



Department of  
**Primary Industries and  
Regional Development**

# Annual Report 2018



Protect Grow Innovate

## Statement of compliance

For year ended 30 June 2018

**Hon. Alannah MacTiernan MLC**

**Minister for Regional Development; Agriculture and Food**

and

**Hon. Dave Kelly MLA**

**Minister for Fisheries**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the report of the Department of Primary Industries and Regional Development for the reporting period ending 30 June 2018.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and reporting requirements under the *Fish Resources Management Act 1994* and *Soil and Land Conservation Act 1945*.

A handwritten signature in black ink, appearing to read 'R Addis', with a long horizontal stroke extending to the left.

Ralph Addis  
Director General

## Contact

Postal: Locked Bag 4, Bentley Delivery Centre WA 6983  
Street address: 3 Baron-Hay Court, South Perth WA 6151  
Internet: [dpird.wa.gov.au](http://dpird.wa.gov.au)  
Email: [enquiries@dpird.wa.gov.au](mailto:enquiries@dpird.wa.gov.au)  
Telephone: +61 1300 374 731

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## Guide to this report

This report presents the statutory compliance, performance and operational reporting for the financial year ending 30 June 2018. It consists of four principal sections and appendices:

**Overview** — provides a snapshot of the year in review and outlines who we are and what we do, the industries and communities we support, and how we go about our business.

**Agency performance** — outlines what we have achieved along with details of how we performed against targets for the year.

**Significant issues** — describes current and emerging issues and trends impacting on our operations.

**Disclosures and legal compliance** — details our financial situation and performance against our key performance indicators (KPIs) along with reports on staffing, governance and legal and policy issues.

**Appendices** — incorporates Statement by the Commissioner of Soil and Land Conservation; Breeding stock status, catch and effort ranges for WA's major commercial and recreational fisheries; and State register of authorisations, exemptions and aquaculture leases.

In this report, we refer to the Department of Primary Industries and Regional Development as 'the department' or 'DPIRD'.

A list of acronyms and abbreviations used is provided on the following page.

## Acronyms and abbreviations

AEGIC	Australian Export Grains Innovation Centre
AHA	Animal Health Australia
CLso	<i>Candidatus</i> Liberibacter solanacearum
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAWR	Department of Agriculture and Water Resources (Commonwealth)
DAIP	Disability Access and Inclusion Plan
DAFWA	Department of Agriculture and Food, Western Australia (former department)
DBCA	Department of Biodiversity, Conservation and Attractions (Western Australia)
DoT	Department of Transport (Western Australia)
DPIRD	Department of Primary Industries and Regional Development
FTE	full-time equivalent (staff hours)
GRDC	Grains Research and Development Corporation
GVAP	gross value of agricultural production
ICT	information and communications technology
IFS	Industry funding scheme
KPI	key performance indicator

MSC	Marine Stewardship Council
NA	Not applicable
NCoS	net cost of service
NRM	natural resource management
NVD	National vendor declarations
OSH	occupational safety and health
PSC	Public Sector Commission
PHA	Plant Health Australia
Qfly	Queensland fruit fly
RfR	Royalties for Regions
R&D	research and development
RDC	Regional Development Commission
RSPCA WA	Royal Society for the Prevention of Cruelty to Animals Western Australia
RTP	Regional Telecommunications Project
TACC	Total Allowable Commercial Catch
TPP	Tomato potato psyllid
UWA	University of Western Australia
WA	Western Australia

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# Overview



## Executive summary

### Year at a glance

- Created a strong, unified department merging 3 government agencies and staff of 9 Regional Development Commissions
- Provided \$874.9m through the Royalties for Regions program towards 270 new and continuing initiatives
- Opened Albany multi-species mollusc hatchery that is expected to create 350 new jobs over 10 years
- Opened new \$11.5m Northam grains research facilities
- Awarded tender for state-of-the-art fish health labs at Watermans Bay
- Ran effective emergency incident responses to 4 pest and disease incursions into Western Australia (WA)
- Facilitated Marine Stewardship Council (MSC) sustainability certification for our State's pearl and wild abalone fisheries
- Awarded total of \$19.5m to develop Albany wave energy project
- Set up beach emergency numbering system to assist emergency response to shark attacks
- Eliminated a record 130 colonies as part of European wasp surveillance program
- Ended year with revenue of \$453m and expenditure of \$473m



## Director General's report



Welcome to the first annual report of the Department of Primary Industries and Regional Development.

Our department was formed on 1 July 2017 as part of the State Government's public sector reforms, bringing together the departments of Agriculture and Food, Fisheries and Regional Development and the staff of the nine Regional Development Commissions.

The amalgamation acknowledges the importance of agriculture,

fisheries and regional development to our State and the synergies between them. It enables us to harness our combined knowledge and expertise to support jobs and economic growth.

I have been given the great privilege of leading DPIRD as we progress the significant task of building a unified department that can deliver an improved, more efficient service to our primary industries and regions.

During the year, we managed the amalgamation and the integration of our activities in a staged approach, with a focus on putting the fundamental building blocks in place – those being a clear purpose, strategy and structure.

We have chosen to base our work around the three key themes of Protect, Grow and Innovate, and developed complementary priorities that we believe will best serve our industries and regions. These have since been enshrined in our DPIRD Strategic Intent 2018–21.

We have also recruited a strong Corporate Executive team to lead our department; developed our corporate values to help create a staff culture that is responsive, resilient, results-driven and that values relationships; and made significant progress on implementing a new organisational structure that will enable us to deliver positive impacts across the State in economic development and sustainable resource management.

