant Project Gender Analysis and Public Policy Project (participation)</p>
Department Services Service 1: Implementation of government policy Service 2: Improved access to services and capacity for development in regional communities Service 3: Better local government			Department Programs Policy Local Government Development and Support Community Capacity Building Compliance and Advice Legislation Animal Welfare

DEMOGRAPHIC TRENDS

Population distribution

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

The estimated resident population figures released by the Australian Bureau of Statistics in March 2005 indicated that the fastest growing local government areas in 2004 included the City of Perth, due to the increase in the availability of inner-city accommodation and at a number of coastal locations, which are expanding from the growth in regional centres and the desire of people for the coastal life style.

The Kimberley region also experienced significant growth, with Broome experiencing an average annual growth rate of 4.3 percent. This shift has been attributed to lifestyle and an increased, young Indigenous population.

LGA	1999	2004(P)	AAGR 99-04 %
Perth (C)	6,666	10,469	9.4
Capel (S)	6,522	8,905	6.4
Wanneroo (C)	76,436	100,432	5.6
Mandurah (C)	45,045	58,587	5.4
Chittering (S)	2,633	3,323	4.8
Broome (S)	11,582	14,273	4.3
Busselton (S)	21,151	25,950	4.2
Dardanup (S)	8,155	9,805	3.8
Augusta-Margaret River (S)	9,488	11,380	3.7
Halls Creek (S)	3,625	4,274	3.3

Source: Australian Bureau of Statistics and the Department of Local Government and Regional Development
AAGR-Average Annual Growth Rate

Implications

All regions should experience some population increase over the next few years. However, the rate of increase will be greater in the South West and Peel regions and Kimberley regions, which will place increasing pressure on services and infrastructure.

The continued dominance of the metropolitan area is likely to maintain questions about the quantity and quality of services delivered to non-metropolitan areas.

Ageing population

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

Implications

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

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

Source:¹ Australian Bureau of Statistics Catalogue 2015.0

ACCESS TO SERVICES

Services to Indigenous communities

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

As a result, the State and Australian Government have entered into a bilateral negotiation on Indigenous affairs. One anticipated outcome from the negotiation is an increase in policy provision, which will enable local governments to be better positioned and resourced to deliver services as identified by the Indigenous community at a local level.

Implications

The Department will be focusing on:

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

E-government

There is a continuing need for government to ensure the co-ordination of service delivery by agencies into regional communities and to provide access to e-government information and services to improve service delivery to the community. In response to this need, 101 Telecentres (including 8 Modular Interactive Telecommunications Environments (MITEs) and 3 remote Indigenous community Telecentres) and 36 Telecentre Access Points have been established to improve community access to e-government services. These provide an essential network to cater for the expanding range of e-government information and services throughout regional Western Australia.

In 2005-2006, the focus will be on providing support and development services to these facilities.

Implications

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

LEADERSHIP

There has been a strong commitment to empowering communities to take responsibility for determining the type of leadership development being offered. This has led to the need to develop a range of partnerships with local government, regional development commissions, Indigenous corporations and other agencies involved in service delivery to the community.

Implications

The Government has been actively involved in promoting leadership development throughout Western Australia. In line with this, the Department is supporting a number of leadership opportunities in partnership with regional development commissions, local government and community organisations. In addition, the Government has partnered with many Indigenous communities to strengthen the capacity of existing and emerging Indigenous leaders.

PARTNERSHIPS

In August 2001 the Premier announced the formation of a Working Group to look at ways of improving the relationships between State and Local Government. The Partnership Steering Group developed a Partnership Agreement which outlined the Partnership Principles, provided a Template for Partnerships and established the State Local Government Council.

The State Local Government Council receives reports on partnerships registered with the Partnership Steering Group, which met three times in 2004-2005, addresses issues that may arise from the implementation of agreements and addresses strategic issues relating to the relationship between State and Local Government.

It comprises the:

- Premier;
- Treasurer;
- Minister for Local Government and Regional Development;
- Minister for Planning and Infrastructure;
- President, Western Australian Local Government Association;
- President, Local Government Managers Australia (WA); and
- Other Ministers as required.

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

Implications

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

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

CAREERS IN LOCAL GOVERNMENT

There is a need to attract and retain more young, professional and skilled people to work in local government.

Implications

The Department has overseen the production of careers related material including a brochure, posters and banners and is progressing a resource kit for careers advisory officers in the education system.

The promotion of a career in local government for young people will bring about new ideas and raise the level of awareness of this level of government as a viable and interesting option.

LOCAL GOVERNMENT ELECTIONS

In May 2005 142 local governments, including the Indian Ocean Territories, held elections with 1,127 candidates standing for 727 positions - 563 non-metropolitan and 164 metropolitan. Ward amalgamations in a number of local governments meant that there were 76 less vacancies than in the 2003 elections.

Candidates were elected unopposed to 316 (44%) of the 727 vacancies. A total of 201 wards in 99 local governments had one or more vacancies filled unopposed.

As a result of vacancies being filled unopposed, there were no elections in 42 local governments. The following table shows the total eligible electors, the number who were able to vote in contested elections and the number who voted in each region:

Region	Eligible Electors	Electors in Contested Elections	Voters	Turnout %
Gascoyne	5,904	3,304	1,342	40.62%
Goldfields	34,238	27,604	7,674	27.80%
Great Southern	37,328	20,555	11,270	54.83%
Indian Ocean Territories	1,392	1,392	718	51.58%
Kimberley	17,538	16,201	2,783	17.18%
Mid West	32,422	22,940	8,687	37.87%
Peel	57,526	48,671	18,533	38.08%
Perth	824,299	656,387	225,532	34.36%
Pilbara	19,987	15,502	2,884	18.60%
South West	93,015	86,607	31,804	36.72%
Wheatbelt	46,039	22,379	8,350	37.31%
TOTAL	1,169,688	921,542	319,559	34.68%

At least one ward was contested in 101 local governments. Of the contested positions, 30% were in the metropolitan area and 70% were in non-metropolitan areas.

Voter turnouts for postal and voting in person elections are as follows:

	Electors	Voters	Average Turnout
Postal voting	817,077	298,393	36.5%
Voting in person	104,465	21,184	20.3%
TOTAL	921,542	319,577	34.7%

Voter turnout averaged 34% in the metropolitan area and 27% in non-metropolitan areas. Participation ranged from 8.9% in Bayswater West Ward to 88.5% in the Menzies Ward of Menzies. The median turnout for the 200 contested elections, was 39%.

The median turnouts for postal and voting in person elections are as follows:

Postal elections **39.96% (128 contested elections)**

Voting in person elections **37.3% (72 contested elections)**

The proportion of female elected members has been moderately increasing. It increased again this year, despite the decrease in the total number of vacancies, to 29%. There was also a 38% increase in Indigenous elected members, with the number rising from 26 to 36, and women making up 44% of the total number of Indigenous councillors.

Thirteen local governments held elections at large for Mayor. Four candidates were elected unopposed. Four elected Mayors were female and nine were male.

Implications

Over a quarter of the State's electors did not have the opportunity to vote in either a ward or mayoral local government election because candidates were elected unopposed. Encouraging more candidates to stand for election is important to give all voters a choice about who represents them on Council.

Postal voting continues to be the dominant mode of voting for Western Australians, although it is used by only 50 local governments.

The Department will continue its efforts to further increase awareness and participation in the lead up to the 2007 local government elections.



Activities Against Services

SERVICE 1 IMPLEMENTATION OF GOVERNMENT POLICY

Service Description

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

SnapShot

Legislative amendments finalised to reduce 'red tape' and increase efficiency in local government...draft bill prepared for dealing with improper behaviour by elected members...caravan parks and camping review for discussion...further strengthening of controls on dangerous dogs ...position paper for updated controls on off-road vehicles being prepared...revised pocket guide for safe animal transport issued...mentoring program for women in senior positions in local government begun...active ageing supported...progress on implementation of Regional Development Policy...web-based grants directory updated... a partnership agreement between State and local governments on sustainability has been negotiated and will be implemented by the end of 2005...skilled migrant entry to rural areas to be examined...providing electricity services in the regions...gender analysis of last local government elections to be conducted...national conference of Grants Commissions to be hosted.

LEGISLATION

Amendments to Regulations

A total of 18 sets of amending regulations have been brought into operation during the year. These cover a wide range of laws which relate principally to operational matters for local governments.

Amendments to the **Local Government Act 1995 and associated regulations**

The Department finalised the *Local Government Amendment Act 2004*, the first major amendment for the *Local Government Act 1995* since it came into operation in 1996. The Amendment Act has improved the efficiency of operations of local governments and incorporates many changes to the existing legislation including reducing red tape associated with various provisions, new requirements for audit committees, electoral amendments and increasing the powers of local governments to rectify nuisances on land. Amendments to related constitution, elections, functions, finance, administration and audit regulations under the *Local Government Act 1995* have also been completed.

Local Government Act Seminars

Sixteen seminars explaining the changes to the legislation were successfully held across the State. Seminar details and a copy of the presentation are available on the Department's website at www.dlgrd.wa.gov.au/legislation/localGovtAct/seminars.asp.

Improper Behaviour by Elected Members

The Department prepared a draft Bill for a new system of dealing with complaints of improper behaviour by elected members, following the release of a White Paper for public discussion.

The proposed Bill will provide for disciplinary measures for local government elected members who do not act in accordance with legislation and a uniform code of conduct. Contraventions of the code of conduct are to be referred to a Local Government Standards Panel. This panel would have the power to require an elected member to give a public apology or undertake a training course, and may publicly censure an elected member.

Activities Against Services (cont.)

The same sanctions would be available to the State Administrative Tribunal which will deal with legislative breaches. However, the Tribunal will also have the power to suspend an elected member from attending council or committee meetings, with no meeting fees to be paid, for up to six months, or disqualify an elected member for a period not exceeding five years. The Bill will be introduced into Parliament in 2005-06.

Local Laws

A total of 120 proposed local government local laws were reviewed by the Department during 2004-2005.

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

Caravan Parks and Camping

A National Competition Policy (NCP) review of the *Caravan Parks and Camping Grounds Act 1995* was conducted to consider how the legislation impacts on competition within and between different sectors.

Following the review, a report was completed which recommended that Regulation 49 of the Act be deleted. This regulation provides that a nature-based park or transit park cannot be located within 50 kilometres of a fully developed caravan park unless approval from the Minister is sought. The report also recommended that the exemption of the Crown from the provisions of the Act be removed.

Dogs

A Bill is being drafted to make over 40 improvements to the operation of the *Dog Act 1976*. Work is continuing to finalise the Bill for introduction to the Parliament during 2005-2006. These amendments will combine the dangerous dog and restricted breed provisions of the Act to further strengthen controls on such dogs.

The Department also commenced work on developing regulations for mandatory sterilisation of pit bull terriers and other restricted breed dogs which are prohibited from importation into Australia. It is expected that these provisions will firstly be introduced as Regulations and subsequently be included in the Bill to amend the Act.

