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Department of
Regional Development and Lands

Annual Report

2011-2012



Mission

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

Vision

Our vision is to have well-managed State lands and strong, vibrant communities that build and deliver opportunities, facilities and services appropriate to their people.

The RDL Way

The RDL Way is to be professional in everything we do, act with confidence and courage, connect with each other, our customers and the community, and show and value appreciation.

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Statement of compliance

For the year ended 30 June 2012



To the Minister
Hon Brendon J Grylls MLA
Minister for Regional Development; Lands

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Regional Development and Lands for the financial year ended 30 June 2012.

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

A handwritten signature in black ink, appearing to read 'Paul Rosair', with a long horizontal stroke extending to the right.

Paul Rosair
Director General
Department of Regional Development and Lands
15 September 2012

A message from the Director General



The past 12 months have presented significant challenges and seen great success achieved by the Department of Regional Development and Lands (RDL) as we continue to facilitate the transformation of communities throughout the State.

The responsibility of RDL is to ensure the State Government's regional development priorities and Crown land management obligations are met. Through the administration of the State's Crown land estate and the now \$6.5 billion Royalties for Regions program, RDL is working to facilitate real and sustainable transformation in regional communities, delivering better amenity, services and vital infrastructure.

The Royalties for Regions program commenced four years ago, and RDL took responsibility for the administration of the program when the department was established the following year. Progress made through this initiative has been exceptional. Communities across the State are reaping the benefits from the development of much needed services and infrastructure, the improvement of existing facilities, and the creation of sustainable economic growth.

The department has developed and implemented the program through one of the most effective governance models seen in Western Australia, funding and delivering projects across almost all portfolio areas. In addition, the department's effective administration and allocation

of the State's lands has been essential for the extensive development occurring across regional and metropolitan areas, including those not funded through Royalties for Regions.

Collaborating with our stakeholders has further ensured the direction of regional development is strategically guided by regional communities. The accomplishments made over the last three years could not have been achieved without the contributions of the Regional Development Commissions, Regional Development Council, Pastoral Lands Board, Western Australian Regional Development Trust, local governments and other agencies.

As the State's population is expected to double over the next 40 years, growth will need to be managed strategically, with regional investment becoming essential to attract and direct the increasing population to live, work, and invest in regional Western Australia. This will not only develop sustainable regional communities, but will also reduce the pressure of the population growth on metropolitan areas. While regional development is the department's core focus, we also continue to be a key player in major metropolitan projects, including Perth's new Elizabeth Quay, Burswood Stadium and CityLink developments.

Efforts have also been focused on providing affordable housing options to regional communities to support the exponential population growth.

The future for Western Australia offers many opportunities that will ensure regional communities will continue to thrive. Large reserves of land and water resources can and are being leveraged to enable the agricultural industry to develop and grow. With a looming global food shortage, agriculture is critical for the future of not only the State, but also the world, and RDL is committed to supporting and developing this industry.

Agricultural capacity in the north has increased immensely following the completion of Phase 1 of the Ord-East Kimberley Expansion Project, a significant component of the Government's Kimberley Revitalisation Initiative. The Expansion has seen 19km of the new arterial irrigation channel finalised, providing sufficient capacity to service additional new irrigated farmland.

Other regional revitalisation and planning initiatives across the State include Pilbara Cities, Gascoyne Revitalisation, Mid West Investment Plan, Regional Centres Development Plan (SuperTowns) and the Country Local Government Fund, to name just a few.

The release of land has also been crucial for these developments, with native title agreements and land assembly being undertaken across the State to ensure progress continues as efficiently as possible.

The list of achievements made by the department is tremendous and I would like to thank all RDL staff for their commitment and hard work. Together we have set strong foundations as we work together to drive change in regional and metropolitan Western Australia.

A handwritten signature in black ink, appearing to read 'Paul Rosair', with a long, sweeping horizontal line extending to the right.

Paul Rosair
Director General
Department of Regional Development and Lands

Overview of the Agency

Executive summary

Highlights

In 2011-12 the Department of Regional Development and Lands (RDL) achieved the following:

- Budget allocation of \$96.1 million for 2011-12 through the Royalties for Regions Country Local Government Fund
- Budget allocation of \$245.9 million for 2011-12 through the Royalties for Regions Regional Community Services Fund
- Budget allocation of \$850.4 million for 2011-12 through the Royalties for Regions Regional Infrastructure and Headworks Fund
- Completion of Phase I of the Ord-East Kimberley Expansion Project, with an average Indigenous employment rate of 25 per cent for the project
- Establishment of the Regional Centres Development Plan (SuperTowns) with an approved allocation of \$85.5 million to the program
- Disbursement of \$77.8 million to fund 17 priority projects identified in SuperTowns
- Completion of the Karratha Health Campus business case at a value of \$207.15 million
- Completion of 33 per cent of the overall Pilbara Underground Power Project in Karratha
- Official opening of four Community Resource Centres in Brunswick Junction, Dandaragan, Mount Barker and Yarloop

- Allocation of \$9.99 million for 2011-12 to the Mid West Investment Plan (MWIP), as part of a total commitment of \$220 million
- Provision of \$18.4 million for 2011-12 to the Department of Health for the Southern Inland Health Initiative, as part of a total commitment of \$565 million
- Allocation of \$100 million Royalties for Regions funds for 2011-12 to develop affordable housing in regional Western Australia through the Department of Housing, as part of a total commitment of \$355 million
- Allocation of \$71.76 million to Gascoyne Revitalisation Initiatives, as part of a total commitment of \$175 million
- Over \$21.4 million in Government property asset sales
- Completion of over 4600 land transactions
- Successfully convened 17 two-day workshops across the southern rangelands to provide training for pastoralists in relation to rangeland condition monitoring
- Successfully hosted the Australasian Crown Land Administrators Forum 2011 at Bunbury, attracting participants from across Australia, New Zealand and Singapore
- Completion of whole of State Risk Management report and submission for unallocated Crown land and unmanaged reserves funding
- Enactment of the Reserves (*Wanjarri Nature Reserve*) Act 2012
- Native title agreements reached with the Kariyarra native title claimants, thereby progressing land availability for major developments at Port Hedland and South Hedland
- Land assembly completed for Royalties for Regions funded Kimberley Aboriginal community housing projects in Halls Creek, Fitzroy Crossing and Kununurra.



SuperTown – an artist's impression of the Margaret River town centre revitalisation

Operational structure

Responsibilities

RDL is responsible for:

- Administering and managing Western Australia's Crown land estate and pastoral leases
- Delivering the \$6.5 billion Royalties for Regions program
- Ensuring that challenges and opportunities in regional Western Australia are addressed by clear and comprehensive legislation, policies and procedures.

The department's objectives and outcomes are delivered through the following divisions:

- Community Development
- Corporate Services
- Ord-East Kimberley Expansion
- Pilbara Cities Office
- Regional Investment
- State Land Services
- Strategic Policy
- SuperTowns
- Corporate and External Affairs.

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

Changes to RDL in 2011-12

RDL commenced strategic planning for the Regional Centres Development Plan (SuperTowns) in early 2011. As the lead agency delivering the initiative, RDL chairs a high-level steering committee established to provide recommendations on the initial selection of towns and to coordinate the delivery of the program at the State level. During 2011-12, RDL established the SuperTowns division to lead this important initiative.

As part of the implementation of the Government Response to the Review of the functions and responsibilities of Regional Development Commissions (RDCs), RDL has established a dedicated Secretariat branch to support the Regional Development Council.

RDL also established a project team which is working in conjunction with the Public Sector Commission, Regional Development Council and RDCs in relation to assessment of the functions and responsibilities of RDCs and the proposal of RDL providing a bureau service to RDCs in regards to Human Resources, Finance and Grants Administration functions.

Reporting structure

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

The Director General is responsible for:

- Advising the Minister on portfolio issues, operating and financial performance, and any development that is likely to seriously affect the department's operations
- Setting, monitoring and reviewing the directions of RDL
- Working collaboratively with other portfolio agencies and the private sector
- Ensuring that the department's objectives and goals are achieved
- Monitoring the performance of the organisation
- Adopting good governance practices in accordance with public sector requirements.

The Corporate Executive Group

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

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

The Pastoral Lands Board

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

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

The department's State Land Services Division supports the Board in achieving these outcomes through its Pastoral Lands Unit.



The Western Australian Regional Development Trust

The Western Australian Regional Development Trust

The Western Australian Regional Development Trust was established under Part 3 Section 11 of the *Royalties for Regions Act 2009* (the Act).

The Trust formally meets on a bi-monthly basis and plays an important role in providing independent and impartial advice to the Minister for Regional Development on the allocation of monies between the subsidiary accounts of the Royalties for Regions Fund, the expenditure of monies standing to the credit of the Fund, and on any other matter relating to the operation of the Fund that is referred for its attention by the Minister.

The Trust's operation is supported by a full-time Executive Officer within the department's Strategic Policy Division and also draws on the policy capability of RDL to assist with its deliberations.

Throughout 2011-12, RDL continued to provide the Trust with executive support including management of the governance, administrative and financial arrangements.

In June 2011, the Minister for Regional Development referred a review of the Country Local Government Fund (CLGF) to the Trust pursuant to Section 12(b) of the Act. The Trust handed the Review of the Royalties for Regions CLGF report to the Minister on 31 January 2012. After Cabinet review it was approved for release and on 10 April 2012 it was open to a public comment period.

As at 30 June 2012 the Government was still considering the public comments submissions and had not responded to the review. The department's Strategic Policy Division made a significant contribution to the Trust's conduct of the Review, and to the production of the Trust's final report.

The Regional Development Council

The Regional Development Council is the peak advisory body to the Minister for Regional Development on regional development issues, including recommendations on projects and programs to be funded from Royalties for Regions.

Established under Part 4 Section 33 of the *Regional Development Commissions Act 1993*, the Council comprises an Executive Chairman and the Chairs of the nine Regional Development Commissions. The Council is supported by a dedicated secretariat within the Strategic Policy Division.

A range of briefings, discussion papers and policy advice was provided for six Council meetings, two strategic workshops and other occasions as required in 2011-12.

Enabling Legislation

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

Responsible Minister

Hon Brendon J Grylls MLA, Minister for Regional Development; Lands; Minister assisting the Minister for State Development.

RDL Strategic Plan

In March 2012 the department revised and refreshed its Strategic Plan to reflect our current direction and to highlight more clearly the six strategic priorities guiding our work as we move forward and develop as an organisation.

These priorities are:

1. Facilitate economic development

- Support economic prosperity and social wellbeing through effective and innovative regional development
- Stimulate investment in regional locations to provide economic growth and diversity to benefit the community
- Encourage development and expansion of regionally based sustainable enterprise
- Encourage and participate in local, regional, State and Federal planning for regional development.

2. Grow regional communities

- Develop strategies to encourage people to move to and stay in regional Western Australia
- Support local government in planning and implementing key projects and activities to build their communities.

3. Optimise the Crown land estate

- Utilise Western Australia's State land assets to benefit current and future generations
- Deliver land for strategic State projects
- Negotiate native title settlements for land release and aboriginal business development.

4. Improve community services

- Invest in appropriate services suitable to the diverse needs of regional communities
- Improve social infrastructure to enhance the quality of life for regional communities
- Encourage communities to develop their own unique sense of place.

5. Foster local decision making

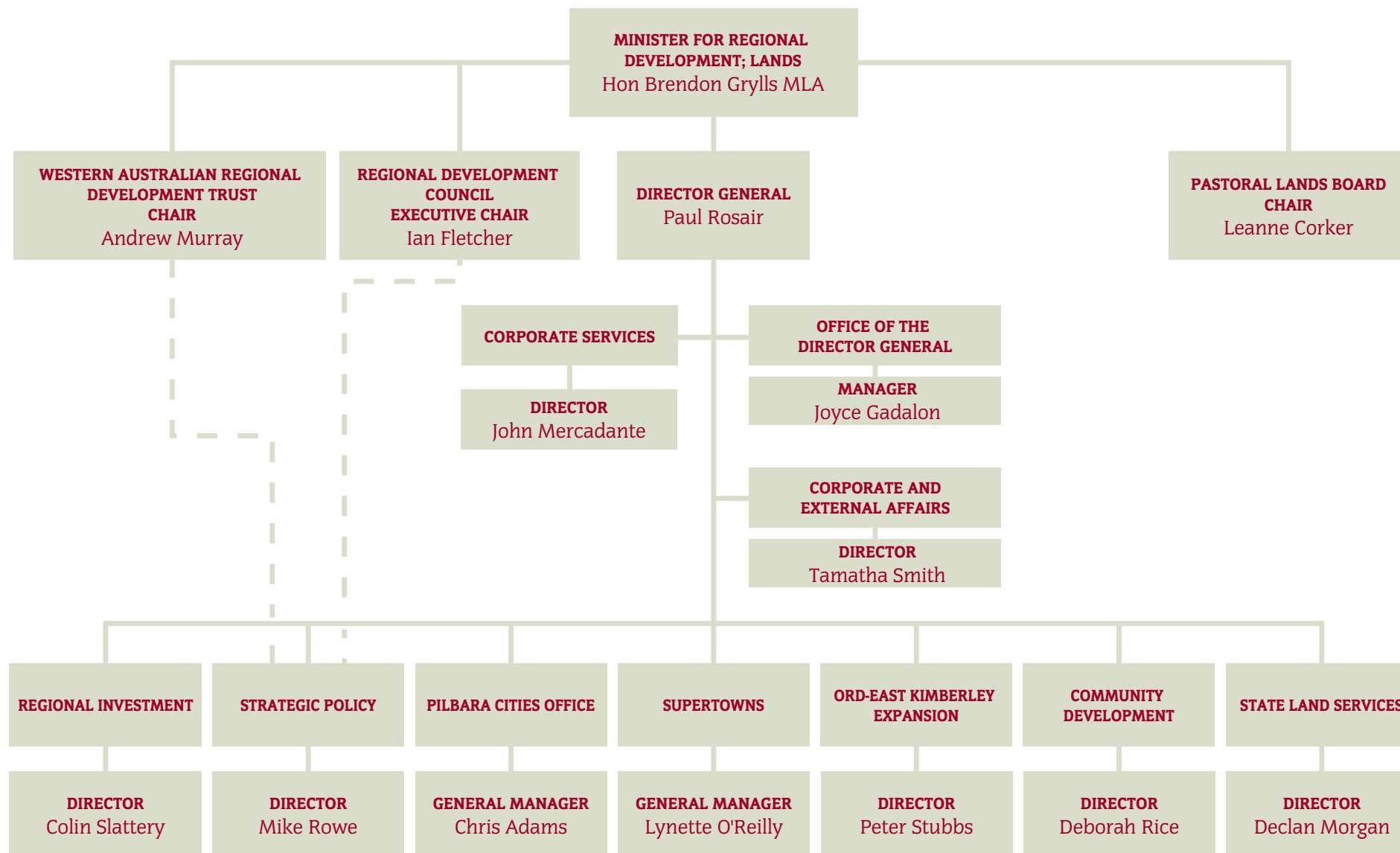
- Encourage local decision making for transformational improvement of services
- Build capacity in communities to plan and implement local projects
- Build regional leadership capability to ensure ongoing and future decision making at the local level.

6. Strengthen our capability

- Build the capability and commitment of our people, and develop the support processes and systems to deliver our priorities
- Continue to improve our business and management practices.

Organisation Chart

July 2012



Senior officers



Paul Rosair
Director General

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

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

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

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



Declan Morgan
Director, State Land Services

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

Declan has 15 years' experience in the public service, starting his career at the Waters and Rivers Commission. He then worked with the former Department of Environment as Regional Manager for Kwinana Peel, and acted as Assistant Director of Regional Services for the Department of Environment and Conservation before joining RDL.



Colin Slattery
Director, Regional Investment

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

In his current role, Colin has responsibility for delivering the State Government's Royalties for Regions program. Implementation of this program involves coordination and strategic development across a range of government and private organisations. Colin is also responsible for the development of governance and reporting systems around Royalties for Regions to ensure the objectives of the program are met.



Chris Adams
General Manager, Pilbara Cities

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

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



John Mercadante
Director, Corporate Services

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

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



Deborah Rice
Director, Community Development

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

Having lived in regional Western Australia for almost 30 years, she has extensive experience working in education and regional development agencies, and was a partner in community engagement business working with regional industry groups. Deborah is responsible for the Community Resource Network, supporting over 100 Community Resource Centres in small regional communities.



Mike Rowe
Director, Strategic Policy

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

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



Peter Stubbs
Director, Ord-East Kimberley Expansion

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

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



Lynette O'Reilly
General Manager, SuperTowns

Lynette has been with the department since August 2011 as General Manager of SuperTowns. She has over 10 years' experience in senior management roles, including the Chief Executive Officer at the Shire of Moora.

Having lived and worked in regional Western Australia for over 14 years, Lynette understands the struggles of small communities and what is required to strengthen them.



Tamatha Smith
Director, Corporate and External Affairs

Tamatha's experience in journalism, public relations, community and government relations spans 20 years. Her roles have involved executive communications, corporate affairs and senior advisory positions with the Western Australian and Australian Government.

Legislation

Administered legislation

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

- *Albany Lot 184 (Validation of Title) Act 1956*
- *Anglican Church of Australia Diocesan Trustees and Lands Act 1918*
- *Anglican Church of Australia Lands Vesting Act 1892*
- *Anglican Church of Australia School Lands Act 1896*
- *Cambridge Endowment Lands Act 1920*
- *Canning Lands Revestment Act 1954*
- *Caves House Disposal Act 1965*
- *Chevron-Hilton Hotel Agreement Act 1960*
- *City of Perth (Lathlain Park Reserves) Act 1950*
- *City of Perth (Leederville Park Lands) Act 1950*
- *East Carey Park Land Vesting Act 1957*
- *Fremantle City Council Lands Act 1929*
- *Fremantle Endowment Lands Act 1929*
- *Fremantle Reserves Surrender Act 1912*
- *Geraldton Agricultural and Horticultural Society's Land Act 1914*

- *Geraldton Sailors and Soldiers' Memorial Institute Lands Vesting Act 1933*
- *Jennacubbine Sports Council (Incorporated) Act 1965*
- *Land Administration Act 1997*
- *Land Administration Amendment Act 2000*
- *Native Mission Stations Act 1923*
- *Parks and Reserves Act 1895*
- *Perth Town Hall Act 1950*
- *Perth Town Hall Agreement Act 1953*
- *Regional Development Commissions Act 1993*
- *Reserves Acts (various)*
- *Resumption Variation (Boulder-Kambalda Road) Act 1973*
- *Roman Catholic New Norcia Church Property Act 1929*
- *Royalties for Regions Act 2009*
- *Special Lease (Gypsum) Act 1918*
- *Special Lease (Lake Clifton) Act 1916*
- *Special Lease (Stirling Estate) Act 1916*
- *Special Lease Enabling Act 1914*
- *Town of Claremont (Exchange of Land) Act 1964*
- *War Service Land Settlement Scheme Act 1954*

Other key legislation impacting on the department's activities

In the performance of its functions, RDL complies with the following relevant written laws:

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

Performance Management Framework

Outcome Based Management Framework

RDL was formed on 1 July 2009, and the following outcome-based management framework was approved during the 2009-10 financial year. There were no changes to the Department's Outcome Based Management Framework during 2011-12.

Government Goal:

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

Outcome one:

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

Key effectiveness indicator:

Client satisfaction with regional development services.

Service one:

Regional investment.

Key efficiency indicators:

- 1) Average cost per funded initiative administered
- 2) Average internal cost per satellite site supported.

Service two:

Regional policy.

Key efficiency indicators:

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

Outcome two:

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

Key effectiveness indicator:

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

Service three:

State land administration.

Key efficiency indicator:

Cost per Crown land action.

Shared responsibilities with other agencies

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

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

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

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

Agency performance

Report on operations

State Lands Services Division

Overview

The department's State Land Services Division administers Western Australia's Crown land estate under the *Land Administration Act 1997*. Crown land makes up 93 per cent of the State and includes all land (other than freehold), and all State coastal and other waters.

The division undertakes a number of key functions, including:

- Direct responsibility for all unallocated Crown land and unmanaged reserves
- Administering pastoral leases and providing support to the Pastoral Lands Board
- Assembling land for residential, industrial, infrastructure corridor, conservation and community needs
- Managing land acquired for infrastructure corridors, including the Dampier to Bunbury gas pipeline corridor
- Participating in strategic native title future Act negotiations
- Investigating, identifying, reporting and managing contamination on Crown land
- Disposing of surplus government land and buildings through the department's Property Asset Clearing House.

To carry out these functions, the division has 139 staff based in Perth and its regional offices in Bunbury, Broome and Kununurra.

2011-12 Operations

Pastoral lease rents

The administration of pastoral leases, including the collection of lease rent, is the responsibility of the division. In recent years a small number of pastoralists have neglected their rent payment responsibilities and accrued significant debts.

RDL has been mindful of circumstances affecting the pastoral industry over the past few years and adopted a moderated approach to rent collection. As circumstances became more favourable, RDL has strengthened its approach with regard to lessees.

Collection action was withheld during a moratorium, which provided an opportunity for pastoralists to either make payment in full or enter into an agreed payment plan that cleared their rent arrears in a reasonable timeframe. This approach proved to be successful with many lessees responding by paying their rent arrears or entering into payment plans.

Pastoralists who continue to be in arrears will be issued default notices from the Pastoral Lands Board under Section 129 of the *Land Administration Act 1997*, requiring rent to be paid within 14 days.

2015 Pastoral Lease Renewal Program

To facilitate the registration of 503 pastoral leases due to expire on 1 July 2015, a project team was established by RDL. To complete legal documentation, land exclusions and mapping requirements for the renewal of all pastoral leases following their expiry.

The project team has made substantial progress, including:

- Continued development of a draft standard pastoral lease document, to come into effect on 1 July 2015. This will be a contemporary lease document ensuring the terms and conditions of the lease agreement fall within the scope of the *Native Title Act 1993*.
- Progressive action to finalise all agreed "early exclusion" areas – that is, those areas of land that are to be excluded from a pastoral lease prior to 30 June 2015.
- Development and implementation of a compliance monitoring system to assist lessees to meet the conditions required by the Minister for Lands for the renewal of leases on 1 July 2015.

Consultation commenced with Landgate to establish a suitable framework for the conveyance and registration process leading up to 30 June 2015. This framework is required to facilitate the lodgement of registrable documents and pastoral lease plans to finalise exclusions, new pastoral lease documents and other internal and external documentation on 1 July 2015.

Rangeland Condition Monitoring Workshops

Between September 2011 and May 2012, the Pastoral Lands Unit coordinated and ran a series of training workshops for pastoralists in the southern and northern rangelands.

The workshops were designed to help pastoral lessees transition from the current system of Rangeland Condition Assessments (carried out by the Department of Food and Agriculture) to a new self-assessment system, Rangeland Condition Monitoring (RCM).

The *Land Administration Act 1997* requires pastoral lessees to submit an annual return to the Pastoral Lands Board, providing data on stock numbers, station improvements and any Diversification Permits. With the introduction of RCM, an online electronic system known as the Annual Rangeland Condition and Data Input Application (ARCADIA) is currently being developed to collect and report on the required data.

The one and two day workshops were convened by RDL and hosted by pastoral lessees on stations in the Pilbara, Kimberley, Gascoyne, Mid-West and Goldfields-Esperance region.

Crown land assembly for major projects

As steward of the State's Crown land estate, the division delivers land use and management solutions, while providing the foundation for a substantial number of economic, social and cultural development projects presently worth over \$60 billion to the State's economy.

The resources sector is a major client of the division with land identification, clearances and assembly activity conducted for key projects in partnership with a number of lead agencies, including LandCorp and the Departments of Premier and Cabinet, Housing and State Development.