We also began a capability review at the request of the State Government that, once complete, will allow the government to make more informed decisions and commitments about our future role and resourcing.

While significant effort was spent on integration activities, we still maintained continuity and excellence in service to our clients.

We helped to grow our primary industries, including through the opening of the Albany multi-species mollusc hatchery that is expected to boost the value of the aquaculture sector; and by starting to rebuild our agricultural research and development (R&D) capacity to increase the productivity and competitiveness of our State's agribusinesses.

Preparation for the commencement of the *Aquatic Resources Management Act 2016* on 1 January 2019 has continued, and legislation to support an emerging industrial hemp industry was introduced to Parliament.

We also protected our State's biosecurity and access to markets through the provision of surveillance and diagnostic services, and the effective management of a range of pest and disease incursions, including Queensland fruit fly (Qfly), brown marmorated stink bug and citrus canker.

Our commitment to ensuring industry and animal owners meet community expectations regarding treatment of animals remained strong through proposed amendments to animal welfare legislation and by working closely with Commonwealth Government regulators and industry on issues such as live sheep exports.

Additionally, we have worked with the government to make improvements to the management of the Royalties for Regions program to deliver more meaningful outcomes to regional communities, including maximising local jobs and the use of local suppliers and contractors.

We also remained committed to providing skills development and employment opportunities for Aboriginal people, including through the State Barrier Fence project where local Aboriginal contractors have been selected to maintain the fence; and by working with Aboriginal landowners, communities and pastoralists on pastoral lands reform to drive new economic opportunities across the rangelands.

We continued to deliver sustainable aquatic resource management and a shark hazard mitigation strategy in accordance with Government priorities.

Key to our success has been our staff who have shown exceptional initiative and resilience during this period of change. I would like to take this opportunity to thank them all for their patience, perseverance and dedication to getting the job done.

While we have made good inroads into creating a fully integrated department, the journey has really only just begun.

Our key focus in 2018/19 will be to continue to evolve into a department that can make the most of our regional presence, with a focus on creating opportunity and jobs across our primary industries and regions.

I am excited about the opportunities ahead and look forward to reporting on our progress over the coming years.

I would also like to thank our Ministers, the Hon. Alannah MacTiernan MLC and the Hon. Dave Kelly MLA, and their staff for the guidance and support provided during the year.

Regards

A handwritten signature in black ink, appearing to read 'R Addis', with a stylized flourish extending from the end.

Ralph Addis  
**Director General**

## Operational structure

### Enabling legislation

The Department of Primary Industries and Regional Development was established on 1 July 2017 and operates under the *Public Sector Management Act 1994*.

### Responsible Ministers



**The Hon. Alannah MacTiernan MLC**  
Minister for Regional Development; Agriculture and Food



**The Hon. Dave Kelly MLA**  
Minister for Fisheries

## Department profile

DPIRD was formed on 1 July 2017 as part of the State Government's public sector reforms, bringing together the former departments of Agriculture and Food, Fisheries and Regional Development, along with the staff of our State's nine Regional Development Commissions (RDCs).

Our department's functions and objectives are encapsulated in our [Strategic Intent 2018–21](#).

### Our purpose

To create enduring prosperity for all Western Australians.

### Our role

Our department ensures Western Australia's primary industries and regions are key contributors to the government's agenda for economic growth and diversification, job creation, strong communities and better places.

### Our goals

- **Protect** – to manage and provide for sustainable use of our natural resources and soils, and to protect Western Australia's brand and reputation as a reliable producer of premium, clean and safe food, products and services.
- **Grow** – to enable the primary industries sector and regions to increase international competitiveness, and grow in value and social amenity, strengthening these key pillars of the State's economy.
- **Innovate** – to support a culture of scientific inquiry, innovation and adaptation across primary industries and regions to boost industry transformation, economic growth and employment.

### How we deliver

DPIRD strives to be a high-performing organisation of excellence, with an innovative, agile and collaborative workforce, delivering effective and efficient public services.

We maximise our value through our strong regional footprint and connections within and across regions, which allow us to build strong partnerships with industry, government and other stakeholders and leverage resources and funding.

We advocate for sustainable primary industries and regions, collaborate across government to address complex issues, and support Aboriginal entrepreneurship and engagement in natural resource management.

A key focus is to be future-oriented to position Western Australia for ongoing prosperity.

### Our values

The following values underpin how we operate:

- We value relationships
- We are resilient
- We are responsive
- We focus on results