Vehicles (Off-Road Areas)

The Department has undertaken analysis of submissions received on the issues paper released as part of the review of the *Control of Vehicles (Off Road Areas) Act 1978*. Some of the key topics canvassed in the submissions included public liability; areas for the use of off-road vehicles; age limits; safety; and enforcement and penalties. A set of policy papers is currently being prepared on statutory and non-statutory issues associated with off road vehicle use and planning. A position paper consisting of policy recommendations for Act amendments will be circulated for stakeholder comment.



ANIMAL WELFARE

In June 2004 *Animals Australia* lodged a complaint with the Department alleging a breach of section 19(3) of the *Animal Welfare Act 2002*. The complaint was made in relation to the transport of sheep on the livestock vessel, *MV Al Kuwait*, which departed Fremantle on 11 November 2003 for the Middle East with a cargo of 103,000 sheep. *Animals Australia* alleged that about 1000 sheep died during the 16-day journey and others arrived with injuries such as broken bones and blindness.



The Director General referred the complaint to the State Solicitor's Office (SSO) for assessment and the Department is investigating the complaint with the WA Police.

Licensing of scientific establishments

During 2004-2005, licences allowing the use of animals for scientific purposes were issued to 23 scientific establishments and licenses to supply animals for scientific purposes were issued to 16 establishments.

Animal transport guide - 'Is it fit to load?'

A revised pocket guide to the selection of animals fit to transport in WA, 'Is it fit to load?' was developed in partnership with the Department of Agriculture, RSPCA and industry bodies. The guide explains welfare matters that transporters should be aware of when loading animals.

Producers, livestock transporters, stock selling agents, saleyard staff and others associated with transporting stock have benefited from using the guide. Copies are available free of charge from Department of Agriculture offices throughout the State.



OTHER PROJECTS

The Department was involved in a range of non-statutory projects in 2004-05.

Women in local government

The Advisory Committee on Women in Local Government progressed initiatives in each of its three priority areas: the establishment of a mentoring program, improvement of selection processes and the promotion of local government as a career choice and in curricula at school and tertiary level.

A mentoring program commenced for women in management and decision-making positions and those aspiring to such positions in local governments. A brochure containing information about the program

was widely disseminated and those interested in taking on the role of mentee and mentor were invited to put forward an expression of interest. An information workshop, in which approximately 40 mentees and mentors participated, was held in February 2005. Since the workshop, the mentoring program has been well received, with a number of relationships between mentors and mentees established.

Activities Against Services (cont.)

A draft guide on gender diversity in the recruitment of Chief Executive Officers and other senior staff was prepared. This is a companion document to 'Local Government Operational Guidelines for Appointing a CEO'.

Active Ageing Strategy - Local Communication and Partnering Initiative

The Department worked with the Office for Seniors Interests and Volunteering and the Western Australian Local Government Association on the preparation of the Active Ageing at the Local Level initiative, a major initiative within the Community Awareness and Participation Key Priority of the State Government's Active Ageing Strategy. The Initiative incorporates the key principles of the Active Ageing Strategy and focuses on activities which achieve community consultation and participation and provide active ageing opportunities and programs at the local level.

Funding for the Initiative commences in 2005-2006, with a three-year commitment of \$450,000 per annum. This will be administered by the Department and funding disbursed through the Active Ageing at the Local Level Fund.

Eradication of Poverty Seminar

The Department hosted the 2004 Eradication of Poverty Day event in recognition of 2003 Western Australian Churchill Fellowship recipient, Mr Ian Fletcher, Chief Executive Officer of the City of Kalgoorlie-Boulder. Mr Fletcher presented findings from his Churchill Fellowship study tour in Canada where he examined capacity building in First Nations and ways of meeting the needs of Indigenous people when they move to regional centres from remote areas.

Other presentations showcased Western Australian projects, responses and initiatives with the potential to improve social and economic participation by Indigenous people and involving collaboration between industries, government and communities. Attendees included Indigenous community and organisation members and representatives from industry, local government, Regional Development Commissions, government and non-government agencies.

POLICY

Regional Development Policy Progress Report

The Department completed a draft progress report on the implementation of the Government's Regional Development Policy, 'Regional Western Australia - A Better Place to Live', released in November 2003. The regional policy identifies how the State Government will work with regions and regional communities in assisting them to achieve their sustainable economic, social and environmental aims.

The draft progress report was based on information provided from 50 government agencies (with responsibilities in regional areas) reported to the Department on progress against the 16 regional policy outcomes and 111 strategies and proposed initiatives for 2004-2005. This information was used to produce the draft progress report which will be released in 2005/2006.



The Department is responsible for coordinating the implementation of the Regional Development Policy. It has developed an implementation and reporting strategy with the formation of a Regional Policy Implementation Group comprising representatives from key State agencies.

Grants Directory

The web-based Grants Directory was updated as at May 2005. The directory provides comprehensive information on more than 80 grants and other assistance programs available to communities and local governments in regional and metropolitan Western Australia.

The information includes programs provided by the Western Australian and Australian Governments as well as private sector organisations and is available on the Department's website at www.dlgrd.wa.gov.au

Cross-Agency Partnerships

The Department continues to contribute to the cross-agency development of policy and implementation strategies for the State Government's Early Years Strategy, the Active Ageing Strategy and the Drug and Alcohol Strategy through membership of the relevant senior officers' groups and is contributing to the implementation of the Strong Families initiative through representation on the Strong Families Monitoring Group. The Department is also represented on the Human Services Directors General Group.

PROVISION OF INFORMATION

The Department released a number of publications including major publications to increase participation in the 7 May 2005 Local Government Elections. These included Standing for Council; Information for Candidates; Frequently Asked Questions about Local Government Elections; and Your Community - Your Local Government (to assist Indigenous people).

A Careers in Local Government (in partnership with LGMA (WA)) publication to encourage school leavers and tertiary graduates to choose a career in local government was produced as well as further local government operational guidelines.

The research and collection of key economic and statistical information on behalf of regional communities, Regional Development Commissions and other regional organisations continues to be a strong focus.

A summary of these statistics is provided in two documents - 'Regional Trends and Indicators' and the 'Statistical Snapshot', located on the Department's website: www.dlgrd.wa.gov.au

Work commenced on revising economic perspective publications for each of the State's nine regions. These publications are produced every two years and bring together the most recent economic and demographic data available on a regional basis, as well as information about regional economic activity, infrastructure and services. The revised publications will be available in 2005-2006.

STATE SUSTAINABILITY STRATEGY

In accordance with the State Sustainability Strategy, the Department has developed its Sustainability Action Plan, and continues to make sound progress with the implementation of the various action items of both the Action Plan and the Strategy.

The Department has been actively involved in the Sustainability Roundtable, an initiative of the State Sustainability Strategy. The Department provides executive support for the State Local Government Sustainability Partnership Group (a sub-committee of the Roundtable). The Partnership Group held six meetings and one workshop in the last year.

The Group's major undertaking has been to negotiate a partnership agreement between the State Government and Local Government on sustainability. The agreement is expected to be implemented by the end of 2005. The agreement will list several major outcomes from the State Sustainability Strategy to be achieved. The Group will then provide advice to the Roundtable on how best to achieve of these outcomes.

REGIONAL DEVELOPMENT COUNCIL

The Regional Development Council met four times during 2004-2005. Two of these meetings were held in regional Western Australia in the Midwest (September 2004) and the Peel (March 2005) regions. The Council also met twice with the Cabinet Standing Committee on Regional Policy (CSCRPP).

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

- Health
- Education and Training
- Skilled shortages
- Energy
- Infrastructure provision.

To assist in achieving the outcomes identified as the major elements in the priority the, Council has commissioned studies including an examination of the impediments to recruitment of skilled migrants into regional WA and the provision of electricity headworks for regional customers. The findings of these studies have been used by the Council to support its recommendations to CSCRPP.



The Council has been active in making submissions or direct representation to the State and Australian governments. These included submissions to the Productivity Commission Review of National Competition Policy Reforms and the State Government's Biodiversity Conservation Strategy.

Future Directions

In 2005-2006, the Department will be focusing on a number of activities including:

- Continue to support the implementation of the Regional Development Policy, 'Regional Western Australia - A Better Place to Live'.
- As part of the Gender Analysis of Public Policy research project (in partnership with tertiary institutions and other Government agencies), undertake a gender analysis of May 2005 Local Government Election outcomes. Contribute to the separate research project examining the impact of gender diversity on regional boards and committees.
- Hosting national conference of local government grants commissions.
- Ongoing review of Western Australian Local Governments Grants Commission methodology.
- Finalise recommendations in relation to the review of the *Caravan Parks and Camping Grounds Act 1995*.
- Finalise policy on proposed amendments to the *Control of Vehicles (Off-road Areas) Act 1978*.
- Introduce an amendment Bill to the *Dog Act 1976* and update the associated regulations.
- Continue to develop the policy framework for continued capacity building and governance development in local government.
- Finalise and release publications, information and statistics for each region in Western Australia, including: 'Economic Perspective Overviews', 'People and Populations' - a profile of the demographic trends for each region that forms a companion to the 'Economic Perspective Overviews', and 'Trend and Indicators' - a collection of social and economic statistics for each of the nine regions and for the metropolitan area.
- Finalise policy on possible amendments to the *Cemeteries Act 1986*.
- Identify items for inclusion in a fourth amendment bill to the *Local Government Act 1995*.
- Continue to market and build on the success of the CommUnity board game to support the understanding by youth about local government; it's roles and career opportunities.

- Undertake licensing of scientific establishments, which use animals for scientific purposes and conduct inspections to ensure compliance with the *Animal Welfare Act 2002* and the Code of Practice for the care and use of animals for scientific purposes.
- Support the Local Government (Official Conduct) Amendment Bill in its passage through the Parliament.
- Supporting the drafting and introduction to Parliament of amendments to the *Regional Development Commissions Act 1993* to implement the recommendations of the review report.
- Continue to provide administrative support to the Regional Development Council and to continue to support the Telecentres network in regional Western Australia.
- Act as the lead agency to seek new funding and establish policy arrangements between the three spheres of government in the delivery potential municipal services by local governments to discrete Aboriginal communities.
- Develop strategies to assist the attraction and retention of professional and skilled people to live and work in regional communities, to meet the challenge in building sustainable regions.

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

Service Description

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

SnapShot

Over 860 small to major projects funded under the Regional Investment Fund to date - these range from the Gravity Discovery Centre at Gingin to provision of water and electricity services to remote areas...WA Regional Investments Fund allocated \$1.7 million...Regional Infrastructure Funding Program supported the Carnarvon Townscapes project...Indigenous Infrastructure Projects Program awarded \$1.68 million...Regional Collocation projects worth \$1.2 million...Regional headworks supports services to regions...outer metropolitan communities get assistance...support for community workshops...scholarships and leadership support for young Indigenous people...leadership programs...expansion of telecentre network...partnerships emphasised for delivery of services to remote Indigenous communities.

FINANCIAL ASSISTANCE

REGIONAL INVESTMENT FUND

Funds were allocated for projects in regional Western Australia in the fourth year of the Government's \$75million Regional Investment Fund (RIF). RIF will continue for a further four years from 2005-06, with a funding allocation of \$80 million.

The Regional Investment Fund comprises the:

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

Since the inception of the RIF, it has provided funding to over 860 applicants covering a wide range of activities including projects that have supported regionally-based facilities such as the redevelopment of Fairbridge Village (near Pinjarra); the construction of the Gravity Discovery Centre at Gingin and of the Busselton Jetty Underwater Observatory; main street upgrades in Northam and Leonora and the Roebourne and Port Hedland Enhancement Schemes.