The division has been instrumental in brokering native title agreements through the provision of Crown land and other benefits for claimant groups, including the Port Hedland Port Expansion project, South Hedland residential developments, the Yawuru Indigenous Land Use Agreement in Broome, and Crown land identification associated with the proposed South West Native Title Settlement.

Housing affordability in the regions is a key Government priority and focus area for RDL. During 2011-12 the division contributed Crown land options for residential development in all regions of the State and worked in partnership with the not-for-profit sector, LandCorp and the Departments of Housing, and Indigenous Affairs. Further areas of Crown land will be released for residential, commercial and industrial development in 2012-13.

Whole-of-State Risk Management Project

The Whole-of-State Risk Management Project involves a comprehensive State-wide review of risk exposure, with the outcomes presented in a report, business case and submission for a Government policy position and funding allocation. The project aims to develop a whole-of-government risk strategy on unallocated Crown land and unmanaged reserves.

In September 2011, RDL engaged consultants KPMG to coordinate risk management workshops with nine Government agencies, as well as a desktop study. These were conducted to identify risks on Crown land, prioritise the risks, propose treatment options, establish funding requirements, and put forward cost-benefit scenarios for Government consideration.

Other stakeholder agencies consulted during the course of this project include the Departments of Indigenous Affairs, Mines and Petroleum, Local Government, Water, and the Western Australian Local Government Association.

A draft Risk Management Report was submitted in December 2011, where the project scope was broadened. In May 2012 the Departments of Environment and Conservation, Agriculture and Food, and the Fire and Emergency Services Authority provided costings for the treatment of fire, weed and pest-animal management.

The stakeholder consultation process, in regard to the final Whole-of-State Risk Management Report, was completed in May 2012.

Enactment of the *Reserves (Wanjarri Nature Reserve) Act 2012*

The purpose of the *Reserves (Wanjarri Nature Reserve) Act 2012* is to enable the excision of 758ha of land from the Class 'A' Wanjarri Nature Reserve, allowing BHP Billiton Nickel West to undertake further studies to potentially extend the life of the Mt Keith nickel mining and processing operations by up to 20 years.

The Act also enables Nickel West and the Department of Environment and Conservation to formalise a Land Swap Agreement for the management of the Wanjarri Nature Reserve, and an 8431ha area from Nickel West's Yakabindie pastoral lease for eventual inclusion into the Reserve.

The Land Swap Agreement was executed between five parties. The Minister for Lands delivered the First and Second Reading Speeches in the Legislative Assembly on 23 November 2011.

Following extensive consultation with Parliamentarians and other key stakeholders, the Bill was passed by both Houses on 29 March 2012. The *Reserves (Wanjarri Nature Reserve) Act 2012* was given Royal Assent on 10 April 2012. The Land Swap Agreement is now being progressed.

Yawuru Indigenous Land Use Agreement

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

The ILUAs cover approximately 5300km² of land within and around Broome to be used for residential, tourism, conservation and light industrial purposes, as well as the development of a future airport on the outskirts of Broome. They will also provide the Yawuru people with funds to be used for capacity building for the local Indigenous community, preservation of culture and heritage, economic development and social housing.

Progress on the implementation of the ILUAs during 2011-12 included: the transfer of 21 properties to Nyamba Buru Yawuru Ltd, at a current unimproved market valuation of \$16.7 million for 19 of the 21 properties; and 10 reserves created with a total area of over 42 000ha, including the significant conservation area referred to as Roebuck Bay Intertidal Zone.

There are still a number of outstanding land assembly issues to be resolved, however RDL continues to work with stakeholders and the native title representatives to implement the remaining components of the ILUAs.

Bunbury to Albany Gas Pipeline Corridor Project

In November 2011, GHD was awarded a tender to undertake a study to determine route alignment options for the proposed Bunbury to Albany gas pipeline corridor.

These options have been developed and will be submitted for Government consideration. Various approvals including environmental, flora and fauna, Aboriginal heritage, native title and mining will be required. These approvals are anticipated to take approximately two years to be completed. Once all approvals have been obtained, the land assembly phase, which includes the negotiation and payment of compensation to affected landholders, and land tenure transfer, will commence.



Rangeland Condition Monitoring - a new self-assessment system established for rangelands pastoralists

Strategic Policy Division

Overview

The department's Strategic Policy Division delivers effective government policy to support regional development. With a focus on State land management and integrated service delivery in the regions, the division works across government and other sectors.

The division collates statistical data and information to support regional investment and provides executive support to the Regional Development Council and Western Australian Regional Development Trust.

The division also aims to improve the department's engagement practices and improve the social, economic and employment outcomes for Aboriginal people.

2011-12 Operations

Rangelands Reform Program

In December 2010, RDL commenced delivery of the three-year Royalties for Regions funded Rangelands Reform Program to address the many chronic problems and long-term development challenges facing the rangelands and pastoral industries. The program seeks to address these serious issues through:

- Articulation of a clear vision for the rangelands
- Reform of land tenure arrangements for pastoral leasesEncouragement of new investment opportunities and land uses through diversification
- Streamlining of government processes to support diversification

- Identification of measures to restore and preserve the rangelands' productive capacity.

A Senior Officers' Group, as well as Diversification and Economic Development Working Groups have also been formed, each with cross-agency representation.

The most urgent of the program objectives is to amend the *Land Administration Act 1997* (LAA) to allow for the new forms of Crown land tenure. These options are likely to be subject to a native title negotiation process in order to be implemented.

In March 2012, the Government approved the drafting of amendments to the LAA, and consequential amendments to other Acts, to implement the new land tenure options. The Bill will provide for:

- A rangelands lease to allow for multiple and varied uses of the rangelands, provided that the use is broad scale and consistent with the preservation and ongoing management of the rangelands as a resource. For example, a rangelands lease for conservation in favour of a private conservation group, a rangelands lease for Indigenous use or a rangelands lease for multiple uses such as pastoral, horticulture, agriculture, tourism
- A pastoral lease for a perpetual term, with all other administrative responsibilities under the LAA to apply and be the same as for a term pastoral lease

- Changes to the renewal of pastoral lease provisions to provide the right to the lessee to have a pastoral lease renewed for the same term provided there has been no breach of lease, LAA or rangeland condition monitoring requirements
- New separate permit provisions for some of the broader "primary production activities", specified in the Native Title Act 1993
- Options to increase the term of some shorter-term pastoral leases post 2015
- The ability for diversification permits to be transferred to an incoming lessee
- Amendments to the time requirements for annual returns for pastoral leases

Public consultation forums will be held allowing stakeholders the opportunity to provide feedback on the draft Bill

The Diversification Working Group has continued to work on creating a one-stop shop approach to assessing applications for pastoral diversification, and investigate options to streamline the diversification permit process.

The Economic Development Working Group is identifying sustainable land use and economic development opportunities for the rangelands that will be encouraged or made possible by the land tenure reforms. Through the Department of Agriculture and Food, an experienced consultant has been engaged to investigate and report on sustainable land use and economic development opportunities in the rangelands.

Aboriginal Affairs Coordinating Committee

Since 2009-10, the Director General of RDL has been an active member of the Directors General Aboriginal Affairs Coordinating Committee (AACC). The department's Aboriginal Affairs Branch provides the Director General with advice and support on Aboriginal matters to support his involvement on the AACC.

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

Review of Regional Development Commissions

In November 2010, a review of the nine Regional Development Commissions by the Minister for Regional Development was submitted following a request from the Economic and Expenditure Reform Committee. A Government Response to the review was released in July 2011.

The State Government strongly supported non-structural change recommendations of the review that included:

- Developing drafting instructions for legislative amendment to the *Regional Development Commissions Act 1994* with the Regional Development Council and Commission boards having new board structures; a full-time Executive Chairman being appointed to Council; new roles and responsibilities for the Commissions; the Council to create a new operating model; and Council being provided with additional support as it will have a key role in setting strategic directions to all Commissions.

- The Public Sector Commission (PSC) undertake an assessment of the Commissions current skills, including analysis of any gaps in capabilities, in order to meet new roles and responsibilities and other matters including RDL hosting responsibilities for corporate services and grant administration
- Projects relating to developing a performance management and accountability framework; agencies review of their regional boundaries; developing a framework for monitoring regional partnerships and agencies review of their collocation arrangements
- Other projects relating to:
 - Using the Royalties for Regions Directors General Reference Group to facilitate cross-agency collaborations
 - Using the Directors General Aboriginal Affairs Coordinating Committee to progress identifying solutions to enhance Aboriginal partnership and governance
 - Establishing a Ministerially endorsed and mandated working party to strengthen the integration and alignment of statutory land use planning, regional development, and local government service delivery within existing legislative planning frameworks for the Pilbara region.

RDL has been closely involved with progressing the recommendations including the submission of drafting instructions to Government; PSC has reported on its assessment, and implementation of its recommendations has commenced; and a ministerially endorsed working party was created and has reported on integration and alignment for the Pilbara region.

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

The Rural, Remote and Regional (RRR) Women's Network is a communication network co-funded by RDL and the Department of Agriculture and Food. RDL holds an ex-officio position on the Network's Management Group.

Throughout 2011-2012, the network continued to provide a mechanism for sharing information relevant to the development of women and communities in rural, remote and regional Western Australia. The network aims at recognising, promoting and expanding the contributions women make to their respective communities.

The RRR free quarterly magazine and e-newsletter continue to be well received by regional Western Australian women, and enhancements to the network's website have been made.

A particular highlight for the Network's Reference Group was the recognition of member Catherine Marriott's contribution to the Kimberley region. Catherine was bestowed with the 2012 Rural Industries Research and Development Corporation, Rural Women's Award.

Regional Price Index

The 2011 Regional Price Index (RPI) compares the cost of 500 common goods and services across 28 regional locations and Perth. The 2011 edition represented the fifth iteration of the price index for regional areas.

Representing a much improved and more comprehensive index, the 2011 RPI was, for the first time, formally used as the major component in the calculation of district allowances for regional public servants. More than 7000 regional public sector employees benefited from an increase in the district allowance, assisting with the higher cost of living that is generally associated with working in many parts of regional Western Australia, and ensuring public sector staff are attracted and retained in the regions. Significant improvements included:

- An increase in the size of the basket of compared goods and services from 250 to 500 items, providing better representation of items purchased in regional areas
- Improved processes for price collection
- Use of a more transparent and consistent formula for calculation
- 100 per cent stakeholder satisfaction and willingness to work on future RPI projects
- Increased detail through the inclusion of seven small towns.

The next RPI survey will be undertaken in 2013 by RDL to provide a regular review of price fluctuations for goods and services to ensure the district allowance is adjusted to meet local circumstances.

Regional Spotlights

In conjunction with the Regional Development Commissions and the Australian Bureau of Statistics, RDL finalised the Regional Spotlights website in May 2012.

The website provides an interactive compendium of social, economic and environmental characteristics for each of Western Australia's nine regional areas, and includes links to the RDL and the Regional Development Commissions websites.

The Regional Spotlights website can be found at www.regionalspotlights.com.au

Regional Development Database

RDL collects, analyses and synthesises a large body of social, economic and environmental data on regional Western Australia. This information is made available to stakeholders and other government agencies on an ongoing basis.

Traditionally, this information has been held in electronic spreadsheets requiring manual updating and maintenance. In May 2012, RDL released for tender a project to establish a database platform for this information. This database is intended to be the first step in developing a comprehensive regional development information hub for Western Australia.

Living in the Regions

In association with the Regional Development Council, RDL has started work developing the Living in the Regions survey to measure community perceptions and the experience of life in regional Western Australia. This is intended to update and build on a similar survey conducted in 1999.

The information collected will provide ongoing feedback to RDL and its stakeholders on community attitudes and the state of the regions. The survey will also provide valuable input to the:

- Identification of non-economic pathways and barriers to regional development
- Assessment of new funding proposals and the establishment of performance indicators from a social and community perspective.



'Living in the Regions' survey will identify communities experiences of regional life and perceptions - the Munda Biddi Trail

Royalties for Regions

Royalties for Regions is a long-term vision for Western Australia, one that recognises that the sustainable development of regional communities is vital to the State's future.

A total of \$6.5 billion has been budgeted through the Royalties for Regions fund for the period between 2008-09 and 2014-15, with \$1.1 billion allocated for 2011-12. Funding continues to be distributed across nine regions of Western Australia through three funds, which are administered by RDL.

It is a plan for the entire State that focuses on building communities through the following six policy objectives:

- Building capacity in regional communities
- Retaining benefits in regional communities
- Improving services to regional communities
- Attaining sustainability
- Expanding opportunity
- Growing prosperity.

On 3 December 2009, the State Government's Royalties for Regions Bill was given Royal Assent and commenced. The *Royalties for Regions Act 2009* provides a legislative base for the Royalties for Regions program's continuing operation.

Funding initiatives

Royalties for Regions operates under the following three funds:

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

Country Local Government Fund

The Country Local Government Funds supports local governments in the nine regions defined in the *Regional Development Commissions Act 1993*. The fund aims to address infrastructure needs across the local government sector.

The Country Local Government Fund aims to:

- Address local infrastructure requirements and support capacity building
- Improve the financial sustainability of country local governments in Western Australia through improved asset management
- Provide financial assistance to country local governments which choose to amalgamate voluntarily
- Assist groups of country local governments to fund regionally significant infrastructure projects.

Funding will enable the delivery of projects identified in each eligible country local government's forward capital works plan and business case submissions.

Regional Community Services Fund

The Regional Community Services Fund is designed to improve access to services in the regions. It supports services that have shown they are effective in enhancing the quality of life for residents in regional areas and in providing better access to government services and infrastructure.

The Regional Community Service Funds aims to:

- Assist regional communities achieve improved access to a range of community services
- Assist regional communities overcome disadvantages caused by remoteness
- Attract and retain essential regional government employees.

Regional Infrastructure and Headworks Fund

The Regional Infrastructure and Headworks Fund supports large-scale, strategic regional infrastructure and headworks projects that are acknowledged as being of strategic importance to Western Australia.

The fund aims to support strong investment in the regions and help leverage investment from other sources for projects that will contribute to the development of regional infrastructure and headworks.

It also supports planning for infrastructure at the regional level and encourages communities to develop infrastructure projects that benefit local organisations and communities.

Regional Investment Division

Overview

Regional Investment Division's work is based on the central principles underpinning Royalties for Regions, which identify that:

- Strategic projects in regional Western Australia are a priority
- Local decision making in regional areas is fundamental
- State Government department administration and processes should provide for and support decision making in regional areas.

In line with these principles, the division works closely with other organisations implementing Royalties for Regions initiatives. They include the State's nine Regional Development Commissions, community, business and industry, non-government organisations, and other State Government departments and local governments.

These alliances help ensure there is a strong focus on supporting local decision making for regional expenditure, and increasing the capacity of local governments and the Regional Development Commissions.

2011-12 Operations

In 2011-12, the State Government invested \$141.5 million through the Country Local Government Fund. This builds on the \$191.8 million allocated to 110 local governments from 2008-09 to 2010-11. The funding has seen some 1184 projects implemented since 2008-09, focusing on renewing and creating vital local community infrastructure.

Country Local Government Fund

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	Local Government – local infrastructure, asset renewal and new assets Individual regional local governments were allocated \$54 million* in 2011-12, toward the cost of implementing their forward capital works plans.	\$46 416
Department of Regional Development and Lands	Fund administration To administer the fund \$833 000* was allocated to RDL.	\$556
Department of Regional Development and Lands	Regional groupings of local governments Groups of local governments were allocated \$48 million* to invest in regionally significant infrastructure projects.	\$33 096
Regional Development Commissions	Support to regional groupings of local governments The nine Regional Development Commissions work with local governments in their region to facilitate the process of determining priorities with the groupings agreed by local governments.	\$1 880
Department of Local Government	Capacity building – regional governance services and asset management tools To deliver complementary capacity-building initiatives with a particular focus on strategic and asset management planning, \$8 million in funding was provided.	\$4 295

* Plus carryovers

Regional Community Services Fund

Funded agent	Project description	Disbursed amount '000
Regional Community Program and Schemes		
Department of Regional Development and Lands / Department of Transport	<p>Country Age Pension Fuel Card</p> <p>The Fuel Card provides eligible pensioners in country Western Australia with \$500 a year towards the cost of fuel and/or taxi travel from participating providers.</p> <p>The scheme started in 2009 and approximately 45 900 fuel cards were in circulation as at 1 July 2012.</p>	\$26 049
Department of Culture and Arts	<p>Better Beginnings – Early Literacy</p> <p>The universal literacy program aims to develop early literacy skills in young children through fostering books and language, leading to increased opportunities for success at school and in future employment.</p> <p>The program is administered by the State Library of Western Australia which has successfully extended the program into a number of areas of the State where it was previously unavailable.</p>	\$676
39 State Government agencies	<p>Regional Workers Incentive</p> <p>Royalties for Regions funded the Regional Price Index survey and increases to the District Allowance based on survey findings.</p> <p>The Regional Price Index survey determined the cost of living in the regions to assist in the re-calculation of the District Allowance rates.</p>	\$45 133

Funded agent	Project description	Disbursed amount '000
	<p>The previous methodology to determine the District Allowance rate had not been revised since 1968. The Department of Commerce administers the District Allowance (Government Officers) General Agreement 2010 and District Allowance (Government Wages Employees) General Agreement 2010. The Department of Commerce was instrumental in introducing a robust methodology for calculating the three monetary components of the District Allowance (cost of living, climate and isolation) and from 1 July 2010, realigned the districts to Regional Development Commission boundaries and removed the District Allowance exclusion zone surrounding the Geraldton area.</p> <p>The District Allowance that is now paid to regional public sector employees is calculated using the Regional Price Index as well as climatic and isolation factors.</p> <p>It is paid to assist with the higher cost of living that is generally associated with working in many parts of regional Western Australia. The District Allowance is important to attract and retain quality public sector staff in the regions.</p> <p>More than 7000 regional public sector employees benefited from the increase.</p> <p>The next Regional Price Index survey will be undertaken in 2013 by RDL to provide a regular review of price fluctuations for goods and services to ensure the allowance is adjusted to meet local circumstances.</p>	

Funded agent	Project description	Disbursed amount '000
Tourism WA	<p>Regional Events Program</p> <p>To facilitate the development and raise the profile of regional events in Western Australia, \$40 million was allocated to the program.</p> <p>The program supports a range of regional events across the state with the aim to attract visitors, add vibrancy to regional areas, and increase the host town's profile through media exposure.</p> <p>Smaller regional events are supported through the Regional Event Scheme (RES) administered by Eventscorp as part of Tourism Western Australia. It is an annual competitive funding scheme providing opportunities to seek sponsorship funding to hold events.</p> <p>During 2011-12, RES provided support for a total of 37 events in regional areas of the state.</p> <p>The program also provides support to larger regional events that generate State-wide, national and international attention, and that deliver significant benefits to the regional communities in which they are hosted. A total of nine larger regional events were supported through this component of the program.</p>	\$4 012

Funded agent	Project description	Disbursed amount '000
Department of Environment and Conservation / Department of Fisheries	<p>Marine Parks Management Initiative</p> <p>The establishment of two new marine parks in the South West (Capes Marine Park) and Pilbara (Dampier Archipelago) regions has been allocated \$14.26 million of Royalties for Regions funding over four years.</p> <p>The funding will allow for:</p> <ul style="list-style-type: none"> • Establishment of the two new parks and a new management area, and their associated management plans, by the end of 2011-12 • Protection and conservation of high natural and cultural values, while providing recreational and commercial opportunities • Establishment of visitor facilities and management arrangements to: <ul style="list-style-type: none"> ◦ contribute to nature-based recreation and tourism in the reserves ◦ provide education and information to visitors ◦ provide opportunities for Aboriginal engagement. 	\$12 953

Funded agent	Project description	Disbursed amount '000
Department of Fisheries	<p>South West Recreational Fishing Enhancement Pilot Project</p> <p>Enhancement of local recreational fishing opportunities in the South West will be enabled through \$1.86 million in approved funds to the Pilot Project.</p> <p>The project will include the design, installation and monitoring of the effectiveness of purpose-built pilot trial fishing enhancement structures.</p> <p>Two sites have been identified in the Bunbury and Dunsborough areas for the deployment of the structures, subject to the completion of site survey work and approvals.</p>	\$200

Funded agent	Project description	Disbursed amount '000
Regional Health Programs		
St John Ambulance	<p>St John Ambulance Services</p> <p>St John Ambulance (SJA) Services in regional locations will be supported through \$26.1 million in allocated funds for the years 2011-12 to 2013-14.</p> <p>The initiative includes the following key components:</p> <ul style="list-style-type: none"> • New ambulances in the Kimberley and Pilbara <p>Nine new ambulances will be provided for communities which do not have SJA ambulance services currently, or have limited or inappropriate services (e.g. a troop carrier) provided by the WA Country Health Service.</p> <p>In 2011-12, two new ambulances were provided for the Kimberley region, with a further five ambulances scheduled to be purchased.</p> <ul style="list-style-type: none"> • Community paramedics in the Kimberley and Pilbara <p>New paramedics have now been recruited in the Kimberley and Pilbara regions, where need is greatest and service gaps have been identified.</p>	\$6 613

Funded agent	Project description	Disbursed amount '000
	<ul style="list-style-type: none"> SJA staff and volunteer support <p>Resources are provided to support growth in staff numbers, to better support volunteers and to coordinate the volunteer support mechanisms and services already provided by SJA.</p> <ul style="list-style-type: none"> Clinical coordination <p>This project component will provide an integrated model of clinical coordination when transferring patients from location to location, particularly from the country to Perth using ambulance and air transport, improving the safety and timeliness of patient transfers.</p> <ul style="list-style-type: none"> Aboriginal community subsidy fund <p>Many Indigenous communities have limited access to reliable ambulance services due to a range of factors, including financial constraints. Funding is being used to identify and develop options to address these issues.</p>	

Funded agent	Project description	Disbursed amount '000
Aboriginal Initiatives		
Department of Housing	<p>Improving Water Quality in Remote Aboriginal Communities</p> <p>To upgrade essential services and improve water quality in up to 33 remote Aboriginal communities in the Kimberley, Pilbara and Goldfields-Esperance regions, \$12.15 million in funding has been allocated over three years, with \$5.7 million in 2011-12.</p> <p>A significant project completed in 2011-12 was the installation of a new water treatment system at Kiwirrikurra which is often described as the most remote community in Australia.</p>	\$5 700
Department of Housing	<p>Indigenous Visitor Hostels</p> <p>The establishment of transient short-stay visitor accommodation for Aboriginal people in Kalgoorlie-Boulder and Derby will be facilitated through the allocation of \$13 million over three years to the Department of Housing.</p> <p>The visitor hostels will provide short-term accommodation and ancillary support services for Indigenous people in and around the towns.</p> <p>The Kalgoorlie Indigenous Visitors Hostel was completed in July 2012.</p> <p>The funding for Derby is subject to Government approval.</p>	\$1 250

Funded agent	Project description	Disbursed amount '000	Funded agent	Project description	Disbursed amount '000
Department of Health/ WA Country Health Service	<p>Remote Indigenous Health Clinics</p> <p>Six to eight Remote Health Clinics in the Kimberley and Pilbara regions will be redeveloped with the allocation of \$22.2 million to the Department of Health and WA Country Health Services.</p> <p>In 2011-12 the Bayulu Health Clinic was completed and the Wiluna Health Clinic construction progressed. The detailed design, consultation and tender advertising for the Mulan, Mindibungu (Billiluna) and Noonkanbah clinics have been completed.</p>	\$2 000	Department of Corrective Services	<p>Kimberley and Pilbara Youth Justice Services</p> <p>Expansion of the Regional Youth Justice Services to the Pilbara and Kimberley will ensure young people, especially young Aboriginal people, are either prevented from coming into contact with the formal processes of the criminal justice system in the first instance, or are provided with opportunities to access early intervention programs aimed at diverting them away from re-offending if they enter the system.</p> <p>The program will establish services in the Pilbara, and East and West Kimberley, with dedicated juvenile justice teams. It will provide:</p> <ul style="list-style-type: none"> • Outreach services for young people and families with problems which have, or may, attract the attention of the police and the law • Community work programs providing young people who offend with practical outcomes • Improved bail systems to reduce the number of juveniles held in police lock-ups or remanded to Perth • Emergency bail accommodation services • After hours outreach services in satellite towns to provide practical support to young people and their families to tackle problems before they become serious. 	\$12 953

Funded agent	Project description	Disbursed amount '000
Regional Strategic Projects		
Department of Regional Development and Lands / Department of Health	<p>Action Agenda</p> <p>The Regional Development Council recommends to the Minister for Regional Development projects that should be supported through the Royalties for Regions Action Agenda funding scheme.</p> <p>The Council's Action Agenda for Regional Development Policy Framework sets out the project priority areas that they have identified as vital to ensuring regional Western Australia is a place where people want to live and invest.</p> <p>The Council's \$75 million Action Agenda funding scheme was made available in July 2010 as a contestable funding round to assist with the development of projects in the education, housing and services, social and environmental amenities, sport and recreation, employment, infrastructure, and skills sectors.</p> <p>A total of 36 projects were approved by Government totalling \$79.44 million.</p>	\$24 274

Regional Infrastructure and Headworks Fund

Funded agent	Project description	Disbursed amount '000
Kimberley Revitalisation		
Department of Transport	<p>Broome Small Boat Facility Stage 1</p> <p>The proposed \$35 million development at West Roebuck Bay will provide a new boating facility in Broome. It will accommodate 80 per cent of the requirements of the recreational and commercial boating craft of the region to 2031.</p> <p>The Department of Transport made progress on essential environmental and cultural approvals during 2011-12. Several technical reports were also completed including geotechnical, traffic, boating user demand study and baseline water quality monitoring.</p>	\$2 000
Department of the Attorney General	<p>Kununurra Courthouse</p> <p>A new courthouse and justice complex in Kununurra will be constructed with \$43 million provided to the project over four years.</p> <p>The current premises do not meet existing needs and cannot accommodate the forecast growth for court services in the region.</p> <p>A temporary courthouse has been established and will operate with regular court security measures.</p>	\$4 964

Funded agent	Project description	Disbursed amount '000
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Gascoyne Revitalisation

Through Royalties for Regions the Government has committed \$174.9 million, from 2010-11 to 2015-16, to initiatives under the Gascoyne Revitalisation, of which \$71.76 million was allocated in 2011-12.