## Organisational structure

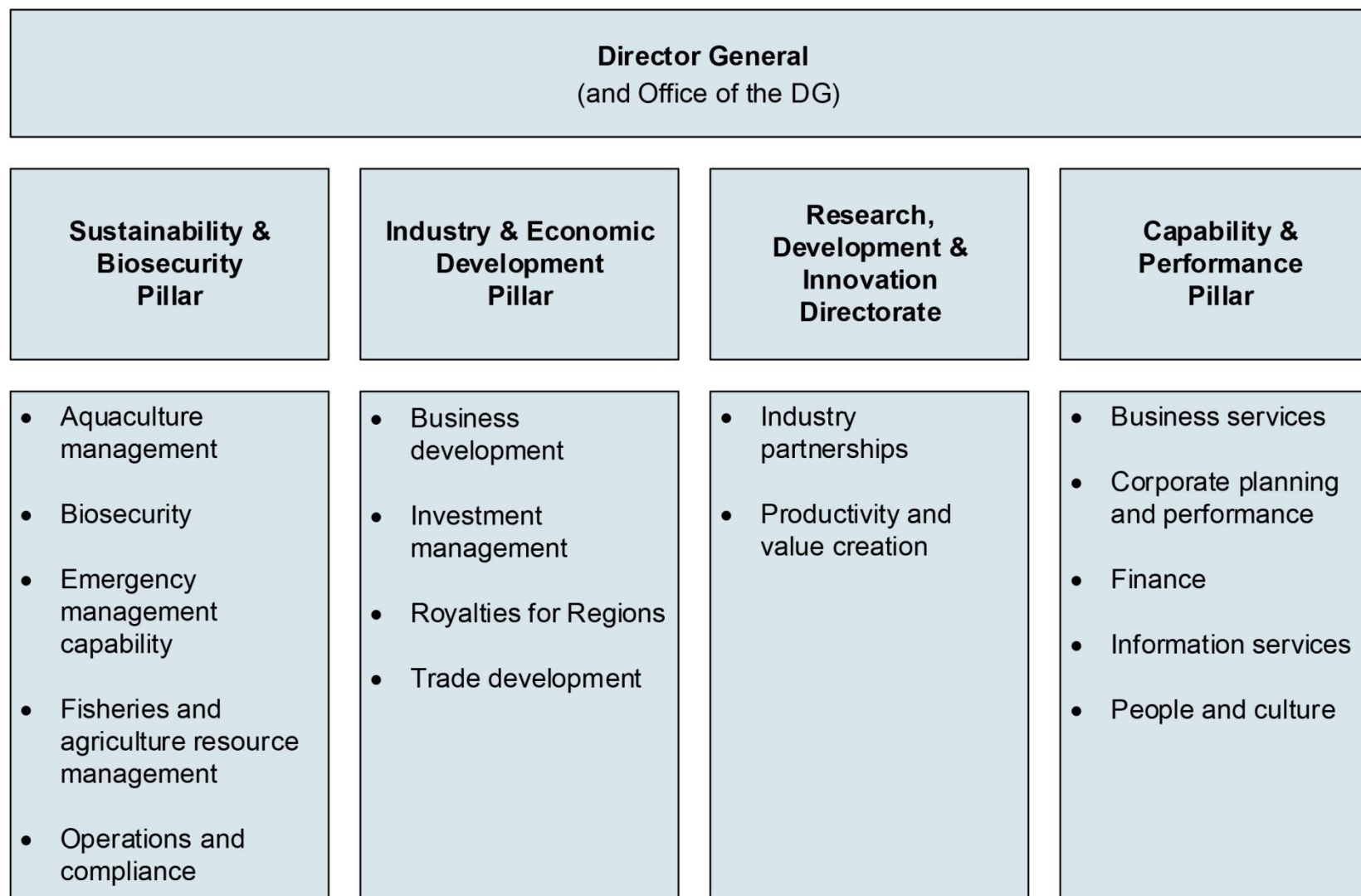


Figure 1 **Organisational structure as at 30 June 2018**

Our organisational structure is based on three pillars: Sustainability and Biosecurity, Industry and Economic Development and Capability and Performance.

Our Corporate Executive team consists of the Director General, the leader of each pillar, and the Managing Director of Research, Development and Innovation, a directorate within Industry and Economic Development.

Key functions of these areas are shown in Figure 1.

Our Corporate Executive and their responsibilities are further described below.

## Senior officers

### Ralph Addis, Director General



Ralph brings a wealth of experience from the private, not-for-profit and government sectors. He has a natural affinity for regional Western Australia having grown up on a farm at Cranbrook and spent much of his working life in Kununurra. Ralph has held a range of commercial, not-for-profit and local government board positions and most recently was Director General at the Department of Regional Development. He is a Chartered

Accountant, holds a degree in Commerce, a Master of Agricultural Economics and is a graduate member of the Australian Institute of Company Directors.

### Heather Brayford, Deputy Director General Sustainability and Biosecurity



Heather Brayford BSc, MBA, was appointed Director General of the Department of Fisheries in April 2015. In July 2017, Heather took the role of DPIRD Deputy Director General Sustainability and Biosecurity. Heather has more than 30 years' experience in fisheries and aquaculture, public policy, regulation, biosecurity and natural resource management. A former Fisheries Executive Director in the Northern Territory and past Director of the Fisheries Research and Development Corporation, Heather is a graduate of the Australian Institute of Company Directors.

### Pillar description

This pillar includes our biosecurity, resource management, and operations and compliance functions. It is largely regulatory and market access focused, helping ensure Western Australia maintains its enviable reputation as a producer of safe, sustainable and biosecure agricultural and aquatic products. Staff in this pillar provide the technical knowledge, legislation, policy and on-ground presence to maintain and enhance Western Australia's biosecurity status, manage and protect our aquatic and agriculture resources, and deliver compliance services.



## **Niegel Grazia, A/Deputy Director General Industry and Economic Development**



Niegel was appointed A/Deputy Director General, Industry and Economic Development in November 2017 having previously worked as Deputy Director General at the Department of Regional Development. Niegel is passionate about building vibrant regions with strong economies. He worked in the oil and gas industry for 21 years, in addition to the Pilbara Development Commission, the Department of the Premier and Cabinet

and other State public sector agencies, including seven years on the staff of State Government ministers across local government, mines, energy and emergency services portfolios.

### **Pillar description**

Staff in this pillar drive a pipeline of high-impact, regional development initiatives, identify new market opportunities, facilitate trade and investment, oversee the Royalties for Regions (RfR) Fund and provide services to the Rural Business Development Corporation. Our Research, Development and Innovation directorate is also located within this pillar.