Regional Infrastructure Funding Program

The Regional Infrastructure Funding Program (RIFP) provides financial assistance to major capital works projects designed to assist in attracting investment and increasing jobs in regional areas and to improve the access of regional communities to services. A total of \$722,110 was approved for one major project in 2004-05 as outlined in the following table:

RIFP Projects Approved Funding for 2004-05	
Applicant	Description of Project
Shire of Carnarvon	Carnarvon Townscape Enhancement Project- Stage 1

Activities Against Services (cont.)

Western Australian Regional Initiatives Scheme

The WA Regional Initiatives Scheme (WARIS) supports non-capital works projects that will deliver benefits across more than one of Western Australia's nine regions. Approximately \$1.7 million was approved for 14 organisations under WARIS as outlined in the following table:

WARIS Initiatives Approved Funding for 2004-05	
Applicant	Description Of Project
University of Western Australia- Institute of Regional Development	Institute of Regional Development Regional Resource Centre - Albany
Indigenous Festivals of Australia	Croc Fests 2004-05 and 2005-06
Department of Local Government and Regional Development (DLGRD)	Regional Investment Tours
DLGRD	Young Indigenous Local Government Scholarships
Awards Australia	Regional Achievers Awards
Department of Premier and Cabinet	Regional Investment Fund Promotion Campaign
Country Housing Authority	Housing Development Incentive Program
Buzz Dance Theatre	North West Tour
Department of Sport and Recreation	Leaders in Sport Conference
ArtSource	Professional Development Training for Indigenous Artists
Country Arts	Eyeland - Community Photography and Film Events
Barking Gecko	Touring of 'The Treehouse' Road Safety Play
WA Indigenous Tourism Operators Comm	2005 Australian Indigenous Tourism Conference



Photograph supplied by the Croc Festival and front cover image

Activities Against Services (cont.)

Regional Headworks Program

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

Funding was provided for grants ranging from \$10,000 to \$100,000 for headworks projects involving the provision of water, electricity, telecommunications, gas, drainage and sewerage that will assist in attracting investment and increasing jobs in regional areas or improving the commercial and industrial activity in the region.

A total of \$692,000 was made available for 19 projects under RHP as outlined in the following table:

RHP Projects Approved Funding for 2004-05	
Applicant	Description of Project
Shire of Esperance	Shark Lake Industrial Park drainage works
Shire of Kojonup	Power for the Kojonup Industrial Estate - Stage 2
Ongerup Community Development Inc.	Power for the Yongergnow Malleefowl Centre
Shire of Derby-West Kimberley	Supply Mains Power to Businesses in Yurabi Road Fitzroy Crossing
Mitchell's Livestock Transport	Headworks for Expanded Livestock Depot in New Location
Charles Van Herk	Provide Headworks to Allow the Development of Cove Caravan Park
Robil Engineering	Upgrade Power Supply to Manufacturing Facility
Shire of Boyup Brook	Headworks to Develop an Industrial Land Subdivision in Boyup Brook
Shire of Capel	Headworks to Develop a Light Industrial Area in Capel
Shire of Donnybrook-Balingup	Headworks for New Seniors' Units in Donnybrook
Shire of Harvey	Headworks for New Seniors' Units in Brunswick
Shire of Nannup	Extension of Headworks for New Seniors' Care Units in Nannup
Milyeanup Pastoral Development	Extend Three-Phase Power 3.9 km for Pumping Water for Irrigation
Yanmah Ridge Wines	Provide Three-Phase Power to Yanmah Ridge Winery in Manjimup
Acvil Pty Ltd	Upgrade and Extend Power Supply to Progress Truffle, Marron and Hazelnut Production
Lake Preston Lime	Upgrade Power Supply to Quarry
Shire of Lake Grace	Headworks for New Roadhouse/Motel Complex in Lake Grace
Jolly & Sons Pty Ltd	Headworks to New Commercial Premises in Dalwallinu
Gingin Fabrication & Steel	Headworks to New Commercial Premises near Gingin

Activities Against Services (cont.)

Indigenous Infrastructure Projects Program

The Indigenous Infrastructure Projects Program (IIPP) encourages, promotes and supports the sustainable development of Indigenous communities. It also promotes partnerships between Government and Indigenous communities and aims to deliver better and more sustainable outcomes for Indigenous communities.

A total of \$1.68 million was made available to assist with the capital cost of providing infrastructure for enterprise development and environmental health in remote Indigenous communities. Six projects were funded as outlined in the following table:

IIPP Projects Approved Funding for 2004-05	
Applicant	Description of Project
Ngunulum Aboriginal Corporation	Cockatoo Springs Nature Based Park
Mowanjumb Aboriginal Corporation	Mowanjumb Arts/Tourism Centre
Kimberley Aboriginal Pastoralists Association (KAPA)	KAPA Pastoral Property Economic Benchmarking and Infrastructure Audit Project
RAWA Community School Aboriginal Corporation	Punmu Healthy Lifestyle Training Centre
Midwest Employment and Economic Development Aboriginal Corporation	Hothouse/Nursery Production Enterprise
Paupiyala Tjartutja Aboriginal Corporation	Cultural Tourism Initiatives - Ilkurlka

Regional Development Scheme

The Regional Development Scheme is administered and distributed by the nine Regional Development Commissions. A total of \$3.6 million was made available for the commissions in 2004-2005.

OTHER PROGRAMS

Regional Collocation Scheme

Grants of approximately \$1.2 million were made available to a range of communities under the \$7.3 million Regional Collocation Scheme, which supports the construction or refurbishment of buildings to collocate various services in regional communities.

Fourteen projects were approved for funding under the Regional Collocation Scheme in 2004-2005 in the following communities: Kalannie and Mukinbudin (Wheatbelt); Walpole and Boyup Brook (South West); Yalgoo and Mullewa (MidWest); Jerramungup and Frankland River (Great Southern); Bidyadanga and Balgo (Kimberley); Jigalong and Roebourne (Pilbara); and Warakurna and Wingellina (Goldfields-Esperance).

Outer Metropolitan Community Fund

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

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



Activities Against Services (cont.)

A total of \$1 million was made available for 32 projects in 2004-2005, through the first round of the OMCf, as outlined in the following table:

OMCF Projects Approved Funding for 2004-05		
Local Government (Area)	Applicant	Description of Project
ARMADALE	Araluen Botanic Park Foundation Inc	Araluen Chilli Festival Street Parade
	Armadaale, Gosnells & Districts Youth Resources Inc	Youth Support Program "Stairways Project"
	Injury Control Council of WA	Armadaale Safe Communities Pilot Program
	Roleystone Local Drug Action Group Inc	Cross Park Skatepark Precinct
	Rotary Club of Armadaale	Borrello Reserve Playground Equipment
	Carers WA	Young Carers Support program "Linking Together"
KALAMUNDA	Kalamunda Zig Zag Railway Inc	Feasibility Study for Zig Zag Tourist Railway
	Shire of Kalamunda	Wattle Grove Centre TAFE Campus Upgrade
	Shire of Kalamunda	Perth Hills-Tourism Product Development
KWINANA	Frank Konecny Community Centre	Community Centre Facility Room
	Green Skills	Community Nature Trail Interpretive Signage, Magenup Lake, Wandi
	Town of Kwinana	Parks Upgrade Program
	Town of Kwinana	Spectacles Cultural Tours
	South Coast Regional Chamber of Commerce	Industrial Interpretative Complex Development Facilitator
MUNDARING	Chidlow Progress Association	Chidlow Village Green - Performance Space
	Shire of Mundaring	Public Toilets in Chidlow
	Shire of Mundaring	Tourism Signage for the Perth Hills
ROCKINGHAM	City of Rockingham	Youth Entertainment Venue
	June O'Connor Centre Inc	Operation of New June O'Connor Centre
SWAN	City of Swan	YMCA Mobile Youth Service for Bullsbrook and Gidgegannup
	City of Swan	Gidgegannup Tourist Display board and Streetscape Improvement
	City of Swan	"Eat the View" Food Tourism Promotion
	City of Swan	Swan Valley Broadband Provision Study
	Ellenbrook Community Youth Performance Group	Break Dancing Program
	Ellenbrook Cultural Foundation	Community Cultural Centre
	Swan City Youth Service Inc	REAL Youth Program
	Bullsbrook Out of School Care Centre	Paving/Patio at Centre Entrance
	Croatian Community Club	Air-conditioning for Club Premises
	City of Wanneroo	High Speed Data Connection to Yanchep/Two Rocks
WANNEROO	City of Wanneroo	Broadband Delivery Framework Research Project
	City of Wanneroo	North Wanneroo Rural Way - Tourism Promotion & Signage
	Suncity Access Centre Inc	"e-TRY" IT Coordinator

Regional Investment Tours

The Department works in partnership with the State's Regional Development Commissions to develop and promote regional investment tours. These tours provide a valuable opportunity for the regions' businesses to secure financial capital, which can generate increased employment and other benefits. Regional investment tours continued to be conducted in 2004-2005.

COMMUNITY CAPACITY BUILDING

Community Support

A number of regional communities received assistance for development from the Department through facilitation of community planning meetings and workshops and other specific development initiatives. These included facilitation of Communitywise Audit workshops in Denmark and Mount Barker; working with the Manjimup community to ensure it becomes one of the planned Renewable Energy Towns in Western Australia; and providing assistance to pilot community-owned wind farms in Geraldton and Denmark.

Community Leadership

A range of leadership and capacity building initiatives were developed and undertaken during the year for the benefit of regional residents throughout the State.

The Department funded and/or supported programs and projects in partnership with many regional communities and organisations. The programs were developed in line with key priorities identified in the WA Community Leadership Plan and include:

- **Young Indigenous Local Government Scholarship** - a scholarship program to provide vital skills to Indigenous youth (under 30 years) and increase their employment prospects. In 2004-2005, the Department made available 16, \$10,000 scholarships to local governments, to provide young Indigenous people with a 12-month placement.
- **Building and Empowering Sustainable Communities Fund** - grants of up to \$5000 for programs fostering community leadership were made available. \$75,000 was committed from this fund in 2004-2005 for community projects, ranging from youth leadership and mentoring programs to enterprise development opportunities.
- **Indigenous Leadership Fund** - small grants to Indigenous communities for leadership initiatives. During the year, up to \$75,000 in grants were committed to diverse community WA projects ranging from youth leadership development programs to a gubinge (bush plum) industry study tour for primary producers.
- **Making Connections Leadership Program** - a program designed to strengthen the collective skills of people providing leadership and associated services to Indigenous communities. Following its success in the Gascoyne region in 2003, the program was extended to the Kimberley region in 2004-2005. In partnership with the Kimberley Development Commission, the Department provided a leadership development opportunity for 27 Indigenous and non-Indigenous community representatives. This has enabled the formation of strong community relationships and new partnerships between community and service providers.
- **Kimberley Indigenous Leadership Forum** - developed in partnership with the Lingiari Foundation to create an Indigenous body to provide advocacy and leadership at a regional, local and community level.