The Gascoyne Revitalisation currently includes 20 initiatives, including:

- Exmouth CBD and Foreshore Revitalisation
- Gascoyne Junction Town Centre and Tourism Facilities
- Shark Bay Community Sport and Recreation Centre
- Carnarvon Fascine Redevelopment planning
- Carnarvon Library and Art Centre
- Carnarvon Police and Justice Complex
- Carnarvon Stage 2 Flood Mitigation
- Exmouth Multipurpose Service redevelopment
- Tantabiddi Boat Ramp
- Carnarvon Health Campus redevelopment
- Carnarvon Boat Ramp Construction
- HMAS Sydney Memorial (Denham)
- Mt Augustus Planning Studies
- Coral Bay Seasonal Staff Accommodation
- Gascoyne Irrigation Pipeline.

Funded agent	Project description	Disbursed amount '000
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Department of Regional Development and Lands

Gascoyne Development Plan (GDP)

Approved by Government in 2010-11, the plan was endorsed with \$150 million in funding over five years – with \$47.3 million of funds identified for Stage 1 projects.

Governance and decision-making arrangements were also approved for new projects not included as line items in the State Budget for the remainder of the funds.

\$45 920



Tantabiddi Boat Ramp

Funded agent	Project description	Disbursed amount '000
Gascoyne Development Plan Stage 1		
Department of Health/ WA Country Health Service	<p>Carnarvon Health Campus Redevelopment</p> <p>Carnarvon Health Campus will be redeveloped with \$20.83 million over the next three years.</p> <p>This will provide much needed health infrastructure and services to the region, and include:</p> <ul style="list-style-type: none"> • Complete refurbishment of the Emergency Department and day surgery unit • Upgrades to equipment • Construction of new office accommodation for growth areas of population health, mental health, and drug and alcohol services • A new Dental Health Service building built at the Carnarvon Health Campus. 	
Department of Health/ WA Country Health Service	<p>Exmouth Multipurpose Service Redevelopment</p> <p>A new community and primary health care clinic will be built with \$8.075 million over the next three years on the Exmouth Multipurpose Service site, with \$0.1 million allocated in 2011-12.</p>	
Department of Regional Development and Lands	<p>Carnarvon Fascine Foreshore Redevelopment Planning</p> <p>Finalised in May 2012 at a total project cost of \$780 000, the project commissioned a series of studies to inform pre-development requirements along the Fascine waterfront area.</p>	

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	<p>Carnarvon Library and Art Centre</p> <p>The \$5.2 million centre will see the development of enhanced facilities capable of meeting the learning and literacy needs of the region. Royalties for Regions is funding \$1.85 million, with the project due for completion in 2012-13.</p>	
Department of the Attorney General	<p>Carnarvon Police and Justice Complex</p> <p>A new complex will be built with \$9.5 million of Royalties for Regions funding committed over three years in partnership with the State Government's commitment of \$43 million.</p> <p>Construction is expected to commence in early 2013 with the new complex operational by late 2014.</p>	
Department of Regional Development and Lands	<p>Tantabiddi Boat Ramp</p> <p>Exmouth's \$2.2 million Tantabiddi Boat Ramp was completed and operational in March 2012. In addition to upgrading the boat ramp, the Shire of Exmouth will undertake a rebuild of toilet facilities on site which is due to be completed in 2013.</p> <p>The project was fully funded through Royalties for Regions.</p>	
Department of Transport	<p>Carnarvon Boat Ramp Project</p> <p>To increase safety for both commercial and recreation vessels, the new \$3 million recreational ramp was completed in April 2012. During 2011-12, \$1.1 million was allocated to the project.</p>	

Funded agent	Project description	Disbursed amount '000
Gascoyne Development Plan – Stage 2		
Department of Regional Development and Lands	<p>Within the remainder of the plan's \$150 million funds, the following new initiatives have been approved by Government for funding.</p> <p>Carnarvon Fascine Development Phase 1 – Robinson Street and Surrounds Revitalisation</p> <p>The \$8 million revitalisation project is fully funded by Royalties for Regions. It will be pivotal in enhancing and increasing retail and commercial development opportunities in the Carnarvon central business district (CBD), and enhancing the attractiveness of the town as a tourist destination.</p> <p>Work commenced in January 2012 and will be completed within the year, with improved traffic flows along the main street, enhanced streetscapes, landscapes and amenities, and improved bicycle and pedestrian access and safety.</p> <p>Exmouth CBD Revitalisation and Foreshore Development</p> <p>Completed in March 2012, with \$0.67 million in Royalties for Regions funding, the \$0.74 million project has resulted in a master planning and design document.</p> <p>Providing the blueprint for the future CBD Revitalisation and Foreshore Development, the project will be pivotal to enhancing commercial development and opportunities in the town CBD.</p>	\$36 351

Funded agent	Project description	Disbursed amount '000
	<p>Shark Bay Community Sport and Recreation Centre</p> <p>The construction of the new \$4.2 million centre in Denham commenced in 2011-12 with \$3.9 million in Royalties for Regions funding.</p> <p>Including a new emergency evacuation shelter, the centre will provide the community with a much needed and integrated venue for:</p> <ul style="list-style-type: none"> • An emergency evacuation centre for up to 500 people for short periods in the event of a disaster • Indoor sport and recreation facilities • Community meeting facilities. <p>The project is on schedule to be completed in September 2012.</p> <p>HMAS Sydney Memorial Wall</p> <p>The Shire of Shark Bay will commission a \$0.13 million memorial to the HMAS Sydney II and the entire crew which were lost during a battle off the Shark Bay coastline in World War II, with \$0.10 million in Royalties for Regions funding.</p> <p>The memorial will be located at the Shark Bay World Heritage Discovery Centre in Denham and will complement existing memorials in Geraldton and Carnarvon, forming a memorial drive.</p>	

Funded agent	Project description	Disbursed amount '000
	<p>Mt Augustus Planning Studies</p> <p>The Shire of Upper Gascoyne will commission a series of studies to determine the viability and sustainability of an eco-resort development adjacent to the Mt Augustus National Park in the remote eastern Gascoyne area.</p> <p>The fully funded \$0.15 million Royalties for Regions project will include a comprehensive Business Plan and a Social Impact Assessment that considers opportunities for the residents living in the nearby Burringurrah Aboriginal Community.</p> <p>The studies will be completed by November 2012.</p> <p>Gascoyne Junction Town Centre and Tourism Facilities</p> <p>The Shire of Upper Gascoyne will undertake the urgent rebuilding and enhancement of the town centre, following devastation caused in the December 2010 floods.</p> <p>Royalties for Regions funding of \$3 million has been allocated to the initiative, and will deliver an integrated retail, tourism and accommodation development. The proposed land for development is above the one-in-100-year flood level.</p> <p>The total cost for the project is estimated at \$3.5 million.</p>	

Funded agent	Project description	Disbursed amount '000
	<p>Carnarvon Flood Mitigation Works – Stage 2</p> <p>The construction of a number of levees will be developed with \$45 million of Royalties for Regions funding, which includes \$20 million sourced from the Regional Development Water and NRM Food Bowl Initiative, and \$25 million from the Gascoyne Development Plan.</p> <p>This funding will provide:</p> <ul style="list-style-type: none"> • Improved levels of flood protection to the Carnarvon horticultural industry • Mitigate the devastating impacts caused by flooding events • Provide increased food security for Western Australians and export markets • Ensure the economic future of the horticulture industry and the town. 	

Funded agent	Project description	Disbursed amount '000
In addition to the Gascoyne Development Plan funding of \$150 million, the following additional projects are enabling the revitalisation of the Gascoyne region.		
Department of Regional Development and Lands	<p>Service Workers Accommodation – Coral Bay</p> <p>New accommodation has been built in Coral Bay with \$17.37 million in Royalties for Regions funding, providing quality and affordable staff accommodation for seasonal workers.</p> <p>Construction is on land owned by the Baiyungu Aboriginal Corporation (BAC), and is being leased back by the State for a period of 10 years. At the end of this lease the State will return the accommodation village to the BAC.</p> <p>Construction was completed in June 2012.</p>	\$16 580
Department of Water	<p>Gascoyne Irrigation Pipeline</p> <p>The completion of the pipeline upgrade has catered for the existing irrigation area and provides pipe capacity for infill and expansion.</p> <p>Operational since May 2012, the \$7.56 million project provided an overall benefit to irrigators, the region and State based on a pipeline sized to cater for:</p> <ul style="list-style-type: none"> Existing irrigators – approximately 1200ha Infill development – approximately 400ha Expanded future development – approximately 400ha. <p>The upgrade will deliver substantial economic, social and environmental benefits.</p>	\$4 656

Funded agent	Project description	Disbursed amount '000
Mid West Revitalisation		
	<p>Developed with the Mid West Development Commission, the Mid West Investment Plan (MWIP) is a new initiative delivering \$220 million of Royalties for Regions funding over five years, from 2011-12 to 2015-16, to implement major infrastructure projects and initiatives in the Mid West region. In 2011-12 an amount of \$9.99 million was allocated to commence projects identified through local government, community, and stakeholder groups, the Mid West Development Commission, and RDL. A further \$27.5 million in funding will be available in 2012-13.</p> <p>The MWIP includes key infrastructure and services, community development and town enhancement/revitalisation, housing initiatives, health and aged care, education, maritime, energy, utilities, and economic development projects.</p> <p>The following Mid West Investment Plan projects commenced in 2011-12:</p> <ul style="list-style-type: none"> Horizon Power Murchison Radio-Astronomy Observatory Power Station Shire of Northampton – East Ogilvie Road Upgrade Depot Hill Springs Crossing Morawa Sportsground Redevelopment Morawa Aged Care Flores Place Road Intersection reconfiguration. 	

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	<p>Mid West Investment Plan</p> <p>Working closely with the Mid West Development Commission, RDL has facilitated the delivery of MWIP projects by actively engaging the proponents of flagship projects and seeking submission of business cases for review by the MWIP Steering Committee (MWIPSC).</p> <p>The MWIPSC has met on nine occasions and reviewed 20 business cases, 17 Expressions of Interest, and continues to work with local government and agencies in the Mid West.</p> <p>From the business cases reviewed to date, six projects worth \$19.69 million in MWIP funding have been approved and a further nine projects seeking \$27.84 million are pending approval.</p>	\$7 535
Horizon Power	<p>Horizon Power Murchison Radio-Astronomy Observatory Power Station</p> <p>The power station is a flagship project in the MWIP, with \$10 million in funding approved for the \$26.5 million project that will see the construction and installation of a Hybrid Diesel Solar Photo Voltaic power generation system.</p> <p>Horizon Power has an agreement with CSIRO to provide electricity to the Australian Square Kilometre Array Pathfinder (ASKAP) at the Murchison Radio-Astronomy Observatory on Boolardy Station in the Murchison.</p>	

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	<p>Shire of Northampton – East Ogilvie Road Upgrade</p> <p>MWIP funding of \$1.2 million will enable local landowners and the Shire of Northampton to widen by seven metres, and bitumen seal 10.5km of the Ogilvie East Road.</p> <p>The \$2 million upgrade project complements the recent upgrade of 3.5km completed in 2010-11, which was funded by the Shire of Northampton and used local farmers' machinery.</p> <p>Extending the seal further along this road has been a priority for the farming enterprises within the area for many years and is supported by the Shire of Northampton.</p>	
	<p>Depot Hill Springs Crossing Upgrade</p> <p>The \$1.58 million upgrade is a flagship MWIP project.</p> <p>MWIP funding of \$0.64 million will enable the Shire of Mingenew to realign the approaches and install a three metre culvert-style crossing over the Irwin River on the Allanooka Road, Depot Hill Springs. This will permit all year and weather access across the river.</p> <p>Currently the road is closed for several days following each major rain.</p> <p>The crossing is located approximately 10km from Mingenew on a high use bypass road for North Midland's traffic and mining trucks travelling to and from Geraldton.</p> <p>Further funding for the project was contributed by Main Roads Western Australia's \$0.6 million State Initiatives Program, the North Midlands local governments of Morawa, Mingenew, Perenjori and Three Springs as a \$0.34 million Regional Country Local Government Fund group project.</p>	

Funded agent	Project description	Disbursed amount '000
	<p>Shire of Morawa – Morawa Sportsground Facilities Redevelopment</p> <p>The \$2.58 million redevelopment aligns with the Community Development and Town Revitalisation project category in the MWIP. The project is partially funded by MWIP with a proposed \$0.85 million to be combined with \$0.9 million from the Shire of Morawa and \$0.837 million from the Department of Sport and Recreation.</p> <p>Morawa Aged Care Units</p> <p>Aged care projects are priority projects of the MWIP. The Morawa units were identified through a sub-regional consultation process. The \$0.83 million initiative strongly aligns to the MWIP health project category. MWIP funding of \$0.33 million will enable the Shire of Morawa to commence construction of the units.</p> <p>Providing the Shire's ageing population with opportunities to remain within the community, the units will more than double the independent living options in Morawa, accommodating up to eight residents. They will complement the Morawa Villas and Morawa Lodge at the hospital, which in total can permanently accommodate 17 aged persons.</p> <p>Additional funding for this project has been contributed by Morawa Community Care (\$0.2 million) and the Shire of Morawa (\$0.3 million).</p>	

Funded agent	Project description	Disbursed amount '000
	<p>City of Greater Geraldton Place Road / Flores Road Intersection Reconfiguration</p> <p>The City of Greater Geraldton will undertake the conversion of the existing 'staggered T' formation of Flores Road intersection into a signalised four-way intersection.</p> <p>This high priority \$4.5 million MWIP project, with \$2.81 million in MWIP funding, will significantly improve traffic flow and safety within the light industrial precinct that currently carries in excess of 9000 vehicles per day.</p> <p>Additional funding for this project has been contributed by the Regional Roads Group; Main Roads WA, through Black Spot and Roads to Recovery funding; and the City of Greater Geraldton.</p>	
LandCorp	<p>LandCorp – Batavia Coast Marina Stage 2 Remediation Project</p> <p>The remediation of 6.14ha of land contaminated by fuels and other contaminants will make the land of the Batavia Coast Marina Stage 2 project safe for future development by LandCorp in full accordance with the provisions of the <i>Contaminated Sites Act 2003</i>.</p> <p>The MWIP fully funded \$3.58 million initiative will resolve spatial and structural problems within the precinct, and aims to stimulate redevelopment within the existing CBD by encouraging dormant land owners to capitalise on underlying commercial interest.</p>	

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	Mid West Unit To support the implementation of the MWIP, the RDL Mid West Unit was established, with \$3 million in funding allocated over four years.	\$500

In addition to the MWIP funding of \$220 million the following additional projects are enabling the Revitalisation of the Mid West.

Verve Energy	Mid West Solar Farm Initiative The construction of Australia's first utility-scale solar farm, delivering the largest solar photovoltaic facility in Australia, will be undertaken with a \$10 million funding contribution to the project. Verve Energy is entering into an agreement with a commercial partner to develop a 10MW solar photovoltaic power plant in the Mid-West region, to demonstrate the viability of this form of grid-connected technology on a commercial scale in Western Australia.	\$2 500
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Funded agent	Project description	Disbursed amount '000
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Southern Inland Health Initiative

The Southern Inland Health Initiative (SIHI) is a five-year program to 2015-16, totalling \$565 million, which will redesign the way health services are delivered in regional Western Australia. It will acknowledge the issues and challenges that are inherent in delivering sustainable services to meet the needs of a rural and diverse population through the following programs:

- District Medical Workforce Investment Program
- District Hospital Investment Program
- Primary Health Centres Demonstration Program
- Small Hospital and Nursing Post Refurbishment Program
- Telehealth Investment Program
- Residential Aged and Dementia Care Investment Program.

The SIHI seeks to improve medical access and services in the Great Southern, Mid West, Goldfields, South West and Wheatbelt regions. It includes addressing the shortfall of general practitioners in regional Western Australia by providing incentives to retain and/or attract them into the regions. It also addresses the shortfall of primary health care staff in the relevant regions and will provide purpose-built Community Primary Health Centres by upgrading and replacing existing small hospitals.

The SIHI will redevelop six integrated district hospitals, refurbish 16 small hospitals, replace two small hospitals and two nursing posts, and purchase land at Jurien Bay for a future health facility development. The capacity and availability of Telehealth technology will also be expanded to maximise the delivery of health services.

Further to the SIHI funding, Royalties for Regions also provided an amount of \$37.5 million in 2011-12 to continue funding for the redevelopment of Kalgoorlie, Albany, and Esperance Hospitals, and the development of a new Busselton Health Campus.

Funded agent	Project description	Disbursed amount '000
Department of Health/ WA Country Health Service	<p>Southern Inland Health Initiative</p> <p>In July 2011, the Government approved \$234.8 million to the Department of Health from the Royalties for Regions fund across 2011-12 and 2014-15, to commence implementation of priority streams.</p> <p>The priority streams include:</p> <ul style="list-style-type: none"> • Stream one – District Medical Workforce Investment Program • Stream two – District Hospital and Health Service Investment Program • Stream five – Telehealth Investment Program. <p>The initiative has included an active national and international marketing campaign to attract doctors to WA. Since July last year, 13 new general practitioners were signed to the SIHI and commenced work and participation by existing general practitioners into the primary health care delivery model increased by over 100 per cent.</p>	\$18 381

Funded agent	Project description	Disbursed amount '000
Regional Skills and Training		
Department of Training and Workforce Development	<p>Regional Work Camp Enhancement Program</p> <p>A total of \$25.4 million has been allocated across three years for the establishment of Roebourne and Gnowangerup work camps, and to upgrade existing regional work camps.</p> <p>Training prisoners in the skills needed by the local community, the camps address the skill shortages existing in most regional areas. This training enables the community to attain sustainability and grow prosperity.</p> <p>Significantly, work camps provide meaningful skills to Aboriginal people that improve their employability and economic sustainability.</p> <p>In 2011-12, the Government approved the release of \$20 million of funds towards Roebourne and the existing work camp upgrades. The remaining \$5.4 million for Gnowangerup Work Camp is still to be approved pending development of a suitable business proposal.</p>	\$3 000

Funded agent	Project description	Disbursed amount '000
PortLink Inland Freight Corridor		
Department of Transport	<p>PortLink Inland Freight Corridor Planning – Phase 1</p> <p>The PortLink Development Plan (PortLink) is a large scale nation building concept that will create a stronger more robust state-wide freight network, and will open up the regions to enhanced development opportunities with greater access to services for residents.</p> <p>PortLink Planning Studies – Phase 1 will consist of a series of interrelated planning studies into:</p> <ul style="list-style-type: none"> • An Intermodal Terminal in Kalgoorlie • Road and rail realignments to improve freight transport around Kalgoorlie and service the proposed terminal • A sealed road link between Wiluna and Meekatharra on the Goldfields Highway • Economic modelling of the PortLink concept to inform the progression to Phase 2. <p>In 2011-12 an initial \$5 million was allocated over two years to the Department of Transport for a series of interrelated planning studies into the feasibility of the PortLink concept.</p> <p>The PortLink Steering Committee has been established and initial planning work has commenced.</p>	\$200

Funded agent	Project description	Disbursed amount '000
Regional Health Infrastructure		
Department of Health/ WA Country Health Service	<p>Kalgoorlie Hospital</p> <p>Royalties for Regions has provided supplementary funding of \$15.8 million to the Kalgoorlie Health Campus redevelopment project.</p> <p>During 2011-12, major construction occurred on the building to accommodate the Emergency and Imaging Departments, a four bed short-stay ward, and a six bed special care unit.</p> <p>Phase 2 is scheduled for practical completion in 2012.</p>	\$9 100
Department of Health/ WA Country Health Service	<p>Albany Hospital</p> <p>Albany Hospital is undergoing the largest country hospital redevelopment undertaken in Western Australia, with a total budget of \$170.4 million.</p> <p>A total commitment of \$60.8 million over three years by Royalties for Regions saw \$20.3 million in funding provided during 2011-12.</p> <p>The new facility will feature additional mental health beds, improved maternity services, improved theatre and day surgery services, a rural cancer care centre and an expanded Emergency Department.</p>	\$20 300

Funded agent	Project description	Disbursed amount '000
Department of Health/ WA Country Health Service	Esperance Hospital <p>The \$31.3 million hospital redevelopment includes supplementary Royalties for Regions funding of \$18.8 million, to deliver a redesigned and expanded Emergency Department, a dedicated four day bed surgery unit and modernised birthing suites.</p> <p>During 2011-12 detailed scoping works were completed.</p>	\$400
Department of Health/ WA Country Health Service	Busselton Health Campus <p>The \$118 million campus redevelopment project includes supplementary Royalties for Regions funding of \$40.5 million.</p> <p>During 2011-12, the master plan for the new 80 bed hospital was finalised, environmental approvals were progressed and construction tenders were received.</p>	\$5 300
Regional Development – Water and Natural Resource Management (NRM) Initiatives		
Department of Regional Development and Lands/ Department of Water/ Department of Agriculture and Food WA	Regional Development – Water and NRM Initiatives <p>Water and NRM initiatives have been allocated a total of \$78.2 million across the forward estimates period, including \$22.8 million in 2011-12, to assist industry and support economic development.</p> <p>The program of works will have a strategic focus to deliver greater access to information around water availability and supply options, and to manage water supply for future developments.</p>	\$25 255

Funded agent	Project description	Disbursed amount '000
Regional Infrastructure Projects		
Department of Housing	Housing for Workers Government for Regional Officers Housing (GROH) Program <p>In 2009, the State Government announced a major stimulus package that included the provision of \$200 million in Royalties for Regions funding for the GROH program, delivering 400 properties to house government employees.</p> <p>In 2011-12, to attract and retain workers such as nurses, teachers and police officers to remote and regional Western Australian communities, 49 properties were built.</p> <p>Since 2009 a total of 350 houses have been developed, providing new homes for Public Sector workers.</p>	\$122 467

Funded agent	Project description	Disbursed amount '000
	<p>Delivering Affordable Housing</p> <p>In 2012, a major housing stimulus package of \$355.5 million of Royalties for Regions funds was approved to support the development of affordable housing in regional Western Australia.</p> <p>This funding will be invested in regional projects across the following four themes:</p> <ul style="list-style-type: none"> • Development Investment – Existing or Proposed Affordable Housing Developments • Innovative Housing Construction – Innovative Affordable Housing • Key Workers Accommodation – Village Accommodation • Housing for Key Workers – Non-Government Organisation Strategic Intervention. <p>The first four projects identified under this initiative will receive \$95.64 million in funds to specifically address two of the key themes of the package – Development Investment and Key Workers Accommodation. The four projects are:</p> <ul style="list-style-type: none"> • Pelago East Stage 2, Karratha – \$30.414 million • Hamilton Precinct Stage 1, South Hedland – \$41 million • Osprey Key Worker Village, South Hedland – \$20.5 million • The Avon Valley Community Development Foundation Inc. – \$3.73 million of Royalties for Regions funds. 	