## **Dr Mark Sweetingham, Managing Director Research, Development and Innovation**



Mark has more than 34 years' experience at the former Department of Agriculture and Food, Western Australia (DAFWA), involved in the State and national grains industry. He is internationally recognised for his work in crop protection, farming systems, crop genetics and plant biosecurity. Throughout his career, he has passionately led State and nationally significant research and innovation activities in partnership with industry and agribusiness.

### **Directorate description**

This directorate in our Industry and Economic Development pillar leads our work in undertaking and investing in commercially relevant R&D in areas that will drive innovation and advance productivity and value creation at any point along the value chain. It also collaborates and partners with industry, universities and across government to build local science capacity and networks to attract R&D investment and new technology providers to our regions; and works to ensure the rapid and effective translation of research findings to commercial outcomes and economic impact.

## **Melissa Murphy, Managing Director Capability and Performance**



Melissa has more than 20 years' experience in the private and public sectors. She has a strong strategic policy and planning background, having most recently worked as Executive Director of Investment Management at the Department of Regional Development. Melissa also has extensive experience in freight transport and logistics strategy with the Department of Transport and international marketing and project

management with Austrade. In the private sector, Melissa's roles have included managing supply chain restructuring for major commodities, mostly in regional Australia.

### **Pillar description**

This pillar provides the foundations for DPIRD to operate as a high-performing organisation, with an innovative and collaborative workforce. It provides integrated, specialist services such as finance, human resources, information technology, asset management, procurement and corporate strategy. It plays an integral role in our broader transformation agenda through leading our organisational restructure. Staff in this pillar are the custodians of DPIRD's common resources, delivering services to DPIRD staff, our Ministers and central government agencies.



## Administered legislation

The Minister for Regional Development; Agriculture and Food and the Minister for Fisheries are responsible for administering the following Acts:

### Minister for Regional Development

- *Regional Development Commissions Act 1993*
- *Royalties for Regions Act 2009* (except Part 2, excluding sections 9 and 10, which is administered by the Treasurer principally assisted by the Department of Treasury)

### Minister for Agriculture and Food

- *Aerial Spraying Control Act 1966*
- *Agriculture and Related Resources Protection Act 1976*
- *Agricultural and Veterinary Chemicals (Taxing) Act 1995*
- *Agricultural and Veterinary Chemicals (Western Australia) Act 1995*
- *Agricultural Produce Commission Act 1988*
- *Animal Welfare Act 2002*
- *Biological Control Act 1986*
- *Biosecurity and Agriculture Management Act 2007*
- *Biosecurity and Agriculture Management Rates and Charges Act 2007*
- *Biosecurity and Agriculture Management (Repeal and Consequential Provisions) Act 2007*
- *Bulk Handling Act 1967*
- *Exotic Diseases of Animals Act 1993*
- *Gene Technology Act 2006*

- *Industrial Hemp Act 2004*
- *Loans (Co-operative Companies) Act 2004*
- *Marketing of Potatoes Act 1946*
- *Ord River Dam Catchment Area (Straying Cattle) Act 1967*
- *Royal Agricultural Society Act 1926*
- *Royal Agricultural Society Act Amendment Act 1929*
- *Rural Business Development Corporation Act 2000*
- *Soil and Land Conservation Act 1945*
- *Tree Plantation Agreements Act 2003*
- *Veterinary Chemical Control and Animal Feeding Stuffs Act 1976*
- *Veterinary Surgeons Act 1960*
- *Western Australian Meat Industry Authority Act 1976*

### Minister for Fisheries

- *Aquatic Resources Management Act 2016*
- *Fish Resources Management Act 1994*
- *Fisheries Adjustment Schemes Act 1987*
- *Fishing and Related Industries Compensation (Marine Reserves) Act 1997*
- *Fishing Industry Promotion Training and Management Levy Act 1994*
- *Pearling Act 1990*

## Performance management framework

DPIRD's inaugural performance management framework – an outcome-based management framework – was presented in the 2017/18 State Budget.

Under this framework, we contribute to the success of the State Government's goal of 'Future jobs and skills'. The framework has four agency-level desired outcomes within that goal, and seeks to achieve those outcomes by delivering 12 services.

The relationship between the government goals, desired outcomes and services is shown in Table 1. We measure performance against the outcomes and services through a range of key performance indicators, which examine effectiveness and efficiency.

The 2017/18 framework reflects the Machinery of Government changes that established our department. It:

- includes the outcomes, services and key effectiveness and efficiency indicators that the former departments of Agriculture and Food, Fisheries and Regional Development were measured against in 2016/17
- includes the key effectiveness indicators that the RDCs were measured against in 2016/17, however these are now within a single desired outcome: 'The sustainable economic and social development of the State's remote and regional areas'
- presents the services of the RDCs under a single service of 'Regional development' and does not include the key efficiency indicators that the RDCs were measured against in 2016/17.

DPIRD's results against performance indicators are audited by the Auditor General. Our results are summarised in the 'Key performance indicator targets and results' section of this report, and explained in detail in the 'Additional key performance indicator information' section.

RDC key performance indicators are disclosed in their respective annual reports.

This is the only year we will report against this framework. In 2018/19, DPIRD will adopt the integrated framework presented in the 2018/19 State Budget to better reflect our organisation.