Activities Against Services (cont.)

- Further financial support was provided through the Community Leadership initiative for experiential leadership programs including the **Leadership WA** and **Australian Rural Leadership** programs, which aim to encourage regional and Indigenous participation.
- **Leaders in Sport** - a partnership arrangement with a number of notable sporting greats, which aims to foster leadership and personal development through hands-on mentoring for youth in remote and regional areas of WA.
- **Australian Computer Society Foundation** - financial support of \$30,000 over three years was allocated for an Information and Communication Technology higher education and research project scholarship. The funding will be provided to individuals who are regionally based.
- The development of a **WA Leadership Alumni**, providing advice and information through an e-newsletter and an online community website 'Pilotage'. This initiative is providing support and interaction for leaders across the State.



Rural, Remote and Regional Network

The Rural, Remote and Regional (RRR) Network, cofunded with the Department of Agriculture, seeks to bring together women to recognise, promote and expand the contribution they make to their communities.

The network has 8500 members who receive the quarterly produced magazine, *Network News*.

TELECENTRES



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

The Telecentre Network has provided opportunities and services to enable individuals, business and community groups in rural and remote parts of the State to reap the economic and social benefits offered by modern communication technologies, including videoconferencing and access to Broadband Internet. Over 500,000 people are utilising the services offered by Telecentres each year.

During 2004-2005, five new Telecentres commenced operation and 12 more existing Telecentres were provided with assistance to provide broadband access to their community. This brings the total number of information technology-enabled service and/or information provision facilities established in small regional towns to 139, which includes 91 Telecentres, 2

Telecentres in remote Indigenous communities, 8 Modular Interactive Telecommunication Environments (MITES) and 38 Telecentre Access Points (TAPs). 94 Telecentres and MITES have also been equipped with ISDN videoconferencing facilities.

Each Telecentre will continue to be provided with a \$20,000 grant to support salaries for 20 hours each week and with access to a support and development service through the Department to assist with the ongoing development of these facilities. This will ensure that priority community needs are met through the program and that Telecentres continue to evolve and develop with adequate support.

Planning for the Future

The Department assisted the Telecentre Program to establish a plan to assist with the future development of Telecentres. The WA Telecentre Network "Planning for the Future" report was released in late 2004, which outlined the future development opportunities for this extensive regional program.

This report lays the foundation for the Department to work with communities across the State to ensure Telecentres will maximise on future development opportunities and continue to evolve and develop in response to community needs and Government priorities.

Indigenous Initiatives

Satellite technology unlocked the communication world for six remote Aboriginal communities of Djarindjin, Jarlmadangah, Ringer Soak, Nookanbah, Tjuntjuntjara and Balgo through the installation of new videoconferencing facilities in 2004-2005.

Limitations to land-based telecommunications infrastructure had prevented the establishment of videoconferencing services in these communities which had been available to metropolitan and other rural communities for a number of years.

The new facilities have allowed people to attend meetings, conduct job interviews, participate in workplace training or keep in contact with family and friends. This will inevitably save time and money by reducing the need to travel to regional centres to access services.

Future Directions

In 2005-2006, the Department will be focusing on a number of activities including:

- Allocate funds through the Government's second RIF including funding for the Regional Infrastructure Funding Program, the Western Australian Regional Initiatives Scheme, the Indigenous Regional Development Program and the



- Regional Headworks Program. In addition it is expected that the remaining projects funded through the first RIF will be completed.
- Continue to provide funding through the Outer Metropolitan Community Fund to encourage, promote and support the sustainable development of outer metropolitan areas.
- Continue the allocation of funding and assistance under the Community Leadership initiative, including further development of the State-wide leadership Alumni, for graduates of Western Australian leaderships programs.
- Take the lead agency role in the first year of implementing the Local Communications and Partnership Strategy of the Active Aging Strategy. This strategy will have a strong regional emphasis.
- Facilitate partnerships between remote Indigenous communities, local governments and State and Federal agencies on the delivery of local government services and capacity building for improved governance in Indigenous communities.

SERVICE 3 BETTER LOCAL GOVERNMENT

Service Description

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

SnapShot

A total of 287 allegations concerning activities of local governments examined...219 letters of concern acted upon...inquiry into City of Joondalup completed...partnering with local government agreements reached...Local Government Advisory Board completed inquiry into rating of land for charitable purposes...Local Government Grants Commission funding increased by 4.1%...marketing campaign for local government elections...support programs for local governments continued...the financial health of local governments will continue to be monitored.

COMPLIANCE AND ADVICE

Investigations

In 2004-2005, the Department received 289 new allegations relating to the activities of local governments throughout the State. A total of 287 allegations were examined and completed - Table 1.

In addition, more than 219 letters of concern were received and actioned by the Department - these related to a variety of issues including local government rate increases, planning decisions, local services and facilities, the operation of cemeteries and, other Acts administered by the Department.

Joondalup Inquiry

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

A Panel of Inquiry examining whether the council should be reinstated or dismissed was appointed in April 2004. The Panel comprised Mr William Ford with Mr John Staude as Counsel Assisting. On 21 May 2004, Mr Ford tendered his letter of resignation, due to health issues. On 26 May 2004, Mr Gregory McIntyre was appointed to replace Mr Ford to carry out the functions and obligations of the Inquiry panel.

The Inquiry has completed its public hearings and is to report to the Minister by 27 September 2005.

Shire of York

On 14 December 2004, the Minister for Local Government and Regional Development announced the appointment of Mr Gavan Troy as Commissioner, following the resignation of five of the Shire's nine councillors. Mr Troy will continue as Commissioner to the Shire until the offices of members of Council are filled, and the newly elected Council holds its first meeting following the election to be held on 6 May 2006.

Shire of Kojonup Authorised Inquiry

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

Local Government Investigations 2004-05 Table 1

	Local Government Operations and Procedures			Complaints Against Individuals Associated with Local Governments							Miscellaneous	
	Procedures within Council or Committee Meetings	Tendering Processes	Other Processes and Procedures at an Administrative Level	Breaches of Financial Interest Provisions (Elected Members)	Breaches of Financial Interest Provisions (Employees)	Improper Use of Information (Elected Members)	Improper Use of Information (Employees)	Other Actions (Elected Members and Employees)	Processes and Procedures at an Elected Member Level Related to Planning Issues	Processes and Procedures at an Elected Member Level Related to Planning Issues		
Complaint unfounded	2	1		2	2	1		1	2			
Possible minor breach, warning issued				9				1				
No role for Department or Minister	4	3	13	2	1	1		42	7	3	13	
Referred to local government for action (Code of Conduct)								1				
Referred to local government for action (other)		1	1	2				8			2	
Referred to another agency		1						5			1	
Process improvement recommended				1				1				
No further action by Department	4	4	5	29	1	12	1	42	7	1	10	
Recorded for ongoing monitoring purposes			1	2				6			1	
Unsubstantiated		2	2		3	1		10	4	1	2	
Completed Allegations	10	14	22	47	7	15	1	117	20	5	29	287

PARTNERING WITH LOCAL GOVERNMENT

The State Government is committed to partnering with Local Government. The Partnership Steering Group, a group of senior State and Local Government officers, supports the partnership process. The Department was responsible for chairing and providing administrative support to this group during the calendar year ending 31 December 2004.

The following agreements were initiated in 2004-2005:

- **Protocol to improve consultation in developing State Agreements for major resource projects** - an agreement between State and Local Government was signed by the Minister for State Development, the former Minister for Local Government and Regional Development and the President of WALGA on July 28, 2004. This establishes a broad set of principles to facilitate communication and discussion with local governments on major State projects, future State agreements and major variations to existing State agreements.
- **Memorandum of Understanding between the City of Swan and the State Government** - reflecting the shared vision of strong family and business communities in the City of Swan, founded on sustainable social, environmental and economic conditions that are enhanced by cooperative planning and development involving the City of Swan and the Government of WA was signed on 27 October 2004.
- **Memorandum of Understanding between the City of Geraldton and the State Government** - to recognise the role of Geraldton as the regional centre of the MidWest and the important function it plays in the sustainable development of the region and was signed on 12 May 2005.
- **Partnership Agreement on Public Library Services** - for the provision of public library services in Western Australia was signed by the Minister for Culture and the Arts and the Presidents of the Western Australian Local Government Association and the Local Government Managers Association in December 2004.



- The State and Local Government Council has given in-principal support to the draft 'Reimbursement of Travel Expenses for Members' policy relating to State Government boards and committees. The policy re-affirms the State Government's commitment to ensuring effective regional representation on boards and committees, consistent with the principals in the State/Local Government Partnership Agreement on cooperation and consultation.

LOCAL GOVERNMENT ADVISORY BOARD

A Memorandum of Understanding with the Western Australian Electoral Commission, Department of Land Information and the Department of Local Government and Regional Development regarding local government district and ward boundaries was finalised in May 2005. The document records the specific roles of the various government agencies that are involved in the process of amending district and ward boundaries. It also clarifies a number of relevant issues, such as custodianship and intellectual property rights.

Thirty-two reports of ward boundaries and representation were received and assessed by the Board in 2004-2005. Of the 26 local governments that proposed changes to ward boundaries and representation:

- ten amended ward boundaries but did not reduce the total number of councillors;
- nine abolished all wards, including two which also reduced the total number of councillors;
- five reduced the number of wards without reducing the number of elected members; and
- two reduced both the number of wards and the number of councillors.

In addition, the Board received and assessed proposals relating to minor district boundary changes that affected seven local governments.

The Board also considered two reports that examined issues relating to the possible creation of new local governments from within existing Shires. The first report looked at: Kalbarri, located in the Shire of Northampton. The second focused on the Tjurabalan-Kutjunka Region, which lies within the Shire of Halls Creek. In each of these cases, the Board concluded that further examination of the creation of a new local government was not appropriate at that time.

Issues relating to local government responsibility for a third community, Tjuntjuntjarra, remain under consideration. This community is currently located within the Shire of Menzies but has economic and cultural links to the Shire of Laverton.

Following a request of the Minister, the Board conducted an Inquiry into the Rating of Land for Charitable Purposes. A number of recommendations arising from the Inquiry were submitted to the Minister in April 2005 and are currently under consideration.

LOCAL GOVERNMENT GRANTS COMMISSION

Financial assistance grants allocated to local governments for the 2005-2006 financial year, comprised \$111.27 million in general purpose funds, and \$76.44 million in identified local road funding. This was a 4.1% increase on the 2004-2005 allocation. State and Australian Ministers for Local Government approved grant allocations for local government in accordance with the requirements of the *Local Government (Financial Assistance) Act 1995*.

During the year, the Commission conducted public hearings with over 40 local governments. The Commission received 30 submissions from local governments.

The grant allocation process for 2005-2006 resulted in 30 local governments receiving a share of the equalisation funds based on the minimum grant provision. Together, these local governments account for \$24.7 million (22.2%) of the general-purpose funds and 74.3% of State's population. As such, nearly 80% of the funds are distributed to 112 councils with just over 25% of the State's population.

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

LOCAL GOVERNMENT ELECTIONS MAY 2005

The Department, in partnership with the Western Australian Electoral Commission, (WAEC) progressed a media and marketing campaign to raise public awareness and the importance of local government elections to communities. The biennial elections were held on 7 May 2005.