Funded agent	Project description	Disbursed amount '000
Department of Housing	<p>Non-Government Organisation Housing</p> <p>Selected areas in the Pilbara and Kimberley regions are facing significant shortages of affordable housing.</p> <p>This shortage places at risk the delivery of essential community services as non-government organisation (NGO) workers delivering essential programs on behalf of government are unable to obtain accommodation.</p> <p>To address the shortage, 33 new houses were built in 2011-12, bringing the total completed number of houses to 46, and a total of 58 houses will be built and leased to 29 NGOs at a discounted rental rate by June 2013.</p>	\$35 000
Department of Commerce	<p>Regional Mobile Communications</p> <p>In 2011-12, Telstra Corporation Limited was awarded \$39.2 million in Royalties for Regions funding to implement and complete 20 base station sites to improve regional telecommunications along major regional highways.</p> <p>This funding has leveraged a total of \$106 million to be invested into the expansion of mobile voice and high speed wireless data broadband networks at 113 sites in regional Western Australia.</p> <p>The project will deliver near continuous highway coverage in many areas of the State, and improve coverage in up to 15 regional, rural and remote communities. The expanded telephone network will assist the improvement of emergency response times and outcomes in bushfires and traffic incidents.</p> <p>The funding agreement with Telstra Corporation Limited is managed by the Department of Commerce.</p>	\$7 811

Funded agent	Project description	Disbursed amount '000
WA Police/ Fire and Emergency Services Authority/ Department of Corrective Services	<p>Community Safety Network</p> <p>To replace the analogue WA Police regional radio network with a fit-for-purpose digital radio communications network, the network has been allocated \$94.5 million in funding.</p> <p>During 2011-12, site audits were completed for trunked digital radio communication sites in the districts of Albany, Geraldton and Kalgoorlie, and the Pilbara nearing completion. The trunked component will provide for shared infrastructure and interoperability between WA Police, the Fire and Emergency Services Authority, and the Department of Corrective Services.</p> <p>Design verification activities for the conventional digital radio network progressed, focusing on sites that are adjacent to and link into the Trunked Radio Network sites. Equipment was procured where sites are collocated with trunked sites so installation can occur at the same time. Orders for 21 huts for the Wheatbelt region were placed by WA Police.</p> <p>Mobile terminal equipment commenced regional roll-out as WA Police vehicles are changed over under fleet replacement program, with targeted replacement occurring in the Goldfields-Esperance, Mid West and Gascoyne regions. The terminals are interoperable with the existing analogue network and are being deployed to meet operational replacement schedules.</p>	\$34 654

Funded agent	Project description	Disbursed amount '000
Department of Transport	<p>Recreational Boating Facilities Scheme</p> <p>Funding rounds of the Department of Transport's Scheme has seen 84 regional projects receive \$20 million of Royalties for Regions funds over four years. The development of new recreational boating facilities in regional Western Australia will ensure facilities are meeting the needs of communities and visitors.</p> <p>During 2011-12, a number of projects reached practical completion, including the Batavia Marina Universal Access Jetty, Lake Kununurra Navigation Aids, Peel region courtesy moorings, additional boat ramps and parking at the Jurien Bay Boat Harbour, and boat ramp modifications at Lakes Towerinning and Queerarrup.</p>	\$2 600
Department of Transport	<p>Augusta Boat Harbour</p> <p>Stage 1 of the \$25 million Boat Harbour in Flat Rock was fully funded by Royalties for Regions and incorporated the provision of a protected harbour basin with breakwaters.</p> <p>Capable of accommodating large recreational vessels, construction of the harbour is planned to occur under five separate contracts, allowing sub-contractors the opportunity to work directly with the head contractor. The Shire of Augusta Margaret River has completed the 300m road from Leeuwin Road along the ocean front to the site of the quarry, and the harbour car park has been built.</p> <p>The Shire has carried out the preliminary earthworks and reclamation for a temporary lay-down area at the quarry site. The breakwaters and bulk earthworks tender closed in April 2012. The project is due for completion in 2014.</p>	\$5 000

Funded agent	Project description	Disbursed amount '000
Department of Transport	<p>Regional Airports Development Scheme</p> <p>The scheme has seen 138 regional projects receive funding for the development of aviation facilities in regional Western Australia.</p> <p>Royalties for Regions funding of \$27 million over six years will ensure regional aviation infrastructure and airport services are developed and maintained to facilitate air access and enhance economic growth.</p> <p>During 2011-12, a number of aviation projects were completed for airfields in communities including Burringurrah, Carnarvon, Coral Bay, Kalgoorlie-Boulder, Kojonup, Halls Creek, Kununurra, East Wallabi, Geraldton, Morawa, Parnngurr, Port Hedland, Bunbury, Busselton and Wagin.</p> <p>The supplementary funding for regional aviation facilities is ensuring safer and more efficient facilities around the state meet the needs of the communities and visitors they service.</p>	\$6 384

Funded agent	Project description	Disbursed amount '000
Department of Environment and Conservation	<p>Conservation Parks Infrastructure and Roads</p> <p>This initiative is an investment in both conservation and a nature-based tourism industry. The allocation of \$20 million over four years from Royalties for Regions will:</p> <ul style="list-style-type: none"> Promote parks as a key resource for the expanding nature-based recreation and tourism industries, while maintaining their conservation value Improve access to low-cost caravan and camping opportunities in natural areas throughout the state Improve the safety and level of road access to parks and other natural areas in the state Deliver improvements in park management and infrastructure to increase the quality of experiences for park visitors. 	\$5 000
Department of Regional Development and Lands	<p>Bunbury to Albany Gas Pipeline Corridor</p> <p>The corridor aims to address the gap in the provision of gas supplies in the South West through the construction of a pipeline, from the existing Dampier Bunbury Natural Gas Pipeline corridor to Albany, via Manjimup.</p> <p>Royalties for Regions funding of \$20 million will secure the necessary land for the corridor. The land assembly phase is underway and a number of route alignment options are currently being considered.</p>	\$1 700

Funded agent	Project description	Disbursed amount '000
Department of Regional Development and Lands	<p>Living Lakes</p> <p>The initiative proposes to enhance existing natural lake systems using creative engineering solutions to create permanent and accessible water bodies that will re-establish native flora and fauna, attracting people, industry, services and recreational facilities to the area.</p> <p>Royalties for Region funding of \$1.6 million has been approved to complete Stages 1 and 2.</p> <p>Stage 1 will provide a study determining the feasibility, cost and benefit to the community of enhancing three existing lake systems in the Wheatbelt and Great Southern regions to create permanent water bodies. The feasibility study will be finalised by 30 June 2012.</p> <p>On completion of Stage 1 of this study, and dependent on the outcomes of this stage, the State Government will determine if it will tender for Stage 2 of the project which involves the detailed design of concept plans and costings for the development of one or more of the shortlisted lakes.</p>	\$302
Department of Regional Development and Lands	<p>Burt Street Heritage Precinct</p> <p>Building frontages on Burt Street will be restored to their 'original' state bringing the buildings to an acceptable heritage standard while balancing the historic presentation with contemporary use.</p>	\$1 350

Funded agent	Project description	Disbursed amount '000
Country Hostels Authority	<p>Regional Residential College Upgrades</p> <p>Increasing demand relating to changes in regional secondary education service arrangements, and the need to upgrade/replace substandard building components, is driving improvements to the Esperance and Merredin Residential Colleges.</p> <p>Royalties for Regions has allocated \$19.4 million for regional residential college upgrades in 2011-12, as part of a total \$51.9 million over four years.</p> <p>Implementation of capital works at the Esperance and Merredin Colleges will ensure the capacity to meet the demand for boarding places in a quality facility in these regional centres is in place.</p>	\$19 402
Department of Water	<p>Collie Water Plan</p> <p>The development of an Integrated Water Management Strategy (IWMS) for the Collie region will be undertaken following the allocation of \$5.2 million in Royalties for Regions funding.</p> <p>The IWMS is required to meet the growth and development of the South West regions, and to enable these regions to continue to support the industries that already exist.</p> <p>Part of the IWMS will investigate the construction of assets to reduce the salinity levels in the Wellington reservoir.</p> <p>A draft IWMS has been completed and will be finalised in the third quarter of 2012.</p>	\$500

Regional Development Council Action Agenda Funding Scheme

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

The scheme was highly contested, with a total of 240 applications received. RDL, in consultation with the nine Regional Development Commissions, assessed the applications for consideration by Council.

A total of 36 projects were supported under the following key themes:

- Aged and Community Health: 14 projects
\$24 600 424
- Education, Housing, Social and Environmental Amenity, Employment, Education and Skills: 14 projects
\$23 693 585
- Sport and Recreation: seven projects
\$22 781 118
- Landgate: one project
\$8 371 000



Aerial shot of housing developments in Kununurra

Ord-East Kimberley

Overview

The Ord-East Kimberley Expansion team manage RDLs involvement in the \$517 million Ord-East Kimberley Expansion Project. Jointly funded by Royalties for Regions and the Australian Government, the project will see the Ord River irrigation area increase from 14 000 to 29 000ha.

The investment has two components:

Ord Irrigation Expansion Project

\$322 million investment to develop and deliver agricultural land and support infrastructure, including off-farm water supply, drainage and roads.

East Kimberley Development Package

\$195 million investment on 27 projects to assist in addressing social and economic disadvantage within the Indigenous population and the current deficiencies in the available social, community and common-use infrastructure in the East-Kimberley.

2011-12 Operations

Ord-East Kimberley Expansion Project

Phase 1 – complete

Phase 1 of the Ord-East Kimberley Expansion Project, a significant component of the department's Kimberley Revitalisation initiative, has been completed with 19km of the new arterial irrigation channel finalised. The channel has sufficient capacity to service additional 30 000ha of new irrigated farm land, including a potential 16 000ha in the Northern Territory.

A further 12km of arterial channel will be completed in 2012, making the channel 31km in length.

Phase 2 – commenced

The contract for Phase 2 of the infrastructure works for the expansion was signed in December 2011. It is three times as large as the Phase 2 works, and includes:

- A peak workforce of 250 staff
- 19km of new sealed road
- 35km of flood protection levee
- 70km of drains
- Numerous concrete culverts and irrigation control structures
- Expansion of the Garrjang Workers Village from 152 beds to 232 beds.

Key components of the Phase 2 contract included requirements to:

- Train and employ at least 40 Indigenous plant operators
- Employ two apprentices
- Spend at least \$4 million through Indigenous businesses in project delivery
- Invest \$10 million in the training of Aboriginal people through the site works
- Establish at least one joint venture with an Indigenous owned business
- Invest a minimum of \$2 million through the Miriwung Gajerrong Corporation representing traditional owners.

Environmental approvals for Phase 2 work under the Australian Government *Environmental Protection and Biodiversity and Conservation Act 1999* was achieved in September 2011. Two required Management Plans were signed off by the Australian Government, and a further three required plans were submitted for assessment.

Land release

Requests for Proposals and Expressions of Interest were called on 8 November 2011 for 15 000ha of new land to be developed as part of the expansion. Submissions closed on 27 February 2012.

The Minister for Lands appointed an Advisory Panel under the *Land Administration Act 1997* to assess the submissions received. A total of 14 submissions were received from 10 proponents. The final decision for applications will be released in 2012-13.

East Kimberley Development Package

A significant component of the expansion is the Australian Government funded East Kimberley Development Package (EKDP) that was launched in Kununurra on 3 July 2009. The \$195 million investment in social and community infrastructure will ensure that growth generated through the expanded Ord Irrigation Scheme does not outgrow service needs in the region.

Under the EKDP, 27 projects were funded with approximately 50 per cent currently complete and all but one commenced. The range of projects was jointly agreed to between the State and Commonwealth Governments, on focusing delivering social infrastructure to support economic growth and promote sustainable regional communities.

The key funding themes for the Package include:

- | | |
|--------------------------|--------------|
| • Education and Training | \$64 million |
| • Health | \$50 million |
| • Housing | \$50 million |
| • Transport | \$15 million |
| • Community | \$16 million |

Indigenous employment

Increasing the employment of Indigenous workers is a key focus of the Ord-East Kimberley Expansion project. Currently an average Indigenous employment rate of 25 per cent has been achieved. Other employment highlights for the year include:

- Over 200 personnel working on the expansion project completed the cultural awareness program 'Ways of Working'
- A joint venture was established between Leighton Contracting and Indigenous business 'Wanna Work' to produce concrete culverts for the Phase 2 works
- MG Services was created as a division of the Miriuwung Gajerrong Corporation, to manage over 200 Miriuwung Gajerrong people and support them towards local employment
- Expansion of the workers camp facility (Garrjang Village) from 152 to 232 persons was completed ahead of schedule, using 100 per cent local services and a 50 per cent Indigenous workforce.



Garrjang Village Workers Camp

SuperTowns

Overview

In July 2011, the Regional Centres Development Plan (SuperTowns) was established with an approved allocation of \$85.5 million to the program. SuperTowns aims to assist selected towns in the southern half of Western Australia to plan and prepare for a projected doubling of the State's population to almost 4.6 million people by 2050.

The towns of Boddington, Collie, Esperance, Jurien Bay, Katanning, Manjimup, Margaret River, Morawa and Northam were approved for inclusion in the program, based on their strategic location and growth potential.

To guide the program and assist with alignment across government, the SuperTowns Steering Committee was established, comprising heads of agency representatives from the following agencies:

- Department of Regional Development and Lands (Chairperson)
- Western Australian Planning Commission
- Department of Planning
- Department of Local Government
- Department of Agriculture and Food (DAFWA)
- LandCorp
- Regional Development Council
- Mid West, Wheatbelt, Goldfields-Esperance, Peel, Great Southern and South West Development Commissions.

2011-12 Operations

SuperTowns Framework and Growth Planning

To articulate the SuperTowns program, the Steering Committee prepared the Regional Centres Development Plan (SuperTowns) Framework 2011-12, requiring each SuperTown to prepare a growth plan. To guide the scoping and preparation of the growth plans and distribution of planning funds, the Steering Committee also developed the SuperTown Growth Plan Toolkit.

A growth plan sets out the distinctive vision for the social, economic and spatial growth of their community in light of the State's population growth. A key objective of producing growth plans is to achieve alignment at the local, regional and State level in respect to strategic planning frameworks and future investment priorities for both Royalties for Regions and other consolidated revenue programs.

The preparation process involves significant consultation with local and surrounding communities, agencies across government, and the private sector.

All SuperTowns have completed high quality interim growth plans with the support of their local project teams, key agencies and in consultation with their communities. Four business cases for each of the SuperTowns priority projects were completed and endorsed by the Local Government and Regional Development Commission.

Following assessment, \$77.8 million was approved to fund 17 projects. The following projects were successful:

Boddington

1. Ranford Water Capacity \$1 250 000

Increase land supply in Boddington by increasing water capacity to the town site of Ranford.

2. Economic Development Implementation in the Boddington District \$1 465 000

Diversify Boddington's local economy, build capacity in existing businesses and facilitate new enterprises.

Collie

3. Collie CBD Revitalisation \$11 010 000

Improve the amenity of the Collie central business district.

Esperance

4. Esperance Waterfront Project \$12 650 517

Construct a seawall on the town site foreshore and headland around Tanker Jetty; and develop community recreation infrastructure including footpaths, lighting, picnic areas and landscaping.

5. Esperance Town Centre – Revitalising the Heart of the Community \$380 000

Develop a town centre revitalisation master plan.

6. Esperance Economic Development – Stage 1 \$193 350

Develop a detailed economic development plan investigating economic drivers, supply chains, industry and investment attraction strategies, land use strategies for public land, and associated governance structures to implement the plan.

Jurien Bay

7. City Centre Enhancement Project \$12 137 850

Develop a Visitor and Civic Precinct (Stage 1), undertake city centre infill sewerage, and develop a storm water management strategy.

Katanning

8. Town Centre Commercial and Streetscape Revitalisation \$8 715 000

Create a new town square, develop a commercial and administrative precinct, design re-purposing of heritage buildings, create a new town site entrance, and undertake landscaping and street-scaping along the main street.

9. Multicultural and Aboriginal Engagement and Enhancement \$255 000

Establish a community development working group and employ a community development officer to undertake feasibility of developing the following:

- Language Centre
- Migrant Transition Centre
- Early childhood hub
- Combining bush tucker and re-vegetation activities with Indigenous youth skill development
- Multicultural Interpretive Centre
- Aboriginal integration package.



Jurien Bay jetty redevelopment – one of the nine SuperTowns

Manjimup

10. Manjimup's Agricultural Expansion \$6 955 000

Establish a Food Council and develop a regional branding and marketing strategy; research and develop an agriculture and food strategy; and develop linkages between agricultural education and industry including investigating a concept for a Centre of Excellence.

11. Revitalisation of Town Centre \$5 710 000

Transform the town centre in Manjimup through development of entry statements; improved traffic, cycling and pedestrian flow; town square, street scaping; facilitate new tourist accommodation development; and development of community amenities, such as conference, cafe and exhibition facilities.

The funding approval does not include the cost of Crown land purchase.

Margaret River

12. Margaret River Perimeter Road and Town Centre Improvements \$1 940 000

Design of town centre improvements and initiation of construction of Stage 1 of the Perimeter Road, a heavy haulage diversion route.

13. Surfers Point Precinct \$3 460 000

Infrastructure upgrades to protect and transform the Surfers Point Precinct to a world-class tourism precinct.

Morawa

14. Town Site Revitalisation Project \$3 000 000

Revitalisation of the town centre, including diversion of freight traffic from the heart of the town site.

15. North Midlands Solar Thermal Project \$500 000

To undertake further financial and technical feasibility assessments of developing a renewable energy, fringe of grid, 3MW solar thermal power generation facility, using efficient method of concentrated solar power storage.

Northam

16. Avon Health and Emergency Services Precinct \$4 814 550

Consolidate health and emergency services for the Avon sub-region in proximity to Northam Regional Hospital.

17. Avon River Revitalisation \$3 655 435

Planning and design works to improve water quality and aesthetics of Avon River and Town Pool.

Pilbara Cities Office

Overview

The Pilbara Cities initiative aims to address the issues associated with the significant growth in the Pilbara region and build the population of Karratha and Port Hedland into cities of 50 000 people, and Newman to 15 000 people by 2035. Surrounding Pilbara towns will also be supported to grow into more attractive, sustainable local communities.

Over \$1 billion in State Government Royalties for Regions funding has been committed to transform the Pilbara through building modern, vibrant cities and regional centres that can support and deliver a skilled workforce for major economic projects in the Pilbara.

2011-12 Operations

Lazy Lands Program

During 2011-12, 61 parcels of land were identified for release to the private market for residential development as part of the Lazy Lands Program.

The residential infill project, which is run across the Pilbara through the department's Pilbara Cities Office, with support from the State Lands Services Division, identifies vacant, useable Crown land and makes it available to the private market for residential development. As part of the Pilbara Cities Vision, this will assist in meeting the Pilbara's housing needs to 2015, and will supplement the current supply of development-ready land.

The program is expected to have three land release stages. Stage 1 includes 39 parcels of land with a potential to yield about 900 dwellings. This would meet 35 per cent of Karratha's demand until 2015. As part of Stage 1, RDL concurrently released to the private sector seven of the 39 parcels, with a possible yield of 61 dwellings.

Karratha City of the North Plan

To address issues within the town of Karratha, such as infrastructure constraints, land supply shortages and housing affordability, the Karratha City of the North Plan was implemented.

During 2011-12, a partnering opportunity was tendered by LandCorp, with development company Mirvac appointed to restore the town centre. The redevelopment will provide sites for a range of commercial opportunities and support the projected growth of the community.

A design forum was held by Mirvac from 11-13 April 2012, resulting in a district structure plan which aims to guide a detailed design. The design includes 1500- 2000 dwellings, a coastal node, a supermarket, 15-20 commercial opportunities, Primary and Senior High School sites and a private school site. Mirvac has lodged the draft version of the full Mulataga Development Plan – including Part 1, Part 2 and Consultant Technical Studies – with LandCorp.

An independent Peer Review of the material was held on Monday, 18 June 2012 at LandCorp. At the time of publication, Mirvac is preparing the Development Plan for lodgement with the Shire of Roebourne.



An artists impression of the South Hedland town centre revitalisation, image courtesy of LandCorp

Northern Towns Development Fund

To streamline government approval processes and to develop regional and local planning frameworks in conjunction with industry, business, local government and the community, the Northern Towns Development Fund was established.

In 2011-12, financial support was provided through the fund to 26 projects, including \$1 million for the relocation of Port Hedland's Waste Water Treatment Plant. The relocation of the plant will enable the development of the land for residential dwellings as part of the Port Hedland City Growth Plan.

The fund includes \$6.3 million towards the Northern Planning Program for 2012-13. The Northern Planning Program will include funding for 31 projects throughout the north west of the State.

Waste Water Treatment Plants

Across the Pilbara, upgrades and development of waste water treatment plants have been advanced by RDL. These include:

- **Port Hedland Waste Water Treatment Plant Relocation**

A joint project between Water Corporation and Pilbara Cities Office commenced in 2011-12 to relocate the Port Hedland Waste Water Treatment Plant. This will enable the development of 2500 new residential dwellings to proceed.

The relocation, funded through \$42 million from Royalties for Regions and \$106 million from the Water Corporation, will combine the plant with the South Hedland Wastewater Treatment Plant and provide a substantial upgrade to the plant facilities in South Hedland.

- **Karratha Waste Water Treatment Plant 2**

Funding of \$8 million from Royalties for Regions was approved for the Water Corporation to establish a Temporary Package Treatment Unit to facilitate land development. The unit will provide capacity to the existing Karratha Waste Water Treatment Plant 2 that is at operational load capacity, to facilitate immediate land development of up to 1250 lots in Karratha.

- **Roebourne Waste Water Treatment Plant Upgrade**

Upgrades to the Roebourne Waste Water Treatment Plant were completed in 2011-12. Funding of \$1.96 million from Royalties for Regions was provided to the Water Corporation to accommodate the town's increasing waste water from new land development initiatives.

- **Fleetwood Searipple Village Wastewater Treatment Plant**

To support upgrades to the Fleetwood Searipple Village Waste Water Treatment Plant, funding of \$200 000 from Royalties for Regions funds was provided to the Water Corporation.

Enhancements to the plant will support water recycling and reuse, and deliver water savings of up to 194 kilolitres per day into the Karratha supply of potable water. This project will act as a model for industry support for water savings, innovation and efficiency in the Pilbara.