Table 1 **Outcome-based management framework**

Government goal	Desired outcome	Services
Future jobs and skills: Grow and diversify the economy, create jobs and support skills development.	Conservation and sustainable development of the State's fish resources	<ol style="list-style-type: none"> <li>1. Fisheries management</li> <li>2. Enforcement and education</li> <li>3. Research and assessment</li> </ol>
	A profitable, innovative and sustainable agrifood sector that benefits Western Australia	<ol style="list-style-type: none"> <li>4. Market development, investment and market access</li> <li>5. Productivity improvement and innovation</li> <li>6. Business development and promotion</li> <li>7. Productive natural resources</li> <li>8. Biosecurity and product integrity</li> <li>9. A business environment for growth</li> </ol>
	Increased capacity of regional communities to develop economic growth and social wellbeing	<ol style="list-style-type: none"> <li>10. Regional investment</li> <li>11. Regional policy</li> </ol>
	The sustainable economic and social development of the State's remote and regional areas	<ol style="list-style-type: none"> <li>12. Regional development</li> </ol>

## Shared responsibilities with other agencies

DPIRD works closely with a range of national, state and local governments, non-government organisations and industry partners to achieve desired outcomes. Examples of our shared responsibilities under legislation or government direction are outlined below. We value our strong working relationships with these organisations.

In addition, we provide extensive technical expertise across the Western Australian Government, and we have shared responsibilities with the Commonwealth and interstate governments to ensure Australia has a strong biosecurity system.

### Animal welfare

Our department works with the Royal Society for the Prevention of Cruelty to Animals Western Australia (RSPCA WA), Federal Department of Agriculture and Water Resources (DAWR), Animal Health Australia (AHA), state agencies, jurisdictions and industry to implement national animal welfare policies, standards and guidelines.

We work with the RSPCA WA, DAWR; WA Police, port authorities, education and research facilities, and state and local governments to administer the *Animal Welfare Act 2002*; to promote livestock stewardship and ensure ethical use of animals for scientific research.

Additionally, we work with state and local livestock aggregation agencies and animal industries to encourage compliance with recognised industry codes of practice.

### Aquaculture

In conjunction with the Southern Ports Authority, the Department of Biodiversity, Conservation and Attractions (DBCA), RDCs, the Department of Transport (DoT) and local governments, we are undertaking a major project in coastal waters off the south coast to identify zones suitable for large-scale aquaculture development and facilitate investment within the sector.

### At-sea safety compliance

Our Fisheries and Marine Officers provide at-sea marine safety compliance and education on behalf of the DoT.

### Biosecurity

We work with Commonwealth, state, territory and local governments to ensure Australia has a strong biosecurity system. We also work with other government agencies, industry bodies, local communities, Indigenous rangers, Recognised Biosecurity Groups and others to help maintain the State's biosecurity status and reputation for production systems and frameworks that deliver high-quality, safe and reliable products.

We support the National Management Group and National Biosecurity Committee. We share responsibilities with DAWR, Plant Health Australia (PHA) and AHA to support government–industry arrangements to grow and protect our primary production industries and meet biosecurity and product integrity outcomes.

Some examples include our commitment to the Intergovernmental Agreement on Biosecurity, National Environmental Biosecurity Response Agreement, Emergency Animal Disease Response Agreement and Emergency Plant Pest Response Deed.

We provide state policy leadership and extensive technical expertise across the Western Australian Government. For example, we chair the State's Biosecurity Senior Officers Group, comprising DPIRD, DBCA and the Forest Products Commission.

### Emergency management/natural disaster relief

We work with the Office of Emergency Management, state and local governments using the State Emergency Management Committee and emergency management plans, including Hazard Specific Plans (Westplans).

We also work closely with other Western Australian Government agencies in the coordination of responses to natural disasters under the Western Australian Natural Disaster Relief and Recovery Arrangements.

### Incident management

We work with DAWR; state and territory quarantine authorities; AHA; PHA; state and local government; industry associations and community to respond to incursions of national and regional exotic plant, livestock, aquatic or environmental pests and diseases.

### Information and communications technology (ICT)

We provide ICT (helpdesk, server and network) support for the former Department of Lands functions in the Department of Planning, Lands and Heritage, under a shared services model.

### Marine park management

DBCA is the lead agency responsible for establishment and management of marine reserves, while we are responsible for managing fishing, pearling and aquaculture in marine reserves, including compliance, in accordance with the *Fish Resources Management Act 1994*.

### Market access

We work in collaboration with government and industry representatives to support interstate and international market access and meet import/export requirements. In doing so, we are able to assess and address regional pest and disease risks associated with trade in livestock, horticulture and crops, livestock products, plant commodities and associated agricultural equipment.

### Natural resource management (NRM)

Our department supports the State NRM Office, which delivers the State NRM Program on behalf of Government.

We work closely with the DBCA with respect to whale entanglement mitigation strategies.

We work in partnership with the commercial fishing industry through funding provided to the Western Australian Fishing Industry Council and various affiliated sector bodies, as well as with recreational fishers through Recfishwest.

### Pastoral lands management

We support the Department of Planning, Lands and Heritage and the Pastoral Lands Board in their management of pastoral leases through the provision of lease-level and regional-level land condition monitoring and compliance activities.

### Recreational fishing safety

We work with Recfishwest, DBCA, Surf Lifesaving WA, local government, emergency services and WA Police to ensure our fishing safety messages are communicated to recreational fishers through websites, social media, signage and other communication channels.

### Regional development

We work collaboratively across all portfolios of government (state and local), multiple industries and not-for-profits in the development and delivery of regional programs and services, including under Royalties for Regions. In 2017/18, this included working with funding recipients and partners to develop and implement the Government's regional commitments.

Our department shares responsibility for shaping and driving the regional development agenda with the RDCs, Regional Development Council and the Western Australian Regional Development Trust.

The State's nine RDCs are statutory authorities established under the *Regional Development Commissions Act 1993* to provide advice to the Minister for Regional Development, and to coordinate and promote the economic development of their respective regions.