Encouraging people to stand for council, engaging more people to vote, as well as maintaining the high standard of elections, were key elements of promoting the local government elections.

Integral to the promotion of the elections was the development of an extensive advertising campaign and the production of information videos, brochures, newsletters, posters, and informational websites.

In addition, training and development programs, were initiated, developed and delivered to ensure a high standard of electoral conduct. Candidates received information briefings and new councillors participated in an induction training session.

The campaign has now laid a solid foundation to build on for improved outcomes in all aspects of the local government elections into the future.



SERVICES TO INDIGENOUS COMMUNITIES

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

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

The principal outcome from the strategy was a 38% increase in the number of Indigenous people elected to local government councils in the 2005 elections.

To strengthen local government systems, the Department is committed to working with local governments to strengthen the capacity of Indigenous councillors. The Department will continue to provide workshops for local governments and their Indigenous councillors to create and sustain a cultural inclusive environment which meets the whole community's needs and interests. Since the May 2005 Local Government Elections, a workshop was successfully delivered to the Shire of Wiluna.

Indigenous service delivery was improved by facilitating ways to increase the capacity of local governments and their Indigenous communities to enter into service agreements. Current activities include undertaking community-based feasibility studies, creating an equitable negotiation process, stocktaking the viability of local, State and Australian funding and identifying and eliminating financial, administrative and cultural risks in both a policy and operational context.

LOCAL GOVERNMENT SUPPORT AND ADVICE

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

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

Local governments and other agencies can seek advice on the *Local Government Act 1995* to become more familiar with their rights and the responsibilities of local governments. The service also assists local governments to ensure that they maintain a high degree of legislative compliance.

Development of guidelines on operations and legislative requirements

The Department continued the local government guidelines series and produced new guides including 'Clarity in Council Motions', 'Opening and Closing Funds used in Annual Budget' and 'Disruptive Behaviour by the public at Council Meetings'. The 'Elected Member Induction' guideline was revised.

Operational reviews

The Department facilitated operational reviews at the City of Albany, City of Nedlands, Shire of Ashburton, and the Shire of Northampton along with an advisory panel at the Shire of Kojonup. The monitoring panel at the Shire of York continued its involvement at the Shire until December 2004.

Financial management practice notes and interpretation of Accounting Standards

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

Department Newsletter: Local Government Update

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

SUPPORT PROGRAMS

The Department provides support and development to local government through its participation in a number of key programs including Governance Reviews, Chief Executive Officer (CEO) Support Program, Mayors' and Presidents' Support Program and Peer Support Team. These programs assist local governments to overcome specific problems, review their method of operation and organisation and assist newly appointed Mayors, Presidents and CEOs.

Governance Reviews

The Governance Review Program involves a panel visiting a local government to provide advice on how operations can be improved. Members of a panel include a senior Departmental officer, an experienced elected member and a CEO from another local government. The panel familiarises itself with the local government through a questionnaire, interviews and meeting with the council. It then draws on the combined experience of its members to make recommendations on possible improvements.



Chief Executive Officer Support Program

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

A senior Departmental officer and a representative of LGMA (WA) visit the new CEO to discuss management issues. A report is made available to the CEO and the council, and can be used as a benchmark for future performance assessments. Mentoring relationships are often formed as a result of CEO Support Program visits.

During 2004-2005, five new CEOs and their local governments were visited under this program. These included the Shire of Wiluna, Shire of Morawa, Shire of Wongan-Ballidu, Shire of Bridgetown-Greenbushes and the Shire of Wyalkatchem.

Peer Support Team

The Department, in conjunction with WALGA and LGMA (WA), continued the work of the Peer Support Team in providing conciliation, negotiation and mediation support to councils that have identified issues of relationship conflict between councillors or between councillors and senior staff.

Since its introduction, the Team has provided conciliation, negotiation and mediation support to councils that have identified issues of relationship conflict between elected members, or between elected members and senior staff. A number of training programs in mediation are available for people involved in Local Government who wish to be involved in the scheme.

The Team acts as a facilitator in driving the reform process and supports the council to secure agreed outcomes and resolutions. This process has significantly reduced the need for formal investigations or inquiries. A number of these programs were conducted during 2004-2005.

Mayors' and Presidents' Support Program

The Department offered a support program to provide guidance to newly elected Mayors and Presidents following the May 2003 Local Government elections. The aim of the program is that through the experience of a Mayor or President from another local government, the newly elected Mayor or President can discuss the role and overcome any initial problems or lack of knowledge.

The program covers areas such as chairing meetings, how to manage a full debate, liaising with the CEO, getting the best out of the media and public speaking.

The Mayor of the Town of Bassendean and the President of the Shire of Wiluna particularly benefited from this program in 2004-2005.

Local Government Financial Management Awards

Winners of the Minister for Local Government and Regional Development's Financial Management Awards were presented in 2005.

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

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

Winners of the Awards by category were:

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

- Certificate of Excellence - Shire of Koorda
- Certificate of Merit - Shire of Tambellup and Shire of Woodanilling

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

- Certificate of Excellence - Shire of Esperance
- Certificate of Merit - Shire of Shark Bay and Shire of Donnybrook-Balingup

Metropolitan Local Governments:

- Certificate of Excellence - City of Gosnells
- Certificate of Merit - City of Canning and City of Swan

INDIAN OCEAN TERRITORIES

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

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

Future Directions

In 2005-2006, the Department will be focusing on a number of activities including:

- Continue to support local governments and assist them to increase their efficiency and effectiveness, and provide support to elected members, especially those newly elected, in the provision of good governance to the community.
- Continue the Young Indigenous Local Government Scholarship Program.
- Undertake further ward reviews of local governments.
- Continue to encourage and provide advice to both local governments and Indigenous communities with regard to establishing future service delivery between them.
- Continue to support the mentoring program for women in local government.
- Continue to monitor the financial health of local governments to improve financial performance and undertake assessments where necessary and, issue circulars and guidelines when such action is appropriate.
- Production of 'Inquiry into the City of Joondalup, Lessons for Local Government' publication to assist other local government authorities.
- Monitor local government's compliance with the *Local Government Act 1995*, undertake assessments and make recommendations when such action is appropriate.
- Enhancing advisory services to local governments, elected members and staff.
- Prepare for the introduction of the new Local Government Disciplinary framework.
- Continue to review and refine processes to improve the management of complaints against local governments and elected members.
- Contribute to the upgrade of the streetscape in the Chinese Tourism Precinct in William Street, Northbridge.
- Allocate funding to the Derby Wharf area for the benefit of industry, tourist and recreational users.
- Continue to encourage collaboration and resource sharing by local governments to enhance sustainable local government in the State.
- Continue to encourage and facilitate partnership agreements between State and Local Governments to enhance the sustainable social, environmental and economic development of Western Australia through consultation and communication, at both strategic and project levels.

YOUTH INITIATIVES

SnapShot

Strong focus on young people...Young Indigenous scholarships...Role Models program conducted...CommUnity game launched...Leaders in Sport provides leadership development in regional areas...careers in local government emphasised

The Department strongly focused on youth outcomes in 2004-2005. Some of the initiatives for young people included:

Young Indigenous Local Government Scholarships

The Department provided 11, 12-month scholarships during 2004-2005 to regionally-based youth under the age of 30 years to work in a local government and attain leadership skills. Scholarships were awarded to recipients within the Towns of Port Hedland and Kwinana, the City of Bunbury and the Shires of Mount Magnet, Mekatharra, Esperance, Pingelly, Coolgardie, Derby-West Kimberley, Ngaanyatjaraku and Upper Gascoyne.

Role Models WA

This program was aimed at school-aged Indigenous youth in remote areas of the Kimberley and Pilbara regions. The Department of Health, schools and Indigenous corporations assisted the Department in spreading key health messages to remote Indigenous youth.

CommUnity Game

A "CommUnity" board game for primary school-aged children was developed to raise the profile and importance of local government to young people. The game teaches children many ways to become responsible citizens and of their importance in the community.

Encouraging youth over 18 to participate in local government elections

A media campaign was developed to target youth and raise awareness of local government elections in May 2005. Youth between 18 and 35 were consulted through focus groups before and during the development of this campaign.



Increasing opportunities for work experience

Three people were provided work experience and student practicum placements in the Department from tertiary education sectors.

Leaders in Sport

The Department facilitated an intensive leadership development program for 30 regionally-based young community leaders from across the State. This program was the result of a successful partnership between the Department of Local Government and Regional Development, the Department of Sport and Recreation, the nine Regional Development Commissions and local governments. The program was well received and offered many benefits for participants.

Building and Empowering Sustainable Communities Fund

Grants of up to \$5,000 for programs fostering community leadership were made available. Funds of \$75,000 were made available in 2004-05 for community projects including youth leadership programs in Esperance, Pemberton and Carnarvon, and Indigenous Youth Council training camp in Geraldton and a leadership and cultural development opportunity for youth in the Shires of Harvey and Bunbury. A youth forum was also held in the Wheatbelt region.

Careers in Local Government

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



SnapShot

Regular monitoring in risk management...partnership agreement improves disabled access to services in regions...49% reduction in non-transport energy use...redevelopment of the Department's record keeping retention and disposal schedule...in-house web server set up... traffic monitored to all Departmental websites

FREEDOM OF INFORMATION

The Department of Local Government and Regional Development's Freedom of Information statement is available on the website at: <http://www.dlgrd.wa.gov.au/aboutUs/FOI.asp>

EVALUATIONS

No formal evaluations within the scope of the Public Sector Management Act 1994 (S7(e)) were conducted during 2004-2005. However, the Department regularly assesses its performance to ensure it is effective.

RISK MANAGEMENT

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

The following areas and policies were examined and reviewed during 2004-2005:

Computer Access and Security

Changes have been made to security access caveats within the Department's systems to ensure compliance with privacy requirements and computer security.

Staff Induction

Staff induction processes have been modified to ensure new staff are fully aware of their responsibilities to safeguard confidential information.

Gifts and Benefits Policy

The policy has been revised to include conditions under which gifts can be accepted and procedures to follow when gifts are received.

ETHICS, STANDARDS AND PERFORMANCE

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

DISABILITY SERVICES

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

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

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

ENERGY SMART

In accordance with the Energy Smart Government Policy, the Department is committed to attaining a 12% reduction in non-transport related energy use by 2006-2007.

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

Energy Smart Government program	Baseline	2004-05	Variation %
Energy Consumption (MJ)	1,185	741	-37.5
Energy Cost (\$)	52,535	26,694	-49.2
Greenhouse Gas Emissions (tonnes of CO ₂)	399	187	-53.1
Performance indicators MJ/sqm	473	314	-33.6
MJ/FTE	25.3	21.8	-13.8

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

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

WASTE PAPER RECYCLING

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

RECORD KEEPING

The Department of Local Government and Regional Development ensures best practice recordkeeping is achieved through compliance with principles and standards approved by the State Records Commission.

Redevelopment of the Department's Retention and Disposal Schedule was essential to address the additional functions acquired following the formation of the Department on 1 July 2001 and was approved by the State Records Commission on 10 March 2005.

All record keeping systems are reviewed on a regular basis to ensure record keeping within the Department continues to reflect best practice.