West Canning Basin Sandfire

Investigations into new freshwater availability in the West Canning Basin will inform if a future source of water for Port Hedland is available. Funding of \$12.5 million from Royalties for Regions was approved to the Department of Water to undertake these investigations. A sustainable water yields assessment with CSIRO is another aspect of this project.

The Pilbara Underground Power Project

Horizon Power, with \$100 million of Royalties for Regions funding, is converting current overhead power distribution networks to an underground network in residential and light industrial areas of Karratha, Roebourne, South Hedland, Wedgefield and Onslow.

This conversion will deliver secure power supplies to the Pilbara to underpin development and minimise the impact on power supply from severe weather events such as cyclones. In 2011-12, work progressed with 33 per cent of the overall project in Karratha completed and excavations commencing in South Hedland.

Pilbara Health Partnership

In 2011-12, the \$38.2 million Pilbara Health Partnership continued to deliver improvements in health services across the Pilbara. A joint arrangement of the Western Australian Country Health Service with \$32.9 million of Royalties for Regions funding provided over five years, the partnership has supported the provision of:

- Emergency transport
- Aboriginal Liaison Officers
- Emergency department medical equipment and Telehealth equipment
- Emergency Management Education and Training program employment
- Medical specialists and nurse practitioners
- Indigenous training and employment
- Small hospital planning and revitalisation.

Karratha Health Campus

A major achievement in 2011-12 was the finalisation of the business case for the new Karratha Health Campus. The business case proposed a new state-of-the-art \$207.15 million health campus for Karratha, and included the relocation of the campus from the existing site to the revitalised city centre precinct.

In the 2012-13 Budget, the State Government approved an additional \$57.15 million in funding to construct the new health campus as part of the Karratha City of the North Plan.

Community infrastructure

A number of community development and infrastructure projects are currently open for the public, or will be completed early in the 2012-13 financial year, including:

- Multi-Purpose Recreation Centre (South Hedland)
- Marquee Park (South Hedland)
- Bloodwood Tree Training and Employment Centre (South Hedland)
- JDHardie Centre – Hedland Youth Precinct (South Hedland)
- Pam Buchanan Family Centre in Baynton West (Karratha)
- Karratha Youth Shed
- Roebourne Youth Centre
- Bulgarra Sporting Facilities Precinct (Karratha)
- Cattrall Park Redevelopment (Karratha)
- West End Revitalisation in Port Hedland
- Newman Sporting Facility Improvements

Pilbara Town Centre Redevelopment projects

Substantial Royalties for Regions funding through the Pilbara Cities Program has been allocated to revitalise and enhance town centres across the Pilbara, including:

- | | |
|--|--------------|
| • Karratha Town Centre Redevelopment | \$65 million |
| • South Hedland Town Centre Revitalisation | \$77 million |
| • Newman Town Centre Redevelopment | \$20 million |
| • Tom Price Town Centre Redevelopment | \$10 million |

Education

Significant work was undertaken in 2011-12 to finalise the priority initiatives proposed for the investment of \$50 million from Royalties for Regions to improve education services in the Pilbara across primary, secondary and tertiary sectors, beyond core education services and investments.

Priority initiative roll-outs will occur in 2012-13 and beyond, in partnership with Pilbara Industry with \$6.6 million in funding allocated for 2012-13.

Water opportunities

In May 2010, State Government approved \$2.5 million for nine Pilbara Water Opportunities (PWO) projects that were selected following an Expressions of Interest process. Funding was allocated to test the feasibility of the selected projects to ensure the best use of water resources in the region, with many of the projects focused on opportunities to use mine dewater.

Most PWO projects are nearing completion and RDL is evaluating these projects with a view of using them as a base for the development of agricultural precincts in the Pilbara, specifically those using mine dewater.

Pilbara Maritime Common Use Facility

To support the Department of Commerce in the management of feasibility studies and planning for the development of the Pilbara Maritime Common Use Facility (CUF), \$5 million in funding has been provided from the Royalties for Regions initiative.

This builds on a previous prefeasibility study for having a marine-based CUF in the north-west, based on the very successful Australian Marine Complex in Henderson. The current studies are focused on identifying the type of facilities and infrastructure needed to support the growth and development of the oil, gas, resources, defence, housing, building and construction industries, and identifying suitable locations.

A CUF has the potential to diversify economic opportunities in the Pilbara and support high-level engineering that is currently sourced from overseas providers.

Algae-based industry

A study to explore common user infrastructure requirements for development of an algae-based industry in the Pilbara was commenced in early 2012 and is due to be released in September 2012. Consultants Worley Parsons were commissioned for the study by the department's Pilbara Cities Office, together with the Department of State Development and Department of Fisheries.

The study will explore the potential for the expansion of the algae industry in the Pilbara including technology-based industry development in biofuels, carbon sequestration, pharmaceuticals, agriculture, aquaculture and research.

The study is focused on current interest in the Pilbara, including:

- Aurora Algae, a technology company that has established a pilot plant in the Maitland Estate buffer
- Murdoch University research in biofuels, as funded by Rio Tinto
- International investment interest in algae-based industry investment in the Pilbara.

Pilbara Economic Diversification Framework

The Pilbara Cities Office commenced development of the Pilbara Economic Diversification Framework in early 2012 to support funding for economic diversification. The framework focuses on three critical issues:

- Barriers to economic diversification
- Incentives to overcome market constraints
- Knowledge to promote investment opportunities.

The Framework includes a number of projects identified as being at a relatively advanced stage of development, and have been included to provide current examples of how funding can be utilised. It provides the mechanism for consideration and assessment of the current projects highlighted, and also provides a formal basis for the consideration of these and future projects.

Pilbara agriculture precincts

To support the development of agricultural precincts in the Pilbara, investigations into the use of mine dewatering excess and groundwater resources are currently underway by the department's Pilbara Cities Office in collaboration with the Department of Agriculture and Food.

Pilot projects are being developed to test the viability of bio fuel and other crops that form part of a staged development to establish agricultural precincts. These projects will also deal with government legislation and regulations to streamline approval processes and encourage regional investment by reducing regulatory barriers.

Community Development Division

The Community Development Division establishes and supports Community Resource Centres (CRCs) across the State, to form the Western Australian Community Resource Network (WACRN).

Funding via the State Government's Royalties for Regions program allows CRCs to provide greater access to valuable services in their regions and undertake continued community and capacity building activities.

The Division encourages partnerships between CRCs and government agencies to enhance access to government information and services in small regional and remote communities.

2011-12 Operations

Community Resource Centres established

The Division currently supports 108 CRCs operating throughout Western Australia, including 28 centres located in remote regions.

The following communities officially joined the WACRN in 2011-12, with CRCs established in Brunswick Junction, Dandaragan, Mount Barker and Yarloop.

CRCs located in Gascoyne Junction and Menzies are currently operating and will be officially opened in the 2012-13 financial year.

Westlink live simulcasts

The department's satellite broadcasting station, Westlink continues to build on existing partnerships, providing free simulcast events to regional Western Australian communities.

In 2011-12, the following free simulcasts were broadcast to the CRC Network:

- *Opera in the Park, The Pearlfishers* – Western Australian Opera
- *Oz Concert* – KULCHA
 - *Symphony in the City* – Western Australian Symphony Orchestra
- CHOGM opening ceremony (with Her Majesty Queen Elizabeth II) – ABC network.
- Vienna Philharmonic Orchestra

The simulcasts were broadcast in major regional centres and attracted over 800 guests to the CRCs.

CRC classification levels

In 2010, RDL commissioned a review of the WACRN to assess the level of operation and services provided by CRCs to regional communities.

All CRCs were classified into three levels depending on the level of service, activities and governance activities they delivered. This classification was used to determine the funding support allocated to each CRC by RDL.

In 2011-12, the following CRCs were successful in obtaining a higher classification, demonstrating the increasing range of services and facilities that are provided to regional communities:

- Beverley
- Boddington
- Bruce Rock
- Corrigin
- Dalwallinu
- Dongara
- Koorda
- Meekatharra
- Morawa
- West Arthur



CRCs provide free access to government information and services

CRC funding schemes

RDL offers two funding schemes on top of annual funding support.

- | | |
|----------|--|
| Scheme 1 | CRC Building and Infrastructure Fund/Regional Collocation Scheme – provides CRCs, or applicants in the process of establishing a CRC, funding to establish suitable premises to operate from |
| Scheme 2 | CRC Special Projects Fund – provides support to CRCs to undertake innovative, creative and collaborative projects. |

During 2011-12, funding of \$1 441 440 was distributed to CRCs, supporting 18 applications under Scheme 1. A further \$526 537 was provided to implement 40 projects under Scheme 2.

Community Resource Network Traineeship Program

The Community Development Division has continued to support the Community Resource Network Traineeship Program, providing pathways to employment in regional and remote communities of Western Australia. There are currently 88 trainees engaged in traineeships through CRCs across the state. Fifty trainees completed various training certificates in 2011-12, with several engaging in further training programs. The traineeship programs provide nationally recognised qualifications in Business, Business Administration, Information Technology, Library and Information Services, Community Services, Tourism, Financial Services, and Arts Administration.

Trainees have gained employment at Shire offices, local organisations and within the CRCs, and one graduate was awarded the position of CRC Coordinator in a neighbouring community.

The program aims to build and retain capacity in regional and remote areas by expanding employment opportunities and developing the skills of local community members.

Increasing regional access to information and services

Rural in Reach and Women's and Family Health Services

The Women's Rural in Reach Program is a vital, new and innovative service providing women and families in regional areas with private, confidential access to health care support that is close to their home. The program was officially launched on 13 June 2012 with funding from Royalties for Regions.

The program extends the reach of the highly successful metropolitan-based Women's Health and Family Services, and takes health and wellbeing services to women and families located in regional, remote and rural areas of the state, eliminating the need to travel to regional centres.

Services are provided through 30 CRCs across all regions, from Kununurra in the East Kimberley region, Boddington in the Peel region, and Bremer Bay in the Great Southern region.



Many CRCs now provide child and family health services

Ngala and Child Health Services

To help families and carers overcome some of the challenges of raising a child, a number of CRCs have partnered with parenting experts Ngala and Child Health Services to provide regional families with opportunities to attend free Parent Education Workshops.

Through the CRCs, Ngala workshops explore a number of strategies for parents and discuss a range of techniques that can be used in difficult situations.

For community members that are unable to attend workshops, Ngala provide one-on-one private and confidential consultations via the CRCs video-conferencing facilities.

Workforce Development Centres

To assist people to make informed educational, training and occupational choices, RDL has partnered with the Department of Training and Workforce Development (DTWD) to deliver information and services attached to Workforce Development Centres (WDCs). The services and facilities of CRCs are employed by DTWD to help achieve this objective, as CRCs refer clients to WDCs and provide IT facilities free-of-charge for participants.

Remote Indigenous Public Internet Access

The National Partnership Agreement for Remote Indigenous Public Internet Access (RIPIA) aims to improve access to information and communication for remote Indigenous communities by providing public internet access facilities.

In 2011-12, \$120 000 in RIPIA funds was distributed by RDL to 10 remote CRCs based within Indigenous communities.

The project is supported by the Australian Government Department of Broadband, Communications and the Digital Economy, and the Western Australian Government through the Department of Commerce.

CRC Services Survey

A survey of the WACRN was undertaken in February 2012 to obtain a snapshot of the network and compare this to a 2009 survey. Including questions regarding services offered, the survey explored customer demographics, staff information, opening hours, internet connection reliability, and what type and number of services customers use.

Results demonstrated that CRCs were accessed approximately 600 000 times in 2011-12, with the highest user group being seniors (24.9%), followed by businesses (18.7%), unemployed persons (15.4%) and tourists (12.9%).

The services most used by customers was accessing the internet, which accounted for over 28 per cent of users, followed by photocopying services (13.9%), desktop publishing (6.5%), accessing government services booth (5.8%), secretarial services (5.3%) and participating in training courses (5%).

The estimate of individuals accessing the government information booths is approximately 35 000 per annum, which includes repeat customers. In addition, over 3000 video-conferencing sessions were held throughout the year.

Improving CRC operations

CRC Operations Manual

Dowerin CRC, on behalf of RDL, undertook a project for the development and production of a CRC Operations Manual. Funded by Royalties for Regions, the manual provides a resource of templates and information to build the capacity of existing and future CRCs and staff.

Strategic Planning Guide

A Strategic Planning Guide was developed by RDL in 2011-12 to create a simple and concise approach to business development. It includes a long-term planning process (typically three to five years) that aligns with the annual business plans already in use by CRCs.

The guide seeks to provide a sound and consistent approach that targets the network's need to function purposefully and fulfil its funding requirements for both the long-term, via strategic planning, and the short-term via annual business plans.

Marketing and Promotional Guide

To share the different tactics that have been utilised by CRCs to promote their centres and the network, RDL developed a Marketing and Promotion Guide specifically for the CRCs, ensuring the \$5000 Marketing and Promotional Support Grant provided to CRCs through the Royalties for Regions program is utilised effectively.

Web portal

To further strengthen reporting and communication between RDL and the State-wide CRC network, the development of a Web Portal has been identified as a high priority requirement.

In 2011-12, RDL employed the services of a portal developer to establish the functional requirements and specifications required for the portal.

The portal will allow for the submission, tracking and reporting of financial applications, grants and agreements between the CRCs and RDL, providing an essential tool for auditing and assessments. It will also ensure a high and efficient level of communication is maintained across all areas of engagement.

Storage and distribution service

To support the distribution of information regarding community and government services, RDL established an online ordering system through the storage and distribution service Quickmail. This service allows CRCs to select and order brochures and informative publications to meet the needs of their communities, and provides a convenient distribution service for agencies seeking to distribute information to regional communities.

In 2011-12, the service saw a marked increase in use, not only by the CRCs but also by agencies and non-government organisations utilising the service. The following organisations have partnered with RDL in utilising this service to distribute educational material and information regarding services available in the regions:

- Department of Commerce
- Department of Culture and the Arts
- Department of Education and Training
- Department of Environment and Conservation
- Department of Health
- Department of Water
- CY O'Connor Institute
- FESA
- Health and Disability Services
- Insurance Commission of WA
- Landgate
- Mental Health Commission
- Munda Biddi Trail Foundation
- Public Transport Authority
- WA Electoral Commission
- Women's Health and Family Services

Cluster Workshops

Within RDL, four Regional Coordinators provide strategic on-ground support for CRC Coordinators and staff. The Coordinators are based in Boddington, Bunbury and Northam, enabling regular visits to the CRCs to occur.

Regional Cluster Workshops are facilitated by the coordinators, allowing CRCs to engage in training and development opportunities, as well as to network and establish relationships across the network. In 2011-12, Cluster Workshops were held in Augusta, Narrogin, Kalgoorlie, Pemberton, Northam and Geraldton. The workshops encourage the development of the network and region-wide initiatives.

Coaching Support Program

As part of the department's commitment to the training and development of CRC staff and committee members, a Coaching Support Program was launched in 2011-12.

The program links experienced and highly efficient staff from the Network with new CRC Coordinators, assisting in building the sustainability of the network and acknowledging the competence and skills within the network.

New CRCs or centres experiencing high degrees of change, either in staffing or committee membership, will access this program. The program is to provide practical hands-on assistance and advice in all areas of day-to-day operations of a CRC.

The program is designed to complement the support and assistance provided by RDL to CRCs through the Regional Coordinators, an ongoing formal training program, and the Professional Development Grant funding.

Training audit, tender and training program

RDL facilitates learning development opportunities to support CRC personnel including staff, trainees, management committee members and volunteers, who are largely limited to participate in training due to their regional location.

To achieve this, a tender for the Provision of Regional Training and Development Services was advertised. A panel of suitably qualified trainers has been identified to deliver training to the WACRN. A Training Calendar has been established to ensure all CRCs are aware of the available training and other key events across the regional areas. The future framework of skills training for the CRCs will primarily focus on strengthening their governance and business management capacity.

Financial summary

The table below highlights the key comparisons between the estimated and actual results for 2011–12 and also reflects the key financial movements from 2010–11.

	2012 Actual \$'000	2012 Estimate \$'000	Variance \$'000	2012 Actual \$'000	2011 Actual \$'000	Variance \$'000
Total appropriations provided to deliver services	27 974	23 259	4 715	27 974	17 217	10 757
Total Cost of Services	376 745	559 642	-182 897	376 745	187 630	189 115
Less Total Income	-12 316	-5 758	-6 145	-6 558	-12 316	-5 201
Net Cost of Services	364 429	553 884	-189 455	364 429	180 515	183 914
Income disclosed as Administered Income	43 019	199 815	-156 796	43 019	43 820	-801

Appropriations increased from \$17.2 million in 2010–11 to \$28 million in 2011–12 predominantly as a result of new approved initiatives including increased support to the Regional Development Council, College Grove land development, Regional Development Support program and Ord Expansion.

The increase in Total Cost of Services of \$189 million from 2010–11 to 2011–12 was predominantly due to increased expenditure from the Royalties for Regions program for:

- Regional Centres Development (SuperTowns) (\$84 million)
- Gascoyne Development (\$60 million)
- Country Local Government Fund (\$65 million)
- Offset by a decrease in Pilbara Cities program funding (-\$16 million)

The variance between estimated and actual Total Cost of Services of \$183 million was predominantly due to lower than expected grant payments for:

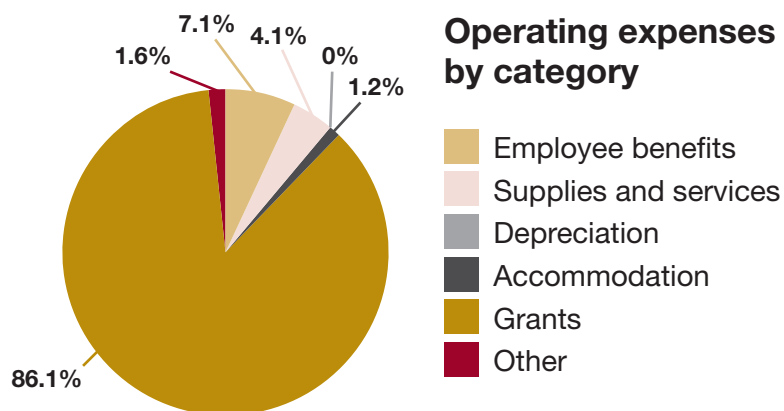
- Country Local Government Fund (\$146 million estimated expenditure versus \$95 million actual)
- Mid West Investment Plan (\$40 million estimated expenditure versus \$5 million actual)
- Regional Development Water initiatives (\$22.8 million estimated expenditure transferred to Department of Water during the year)
- Pilbara Cities Strategic Infrastructure (\$25 million estimated expenditure transferred to LandCorp during the year)
- Country Age Pension Fuel Card (\$13 million estimated expenditure transferred to Department of Transport during the year)
- Regional Workers Incentives (\$25 million estimated expenditure transferred to relevant State Government agencies).

RDL also collects administered income in relation to the sale and leasing of State Crown land. The variance between estimated and actual Administered income of \$157 million in 2011–12 was due to a change in accounting for land sales. In line with the Accounting Standards and current legislation the department has adopted a new methodology for treating the transfer and sale of Crown land. This has resulted in the removal of non-cash revenue for land transferred from other State Agencies for "Assets not Previously Recognised" (\$90 million) and Cost of Land Sold (\$39 million). As this resulted in a corresponding removal of non-cash expenditure the net impact on the financial statements is nil. During the year the Department also revised downwards the forecast for land proceeds as a result of the downturn in general land prices.

Operating expenses by category

As indicated below, grants expenditure was the major category of expenditure for RDL in 2011–12, mainly due to initiatives funded through the Royalties for Regions program.

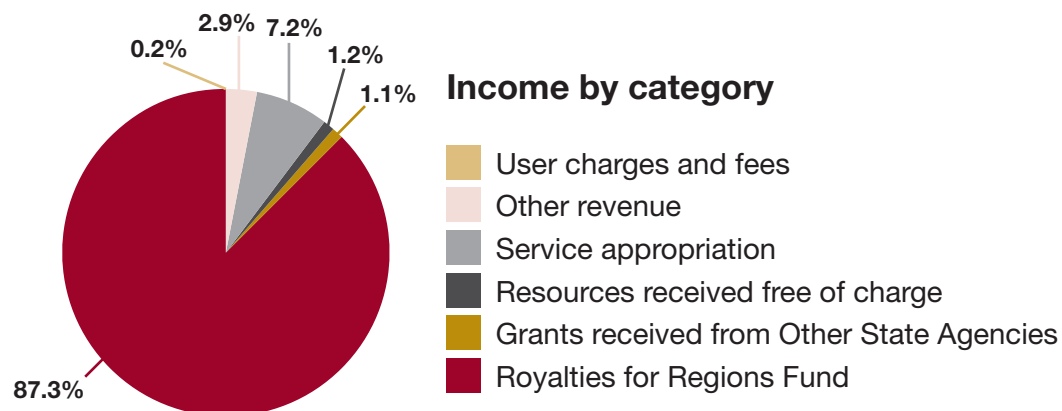
	\$'000	
Employee benefits	26 588	7.1%
Supplies and services	15 364	4.1%
Depreciation	70	0.0%
Accommodation	4 373	1.2%
Grants	324 381	86.1%
Other	5 969	1.6%
Total cost of services	376 745	



Income by category

As indicated below Royalties for Regions was the major source of funding for RDL in 2011–12.

	\$'000	
User charges and fees	954	0.2%
Other revenue	11 362	2.9%
Service appropriation	27 974	7.2%
Resources received free of charge	4 725	1.2%
Grants received from Other State Agencies	4 224	1.1%
Royalties for Regions Fund	338 606	87.3%
Total Income	387 845	



Significant issues impacting the agency

Current and emerging issues and trends

Rangelands diversification

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

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

Native title agreements

The provision of land to support growth, particularly in the Pilbara and Kimberley regions, requires complex native title agreements and land tenure transactions. Ensuring adequate resources for these functions is a key challenge for RDL.

Crown land assembly

Also posing resourcing challenges for RDL, is the support required for the land assembly elements of Pilbara Cities and the large number of mining-related developments in the Pilbara.

Crown land risk management

The department has direct management responsibility for Crown lands which are not leased or which are not managed by other bodies. These lands are Unallocated Crown Land (UCL) and Unmanaged Reserves (UMR) which together represent about 38 per cent of the State's area of 2 527 620km².

The department and its predecessors have adopted a mostly reactive role for all UCL and UMR in relation to fire management, weed and vermin control, trespass management, hazard identification and management and the removal of dangerous trees and buildings. Fire is regarded as a pre-eminent risk and RDL is working closely with the Fire and Emergency Services Authority (FESA) to ensure the proper management of fire risk on UCL and UMR in the metropolitan area, regional centres and town sites. The Perth Hills fires in January 2011 re-emphasised the importance of an integrated fire risk-management strategy for populated areas.

Resourcing

The administration of the Royalties for Regions program has escalated significantly since the original budget was announced for 2008-09. The department has assumed greater responsibility in the management of projects; taking over the management of the Country Local Government Fund in April 2010, providing executive support to the Western Australian Regional Development Trust and supporting the enhanced role of the Regional Development Council. Adequate resourcing ensures that the increasing funding from higher royalties revenue and escalating number of approved projects do not adversely impact on the department's effectiveness in managing the program.

Food security and regional development opportunities

With world food demand growing and supply becoming increasingly limited by reduced availability of arable land and water, Western Australia has a role in applying its expertise to developing new sustainable resources where water and suitable land are abundant. Western Australia's proximity to Asia, where the bulk of increased world demand is expected to eventuate, represents a significant opportunity to capitalise on water and land resources that have the potential to be sustainably developed, particularly in the north of the State.

RDL has a role in facilitating potential development opportunities and linking these with investment prospects. Sources of this much needed investment may well be international, particularly if the scale of development has the potential to be significant. The Ord Irrigation Area in the Kimberley, the Carnarvon horticultural precinct and new areas in the Pilbara, represent northern growth opportunities for increased agricultural development based on sugar, cotton, grains, and horticulture or fodder crops. Successful agricultural projects will create downstream economic growth for communities in the north, including more jobs and diversified business opportunities.