Our department works closely with each commission to help them meet their statutory obligations in a manner that contributes to the department's strategic priorities regarding regional opportunities and enabling environments.

The Regional Development Council is an advisory body to the Minister for Regional Development on regional development issues. The council comprises the chairpersons of the nine RDCs.

The Western Australian Regional Development Trust is an independent statutory advisory body that provides advice on the RfR Fund to the Minister for Regional Development. The trust plays an important role in providing independent and impartial advice and recommendations on the management and allocation of RfR funds in consideration of the broader regional development context.

### Shark hazard mitigation

We are involved in both operational responses and research initiatives as part of a suite of shark hazard mitigation strategies. We are partnering with other stakeholders such as Surf Life Saving WA, WA Police, local government and DBCA to make sure response agencies are aware of shark sightings and tagged shark detections. This assists with distributing public and first responder notifications as well as the timely closure of beaches where required.

# Agency performance





# Report on operations

## Key achievements

Our key achievements during the year are reported against the six priorities in the [DPIRD Strategic Intent 2018–21](#).

We are also reporting achievements related to the amalgamation and integration of our new department as a result of the State Government's public sector reforms.

### Biosecurity – delivering respected and recognised state biosecurity

- We set up effective emergency incident responses to four pest and disease incursions – Qfly in Fremantle and in Como, brown marmorated stink bug in Jandakot and citrus canker in the East Kimberley – to ensure agricultural industries maintain access to national and overseas export markets.
- We launched our [Western Australian Viticulture Industry Biosecurity Plan](#) to build biosecurity preparedness within our State's viticulture industry by identifying and categorising potential pest threats based on their establishment and spread potential and economic impact.
- We developed and implemented the Biosecurity Intelligence Platform, which provides a snapshot of all livestock biosecurity activities relevant to a particular property, to provide intelligence, support operations and identify trends.

- We worked with state and national industry bodies and governments to develop a national management plan for tomato potato psyllid (TPP), following detection of this plant pest in Western Australia in February 2017.
- We completed surveillance of the damaging plant bacteria *Candidatus Liberibacter solanacearum* (CLso) associated with TPP. No detections of CLso were recorded in more than 10,000 tests and we have applied for Proof of Freedom recognition.

### Sustainability – sustaining our State's land, water and aquatic resources, reputation and competitive advantage

- We facilitated Marine Stewardship Council (MSC) sustainability certification for WA's commercial wild-caught abalone fishery – the first abalone fishery in the world to receive MSC certification. We now have an unprecedented eight fisheries with MSC certification, making our State a world leader for sustainable fisheries.
- We secured ongoing funding for the State Natural Resource Management (NRM) program, with \$7.75m per annum now available to support the work of volunteer-based, not-for-profit NRM groups across our State to achieve sustainable resource use and environmental conservation outcomes.



- We worked with DBCA and the Commonwealth Department of the Environment and Energy to minimise the impact of fishing on Australian sea lions by finalising a science-based network of Australian sea lion fishing exclusion zones. The zones will protect sea lions while minimising impacts, including fish supply, on fishers and consumers.
- We removed the restricted season for recreational rock lobster fishers after determining it was no longer required to ensure sustainability of the fishery. This follows the introduction of quota in the commercial West Coast rock lobster fishery.
- We moved to improve fishing safety for, and the sustainability of, the State's unique West Coast Zone recreational abalone fishery, with the fishery now running over summer to reduce the risk of rough weather conditions. Fishing will now be on four specified Saturdays, 7am to 8am, to ensure long-term sustainability of abalone stocks.

#### **International competitiveness** – growing internationally competitive industries and businesses

- We launched the [Agrifood and Fisheries Export Services Portal](#), providing a central source of information to better equip State agrifood and fisheries exporters to develop their business and make the most of export opportunities.
- We published the [Market opportunities for WA fruits](#) market analysis report, which provides an overview of international markets and examines export potential for apples, avocados, table grapes, melons, oranges, plums and strawberries. Western Australian fruit production is worth \$480m annually, an increase of more than 60% over the past four years.

- We facilitated the first export shipment of Western Australian-bred BRAVO™ branded apples to Singapore in August 2017. In its second year of commercial sales, the new variety has had strong uptake from the apple industry.
- We worked with more than 30 State agrifood businesses to develop investment opportunities, including providing resource materials, offering a grant scheme, connecting with professional services, and supporting approvals and regulatory queries. We also assisted 38 investors looking to invest, or reinvest in our State, and built a network of potential local, national and international investors.
- We supported new market access for Western Australian avocados into Japan and WA stone fruit into China as well as maintained market access for wheat and barley into China and WA seed potatoes into Indonesia by providing technical market access and biosecurity status information and participating in collaborative projects led by DAWR.

#### **Regional opportunities** – capturing regional opportunities to drive economic growth, job creation, local capability and social amenity

- We provided a total of \$874.9m through the RfR program towards 270 new and continuing initiatives across multiple portfolios and administration of the fund, which will contribute to economic diversification, job creation and development of services in regional areas.
- We released the [Living in the Regions Insights Report](#) that provides important insights into the perspectives and experiences facing regional Western Australians. The results present a valuable perspective on regional living that will guide and inform future government decision making.