Record keeping induction programs are provided to all employees upon commencement with the Department, outlining roles and responsibilities to ensure compliance with the Department's Record Keeping Plan.

Several training sessions including electronic document management training for all departmental staff, were conducted throughout 2004-2005 gaining positive feedback from participants.

Performance Indicators for record keeping 2004

External Correspondence Registered	7,160
Internal Correspondence Registered	2,124
Ministerials Registered	3,101
Electronic Documents Created	2,721
New Files Created	2,145
Files sent to Permanent Archives / Repository	442

WEBSITE

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

Major improvements in 2004-2005 included:

- implementing an administrative portal complete with CHECK administration section
- releasing the Westlink, Regional Investment Fund and Telecentres Information Systems and Forums as separate websites.
- implementing and supporting an in-house web server with the ability to host and manage websites for the World Wide Web. This exercise has now eliminated all external hosting costs.
- installing an online statistical tracking package which monitors traffic to and from all Departmental websites providing hourly statistics on the number of visits, the pages visited and the number of links to Departmental websites from outside websites.

During the year, the Department's website was frequently accessed. The following table provides access statistics:

Program / Area	Number of Hits
Statistical Information	25,098
Regional Investment Fund	13,175
Local Government Elections	12,185
Grants Directory	10,954
Local Laws	7,040

In 2005-2006, the Department will feature a new, dynamic and content-managed section on its website which will provide local governments with ideas for sharing services and resources that can result in mutual economic savings and improved service outcomes.

COMPUTER UPGRADE

The majority of the Department's servers were replaced and a new data backup system purchased. This has led to a reduction in downtime and has increased system efficiency.

Security protocols and access rights were also modified during this financial year, ensuring a more secure system.

Forty surplus computers from the Department were donated to Perth organisation Technical Aid to the Disabled WA Inc (TADWA). The computers were being replaced as part of an IT upgrade. Seniors and people with disabilities will benefit from the use of these used computers.



FINANCIAL SERVICES RESOURCES

Financial and administrative support services were improved during the year with the implementation and integration of a debtors system. This has enabled a more efficient process of producing debtors reports and generating invoices.

Financial Statements Overview

The following is a summary of the financial performance and position of the Department as at 2004 and 2005. The summary is based on the information provided in the Department's statements of financial performance and statements of financial position.

	2004 \$'000	2005 \$'000
1.1 Financial Performance		
Total Revenues from Ordinary Activities	4,701	2,238
Total Revenues from State Government	36,789	36,781
Total Cost of Services	37,384	37,164
Net Cost of Services	32,683	34,926
Change in Net Assets	4,106	1,855
1.2 Financial Position		
Total Assets	13,005	14,637
Total Liabilities	1,408	832
Employee Entitlements	1,592	1,945

FINANCIAL PERFORMANCE

The Department's net cost of services has increased by 6.8 per cent (\$32.7m - 2004, \$34.9m - 2005). The increase is mainly attributable to an increase in salaries expense and a reduction in the level of Commonwealth grants received.

Revenue

Revenue for the Department in 2004-2005 includes \$869,000 received from the Commonwealth and \$868,000 received from other State Governments for the funding of projects within the Department.

Expenditure

The largest expenditure item for the Department is grants and subsidies representing 65 per cent of the 2004-2005 total cost of services. Total salaries has increased by \$1,157 000 (17 per cent) during the financial year mainly due to an increase in leave liabilities of \$353 000.

FINANCIAL POSITION

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

The net assets represent the State's residual interest in the assets of the Department after deducting the probable call on these resources, represented by liabilities. This position has increased by \$1,855,000 (18 per cent) during the financial year mainly due to an increase in Cash Assets.

Assets

The Department's asset holdings comprise mainly of Cash Assets (88 per cent) and Receivables (8 per cent).

Liabilities

The liabilities of the Department comprise mainly of provisions for employee benefits and payables. The major component of the Department's liabilities for the 2005 financial year (70 per cent) relate to employee entitlements. Employee entitlements that consist of annual and long service leave and associated on-costs have increased by \$353,000 (22 per cent).

Independent Audit Opinion

FOR THE YEAR ENDED 30 JUNE 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion,

- (i) the controls exercised by the Department of Local Government and Regional Development provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Department at 30 June 2005 and its financial performance and cash flows for the year ended on that date.

Scope

The Director General's Role

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

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Schedule of Expenses and Revenues by Service, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

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

D D R PEARSON
AUDITOR GENERAL
20 September 2005

Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

The accompanying financial statements of the Department of Local Government and Regional Development have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2005 and the financial position as at 30 June 2005.

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



L Nagy
Principal Accounting Officer

Date: 15/8/2005



C Gwilliam
Accountable Officer

Date: 15/8/2005

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$000	2004 \$000
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	7,895	6,738
Supplies and services	5	3,144	3,478
Depreciation expense	6	276	299
Administration expenses	7	410	408
Accommodation expenses	8	773	677
Grants and subsidies	9	24,065	25,199
Capital User Charge	10	594	526
Costs of disposal of non-current assets	11	-	51
Other expenses from ordinary activities	12	7	8
Total cost of services		37,164	37,384
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Commonwealth grants	13	869	3,246
State grants		868	620
Satellite revenues		191	267
<i>Revenue from non-operating activities</i>			
Other revenues from ordinary activities		310	568
Total revenues from ordinary activities		2,238	4,701
NET COST OF SERVICES		34,926	32,683
REVENUES FROM STATE GOVERNMENT	14		
Service Appropriation		36,582	36,683
Liabilities assumed by the Treasurer		58	1
Resources received free of charge		141	105
Total revenues from State Government		36,781	36,789
CHANGE IN NET ASSETS		1,855	4,106
Total changes in equity other than those resulting from transactions with WA State Government as owners		1,855	4,106

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2005

	Note	2005 \$000	2004 \$000
Current Assets			
Cash assets	23	12,867	11,790
Receivables	15	1,196	353
Amounts receivable for services	16	194	183
Total Current Assets		14,257	12,326
Non-Current Assets			
Restricted cash assets	17	-	222
Property, plant, and equipment	18	380	457
Total Non-Current Assets		380	679
TOTAL ASSETS		14,637	13,005
Current Liabilities			
Payables	19	832	1,207
Provisions	20	1,295	1,039
Other liabilities	21	-	201
Total Current Liabilities		2,127	2,447
Non-Current Liabilities			
Provisions	20	650	553
Total Non-Current Liabilities		650	553
Total Liabilities		2,777	3,000
Equity	22		
Contributed equity		236	236
Accumulated surplus		11,624	9,769
Total Equity		11,860	10,005
TOTAL LIABILITIES AND EQUITY		14,637	13,005

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$000	2004 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		36,770	36,683
Capital contributions		-	100
Net cash provided by State Government		36,770	36,783
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(7,743)	(6,870)
Supplies and services		(4,345)	(4,340)
Capital User Charge		(718)	(526)
Grants and Subsidies		(24,341)	(24,917)
Receipts			
Other receipts		1,431	4,699
Net cash (used in) operating activities	23(b)	(35,716)	(31,954)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(199)	(161)
Net cash (used in) investing activities		(199)	(161)
Net increase in cash held		855	4,668
Cash assets at the beginning of the financial year		12,012	7,344
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	23(a)	12,867	12,012

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

Schedule of Expenses and Revenues by Service

FOR THE YEAR ENDED 30 JUNE 2005

	Implementation of government policy		Improved access to services and capacity for development in regional communities		Better local government		Total
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000 2004 \$000
COST OF SERVICES							
Expenses from ordinary activities							
Employee expenses	1,586	1,568	3,611	3,149	2,698	2,021	7,895 6,738
Supplies and services	231	270	1,694	2,884	1,219	324	3,144 3,478
Depreciation expense	59	76	121	130	96	93	276 299
Administration expenses	79	62	233	266	98	80	410 408
Accommodation expenses	165	171	334	300	274	206	773 677
Grants and subsidies	23	25	24,000	25,121	42	53	24,065 25,199
Capital User Charge	128	135	254	228	212	163	594 526
Costs of disposal of non-current assets	-	14	-	21	-	16	- 51
Other expenses from ordinary activities	2	3	3	3	2	2	7 8
Total cost of services	2,273	2,324	30,250	32,102	4,641	2,958	37,164 37,384
Revenues from ordinary activities							
Commonwealth grants	-	-	747	3,099	122	147	869 3,246
State grants	-	-	868	620	-	-	868 620
Satellite revenues	-	-	191	267	-	-	191 267
Other revenues from ordinary activities	67	34	132	515	111	19	310 568
Total revenues from ordinary activities	67	34	1,938	4,501	233	166	2,238 4,701
NET COST OF SERVICES	2,206	2,290	28,312	27,601	4,408	2,792	34,926 32,683
REVENUES FROM STATE GOVERNMENT							
Service Appropriations	7,909	9,406	15,653	15,940	13,020	11,337	36,582 36,683
Resources received free of charge	30	27	61	46	50	32	141 105
Liabilities assumed by the Treasurer	12	-	25	1	21	-	58 1
Total revenues from State Government	7,951	9,433	15,739	15,987	13,091	11,369	36,781 36,789
Change in net assets before extraordinary items	5,745	7,143	(12,573)	(11,614)	8,683	8,577	1,855 4,106
Change in net assets	5,745	7,143	(12,573)	(11,614)	8,683	8,577	1,855 4,106

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

Summary of Consolidated Fund Appropriations and Revenue Estimates

FOR THE YEAR ENDED 30 JUNE 2005

	2005 Estimate \$000	2005 Actual \$000	Variation \$000	2005 Actual \$000	2004 Actual \$000	Variation \$000
DELIVERY OF SERVICES						
Item 46 Net amount appropriated to deliver services	35,425	36,434	1,009	36,434	36,535	(101)
Amount Authorised by Other Statutes -Salaries and Allowances Act 1975	148	148	-	148	148	-
Total appropriations provided to deliver services	35,573	36,582	1,009	36,582	36,683	(101)
CAPITAL						
Item 133 Capital Contribution	-	-	-	-	100	(100)
ADMINISTERED TRANSACTIONS						
Administered grants, subsidies and other transfer payments	300	300	-	300	300	-
Total administered transactions	300	300	-	300	300	-
GRAND TOTAL	35,873	36,882	1,009	36,882	37,083	(201)
Details of Expenses by Services						
Implementation of government policy	2,044	2,273	229	2,273	2,324	(51)
Improved access to services and capacity for development in regional communities	33,480	30,250	(3,230)	30,250	32,102	(1,852)
Better local government	3,427	4,641	1,214	4,641	2,958	1,683
Total Cost of Services	38,951	37,164	(1,787)	37,164	37,384	(220)
Less: total revenues from ordinary activities	995	2,238	1,243	2,238	4,701	(2,463)
Net Cost of Services	37,956	35,926	(3,030)	34,926	32,683	2,243
Adjustments (1)	(2,383)	1,656	4,039	1,656	4,000	(2,344)
Total appropriations provided to deliver services	35,573	36,582	1,009	36,582	36,683	(101)
Capital Expenditure						
Purchase of non-current physical assets	-	-	-	-	161	(161)
Adjustment for other funding sources	-	-	-	-	(61)	61
Capital Contribution (appropriation)	-	-	-	-	100	(100)
Details of Revenue Estimates						
Revenues disclosed as Administered Revenues	300	300	-	300	300	-

(1) Adjustments are related to movements in cash balances and other accrual items such as receivables, payables and superannuation.