In the Pilbara region, agriculture has traditionally been limited to pastoral cattle production. However, the region is an under-utilised resource and embodies a growing opportunity. RDL has funded nine pilot Pilbara Water Opportunities projects worth \$2.5 million, focused on mine dewatering opportunities. Royalties for Regions funds were allocated to test the feasibility of projects that could make the best use of water resources, with the results of the pilots to be evaluated for their suitability as permanent agriculture precinct opportunities in the Pilbara. The State Government is also investigating the potential to develop irrigated precincts involving sustainable use of the underground water resources of the Canning Basin in the coastal East Pilbara and to the south west of Broome.

The department's Royalties for Regions funded Rangelands Reform Program has also been initiated to free up tenure in the rangelands to increase investment, economic diversity and employment. New lease tenure options are being developed for Crown land in order to expand the range of economic development opportunities that can be implemented on the rangelands. Where good quality land and water are available, this could enable pastoral lessees and others to develop new agricultural enterprises or more intensive pastoral enterprises, such as growing grain or hay for feed lotting rather than the traditional extensive rangelands grazing.

Economic and social trends

The world economic outlook

Western Australia is an export oriented economy and its performance is impacted by factors such as the economic growth rate in Asia, particularly China; the demand for raw material resources; and the value of the Australian dollar in relation to key currencies.

The most recent forecasts for economic growth in China are indicating a downturn in activity levels. This will most likely reduce the demand for resources, particularly iron ore. A similar outcome has already occurred in relation to other important trade partners of the State. The higher value of the Australian dollar in foreign exchange markets also acts to reduce the competitiveness of Western Australia's exporters.

When combined, these factors mean that the outlook for royalties revenue earned by the State is trending downwards at present and for the immediate future. This has a direct impact on the size of the Royalties for Regions Fund and its ability to deliver benefits to Western Australia.



Rice harvesting in the Ord Irrigation Area

Information and data about regional Western Australia

In recent years, there has been a considerable increase in the number and diversity of public agencies, private agencies and universities reporting indicators of regional development.

Increasing participation by the Australian Government and funding from the Regional Australia Institute has assisted in the detailed collection of information and data. As more data is being collected than ever before, challenges arise around the sharing of this information and ensuring that it is not duplicated.

In response to a lack of uniformity and definition in regional data, RDL has been working with agencies and research bodies to reduce disparities. The department has started the collation of indicator data, reports, articles and research into regional development and the establishment of an information hub to make these available to its stakeholders, businesses and the general public.

Ensuring regional capacity

Population, infrastructure and social amenity are not evenly or optimally distributed across Western Australia. Many regions face considerable challenges ensuring they have sufficient infrastructure and social amenities to respond to current and future community needs.

Identifying existing and emerging issues through advocacy and stakeholder engagement has enabled RDL to continue to work with other government agencies to address these deficits. More directly, the Royalties for Regions program

continues to address the long-term challenges confronting regional Western Australia through programs such as SuperTowns, Pilbara Cities, the Country Local Government Fund and the South West Regional Health Initiative.

Review of the Country Local Government Fund

On 28 June 2011, the Minister for Regional Development referred a review of the Country Local Government Fund (CLGF) to the Western Australian Regional Development Trust (Trust) with a requirement to report to him by January 2012.

The Trust undertook extensive consultation with stakeholders and invited submissions from interested parties. Twenty six recommendations were made against the review's terms of reference, addressing:

- The purpose of the CLGF
- What should be funded under the CLGF
- How much should be available through the CLGF
- Who should receive CLGF funding
- How CLGF funding should be received
- Who makes the decision about successful CLGF projects and on what basis
- What will deliver the best outcomes
- Capacity-building in the country local government sector.

In April 2012, the Government agreed to release the review for public comment and a total of 45 submissions were received. A government response is being prepared for consideration.

Commonwealth liaison

The Council of Australian Governments (COAG) Regional Australia Standing Council is comprised of the Australian Local Government Association and the Commonwealth, State, Territory and New Zealand Ministers with responsibility for regional matters. The Minister for Regional Development represents Western Australia on the Council.

The Council supports real and lasting growth in regional communities by establishing national approaches to regional development that cut across the traditional silos of governments. It aims at facilitating more effective planning and cooperation across government to achieve sustainable economic, social and environmental outcomes.

The Minister for Regional Development also represents Western Australia on the Northern Australia Ministerial Forum (NAMF), which is part of the Australian Government's response to the recommendations of the Northern Australia Land and Water Taskforce report released in February 2010. The intent of the NAMF is to provide a focal point for strategic leadership and collaboration for the sustainable development and management of Northern Australia.

The Beef Industry and Infrastructure Priorities Working Groups have been established under the NAMF to provide coordinated advice on developing the northern beef and mining industries. An Expert Advisory Panel and an Indigenous Experts Forum on Sustainable Economic Development have also been established.

Population growth

Western Australia's population continues to increase at a faster rate than in any other Australian state or territory.

Growth is never uniform across the State, although every non-metropolitan region's population, in aggregate, experienced positive growth over the past five years. The Peel, South West, Kimberley and Pilbara regions were the fastest growing. The Pilbara in particular, has experienced a greater than 50 per cent increase in its population since 2006.

The strong growth of the Western Australian economy underpins the State's population growth forecasts. Population is expected to reach 4.6 million by 2050.

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

Labour shortages

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

Fly-in/Fly-out workforce

Exponential growth in construction related activity, particularly in the North West of Western Australia, will place additional pressures on already tight housing markets in some regional areas. If not well planned and managed, this strain on the housing market will lead to loss of local business and increased propensity towards 'Fly-In/Fly-Out' workforces, thereby diminishing regional growth and benefits.

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

Pilbara Cities investment

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

Cross-government and industry collaboration

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

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

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

Changes in written law

During the financial year the following legislation was passed and proclaimed:
Reserves (Wanjarri Nature Reserve) Act 2011

The following regulations were made:
Land Administration Amendment Regulations 2011 (fees amendment)

Land Administration Amendment Regulations 2012 (amendment to definition of 'public utility services', and prescription of Commonwealth government agencies that can be passed interest-holders contact details)

Land Administration (Land Management) Amendment Regulations 2012 (amendment to Schedule 1)

Disclosure and legal compliance

Financial Statements

Independent audit opinion

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

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

Director General's Responsibility for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Regional Development and Lands at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Department of Regional Development and Lands during the year ended 30 June 2012.

Controls exercised by the Department of Regional Development and Lands are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Director General's Responsibility for Controls

The Director General is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Department of Regional Development and Lands based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Department complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the Department of Regional Development and Lands are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Regional Development and Lands for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Director General's Responsibility for the Key Performance Indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Director General determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Director General's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the Department of Regional Development and Lands are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators This auditor's report relates to the financial statements and key performance indicators of the Department of Regional Development and Lands for the year ended 30 June 2012 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/ from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 September 2012

Certification of Financial Statements

For the year ended 30 June 2012

The accompanying financial statements of the Department of Regional Development and Lands have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

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



S Kerr
Chief Finance Officer
7 September 2012



P Rosair
Director General
7 September 2012

Statement of Comprehensive Income	2012	2011
For the year ended 30 June 2012	\$000	\$000

COST OF SERVICES	Note		
Expenses			
Employee benefits expense	6	26,588	23,837
Supplies and services	7	15,364	18,308
Depreciation and amortisation expense	8	70	47
Accommodation expenses	9	4,373	3,506
Grants and subsidies	10	324,381	140,067
Other expenses	11	5,969	1,864
Total cost of services		376,745	187,629

Income

<i>Revenue</i>			
User charges and fees	12	954	490
Commonwealth grants and contributions	13	282	128
Other revenue	14	11,080	6,498
Total Revenue		12,316	7,116
Total income other than income from State Government		12,316	7,116

NET COST OF SERVICES		364,429	180,513
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Income from State Government	15		
Service appropriation		27,974	17,217
Resources received free of charge		4,725	4,484
Royalties for Regions Fund		338,606	162,938
Grants received from Other State Agencies		4,224	10,259
Total income from State Government		375,529	194,898
SURPLUS/(DEFICIT) FOR THE PERIOD		11,100	14,385

	2012	2011
	\$000	\$000
OTHER COMPREHENSIVE INCOME		
Changes in asset revaluation surplus	24 (2,078)	(3,057)
Total other comprehensive income	(2,078)	(3,057)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,022	11,328

See also the 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position		2012	2011
As at 30 June 2012		\$000	\$000
ASSETS	Note		
Current Assets			
Cash and cash equivalents	25	759	13,816
Restricted cash and cash equivalents	16,25	43,380	52,752
Receivables	17	28,520	8,987
Amounts receivable for services	18	32	32
Total Current Assets		72,691	75,587
Non-Current Assets			
Restricted cash and cash equivalents	16,25	687	456
Amounts receivable for services	18	2,835	2,504
Property, plant and equipment	19	277,429	253,232
Total Non-Current Assets		280,951	256,192
TOTAL ASSETS		353,642	331,779
LIABILITIES			
Current Liabilities			
Payables	21	6,530	12,058
Provisions	22	5,895	4,856
Other current liabilities	23	82	87
Total Current Liabilities		12,507	17,001
Non-Current Liabilities			
Provisions	22	1,389	1,085
Total Non-Current Liabilities		1,389	1,085
TOTAL LIABILITIES		13,896	18,086
NET ASSETS		339,746	313,693

	2012	2011
	\$000	\$000
EQUITY	24	
Contributed equity	142,900	125,869
Reserves	167,013	169,091
Accumulated surplus	29,833	18,733
TOTAL EQUITY	339,746	313,693

See also the 'Schedule of Assets and Liabilities by Service'.

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

Statement of Changes in Equity For the year ended 30 June 2012		Contributed equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
	Note				
Balance at 1 July 2010	24	116,688	172,148	4,348	293,184
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2010		116,688	172,148	4,348	293,184
Surplus		-	-	14,385	14,385
Other comprehensive income		-	(3,057)	-	(3,057)
Total comprehensive income for the period		-	(3,057)	14,385	11,328
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		9,181	-	-	9,181
Distributions to owners		-	-	-	-
Total		9,181	-	-	9,181
Balance at 30 June 2011		125,869	169,091	18,733	313,693
Balance at 1 July 2011		125,869	169,091	18,733	313,693
Surplus		-	-	11,100	11,100
Other comprehensive income		-	(2,078)	-	(2,078)
Total comprehensive income for the year		-	(2,078)	11,100	9,022
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		26,747	-	-	26,747
Distributions to owners		(9,716)	-	-	(9,716)
Total		17,031	-	-	17,031
Balance at 30 June 2012		142,900	167,013	29,833	339,746

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

Statement of Cash Flows	2012	2011
For the year ended 30 June 2012	\$000	\$000

Note

CASH FLOWS FROM STATE GOVERNMENT

Service appropriation	27,611	16,902
Capital appropriations	-	-
Holding account drawdowns	32	32
Royalties for Regions Fund	356,411	172,509
Grants received from Other State Agencies	15 4,224	10,259
Non-retained revenue distributed to owner	24 (9,716)	-
Cash and cash equivalent assets transferred from other agencies	-	22,001
Net cash provided by State Government	378,562	221,703

Utilised as follows:

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee benefits	(25,828)	(22,353)
Supplies and services	(12,869)	(13,728)
Accommodation	(2,874)	(3,849)
Grants and subsidies	(329,854)	(139,334)
GST payments on purchases	(34,984)	(14,348)
GST payments to taxation authority	(324)	(2,864)
Other payments	(6,094)	(1,234)

	2012	2011
	\$000	\$000

Receipts

User charges and fees	420	574
Commonwealth grants and contributions	98	128
GST receipts on sales	5,019	1,085
GST receipts from taxation authority	14,880	13,707
Other receipts	9,043	3,175
Net cash used in operating activities	25 (383,367)	(179,041)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments

Purchase of non-current physical assets	(17,393)	(50)
Net cash provided by/(used in) investing activities	(17,393)	(50)

Net increase/(decrease) in cash and cash equivalents	(22,198)	42,612
Cash and cash equivalents at the beginning of period	67,024	24,412

CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	25 44,826	67,024
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The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Schedule of Income and Expenses by Service
For the year ended 30 June 2012

	Regional Investment		State Land Administration		Regional Policy		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
COST OF SERVICES								
<u>Expenses</u>								
Employee benefits expense	10,282	8,589	13,778	13,576	2,528	1,673	26,588	23,838
Supplies and services	6,204	9,849	8,570	7,838	590	621	15,364	18,308
Depreciation and amortisation expense	22	12	44	34	4	1	70	47
Accommodation expenses	1,565	1,065	2,477	2,258	331	183	4,373	3,506
Grants and subsidies	320,747	139,547	3,543	520	91	-	324,381	140,067
Loss on disposal of non-current assets	-	-	-	-	-	-	-	-
Other expenses	5,185	318	695	1,472	89	74	5,969	1,864
Total cost of services	344,005	159,380	29,107	25,698	3,633	2,552	376,745	187,630
<u>Income</u>								
User charges and fees	84	31	856	459	14	-	954	490
Commonwealth grants and contributions	165	128	19	-	98	-	282	128
Other revenue	5,480	1,537	5,593	4,933	7	28	11,080	6,498
Total income other than income from State Government	5,729	1,696	6,468	5,392	119	28	12,316	7,116
NET COST OF SERVICES	338,276	157,684	22,639	20,306	3,514	2,524	364,429	180,514
<u>Income from State Government</u>								
Service appropriation	5,720	4,625	18,687	11,407	3,567	1,185	27,974	17,217
Royalties for Regions Fund	338,066	162,638	540	300	-	-	338,606	162,938
Resources received free of charge	-	49	4,725	4,425	-	10	4,725	4,484
Grants received from other State agencies	4,000	7,230	224	3,029	-	-	4,224	10,259
Total income from State Government	347,786	174,542	24,176	19,161	3,567	1,195	375,529	194,898
SURPLUS/DEFICIT FOR THE PERIOD	9,509	16,858	1,538	(1,145)	53	(1,329)	11,100	14,384

Schedule of Assets and Liabilities by Service								
	Regional Investment		State Land Administration		Regional Policy		Total	
As at 30 June 2012	2012	2011	2012	2011	2012	2011	2012	2011
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<u>Assets</u>								
Current assets	43,020	56,997	26,531	17,834	3,140	756	72,691	75,587
Non-current assets	21,352	900	258,602	255,112	997	180	280,951	256,192
Total assets	64,372	57,897	285,133	272,946	4,137	936	353,642	331,779
<u>Liabilities</u>								
Current liabilities	10,484	12,123	1,791	4,348	232	530	12,507	17,001
Non-current liabilities	446	305	834	709	109	71	1,389	1,085
Total liabilities	10,930	12,428	2,625	5,057	341	601	13,896	18,086
NET ASSETS	53,442	45,469	282,508	267,889	3,796	335	339,746	313,693

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

**Summary of Consolidated Account
Appropriations and Income Estimates**
For the year ended 30 June 2012

	2012	2012		2012	Restated	
	Estimate	Actual	Variance	Actual	2011	Variance
	\$000	\$000	\$000	\$000	Actual	\$000

Delivery of Services

Item 46 Net amount appropriated to deliver services	22,951	27,666	4,715	27,666	16,943	10,723
Amount Authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	308	308	-	308	274	34
Total appropriations provided to deliver services	23,259	27,974	4,715	27,974	17,217	10,757

Capital

Item 122 Capital appropriations

GRAND TOTAL	23,259	27,974	4,715	27,974	17,217	10,757
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Details of Expenses by Service

Regional Investment	531,648	344,005	(187,643)	344,005	159,380	184,625
State Land Administration	24,158	29,107	4,949	29,107	25,698	3,409
Regional Policy	3,836	3,633	(203)	3,633	2,552	1,081
Total Cost of Services	559,642	376,745	(182,897)	376,745	187,630	189,115
Less Total Income	(5,758)	(12,316)	(6,558)	(12,316)	(7,116)	(5,201)
Net Cost of Services	553,884	364,429	(189,455)	364,429	180,515	183,914
Adjustments	(530,625)	(336,455)	194,170	(336,455)	(163,298)	(173,157)
Total appropriations provided to deliver services	23,259	27,974	4,715	27,974	17,217	10,757

Capital Expenditure

Purchase of non-current physical assets	(60,702)	(17,393)	43,309	(17,393)	(50)	(17,344)
Adjustments for other funding sources (i)	60,702	17,393	(43,309)	17,393	50	17,343
Capital appropriations	-	-	-	-	-	-

Details of Income Estimates

Income disclosed as Administered Income (ii)	199,815	43,019	(156,796)	43,019	43,820	(801)
	199,815	43,019	(156,796)	43,019	43,820	(801)

Summary of Consolidated Account Appropriations and Income Estimates

(i) Adjustments comprise Royalties for Regions funding, Resources Provided Free of Charge, Grants received from other State government agencies, movements in cash balances and other accrual items such as receivables, payables and superannuation.

(ii) The amount for 2011 has been restated from \$101.192 million to \$43.820 million. In line with the Accounting Standards and current legislation the department has adopted a new methodology for treating the transfer and sale of Crown land. This has resulted in the removal of non-cash revenue for land transferred from other State agencies for "Assets not Previously Recognised" and "Cost of Land Sold". As this resulted in a corresponding removal of non-cash expenditure, the net impact on the financial statements is nil.

Note 29 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012.

Note 1. Australian Accounting Standards

General

The department's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the department for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General statement

The department is a not for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

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

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

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

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

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

(c) Reporting entity

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

Mission

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

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

Services

The department provides the following services:

Service 1: Regional Investment

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

Service 2: State Land Administration

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

Service 3: Regional Policy

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

The department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the department. These administered balances and transactions are not recognised in the principal financial statements of the department but schedules are prepared using the same basis as the financial statements and are presented at note 37 'Disclosure of administered expenses and income' and note 38 'Administered assets and liabilities'.

(d) Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the department gains control of the appropriated funds. The department gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the department. In accordance with the determination specified in the 2011-2012 Budget Statements, the department retained \$12.316 million in 2012 (\$7.116 million in 2011) from the following:

- proceeds from fees and charges
- sale of goods
- proceeds from pastoral leases and rental properties
- other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the department obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

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

(f) Property, plant and equipment and infrastructure

Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income *[other than where they form part of a group of similar items which are significant in total]*.

Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

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

Subsequent measurement

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

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

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

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

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

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

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

Derecognition

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

Asset revaluation surplus

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

Depreciation

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

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

Buildings	20 to 40 years
Plant and equipment	10 to 15 years
Office equipment	5 years
Software ^(a)	3 to 5 years
Motor vehicles	3 to 7 years
Infrastructure	55 to 80 years

(a) Software that is integral to the operation of related hardware

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

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

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

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

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

Licences	up to 10 years
Development Costs	3 to 5 years
Software ^(a)	3 to 5 years
Website costs	3 to 5 years

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

Licences

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

Development costs

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

Computer software

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

Website costs

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

(h) Impairment of assets

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

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

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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

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

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

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

(j) Leases

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

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

(k) Financial instruments

In addition to cash, the department has two categories of financial instrument:

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

Financial instruments have been disaggregated into the following classes:

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

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

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

(l) Cash and cash equivalents

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

(m) Accrued salaries

Accrued salaries [see note 21 '*Payables*'] represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account [See note 16 '*Restricted cash and cash equivalents*'] consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(n) Amounts receivable for services (holding account)

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

(o) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(p) Payables

Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

(q) Provisions

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

Provisions - employee benefits

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

Annual leave

The liability for annual leave that is expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Long service leave

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Conditional long service leave provisions are classified as non-current liabilities because the department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick leave

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

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

Deferred leave

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

Purchased leave

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

Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

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

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

The department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the department to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The department makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

Provisions – other

Employment on-costs

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

(r) Superannuation expense

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

(s) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

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

(t) Jointly controlled operations

The department has interests in joint ventures that are jointly controlled operations as reported in the notes for the Administered transactions and balances (notes 37 and 38). A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves the use of assets and other resources of the venturers rather than the establishment of a separate entity. The department recognises its interests in the jointly controlled operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint venture. The department also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

(u) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

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

Note 4. Key sources of estimation uncertainty

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

Long Service Leave

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

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the department.

<i>AASB 1054</i>	<i>Australian Additional Disclosures</i> This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
<i>AASB 2009-12</i>	<i>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</i> This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4	<p><i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</i></p> <p>The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.</p> <p>The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.</p>
AASB 2010-5	<p><i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</i></p> <p>This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.</p>

AASB 2010-6	<p><i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]</i></p> <p>This Standard introduces additional disclosures relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.</p>
AASB 2011-1	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]</i></p> <p>This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2011-5	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.</p>

Future impact of Australian Accounting Standards not yet operative

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

	Operative for reporting periods beginning on/after 1-Jan-13
<p>AASB 9 <i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-13
<p>AASB 10 <i>Consolidated Financial Statements</i></p> <p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-13

<p>AASB 11 <i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-13
<p>AASB 12 <i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-13
<p>AASB 13 <i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1-Jan-13
<p>AASB 119 <i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010). As the department does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	1-Jan-13

AASB 127	<i>Separate Financial Statements</i> This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The department has not yet determined the application or the potential impact of the Standard.	1-Jan-13	AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i> This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	1-Jul-13
AASB 128	<i>Investments in Associates and Joint Ventures</i> This Standard supersedes AASB 128 <i>Investments in Associates</i> , introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The department has not yet determined the application or the potential impact of the Standard.	1-Jan-13	AASB 2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The department has not yet determined the application or the potential impact of the Standard.	1-Jan-13
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i> This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.	1-Jul-13			
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i> [Modified by AASB 2010-7]	1-Jul-13	AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i> This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.	1-Jul-13

AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1-Jul-13	AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1-Jan-13
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-13	AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The department has not yet determined the application or the potential impact of the Standard.</p>	1-Jul-12
			AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact.</p>	1-Jan-13

AASB 2011-11	Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	1-Jul-13
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This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.

AASB 2012-1	Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]	1-Jul-13
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This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.

Note 6. Employee benefits expense

	2012 \$000	2011 \$000
Wages and salaries ^(a)	24,389	21,981
Superannuation – defined contribution plans ^(b)	2,199	1,856
	26,588	23,838

(a) Includes the value of the fringe benefit to the employee plus the leave entitlements including superannuation contribution

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

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

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

Note 7. Supplies and services

	2012 \$000	2011 \$000
Communications	719	884
Consultants and contractors	12,045	15,379
Consumables	358	334
Travel	752	824
Other	1,490	887
	15,364	18,308

Note 8. Depreciation and amortisation expense

	2012 \$000	2011 \$000
<u>Depreciation</u>		
Plant, equipment and furniture	70	47
Total depreciation	70	47

Note 9. Accommodation expenses

	2012 \$000	2011 \$000
Lease rentals	4,189	2,906
Repairs and maintenance	142	596
Cleaning	42	4
	4,373	3,506

Note 10. Grants and subsidies

	2012	2011
	\$000	\$000
<u>Recurrent</u>		
College Grove Contribution	2,800	-
Community Resource Network - Operational Support	10,283	10,070
Community Resource Network Program	2,243	2,052
Crown Land - Fire Risk Management (FESA)	450	450
Regional Infrastructure Fund	6,076	8,771
Royalties for Regions - Country Age Pension Fuel Card	12,362	23,853
Royalties for Regions - Country Local Government Fund	94,803	30,199
Royalties for Regions - Gascoyne Development	62,161	2,141
Royalties for Regions - Mid West Investment Plan	5,034	-
Royalties for Regions - Mobile Communication	10	588
Royalties for Regions - Ord Expansion Aboriginal Development Package	1,969	3,324
Royalties for Regions - Pilbara Cities Community Projects	19,292	35,036
Royalties for Regions - Pilbara Infrastructure and Headworks	5,898	5,862
Royalties for Regions - Regional Community Services	16,552	17,646
Royalties for Regions - Regional Development Centres (SuperTowns)	84,375	-
Other Minor Grants and Subsidies	73	75
	324,381	140,067

Note 11. Other expenses

	2012	2011
	\$000	\$000
Doubtful debts expense	33	519
Employment on-costs	57	41
Compensation Expenses	229	519
Transfer Payment - GST refund on Country Aged Pension Fuel Card	4,757	-
Other	893	785
	5,969	1,864

Note 12. User charges and fees

	2012	2011
	\$000	\$000
Regulatory Fees	178	-
Services Rendered	776	490
	954	490

Note 13. Indian Ocean Territories

The Agreement pursuant to Section 23 of the Financial Management Act, between the Treasurer and the Accountable Officer provides for the retention of monies received by the department of the Commonwealth in respect of the Indian Ocean Territories. Revenue retained pursuant to this agreement is to be applied to the department's services. Monies received by the department in respect of the services provided shall be credited to the department's operating account.