- We awarded \$15.75m to Carnegie Clean Energy and \$3.75m to The University of Western Australia (UWA) to develop the Albany Wave Energy Project. The project includes installing a wave energy converter device off the Albany coast; common user infrastructure for future wave energy companies to test their equipment; and a new world-class Wave Energy Research Centre to drive Albany as a hub of renewable energy expertise and jobs.
- We completed a preliminary assessment into the feasibility of large-scale solar in the Goldfields. In May 2018, the government announced our department, in collaboration with the Public Utilities Office and Western Power, would lead the implementation of the assessment's recommendations, including developing a proposal for a virtual power plant.
- We implemented a world-first rebate scheme for personal shark deterrent devices, with over 1800 residents accessing a \$200 rebate through approved registered retailers. The scheme includes accredited dive and surf devices.
- We established a Local Content Network comprising nine Local Content Advisors located across the nine regions supported by a policy officer and manager. Together they are working to maximise local content outcomes bringing new opportunities for regional businesses, including the supply of goods and services and jobs for State Government-funded projects in the regions.

### Research, development and innovation – enabling and delivering research, development and innovation to grow our primary industries, food processors and regional development

- We opened the new \$11.5m Northam Grains Research Facilities to boost the State's existing grains research capacity and grow jobs in regional Western Australia. The purpose-built facilities include high-tech laboratories, processing rooms, glasshouses and field research plots to address our State's production challenges.
- We commenced relocation of our fish health R&D team to the state-of-the-art Indian Ocean Marine Research Centre at Watermans Bay, Perth to boost our research efforts, and fish health services to industry.
- We started a four-year research project with Horticulture Innovation, the CSIRO and Pomewest to boost exports of WA apples to valuable northern Asian markets, including Japan. Using orchards in Manjimup and Pemberton, the project is looking at systematic pest management and monitoring to demonstrate our fruit is of acceptable quality.
- We launched a scholarship program to encourage university students to undertake research on WA sheep industry issues, including reproduction economic modelling and technology adoption. The scholarships, funded by DPIRD and Meat and Livestock Australia Donor Company, aim to increase student interest in agriculture careers and boost industry capacity.
- We released new lupin and oat varieties to increase the productivity and profitability of our State's grain growers. They included PBA (Pulse Breeding Australia) Leeman – a high-yielding narrow leaf lupin; and Kowari – a high protein oat that sets a new benchmark for beta-glucan content.

### Enabling environment – creating an enabling environment for primary industries and regions (legislation, policy, business systems and practice)

- We assisted the Commonwealth Government with market access bilateral discussions held with South Korea, providing records of more than 100,000 exotic fruit fly trap inspections, to support market access for Western Australian producers.
- We provided the Department of Treasury with detailed information about the State's horticulture industry for its next 90-Day Regulatory Mapping and Reform Project, which brings government agencies together to identify practical reforms to reduce excessive regulatory burden and red tape on businesses in priority sectors and, in turn, support business investment and productivity improvement.
- We have made more than 100 sets of information, including data on soils, land use, fisheries management and shark sightings, accessible through the State Government Open Data platform. This data can be accessed by industry, researchers and the public at any time and in multiple formats.
- We led the development of an agricultural regulatory pathways mapping guide that provides information to assist development and investment in agriculture, particularly in the State's north. We also worked with the Chamber of Commerce and Industry of WA to survey senior executives in agribusiness, exploring the State's investment environment.
- We delivered the HARVEST Accelerator Program in partnership with agricultural innovation program Agristart to support ag-tech start-ups and businesses looking to grow and develop new opportunities and export markets. We funded nine businesses to attend.

### Department amalgamation and public sector renewal

- We significantly progressed our organisational restructure, including establishing a new Executive level structure where we achieved a required 20% reduction in our Senior Executive Service. The redesign of the rest of the organisation started in February, focusing on our corporate areas first. All areas of the department will be completed in 2019.
- We developed a Values and Behaviours Charter through extensive consultation with staff across the State to help create a healthy and dynamic culture at DPIRD.
- We began integrating our multiple ICT systems and environments, including establishing a common email platform and intranet to allow staff across the department to share information and collaborate. The next step is to develop a single cloud-based network and connect into the government's GovNext project that will provide savings through reduced ICT infrastructure costs.
- We streamlined our human resources policies and procedures across the department to give staff and managers clarity and consistency. The number of policies has so far been reduced from 20 to seven with more to be integrated in 2018/19.
- We completed the significant task of combining the financials of the three former departments to create one consolidated budget for 2018/19, including developing a revised outcome-based management structure that reflects our fully integrated agency.
- We established corporate governance processes, including our DPIRD Executive Committee and sub-committees, annual operational planning framework and creating DPIRD corporate policies and procedures.

## Case studies

### Delivering a strong signal to regional Western Australia



#### **One of the three new small cell satellite installations at Karijini National Park**

In the modern digital age, mobile connectivity is critical for unleashing the full potential of regional businesses and communities and building a sustainable future.

Our department is helping to provide this through the \$65m Regional Telecommunications Project (RTP), which is focused on improving high-speed mobile voice and data coverage in regional Western Australia.

The RTP is supplying both wide area coverage through large mobile base stations and highly targeted, local area coverage through small cell satellite installations, with a total of 231 new or improved mobile base stations being rolled out.

As at 30 June 2018, 182 sites were on-air, with the remaining 49 sites due for completion in 2018/19.

To capture the additional funding needed to deliver a rollout of this scale, the RTP partnered with the national Mobile Black Spot Program. This included contributing \$48.9m to secure partner co-contributions of \$124.6m from the Commonwealth Government and mobile network operators.

The impact of the RTP has been far-reaching, ranging from improving public safety and emergency response times, to connecting communities, supporting the delivery of online retail and government services, and improving market access for regional businesses.

In April 2018, Regional Development Minister Alannah MacTiernan launched three mobile coverage services in Karijini National Park in the Pilbara.