The summary of Consolidated Fund Appropriations, variance to Budget and Actual should be read in conjunction with the accompanying notes. This summary provides the basis for the Explanatory Statement Information requirements of TI 945, set out in Note 26.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

1. DEPARTMENTAL MISSION AND FUNDING

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general-purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of accounting

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments'. The statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in the notes to the financial statements, forming part of the general purpose financial report of the Department. The administered items are disclosed on the same basis as is described above for the financial statements of the Department. The administered assets, liabilities, expenses and revenues are those which the Government requires the Department to administer on its behalf. The assets do not render any service potential or future economic benefits to the Department, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Department, and the expenses and revenues are not attributable to the Department.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of Accounting Standard AAS 33, Presentation and Disclosure of Financial Instruments, are not applied to administered transactions.

(a) Reporting Entity

The financial statements comprise the Department of Local Government and Regional Development. Consistent accounting policies have been employed in the preparation and presentation of the financial statements.

(b) Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities", transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

(d) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Department:

- proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions;
- revenues derived from the sale of real property;
- one-off revenues with a value of less than \$10,000 derived from the sale of property other than real property; and
- other departmental revenue

In accordance with the determination, the Department retained \$2.2 million in 2005 (\$4.7 million in 2004). Retained revenues may only be applied to the services specified in the 2004/2005 Budget Statements.

(e) Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Department obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions 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.

(f) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Department has passed control of the goods or other assets or delivery of the service to the customer.

(g) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

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

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(h) Depreciation of non-current assets

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

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

Plant and equipment	5 to 10 years
Computer Hardware	3 years

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

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

(j) Cash

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

(k) Accrued Salaries

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

Accrued salaries (refer note 21) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(l) Receivables

Receivables are recognised at the amounts receivable, as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists and in any event where the debt is more than 60 days overdue.

(m) Payables

Payables, including accruals not yet billed, are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. Payable are generally settled within 30 days.

(n) Employee benefits

Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long Service Leave

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PWC Actuaries in 2005 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurements of the liability is consistent with the requirements of Accounting Standard AASB 1028 'Employee Benefits'.

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

The superannuation expense comprises the following elements:

- (i) change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (ii) employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

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

A revenue "Liabilities assumed by the Treasurer" equivalent to \$57,945.00 is recognised under Revenues from State Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Department is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

(o) Resources Received Free of Charge or For Nominal Value

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

(p) Comparative Figures

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

(q) Rounding of amounts

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

3. SERVICES OF THE DEPARTMENT

Information about the Department's services, is set out in the Schedule of Expenses and Revenues by Service. Information about the Department's administered expenses, revenues, assets and liabilities administered by the Department is set out in notes 33 and 34.

The three key services of the Department:

Service 1: Implementation of government policy

Review, develop and implement policy and legislation. Research and provide data to ensure stakeholders have access to information that facilitates their strategic and operational needs.

Service 2: Improved access to services and capacity for development in regional communities

Support and develop initiatives that provide communities and organisations with the necessary infrastructure including skills, resources, networks and information to facilitate their development.

Service 3: Better local government

Supports compliance and understanding of administered legislation and assists with the administration of statutory bodies and committees.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$000	2004 \$000
4. EMPLOYEE EXPENSES		
Salaries	6,544	6,082
Superannuation	737	609
Annual leave	172	(163)
Long service leave	190	(4)
Fringe Benefits Tax	91	87
Other employee related expenses (i)	161	127
	7,895	6,738

(i) These employee expenses include workers' compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 20.

5. SUPPLIES AND SERVICES		
Consultants (i)	625	312
Resources received free of charge (ii)	141	105
Legal (iii)	354	26
Travel	342	535
Satellite services	442	961
Materials	311	335
Printing and advertising	244	232
Insurance	69	75
Repairs and maintenance	50	45
Other	566	852
	3,144	3,478

(i) Relates to consultants and other professional services. Increase due in the main to other professional services provided to the Inquiry into the City of Joondalup.

(ii) Relates primarily to legal services provided by State Solicitors.

(iii) Increase is due in the main to payments made for council assisting in the Inquiry into the City of Joondalup.

6. DEPRECIATION EXPENSE		
Furniture	86	87
Computer hardware	190	212
	276	299

7. ADMINISTRATION EXPENSES		
Communication	233	240
Consumables	158	139
Other	19	29
	410	408

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$000	2004 \$000
8. ACCOMMODATION EXPENSES		
Lease	694	598
Other	79	79
	773	677
9. GRANTS AND SUBSIDIES		
<u>Recurrent:</u>		
Regional Development Scheme, Western Australian Regional Initiatives Scheme and Regional Infrastructure Funding Program	19,232	20,935
Telecentre Programs	2,386	1,811
Community Facilities Grant Program	738	695
Other	1,709	1,758
	24,065	25,199
10. CAPITAL USER CHARGE		
	594	526
A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of services. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
11. NET LOSS ON DISPOSAL OF NON-CURRENT ASSETS		
Computer hardware	-	(28)
Furniture & Equipment	-	(23)
	-	(51)
12. OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Bad debt expense	7	8
13. COMMONWEALTH GRANTS		
Recurrent	869	3,246
14. REVENUES FROM STATE GOVERNMENT		
Appropriation revenue received during the year:		
- Service Appropriations (i)	36,582	36,683
Resources received free of charge have been determined on the basis of the following estimates provided by agencies (ii):		
- Crown Solicitors Office	110	105
- Department of Land Information	31	-
	141	105
Liabilities have been assumed by the Treasurer (iii):		
- Superannuation	58	1

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

14. REVENUES FROM STATE GOVERNMENT (continued)

- (i) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (ii) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.
- (iii) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme.

15. RECEIVABLES

Trade debtors
Less Provision for Doubtful Debts
GST receivable

2005
\$000

2004
\$000

1,103	123
(15)	(8)
108	238
1,196	353

16. AMOUNTS RECEIVABLE FOR SERVICES

Current

194	183
-----	-----

17. RESTRICTED CASH ASSETS

Non Current

Accrued salaries suspense account (i)

-	222
---	-----

- (i) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years

18. FURNITURE, EQUIPMENT AND COMPUTER HARDWARE

Furniture and equipment

At cost

Accumulated depreciation

698	605
(370)	(298)
328	307

Computer Hardware

At cost

Accumulated depreciation

705	770
(653)	(620)
52	150

Total of furniture, equipment and computer hardware

380	457
-----	-----

Reconciliation of the carrying amounts of furniture, equipment and computer hardware at the beginning and end of the current and previous financial year are set out below.

	\$000 Furniture & Equipment	\$000 Computer Hardware	\$000 Total
2005			
Carrying amount at start of year	307	150	457
Additions	106	92	198
Disposals	-	-	-
Depreciation	(85)	(190)	(275)
Carrying amount at end of year	328	52	380

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$000	2004 \$000
19. PAYABLES		
Trade payables	832	1,207
20. PROVISIONS		
Current		
Annual leave	584	427
Long service leave	592	503
Other employee benefits (i)	119	109
	1,295	1,039
Non Current		
Long service leave	600	484
Other employee benefits (i)	50	69
	650	553

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other Related Expenses (under Employee Expenses) at Note 4.

The Department considers the carrying amount of employee benefits to approximate the net fair value.

Employee Benefit Liabilities

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee benefits		
Current	1,295	1,039
Non-Current	650	553
	1,945	1,592

21. OTHER LIABILITIES

Accrued salaries	-	201
------------------	---	-----

22. EQUITY

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

Contributed equity		
Opening balance	236	136
Capital contributions (i)	-	100
Closing balance	236	236

- (i) From 1 July 2001, capital appropriations, termed Capital Contributions, have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

Accumulated surplus		
Opening balance	9,769	5,663
Change in net assets	1,855	4,106
Closing balance	11,624	9,769

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

23. NOTES TO THE STATEMENT OF CASHFLOWS

(a) Reconciliation of cash

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

	2005 \$000	2004 \$000
Cash Assets	12,863	11,786
Restricted Cash	-	222
Cash on hand	4	4
	12,867	12,012

(b) Reconciliation of net cost of services to net cashflows (used in) operating activities

Net cost of services (operating statement)	(34,926)	(32,683)
Non-cash items:		
- Grants and subsidies	450	726
- Depreciation	276	299
- Superannuation	(58)	-
- Resources received free of charge	141	105
- Costs on disposal of non-current assets	-	51
- Other expenses from ordinary activities	7	8
(Increase)/decrease in assets:		
- Current receivables	(801)	(2)
- Non-Current assets	-	-
Increase/(decrease) in liabilities:		
- Other liabilities	(201)	52
- Current provisions	256	(187)
- Current accounts payable	(957)	(326)
- Non-current provisions	97	3
Net cash (used in) operating activities	(35,716)	(31,954)

24. LEASE COMMITMENTS

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable:

Within 1 year	584	545
Later than 1 year and not later than 5 years	2,132	1,920
Later than 5 years	1,579	1,895
	4,295	4,360

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

25. REMUNERATION OF SENIOR OFFICERS

Remuneration

The number of Senior Officers whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2005	2004
40,001 - 50,000	-	1
50,001 - 60,000	-	1
100,001 - 110,000	2	-
110,001 - 120,000	-	1
120,001 - 130,000	1	1
130,001 - 140,000	1	2
140,001 - 150,000	1	-
170,001 - 180,000	-	1
200,001 - 210,000	1	-

The total remuneration of senior officers is:

2005 \$000	2004 \$000
831	787

No senior officers are members of the Superannuation and Family Benefits Act Scheme.

26. EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund. Appropriations are now on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10% and \$100,000.

(i) Significant variances between estimate and actual – Total appropriation to deliver services:

	2005 Estimate \$000	2005 Actual \$000	Variation \$000
Total appropriations provided to deliver services	35,573	36,582	1,009

The variance is primarily due to supplementary funding provided for the Inquiry into the City of Joondalup to meet additional costs.

Total revenues from ordinary activities	995	2,238	1,243
---	-----	-------	-------

The variance is due in the main to additional Commonwealth and State revenue grants.

(ii) Significant variances between actual and prior year actual – Total appropriation to deliver services:

	2005 Actual \$000	2004 Actual \$000	Variation \$000
Total revenues from ordinary activities	2,238	4,701	2,463

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

26. EXPLANATORY STATEMENT (continued)

(iii) Significant variances between estimate and actual –

Capital Contribution: No significant variances

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

Capital Contribution

2005 Actual \$000	2004 Actual \$000	Variation \$000
-	100	(100)

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

(v) Significant variances between estimate and actual, and actual and prior year actual.