	2012	2011
	\$000	\$000
Opening balances	122	-
Plus: Gross receipts	98	128
	220	128
Less: Gross payments	197	6
Closing balances	23	122

The department has a Service Delivery Arrangement with the Commonwealth Department of Regional Australia, Local Government, Arts and Sport whereby it provides the same level of support and advice to the Shires of Christmas Island and Cocos (Keeling) Islands as it provides to Western Australian local governments. These local governments are Indian Ocean Territories, however, they operate under the auspices of the *Western Australian Local Government Act 1995*. Under a special arrangement, the Australian Minister for Local Government and Territories is the designated Minister under that Act.

Note 14. Other revenue

	2012	Restated 2011
	\$000	\$000
Rents and Leases	4,271	4,476
GST refund on Country Aged Pension Fuel Card ^(a)	4,757	-
Other revenue ^(b)	2,052	2,022
	11,080	6,498

(a) The Department of Transport received a GST ruling from the Australian Taxation Office that previously unclaimed GST related to the Fuel Card program could now be claimed. This amount was returned to the Special Purpose Account for the Royalties for Regions program.

(b) Amount for 2011 restated from \$16.757 million to \$6.498 million as amounts received from other State Government agencies is now reflected as part of Note 15 Income from State Government.

Note 15. Income from State Government

	2012	Restated 2011
	\$000	\$000
Appropriation received during the period:		
Service appropriation ^(a)	27,974	17,217
	27,974	17,217
Resources received free of charge ^(b) provided by agencies:		
Department of Local Government	-	168
Landgate	4,164	4,068
Department of Finance	325	-
State Solicitor's Office	236	248
	4,725	4,484

Royalties for Regions Fund:

- Country Local Government Fund ^(c)	80,068	44,280
- Regional Community Services Account ^(c)	63,345	48,458
- Regional Infrastructure and Headworks Account ^(c)	184,506	65,244
- Administration (New Statewide Initiative) ^(c)	10,687	4,956
	338,606	162,938

Grants received from Other State Agencies:^(d)

Ord Expansion Contributions	4,000	7,230
Yawuru Agreement Implementation Project	-	2,300
Other Grants from Other State Agencies	224	729
	4,224	10,259
	375,529	194,898

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

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

(d) Amount for 2011 restated to include \$10.259 million previously reported in Note 14 Other Revenue. These amounts received from other State Government agencies include:

- Ord Expansion Project contributions provided by the Department of State Development
- Contributions provided by the Department of the Attorney General to meet Yawuru Agreement project expenses.

Note 16. Restricted cash and cash equivalents

	2012	2011
	\$000	\$000
<u>Current</u>		
Royalties for Regions Fund ^(a)	36,850	44,950
Cash and cash equivalents	6,530	7,802
	43,380	52,752
<u>Non-current</u>		
Accrued salaries suspense account ^(b)	687	456
	687	456

(a) Unspent funds are committed to projects and programs in WA regional areas.

(b) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

Note 17. Receivables

	2012	2011
	\$000	\$000
<u>Current</u>		
Receivables	6,956	2,556
Allowance for impairment of receivables	(204)	(595)
GST receivable	15,101	3,042
Other debtors	6,667	3,984
Total current	28,520	8,987
Total receivables	28,520	8,987

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	595	214
Doubtful debts expense	33	519
Amounts written off during the year (refer note 36)	(33)	(138)
Reversal of provisions	(391)	-
Balance at end of year	204	595

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

Note 18. Amounts receivable for services (Holding Account)

	2012	2011
	\$000	\$000
Current	32	32
Non-current	2,835	2,504
	2,867	2,536

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

Note 19. Property, plant and equipment

	2012	2011
	\$000	\$000
<u>Land</u>		
At fair value ^(a)	249,798	251,322
	<u>249,798</u>	<u>251,322</u>
<u>Buildings</u>		
At fair value ^(a)	1,288	1,794
	<u>1,288</u>	<u>1,794</u>
<u>Office equipment</u>		
At cost	74	74
Accumulated depreciation	(70)	(64)
	<u>4</u>	<u>10</u>
<u>Computer Hardware</u>		
At cost	124	68
Accumulated depreciation	(53)	(17)
	<u>71</u>	<u>51</u>
<u>Fixtures and Furniture</u>		
At cost	249	249
Accumulated depreciation	(231)	(211)
	<u>18</u>	<u>38</u>
<u>Communications</u>		
At cost	54	54
Accumulated depreciation	(46)	(42)
	<u>8</u>	<u>12</u>
<u>Other Equipment</u>		
At cost	6	6
Accumulated depreciation	(1)	(1)
	<u>4</u>	<u>5</u>
<u>Buildings under construction</u>		
Construction costs	26,238	-
	<u>26,238</u>	<u>-</u>
	277,429	253,232

(a) Land and buildings were revalued as at 1 July 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2012 and recognised at 30 June 2012. In undertaking the revaluation, fair value was determined by reference to market values for land: \$236,890,850 (2011: \$237,903,050) and buildings: Nil (2011: \$495,000). For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost.

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

	Land	Buildings	Office Equipment	Computer Hardware	Fixtures & Furniture	Communications	Other Equipment	Buildings under construction	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2012									
Carrying amount at start of year	251,322	1,794	10	51	38	12	5		253,232
Additions	-	52	-	55	-	-	-	17,296	17,403
Transfers ^{(a) (b)}	-	-	-	-	-	-	-	8,942	8,942
Revaluation decrements	(1,524)	(554)	-	-	-	-	-	-	(2,078)
Depreciation	-	(4)	(6)	(35)	(20)	(4)	(1)	-	(70)
Carrying amount at end of year	249,798	1,288	4	71	18	8	4	26,238	277,429
	Land	Buildings	Office Equipment	Computer Hardware	Fixtures & Furniture	Communications	Other Equipment	Other Non-Current Assets	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2011									
Carrying amount at start of year	255,382	792	50	43	61	5	-	15	256,348
Additions	-	-	-	53	-	10	6	-	69
Other disposals	-	-	(34)	(31)	-	-	-	(15)	(80)
Revaluation increments/(decrements)	(4,060)	1,003	-	-	-	-	-	-	(3,057)
Depreciation	-	-	(6)	(14)	(23)	(3)	(1)	-	(47)
Carrying amount at end of year	251,322	1,794	10	51	38	12	5	-	253,232

(a) Land is transferred to the department as it is the only agency with the power to sell Crown land.

(b) The Department of State Development transferred \$8.942 million for infrastructure works in progress associated with the Ord Expansion Project. The transaction was effected as a transfer of equity between departments (refer Note 24).

Note 20. Impairment of assets

There were no indications of impairment to property, plant and equipment or intangible assets as at 30 June 2012.

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

All surplus assets at 30 June 2012 have either been classified as assets held for sale or written-off.

Note 21. Payables

	2012	2011
	\$000	\$000
<u>Current</u>		
Trade payables	942	5,276
Accrued expenses	4,478	5,293
Accrued salaries	1,110	1,489
Total current	6,530	12,058

Note 22. Provisions

	2012	2011
	\$000	\$000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	2,331	1,990
Long service leave ^(b)	2,979	2,417
	<u>5,310</u>	<u>4,407</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	585	449
	<u>5,895</u>	<u>4,856</u>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	1,240	964
Deferred salary scheme ^(c)	24	15
	<u>1,264</u>	<u>979</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	125	106
	<u>1,389</u>	<u>1,085</u>
	<u>7,284</u>	<u>5,941</u>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2012 \$000	2011 \$000
Within 12 months of the end of the reporting period	1,480	1,239
More than 12 months after the reporting period	851	751
	2,331	1,990

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	2012 \$000	2011 \$000
Within 12 months of the end of the reporting period	1,089	1,039
More than 12 months after the reporting period	3,130	2,342
	4,219	3,381

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

	2012 \$000	2011 \$000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the reporting period	24	15
	24	15

(d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

Movements in other provisions

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

	2012 \$000	2011 \$000
<u>Employment on-cost provision</u>		
Carrying amount at start of year	556	376
Additional provisions recognised	154	180
Carrying amount at end of year	710	556

Note 23. Other liabilities

	2012	2011
	\$000	\$000
<u>Current</u>		
Other - Unearned Revenue	82	87
Total current	82	87

Note 24. Equity

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

Contributed equity

	2012	2011
	\$000	\$000
Balance at start of period	125,869	116,688
<u>Contributions by owners</u>		
Capital appropriation	-	-
<u>Other contributions by owners</u>		
Royalties for Regions Fund – Regional Infrastructure and Headworks Account	17,805	9,181
<u>Distribution to Owners</u>		
Return of unspent funds previously held for the Regional Investment Fund	(9,716)	-
<u>Transfer of net assets from other agencies</u>		
Department of State Development	8,942	-
Total contributions by owners	17,031	9,181
BALANCE AT END OF PERIOD	142,900	125,869

Reserves

	2012	2011
	\$000	\$000
<u>Asset revaluation surplus</u>		
Balance at start of year	169,091	172,148
Net revaluation increments/(decrements):	(2,078)	
Land	(1,524)	(4,060)
Buildings	(554)	1,003
Balance at end of year	167,013	169,091

Accumulated surplus

	2012	2011
	\$000	\$000
Balance at start of year	18,733	4,348
Result for the period	11,100	14,385
Balance at end of year	29,833	18,733
Total Equity at end of period	339,746	313,693

Note 25. Notes to the Statement of Cash Flows

Reconciliation of cash

Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2012	2011
	\$000	\$000
Cash and cash equivalents	759	13,816
Restricted cash and cash equivalents	44,067	53,208
[note 16 'Restricted cash and cash equivalents']		
	44,826	67,024

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

	2012	2011
	\$000	\$000
Net cost of services	(364,429)	(180,513)

Non-cash items:

Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	70	47
Doubtful debts expense (note 11 'Other expenses')	33	519
Resources received free of charge (note 15 'Income from State Government')	4,725	4,484
Adjustment for other non-cash items	941	439
(Profit)/loss on sale of investment		

(Increase)/decrease in assets:

Current receivables ^(a)	(7,474)	(7,488)
Non-current receivables	(331)	(283)

Increase/(decrease) in liabilities:

Current payables ^(a)	(5,528)	(498)
Current provisions	1,039	1,079
Other current liabilities	(4)	21
Non-current provisions	304	450
Other non-current liabilities		(4)
Net GST receipts/(payments) ^(b)	(654)	(836)
Change in GST in receivables/payables ^(c)	(12,059)	3,542
Net cash provided by/(used in) operating activities	(383,367)	(179,041)

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, ie. cash transactions.

(c) This reverses out the GST in receivables and payables.

Note 26. Commitments

The commitments below are inclusive of GST where relevant.

Non-cancellable operating lease commitments

	2012	2011
	\$000	\$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	2,327	2,854
Later than 1 year and not later than 5 years	4,731	10,148
Later than 5 years	-	-
	7,058	13,002

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

Other expenditure commitments

	2012	2011
	\$000	\$000
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	400	81
Later than 1 year and not later than 5 years	49	-
Later than 5 years	-	-
	449	81

These commitments are all exclusive of GST.

Note 27. Contingent liabilities and contingent assets

Contingent liabilities

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

Litigation in progress

The department has pending litigation that may affect the financial position. One action for compensation against the department. The estimated maximum financial effect is \$160,000.

Native title claims

The department's land is subject to a number of native title claims that have yet to be assessed by the National Native Title Tribunal. The financial effect should these claims be successful cannot be estimated at this time.

Contaminated sites

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

Department of Environment and Conservation (DEC) has approved a program under section 12 of the Contaminated Sites Act 2003 for the systematic identification, inspection, reporting and treatment of suspected contaminated sites on Crown land under direct State Land Services (SLS) management. DEC have approved a \$50,000 program contribution for the ongoing remediation of the Wittenoom townsite in 2012/13.

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

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

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

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

Note 29. Explanatory statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled ‘Summary of Consolidated Account Appropriations and Income Estimates’ are shown below: Significant variations are considered to be those greater than 10% or \$250,000.

Total appropriations provided to deliver services

Significant variances between estimate and actual for 2012

No significant variance in the total appropriation.

Significant variances between actual results for 2011 and 2012

	2012 \$000	2011 \$000	Variance \$000
Total appropriation provided to deliver services for the year ^(a)	27,974	17,217	10,757
Total income ^(b)	12,316	7,116	5,201

(a) *Total appropriation provided to deliver services for the year* - The variance is due to funding received in 2011/12 for new initiatives including increased support to the Regional Development Council, College Grove land development, Regional Development Support program and Ord Expansion.

(b) *Total income* - The variance is predominantly due to a one-off payment of \$4.8 million relating to a GST refund for payments made through the Country Aged Pension Fuel Card program.

Service expenditure

Significant variances between estimate and actual for 2012

	2012 Estimate \$000	2012 Actual \$000	Variance \$000
Regional Investment ^(a)	531,648	344,005	(187,643)
State Land Administration ^(b)	24,158	29,107	4,949

(a) *Regional Investment* - The variance is predominantly due to lower than expected grant payments for the Country Local Government Fund (\$146 million estimated expenditure versus \$95 million actual), Mid West Investment Plan (\$40 million estimated expenditure versus \$5 million actual), Regional Development Water initiatives (\$22.8 million estimated expenditure transferred to Department of Water during the year), Pilbara Cities Strategic Infrastructure (\$25 million estimated expenditure transferred to LandCorp during the year), Country Age Pension Fuel Card (\$13 million estimated expenditure transferred to Department of Transport during the year) and Regional Workers Incentives (\$25 million estimated expenditure transferred to relevant State Government agencies).

(b) *State Land Administration* - The variance is predominantly due to unbudgeted expenditure on College Grove (\$2.8 million) and an increase in resourcing received free of charge from Landgate for service delivery obligations (\$1.1 million).

Significant variances between actual results for 2011 and 2012

	2012 \$000	2011 \$000	Variance \$000
Regional Investment ^(a)	344,005	159,380	184,625
State Land Administration ^(b)	29,107	25,698	3,409
Regional Policy ^(c)	3,633	2,552	1,081

(a) *Regional Investment* - The variance is predominantly due to increased expenditure from the Royalties for Regions program on SuperTowns Regional Centres Development projects (\$84 million), Country Local Government Fund (\$65 million), Gascoyne Development projects (\$60 million) and offset by a decrease in Pilbara Cities program funding (\$16 million).

(b) *State Land Administration* - The variance is predominantly due to unbudgeted expenditure on College Grove (\$2.8 million).

(c) *Regional Policy* - The variance is due to an increase in resourcing created from an internal restructure of activities to meet increased service delivery obligations.

Administered Income

Significant variances between estimate and actual for 2012

	2012 Estimate \$000	2012 Actual \$000	Variance \$000
Income disclosed as Administered Income ^(a)	199,815	43,019	(156,796)

(a) *Administered Income* - In line with the Accounting Standards and current legislation the department has adopted a new methodology for treating the transfer and sale of crown land. This has resulted in the removal of non-cash revenue for land transferred from other State Agencies for "Assets not Previously Recognised" (\$90 million) and Cost of Land Sold (\$39 million). As this resulted in a corresponding removal of non-cash expenditure the net impact on the financial statements is nil. During the year the department also revised downwards the forecast for land proceeds as a result of the downturn in general land prices.

Significant variances between actual results for 2011 and 2012

	Restated		
	2012	2011	
	Actual	Actual	Variance
	\$000	\$000	\$000
Income disclosed as Administered Income ^(a)	43,019	43,820	(801)

(a) *Administered Income* - In line with the Accounting Standards and current legislation the department has adopted a new methodology for treating the transfer and sale of crown land. This has resulted in the removal of non-cash revenue for land transferred from other State Agencies for "Assets not Previously Recognised" (\$27.5 million). As this resulted in a corresponding removal of non-cash expenditure the net impact on the financial statements is nil. During the year the department received a small decrease in land sale proceeds than in 2011.

Note 30. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 30(c) 'Financial instruments disclosures' and note 17 'Receivables'.

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

Liquidity risk

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

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the department's income or the value of its holdings of financial instruments. The department does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes]. The department's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2011	2012
	<u>\$000</u>	<u>\$000</u>
<u>Financial Assets</u>		
Cash and cash equivalents	759	13,816
Restricted cash and cash equivalents	43,380	52,752
Loans and receivables ^(a)	16,286	8,481
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	6,530	12,058

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

(c) Financial instrument disclosures

Credit risk

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

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

	Carrying Amount \$000	Not past due and not impaired \$000	<u>Past due but not impaired</u>					Impaired financial assets \$000
			Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000	
2012								
Cash and cash equivalents	759	759						
Restricted cash and cash equivalents	43,380	43,380						
Receivables ^(a)	13,419	6,501	5,438	841	405	221	13	
Amounts receivable for services	2,867	2,867						
	60,425	53,507	5,438	841	405	221	13	
2011								
Cash and cash equivalents	13,816	13,816						
Restricted cash and cash equivalents	52,752	52,752						
Receivables ^(a)	5,945	4,417	40	974	462	52		
Amounts receivable for services	2,536	2,536						
	75,049	73,521	40	974	462	52		

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

Liquidity risk and interest rate exposure

The following table discloses the department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity date				
			Fixed interest rate \$000	Variable interest rate \$000	Non- interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2012											
<u>Financial Assets</u>											
Cash and cash equivalents		759			759	759	759				
Restricted cash and cash equivalents		43,380			43,380	43,380	43,380				
Receivables ^(a)		13,419			13,419	13,419	13,419				
Amounts receivable for services		2,867			2,867	2,867		287	573	860	1,147
		60,425			60,425	60,425	57,558	287	573	860	1,147
<u>Financial Liabilities</u>											
Payables		6,530			6,530	6,530	6,530				
		6,530			6,530	6,530	6,530				
2011											
<u>Financial Assets</u>											
Cash and cash equivalents		13,816			13,816	13,816	13,816				
Restricted cash and cash equivalents		52,752			52,752	52,752	52,752				
Receivables ^(a)		5,945			5,945	5,945	5,945				
Amounts receivable for services		2,536			2,536	2,536		254	507	761	1,014
		75,049			75,049	75,049	72,513	254	507	761	1,014
<u>Financial Liabilities</u>											
Payables		12,058			12,058	12,058	12,058				
		12,058			12,058	12,058	12,058				

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

Fair values

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

Note 31. Remuneration of senior officers

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

\$	2012	2011
110,001 - 120,000	-	3
120,001 - 130,000	-	1
130,001 - 140,000	-	2
140,001 - 150,000	1	1
150,001 - 160,000	2	-
160,001 - 170,000	1	1
170,001 - 180,000	1	-
180,001 - 190,000	1	-
190,001 - 200,000	1	1
210,001 - 220,000	1	-
280,001 - 290,000	1	-
310,001 - 320,000	1	-
	\$000	\$000
Total remuneration of senior officers	1,978	1,220

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

No senior officers are members of the Pension Scheme

Note 32. Remuneration of auditor

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

	2012	2011
	\$000	\$000
Auditing the accounts, financial statements and key performance indicators	115	86
	115	86

Note 33. Related bodies

The department had no related bodies during the financial year 2011-12 and 2010-11.

Note 34. Affiliated bodies

The Community Resource Centre Network is an affiliated body that received administrative support and grant funding of \$12,526,000 (2011: \$12,122,000) from the department. The Community Resource Centres are not subject to operational control by the department.

Note 35. Special purpose accounts

Special Purpose Account

Dampier to Bunbury Natural Gas Pipeline Account (Administered) ^(a)

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

	2012	2011
	\$000	\$000
Balance at the start of the year	19,980	24,108
Receipts	54	28
Payments	(255)	(4,156)
Balance at the end of the year	19,779	19,980

Deposits Land Applications (Administered) ^(b)

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

	2012 \$000	2011 \$000
Balance at the start of the year	57,480	68,660
Receipts	1,451	2,553
Payments	(22,151)	(13,733)
Balance at the end of the year	36,780	57,480

War Service Land Settlement (Administered) ^(b)

This Account holds funds pending transfer to the Commonwealth Department of Primary Industry.

	2012 \$000	2011 \$000
Balance at the start of the year	4	560
Receipts	-	521
Payments	-	(1,077)
Balance at the end of the year	4	4

Wittenoom Relocation Trust Account (Controlled) ^(c)

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

	2012 \$000	2011 \$000
Balance at the start of the year	3,417	3,871
Receipts	-	250
Payments	(32)	(704)
Balance at the end of the year	3,385	3,417

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

Note 36. Supplementary financial information

(a) Write-offs

During the financial year 2012: \$32,572 (2011: \$136,771) was written off the department's asset register under the authority of:

	2012 \$000	2011 \$000
The accountable authority	33	-
The Minister	-	138
	33	138

Note 37. Disclosure of administered income and expenses by service

	State Lands		General – Not Attributed		Total	
	2012	Restated 2011	2012	Restated 2011	2012	Restated 2011
	\$000	\$000	\$000	\$000	\$000	\$000
COST OF SERVICES						
<u>Expenses</u>						
Employee benefits expense	642	634	-	-	642	634
Supplies and services	740	846	-	-	740	846
Accommodation expenses	5	29	-	-	5	29
Grants and subsidies	9	125	-	-	9	125
Cost of assets transferred	-	-	-	303	-	303
Transfer payments ^(a)	-	-	88,585	70,629	88,585	70,629
Other expenses	571	526	-	-	571	526
Share of joint venture expenses (refer to note 38 (i))	-	-	504	51	504	51
Total administered expenses (c)	1,968	2,211	89,089	70,983	91,057	73,143
<u>Income</u>						
For transfer:						
Regulatory fees and other charges	30	24	-	-	30	24
Land sales ^(b)	-	-	26,468	26,293	26,468	26,293
Net gain on disposal	-	-	-	-	-	-
Lease rental	-	-	15,865	17,503	15,865	17,503
Share of joint venture revenues (refer to note 38 (i))	-	-	657	-	657	-
Total administered income (c)	30	24	42,990	43,796	43,019	43,820

(a) This reflects Crown land lease and sale proceeds that are transferred to the State Government Consolidated Account during the year.

(b) Land sale revenue relates only to land sold on behalf of other agencies as the department is the only agency with the power to sell Crown land.

Sale of administered Crown land is reported as a net gain/loss on disposal of fixed assets as outlined below:

	2012 \$0	2011 \$000
Proceeds from Disposal of Land	41,229	57,372
Cost of Disposal of Land (at fair value less cost to sell)	(41,229)	(57,372)
Net Gain/(loss)	-	-

(c) The amounts for 2011 has been restated as outlined below:

- Administered Expenses restated from \$130.515 million to \$73.143 million.
- Administered Revenue restated from \$101.192 million to \$43.820 million.

In line with the Accounting Standards and current legislation the department has adopted a new methodology for treating the transfer and sale of Crown land. This has resulted in the removal of non-cash revenue for land transferred from other State Agencies for "Assets not Previously Recognised" and "Cost of Land Sold". The net impact on the financial statements is nil.