Total administered appropriations: No significant variance

(vi) Significant variances between estimate and actual, and actual and prior year actual

Administered revenues: No significant variance

27. ADDITIONAL FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

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

	Non interest bearing \$'000	Total \$'000
<u>30 June 2005</u>		
Financial Assets		
Cash Assets	12,867	12,867
Accounts Receivables	1,196	1,196
	14,063	14,063
Financial Liabilities		
Accounts Payables	832	832
Provisions	1,945	1,945
	2,777	2,777
<u>30 June 2004</u>		
Financial Assets	12,127	12,127
Financial Liabilities	3,030	3,030

(b) Credit Risk Exposure

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

(c) Net Fair Values

The carrying amounts of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$000	2004 \$000
28. CONTINGENT LIABILITIES		
In addition to the liabilities incorporated in the financial statements, the Department has pending litigation that may affect the financial position to the value of \$20,000 in relation to legal costs. The Department has disclaimed liability and will defend any action.		
	20	-

29. EVENTS OCCURRING AFTER REPORTING DATE

There were no events occurring after reporting date that would cause the financial statements to be misleading in the absence of disclosure.

30. INDIAN OCEAN TERRITORIES

The Agreement, pursuant to Section 23A of the Financial Administration and Audit Act, between the Treasurer and the Accountable Officer provides for the retention of moneys received by the Department from the Commonwealth in respect of the Indian Ocean Territories. Revenue retained pursuant to this agreement is to be applied to the Department's services. Moneys received by the Department in respect of the services provided shall be credited to the Department's operating account.

Opening balances	13	-
Plus: Gross revenues	122	147
	135	147
Less: Gross expenditures	104	134
Closing balances	31	13

31. AFFILIATED BODIES

This Department provides administrative support to the Western Australian Local Government Grants Commission.

32. WRITE-OFFS

During the financial year 2004/2005 there were no write-offs.

33. ADMINISTERED EXPENSES AND REVENUES

Expenses		
Grants	1,026	802
Total Administered Expenses	1,026	802
Revenues		
Appropriations	300	300
Total Administered Revenues	300	300

34. ADMINISTERED ASSETS AND LIABILITIES

Current Assets		
Cash Assets	2,495	3,258
Total Administered Current Assets	2,495	3,258
Current Liabilities		
Payables	-	37
Total Administered Current Liabilities	-	37

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2005

	2005 \$000	2004 \$000
35. TRUST EXPENSES AND REVENUES		
Expenses		
Local Government Scholarship Scheme Trust Fund	30	10
Total Trust Expenses	30	10
Revenues		
Local Government Scholarship Scheme Trust Fund	-	20
Total Trust Revenues	-	20
36. TRUST ASSETS AND LIABILITIES		
Current Assets		
Cash held in Trust Fund		
Local Government Scholarship Scheme Trust Fund	27	57
Total Trust Current Assets	27	57
Current Liabilities		
Cash to be paid from Trust Fund		
Local Government Scholarship Scheme Trust Fund	27	57
Total Trust Current Liabilities	27	57
37. THE IMPACT OF ADOPTING INTERNATIONAL ACCOUNTING STANDARDS		
Australia is adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods beginning on or after 1 January 2005. The department will adopt these Standards for the first time for the year ended 30 June 2006.		
AASB1047 "Disclosing the impacts of Adopting Australian Equivalents to International Financial Reporting Standards" requires disclosure of any known or reliably estimatable information about the impacts on the financial statements had they been prepared using AIFRS's.		
There are no known areas of the financial statements that will be materially effected as a result of adopting AIFRS.		
38. REMUNERATION OF AUDITOR		
Remuneration to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	26	25



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Department of Local Government and Regional Development are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2005.

Scope

The Director General's Role

The Director General is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
20 September 2005

Certification of Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2005

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Local Government and Regional Development's performance, and fairly represent the performance of the Department of Local Government and Regional Development for the financial year ended 30 June 2005.



C Gwilliam

Accountable Officer

Date: 15/8/2005

Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2005

EFFICIENCY INDICATORS

	2004-05 Target	2004-05 Actual	2003-04 Actual	Comments
Service 1: Implementation of government policy				
Average cost per piece of written advice requiring Minister's attention	\$877	\$660	\$626	Reflects higher than expected number of written advices.
Average cost of legislative amendments drafted	\$40,600	\$12,611	\$51,600	Higher number of legislative amendments drafted than expected.
Service 2: Improved access to services and capacity for development in regional communities				
Cost				
Average cost per advice and information provided to clients	\$71	\$145	\$96	Advice is readily available electronically in relation to the preparation of funding applications.
Average cost of grant approved for local and regional communities	\$70,569	\$35,743	\$58,939	Higher number of grant applications funded than expected.
Average cost per application evaluated	\$31,693	\$12,217	\$9,861	Higher number of grant applications received than expected.
Average cost per local government assessed	\$2,771	\$4,285	\$3,433	The costs incurred by Grants Commission were higher than estimated.
Average internal cost per satellite site supported	\$5,564	\$4,225	\$6,283	Estimated expenditure was lower than expected due to renegotiated charges.
Service 3: Better local government				
Cost				
Average cost per dealing with an application for boundary change	\$14,542	\$6,481	\$3,872	The number of applications for boundary change was greater than estimated.
Average cost per inquiry and investigation	\$856	\$2,626	\$1,421	The anticipated increase in the numbers of complaints generated as a result of the Joondalup Inquiry did not eventuate.
Average cost per item of correspondence (advice) prepared	\$234	\$167	\$120	Reflects higher than expected number of correspondence (advice) prepared.
Average cost of monitoring each local government	\$4,222	\$5,312	\$4,656	Estimated expenditure was higher than expected.
Average cost per telephone inquiry	\$62	\$105	\$61	Lower number of telephone enquiries dealt with than expected.

EFFECTIVENESS INDICATORS

KEY OUTCOME:

An increased capacity to develop good government, economic growth and social well being.

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

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

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

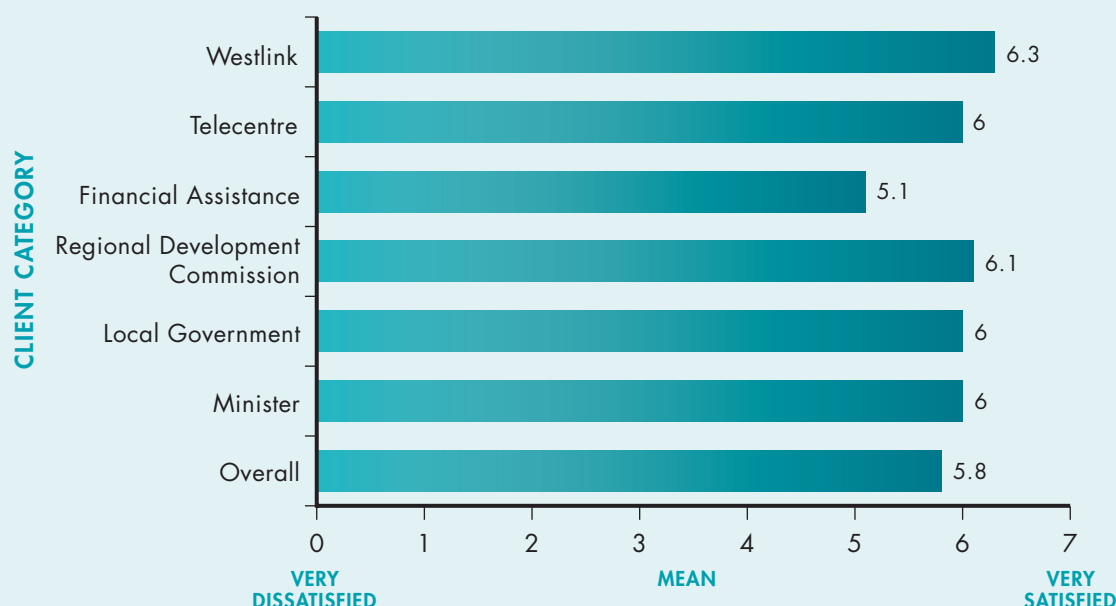
Figure 1 below shows the overall mean score of satisfaction with the Department for the total population (all the groups averaged together) and the six separate audiences for the 2005 survey report. This overall question was introduced in this year's survey. Respondents were asked to rate their overall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

Overall, it shows that clients are satisfied with the Department, with five out of the six client groups returning an average mean of 6.0, or above, out of a possible 7.0. Financial Assistance Branch clients returned a slightly lower mean (5.1), which is, in part, driven by unsuccessful grant applicants. However, 5.1 is still well within the satisfied range.

Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2005

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



METHODOLOGY

The Department commissioned an independent consultant, Colmar Brunton Research, to undertake a customer satisfaction survey on its behalf. The Department has previously engaged the services of Patterson Market Research and the percentage rating was used to measure client satisfaction levels. Therefore, no comparatives were included as they would not be meaningful.

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

- The Minister of Local Government and Regional Development (2).
- Local Government CEOs (143)
- Regional Development Commission CEOs (9)
- Financial Assistance Clients (112)
- Westlink Clients (24)
- Telecentres (108)

The methodology used for this year's survey was a Multiple Response Modality (MRM), which has been found to be effective in maximising response rates in WA government client satisfaction surveys. This involved a questionnaire and cover letter initially being sent to all potential respondents. The recipient of the questionnaire could then respond to the survey in a number of ways: by reply paid mail; by fax; or by waiting to be contacted by an interviewer during the following weeks. The premise of this approach is that the more response options that are made available to potential respondents, the more likely it is that one will be sufficiently convenient to them that they will return the questionnaire. A total of 317 responses were received from the final sample of 398 client/stakeholders. This is a response rate of 80% and gives a maximum associated sample error of +2.5% at the 95% confidence level. Figure 2 below breaks the response rate down by client type.

Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2005

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

It was considered important that the survey reflect client attitudes towards service delivered in the 2004/05 financial year. Consequently, responses were elicited from those respondents that had experienced dealings with the Department in the preceding 12 months. Thus, the respondents were afforded the opportunity to indicate whether comment on particular questions was "Not Relevant/Can't Say". This enabled the consultant to separate those who were neither satisfied nor dissatisfied from those to whom the question was not relevant or where an opinion could not be given. It also enabled the elimination of any potential bias that would arise from large numbers of "Not Relevant/Can't Say" responses.

Figure 2: Summary of Sample Response Rates and Survey Error

Client Type	Population Sample	Returned Rate	Response	Associated Sample Error @ 95% confidence level
Local Governments	143	104	73%	±5.0%
Regional Development Commissions	9	8	89%	±12.3%
Ministerial contacts (past and current minister)	2	2	100%	-
Telecentres	108	89	82%	±4.4%
Financial Assistance Branch clients	112	90	80%	±4.6%
Westlink clients	24	24	100%	-
Total	398	317	80%	±2.5%

Key Effectiveness Indicators

	2004-05 Target	2004-05 Actual	
Ministerial office satisfaction with policy and legislative advice	60%	86%	Previously shown as a numeric score from a 5-point rating scale Now shown as a percentage rating from a 7-point rating scale.
Client satisfaction with information and services	75%	83%	
Conclusions drawn from Department investigations are substantially accepted by the appropriate authority	80%	86%	



**Department of Local Government
and Regional Development**
Government of Western Australia

First Floor
Dumas House
2 Havelock Street
WEST PERTH WA 6005

Phone: (08) 9217 1500
Freecall (country callers): 1800 620 511
Fax: (08) 9217 1555 Email: info@dlgrd.wa.gov.au
Website: www.dlgrd.wa.gov.au