Note 38. Administered assets and liabilities

	2012 \$000	2011 \$000
Current Assets		
Cash and cash equivalents	63,594	86,353
Receivables	7,986	13,026
Land classified as held for sale ^(a)	12,316	-
War Service Land Settlement Scheme	1,352	1,352
Share of joint venture current assets (i)	1,646	882
Total Administered Current Assets	86,894	101,613
Non-Current Assets		
Land and Buildings at fair value (ii)	4,591,346	4,446,849
Easements, at fair value (ii)	15,787	15,612
Share of joint venture non current assets (i)	-	590
Total Administered Non-Current Assets	4,607,133	4,463,051
Total Administered Assets	4,694,027	4,564,664
Current Liabilities		
Payables	6,192	4,713
Provision	154	121
Income in Advance	1,284	1,043
Refundable deposits	34,262	57,462
Funds held in trust	775	7
Share of joint venture current liabilities (i)	69	48
Total Administered Current Liabilities	42,736	63,394
Non-Current Liabilities		
Provision	50	36
Total Administered Non-Current Liabilities	50	36
Total Administered Liabilities	42,787	63,430

(a) Crown land administered by the department and identified for sale within the next 12 months is reported as a non-current asset held for sale, details of balance held is outlined below:

	2012 \$000	2011 \$000
Opening Balance	-	-
Non-current assets classified as held for sale during the year	12,316	-
Less sale of assets previously recognised as held for sale	-	-
Closing Balance - Land classified as held for sale	12,316	-

(i) Notes to the Schedules of Administered Items – Joint venture

The Minister has a 21% interest in a joint venture with LandCorp and the City of Bunbury to develop, subdivide and sell land in Bunbury.

The following represents the Minister's interests in the joint venture operation:

	2012 \$000	2011 \$000
Expenses		
Cost of sales	495	-
Estate expenses	6	4
Operating expenses	3	47
Share of joint venture expenses	504	51
Revenues		
Interest	9	-
Sales	648	-
Share of joint venture revenues	657	-

Current assets

Cash	659	
Work in progress		882
Other current assets	987	-
Share of joint venture current assets	1,646	882

Non current assets

Undeveloped land	-	590
Share of joint venture non current assets	-	590

Total share of joint venture assets

1,646	1,472
--------------	--------------

Current liabilities

Accrued expenses	4	48
Accounts payable	63	-
Deferred income	2	-
Share of joint venture current liabilities	69	48

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

Land is measured at fair value based on independent valuations provided by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2012 and recognised at 30 June 2012.

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

Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 1 July 2011) were compliant with fair value at 30 June 2012.

(iii) Contingent liabilities

There were no contingent liabilities in relation to the Administered assets and liabilities schedule as at 30 June 2012.

Certification of Key Performance Indicators

For the year ended 30 June 2012

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Regional Development and Lands performance, and fairly represent the performance of the Department of Regional Development and Lands for the financial year ended 30 June 2012.

A handwritten signature in black ink, appearing to read 'Paul Rosair', with a long horizontal stroke extending to the right.

Paul Rosair, Director General
Department of Regional Development and Lands
Date: 15 September 2012

Department Level Government Desired Outcomes and Key Performance Indicators

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

RDL is a vibrant agency with a clear agenda: to develop thriving towns and communities in regional Western Australia and provide responsible management of the State’s Crown land and pastoral estate to better benefit all Western Australians.

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

Government goals	Department desired outcomes	Department services
Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.	Increased capacity of regional communities to develop economic growth and social wellbeing. State lands are administered to meet the State’s economic, social and cultural objectives.	1. Regional Investment 2. Regional Policy 3. State Land Administration

These desired outcomes provide the Key Performance Indicators, which are used to measure the department’s effectiveness and efficiency in the delivery of our services.

Desired Outcome:

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

The Royalties for Regions Fund has secured a dedicated funding source for regional development in Western Australia.

While providing a significant opportunity for regional growth, increased investment into the regions requires a strong governance, planning and risk management approach. The key role for RDL is to manage the risks associated with delivery outcomes, duplications and overlaps, lack of capacity and ensuring that projects are well planned and resourced.

Key to successful, sustainable and effective regional development is regional capacity building and regional decision making. This is supported by a variety of departmental services aimed to encourage responsible economic development and regional community growth.

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

- Administration of the Royalties for Regions program
- Advice and support to the Regional Development Commissions, including the Regional Grants Scheme and secretariat support
- Administration of the Country Local Government Fund
- Support to the independent authorities of the Regional Development Council and the Western Australian Regional Development Trust
- Westlink Services
- Community development, including advice, funding and support to the Community Resource Centres.

Effectiveness Indicator:

Client satisfaction with regional development services

To determine the effectiveness of the department's delivery of regional development services and programs, independent surveys were conducted to gather feedback from stakeholders, including government departments, local government bodies, businesses, non-government organisations and regional community groups.

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

Of 319 valid stakeholders, 256 surveys were completed giving a relatively high response rate of 80 per cent, with a maximum standard error ratio of +/- 2.7 per cent at the 95 per cent confidence level. These results exceed the Office of the Auditor General (OAG) minimum requirements of a 50 per cent response rate, and +/- 5 per cent at the 95 per cent confidence level.

Key Effectiveness Indicators	2011-12 Actual	2011-12 Target	2010-11 Actual	2009-10 Actual	Reasons for significant variance
Client satisfaction with regional development services	92%	75%	82%	86%	The 2011-12 results continue to exceed the targeted stakeholder satisfaction rate. RDL will review this for 2012-13 to ensure appropriate target setting.

Efficiency Indicators

Service 1: Regional Investment

This service empowers regional communities to identify their priorities, needs and solutions, and to invest Royalties for Regions resources aimed at improving the quality of life for people living in regional Western Australia.

New opportunities are created through funding initiatives that build infrastructure, facilitate economic development and business opportunities, improve community services, increase skills and capability, and grow regional communities.

Regional Investment recognises State Government investments that foster local decision making and increase the capacity of regional communities to develop both economically and socially. This aims to promote increased sustainability and a sense of community, resulting in a remote and regional Western Australia where people choose to work, stay, live and raise a family.

Efficiency indicators gauge the cost of providing these services based on measurable units of quantity, including a cost per funded initiative and a cost per satellite site supported.

Key Efficiency Indicators	2011-12 Actual	2011-12 Target	2010-11 Actual	2009-10 Actual	Reasons for significant variance
Average cost per funded initiative administered	\$16 865	\$20 072	\$11 968	\$7591	The increase from 2010-11 to 2011-12 is mainly attributable to additional funding for administering the Royalties for Regions program.
Average internal cost per satellite site supported	\$3269	\$4057	\$3823	\$3193	The decrease from 2010-11 to 2011-12 is due to a reduction in spending on Westlink studio equipment.

Service 2: Regional policy

This service focuses on delivering effective government policy to support regional development and service delivery, including modernising legislation. It ensures that the department's work is proactively supporting Aboriginal development and engagement through the department's programs and actions.

Regional policy business operates across the department and in collaboration with government and other organisations, to enhance planning and service delivery in Western Australia. Regional policy business addresses the challenges and opportunities of living, working and doing business in the regions, and RDL provides key advice to the Minister of Regional Development and Lands, and the State Government, on how to deliver this.

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

Key Efficiency Indicators	2011-12 Actual	2011-12 Target	2010-11 Actual	2009-10 Actual	Reasons for significant variance
Average cost per item of written advice requiring Minister's attention	\$1087	\$1513	\$784	\$268	An expected increase in costs in 2011-12 was offset by a larger volume of items than budgeted resulting in a smaller than expected increase in average cost.

Desired Outcome:

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

The *Land Administration Act 1997 (LAA)* is the State's legislation providing for disposition and management of Crown land. This Act is administered by the Minister for Lands and he is assisted by the Department of Regional Development and Lands.

The department's State Land Services Division administers and manages the State's Crown land estate to support the needs of the community of Western Australia, optimise the estate and ultimately benefit current and future generations, and to deliver primary land tenure for strategic State infrastructure projects.

Over one-third of this land is held under Pastoral Lease, with another one third held as unallocated Crown land, and 17 per cent comprising reserves (including conservation estate lands). In 2011-12, RDL managed over 2000 leases and settled \$74 million in sales of Crown land for future development.

Effectiveness Indicator:

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

The primary users of the State Land Services Division services are other State Government agencies and local governments. The extent to which these stakeholders are satisfied in their needs being supported by the division is an indicator of the department's effectiveness.

A stakeholder survey conducted by independent consultants asked stakeholders to rate their satisfaction with the division's services, and to what extent they felt Crown land has been provided to meet the State's economic, social and cultural objectives. Those surveyed were also asked to rate the department's management of risk on Crown land under its control.

Of 269 stakeholders contacted, 213 surveys were completed over the telephone with private enterprises, a sample of CEOs and Senior Officers in local government agencies, and selected government agencies. This reflects a response rate of 79 per cent which was up on last year's rate of 73 per cent and significantly more on the previous year's 66 per cent, giving a maximum standard error ratio of +/- 3.1 per cent at the 95 per cent confidence level. These results exceed the OAGs requirements of a 50 per cent response rate and maximum standard error ratio of +/- 5 per cent

Key Efficiency Indicators	2011-12 Actual	2011-12 Target	2010-11 Actual	2009-10 Actual	Reasons for significant variance
Percentage of customers satisfied that the management and use of Crown land is supporting the State's economic, social and cultural objectives	82.4%	75%	72.6%	82.3%	The 2011-12 results exceeded the targeted stakeholder satisfaction rate and represented a significant improvement on the result reported in 2010-11.

Service 3: State Land Administration

The department works in close partnership with public and private entities to ensure that Crown land needs are met in a sustainable and responsible manner.

The cost per Crown land action is calculated by dividing the total recurrent budget allocated to the State Land Services Division by the number of Crown land actions. A Crown land action occurs when any type of registrable document created via the Document Processing System is lodged at Landgate by the division's staff.

Crown land actions also include issued surveys, and the number of tenure searches, inspections and rent re-appraisements which are all tracked and reported on a monthly basis.

Key Efficiency Indicators	2011-12 Actual	2011-12 Target	2010-11 Actual	2009-10 Actual	Reasons for significant variance
Cost per Crown land action	\$6252	\$5757	\$3486	\$3427	The increase from 2010-11 to 2011-12 is due to an overall reduction in land actions. While the department has been impacted by a downturn in general property transactions, resources have been redirected to complex land administration issues associated with a number of major State projects.

Ministerial directives

No Ministerial directives were received during the financial year.

Other financial disclosures

Pricing policies of services provided

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

The current list of fees and charges may be found within Schedule 1 of the *Land Administration Regulations 1998* under Fees payable to chief executive officer.

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

Capital works

Capital project incomplete

The construction of two new buildings are scheduled for final completion in 2012. The projects are the Coral Bay Seasonal Staff Accommodation and the Ord Expansion Garrjang Workers Village. The estimated total cost of the projects are \$26 500 000 and the estimated remaining cost to complete the project at 30 June 2012 is \$400 000.

Capital projects completed

No capital projects were completed during 2011-12.

Employment and industrial relations

Occupational Safety and Health (OSH) and Injury Management

Statement of Agency commitment to OSH and injury management

RDL is committed to ensuring that its operational activities are carried out with full regard for the health, safety and welfare of employees, contractors and the public. The department's executive support this commitment through participation in relevant training programs, communication of OSH matters on the department's intranet, and reporting through Corporate Executive on relevant matters. Peter Stubbs, Director Ord Expansion Project and a member of the Corporate Executive is also the chair of the OSH Committee.

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

The department ensures compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981* through a systematic approach to injury management that combines expert assistance from external providers with the support of supervisors and human resource staff at the department. Relevant policies, processes and systems are outlined on the department's intranet.

During 2011-12, full management of this responsibility returned to the department from Shared Services in April 2012. RDL has undertaken a review of the existing systems and policies and monitors these on a regular basis through the OSH Committee. RDL has appropriate systems in place, which include return-to-work strategies.

Formal mechanism for consultation with employees on OSH matters

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

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

- Making recommendations and providing assistance in the development of strategies to ensure the effective management of OSH
- Monitoring and reviewing OSH measures (including inspections)
- Assisting in the resolution of OSH issues that arise in the workplace
- Obtaining information and consulting with the employer about proposed changes that may affect OSH
- Identifying training needs for employees/volunteers and supervisors/managers
- Considering matters referred to it
- Undertaking other functions assigned to it by legislation.

Assessment of OSH management systems

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

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

OSH and injury management performance

Measure	Actual Results		Target
	2010-11	2011-12	
Number of Fatalities	0	0	0
Lost time injury/disease (LTI/D) incident rate	0	0	0 or 10% improvement on the previous three years
Lost time injury severity rate	0	0	0 or 10% improvement on the previous three years reduction
Percentage of injured workers returned to work within			
(i) 13 weeks	100%	100%	Greater than or equal to 80% return to work within 26 weeks
(ii) 26 weeks	100%	100%	
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	10%	88%	Greater than or equal to 80%

RDL identified a previous low level of compliance of managers and supervisors trained in OSH and injury management, and in 2011-12 implemented training to address this issue. The training will be conducted on a regular basis for any new managers and supervisors, with refresher training to occur every three years.

Staff profile

	2011-12 Headcount	2011-12 Actual FTE (approved FTE of 292)
Permanent full-time	216	216
Permanent part-time	43	22.6
Temporary full-time	47	47
Temporary part-time	13	6
Total	319	291

As at 30 June 2012, RDL had an approved full-time equivalent (FTE) of 292 personnel and an actual FTE of 291.

During 2011-12, the department commenced and finalised a number of recruitment and selection processes, resulting in an increased headcount from 262 at the start of the first quarter, to 320 at the end of the fourth quarter.

The representation of permanent officers increased from 218 to 259, and temporary staff numbers increased from 44 to 60.

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

Graduate Program

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

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

The department hosted two graduates for a period of three months during the second half of 2011, and appointed two graduates to the program in January 2012. Recruitment for two additional graduates for the 2013 intake will occur in late 2012.

Traineeship Program

In line with the department's Aboriginal Employment Strategy and succession planning elements of the workforce plan, RDL worked with the Aboriginal Affairs Branch to appoint three school-based trainees, three full-time trainees, and a trainee through the Public Sector Commission Aboriginal Traineeship program.

Strategic Workforce Plan

The department has developed a strategic workforce plan for 2012 to 2015. The plan has been developed to ensure we have a vibrant, talented, engaged and skilled workforce supported by a positive corporate culture and management practices that will attract and retain staff.

By achieving the outcomes highlighted in the plan, RDL will be well placed to meet the current and future workforce challenges experienced by the public sector. The Strategic Workforce Plan will ensure that RDL has a capable and effective workforce that supports the achievement of the department's strategic priorities.

Employee Opinion Survey

In July 2011, and after two years of operation, the department launched its first Employee Opinion Survey. The survey was an opportunity for staff to provide comment and feedback on the performance and future direction of RDL. The questions outlined in the survey covered a number of key focus areas and incorporated the principles of the department's values statement, 'The RDL Way'.

There was a very high response rate of 71 per cent, and the results outlined a number of areas where the department is performing well and demonstrated that we are a motivated and committed workforce.

A large number of staff participated in workshops following the publication of the results. The focus of the workshops was to further identify the key actions that were needed based on the survey results. The department has implemented five working groups to address key issues including Health and Wellbeing, Recognition, Business Improvement, Learning and Professionalism and Cross Divisional Staff Networks and Cultural Integration.

The RDL Way

'The RDL Way' is the department's values statement, developed by staff who have also contributed many ideas about the type of workplace they would like RDL to be. The department's employee opinion survey incorporated questions relating to employee perception of 'The RDL Way'.

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

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

Wellness Program

In 2011-12, RDL launched a Wellness Program to ensure employees maintain a well-balanced and healthy life.

The program includes a number of activities, events and seminars related to physical, emotional, occupational, spiritual and intellectual wellbeing, as well as work and personal relationships.

Cultural Awareness training

The department's Aboriginal Affairs Branch successfully delivered five Cultural Awareness training sessions to staff in the 2011-12 financial year.

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

The evaluation process has indicated sessions were well received by staff, and will continue to be rolled out in 2012-13.

Aboriginal Employment Strategy

An Aboriginal Employment Strategy was implemented in January 2012 by the department's Aboriginal Affairs Branch, in conjunction with Human Resources.

There are six Aboriginal staff and three school-based Trainees in RDL. It is anticipated that by the end of 2012, there will be at least an additional four full-time Aboriginal Business Trainees working in the department.

Welcome to Country protocol

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

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

Governance disclosures

Contracts with senior officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Department of Regional Development and Lands other than normal contracts of employment of service.

Other legal requirements

Advertising under the *Electoral Act 1907*

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

Advertising agencies	2012 \$000	2011 \$000
Market research organisations		
- Advantage Communications and Marketing	12	
- Patterson Market Research		5
Polling organisations		
Direct mail organisations		
- Quick Mail	1	4
Media advertising organisations		
- Adcorp Australia	221	274
- Cooch Creative Pty Ltd	11	
- Marketforce Communications Limited	182	113
- Optimum Media Decisions (WA) Limited	70	81
- Rural Press Regional Media (WA) Pty Ltd	2	
Total expenditure	499	476

Disability Access and Inclusion Plan outcomes

RDL is committed to the access and inclusion of people with disability, and aims to continually improve its services, facilities and information for people with disability, their families and their carers. It is a requirement under the *Disability Services Act 1993* (amended 2004) (the Act) that public authorities develop and implement a Disability Access and Inclusion Plan (DAIP).

Having previously relied on predecessor agencies for corporate services under service level agreements, RDL completed its inaugural DAIP in June 2012.

The DAIP highlights the department's commitment to:

- Ensuring that people with disability are given the opportunity to participate in shaping the development of regional WA through the department's existing community consultation processes
- Developing feedback mechanisms to ensure barriers to access and inclusion are addressed
- Ensuring all staff, agents and contractors work towards the desired access and inclusion outcomes in the DAIP
- Achieving the six desired outcomes as defined in the Act.

The DAIP provides a set of strategies and initiatives to guide the department's efforts to achieve the desired outcomes as it continues to improve and promote access and inclusion to services, facilities and information.

The six desired outcomes are:

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by RDL

Outcome 2: People with disability have the same opportunities as other people to access the department's buildings and other facilities

Outcome 3: People with disability receive information from RDL in a format that will enable them to access the information as readily as other people

Outcome 4: People with disability receive the same level and quality of service from the staff of RDL as other people receive

Outcome 5: People with disability have the same opportunities as others to make complaints to RDL

Outcome 6: People with disability have the same opportunities as others to participate in any public consultation by RDL

The RDL Substantive Equality Committee will review the implementation and progress of the strategies identified in the DAIP, and the department will continue to meet its reporting requirements under the Act, including annual progress reports to the Disability Services Commission and an update in the Annual Report.

Statement of compliance with Public Sector Standards and Code of Ethics

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

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

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

The department is also committed to the requirement that all public sector employees participate in Accountable and Ethical Decision Making Workshops. As of 30 June 2012, 93.7 per cent of targeted staff had met this requirement. Ongoing training sessions are scheduled for 2012-13 to ensure that employees new to the department, and those yet to complete the training, have the opportunity to do so.

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

RDL has a Conflict of Interest policy and procedure to ensure potential conflicts of interest are considered within an ethical framework and managed accordingly.

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

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

Recruitment and selection training has been developed and implemented for all managers and staff who participate as selection panel members. Responsibility for compiling applications for the department's recruitment and selection processes lay with the Department of Treasury and Finance Shared Services Centre. In 2011 it was announced that the Shared Services Centre would be progressively decommissioned. In November 2011, full responsibility for the recruitment function returned to the department. The department also became responsible for the administrative aspects of the recruitment function for the nine Regional Development Commissions.

In April 2012, the full responsibility for the following human resource (HR) services also returned to the department from the Shared Services Centre – Occupational Safety and Health, Workers Compensation, Performance Management, Training and Development, Staff Deployment, HR Business Consulting and Development (Strategic Human Resources), Job Classifications and Equity and Investigations.

During 2011-12, there were no requests for review under Public Sector Standards in Human Resource Management.

One incident relating to workplace conduct was reported during the year, resulting in one improvement action notice.

There were no formal grievances lodged during 2011-12.

Record Keeping Plan

RDL is committed to meeting the requirements of the *State Records Act 2000* through the creation and implementation of an appropriate record keeping plan that details policies, practices and standards adopted by RDL. In April 2012, RDL submitted an updated record keeping plan to the State Records Commission.

SRC Standard 2 – Record Keeping Plans; Principle 6 – Compliance

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

Following the department's consolidation of electronic document records management systems (eDRMS) into a single system in May 2011, a new records management policy was developed and implemented. New department-wide processes and practices have also been established and fully documented.

Requirement 2: The organisation conducts a record keeping training program

RDL is committed to records management training for all staff. A comprehensive training program was designed to ensure staff understand and fulfil their record keeping responsibilities, as well as gain the necessary skills to manage electronic documents in the eDRMS, including version control, auditing tasks, collaboration and document approvals.

The program was created and delivered in-house, by senior information officers, providing over 114 hours of training by March 2012. The topic-based training program is structured into four, one-hour sessions covering key topics including an overview of the

eDRMS structure, its ability to enhance electronic document collaboration, searching skills, working with various types of electronic documents and managing emails.

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

The training program is continually refined to ensure it meets the needs of the audience and it is often tailored for different business units. The Information Services Branch monitors eDRMS activity and provides ongoing, customised support to each organisational division. The effectiveness of the program is measured by analysing the uptake of the eDRMS and the lessening reliance on non-approved record keeping tools, such as network drives.

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

The department's induction program contains a component of information services, including records management. During the induction, staff learn about record keeping responsibilities expected of government employees, contractors and board members.

Topics covered include information about the Act, the record keeping plan itself, departmental policies, procedures and practices, as well as State Records Office standards and principles which underpin our departmental record keeping activities.

Government policy requirements

Substantive equality

RDL is committed to facilitating the development of sustainable regional communities that build and deliver opportunities, facilities and services appropriate to their people. The Substantive Equality committee has developed a policy statement for implementation by all divisions to ensure the department's information and services reach all people of regional Western Australia, regardless of factors such as remoteness and language barriers.

In January 2012, RDL implemented that all advertised positions must now state:

"The Department of Regional Development and Lands promotes workplace flexibility and diversity, seeking to include and value the contributions of all people. We strongly encourage people from regional areas, Aboriginal Australians and Torres Strait Islanders, people with disabilities and people from culturally and diverse backgrounds to apply."

Recently, RDL participated in an online survey which gathered information about awareness of substantive equality. The results of this survey will inform the communications strategy for the department for 2012-13.

RDL is continuing work to address barriers and has started a needs and impact assessment regarding uptake of the Country Aged Pension Fuel Card Scheme (CAPFS) by people from culturally diverse backgrounds, as well as people from remote Indigenous communities.

The CAPFS is under regular policy review in order to confirm the appropriateness of policy settings and that the scheme is meeting its objectives. For example, a 2010 review of eligibility parameters resulted in the inclusion of additional pension categories and additional postcode areas in the Peel region.

Ongoing monitoring and review of the CAPFS also includes consideration of monthly data and statistics on card usage. This data is useful in identifying regions where additional promotion of the scheme may be required. For example, current data suggests that card uptake amongst eligible pensioners in the Pilbara and Kimberley is not currently meeting expected demand. The department is undertaking a number of strategies to address this issue, including the distribution of CAPFS flyers through the relevant Regional Development Commissions, promotion during regional agricultural shows and other events as appropriate, the provision of promotional material for distribution by Centrelink staff during their regional field trips, and the development of a targeted media campaign.

RDL is also about to trial the use of Community Resource Centres as lodgement centres for applications in locations where a participating post office may not be available.

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