These small cell satellite installations have a coverage radius of a few kilometres and represent a practical and cost-effective solution for remote locations where people congregate, such as small Aboriginal communities, roadhouses, campgrounds and station accommodation areas.



## Hatching a plan to support the aquaculture industry



**Athair Aquaculture Pty Ltd principal Jonathan Bilton examines rock oyster spat at the new Albany multi-species mollusc hatchery**

Aquaculture is an emerging industry with huge potential in Western Australia.

Recognising this opportunity for growth, our department established a new multi-species mollusc hatchery in Albany that was opened by the Premier and Minister for Fisheries in December 2017.

The hatchery was cost-effectively completed on time, thanks to the hard work of our Albany and Perth-based staff, local suppliers and industry. It will support the development of commercial shellfish farming in Western Australia and supply spat (juvenile seed stocks) to shellfish farmers in other states.

It will also support the development of a South Coast aquaculture industry by helping to establish grow-out farms, which is estimated to create almost 100 direct jobs and a further 240 indirect jobs over 10 years.

The State's mollusc aquaculture sector is worth about \$4.2m – the new hatchery is estimated to increase the sector's value by up to \$12m within five years.

We chose the hatchery site for its access to exceptionally high-quality seawater and existing infrastructure, which was upgraded specifically to suit shellfish hatchery operations.

Following a procurement process, Athair Aquaculture Pty Ltd was granted an aquaculture licence and lease in April 2018. Athair was later awarded a contract to operate the hatchery.

The state-of-the-art, biosecure hatchery is now operational and delivering spat to Western Australian oyster farms.

At full capacity, the hatchery will be able to produce about 600 million mussel spat per year and 80 million rock oyster spat per year.

## New decision tool calculates 'bang for buck' to improve soil

Western Australian grain growers are faced with a range of soil problems that limit crop productivity – but with time and money often in short supply, many struggle to determine how to best tackle the issue.

During the year our department, with Grains Research and Development Corporation (GRDC) investment, helped make this decision a little easier by developing a new decision tool known as ROSA (Ranking Options for Soil Amelioration).

The tool draws on DPIRD's extensive soil [research](#) to help growers understand the most cost-effective ways to spend limited budgets on soil amelioration (enhancement) strategies.

We estimate soil problems such as top and subsoil acidity, subsoil compaction, non-wetting and surface crusting cost growers on average \$330 per hectare in lost productivity and mitigation costs.

However, these losses can be significantly reduced through soil amelioration that is estimated to increase productivity by an average of \$125 per hectare per year – that potentially equates to more than \$1 billion across the State's grain-growing areas.

ROSA ranks subsoil amelioration options – such as applying lime or deep ripping – on particular soil types or zones and works within the landholder's budget and soil properties to provide the most cost-effective investment. An analysis typically takes about 30 minutes.

We unveiled a preliminary version of ROSA in December 2017 at the World Soil Day forum encouraging growers and advisers to test ROSA and provide feedback. About 90 consultants, growers and researchers requested a copy.

Following the feedback received, we refined ROSA into a fully operational, more user friendly format now available by contacting Senior Development Officer [Jeremy Lemon](#).



**Top: Jeremy Lemon and economist Liz Petersen examine the new ROSA decision making aid. Bottom: Deep ripping is one option that can be assessed using ROSA**

## Operation Waybill boosts Western Australia's livestock traceability



### **WA Police Detective Sergeant Dave Haas and DPIRD Inspector Jack Nixon at Mt Barker saleyards during the operation**

International markets demand robust livestock traceability systems and verifiable declarations of livestock health and treatments to provide evidence of food safety, product integrity and biosecurity protection.

Western Australia has effective systems in place to deliver these requirements but regular monitoring is essential to ensure our livestock and livestock products can be rapidly traced in the event of a food safety or disease incident.

In September 2017, our department, in collaboration with WA Police, coordinated a month-long traceability compliance operation, Operation Waybill.

The operation sought to:

- increase awareness and understanding of livestock traceability requirements, including the correct completion of national vendor declarations (NVD)/waybills
- evaluate the current level of compliance
- identify and address compliance gaps in collaboration with industry.

During the operation, nine livestock inspectors, assisted by WA Police, checked livestock identification and movement documentation for compliance with the Biosecurity and Agriculture Management (Identification and Movement of Stock and Apiaries) Regulations 2013.

Compliance with animal identification was very high, however less than 50% of NVDs were correctly completed. Our department is working with industry to improve NVD compliance. We have streamlined our notification system and are encouraging the use of new technologies, such as electronic NVDs, to address the common problems identified during the operation, such as omission of information and illegible handwriting.

We will continue to work closely with industry on traceability to support Western Australia's excellent food safety and product integrity reputation and, in doing so, protect and grow market access for our State's livestock and livestock products.



## Success achieved in growing Asian markets

DPIRD has provided small and medium-sized Western Australian agrifood businesses with the confidence to export into high-growth, premium markets in Asia.

Through our three-year Asian Market Success (AMS) project, 50 businesses accessed a range of grants, clinics, seminars, coaching and courses designed to help them venture into or expand their presence in Asian markets.

The project aligns with DPIRD's priorities of increasing agricultural and value-added food exports and supporting the regions to diversify their economies and explore investment opportunities.

A major component of the project was a \$3m grant program. The grants enabled 17 companies from across the State's livestock, grains, seafood, horticulture and other premium food and beverage industries to undertake product and market development activities or improve export capabilities to target Asian markets.

One grant enabled Craig Mostyn Group's pork business unit to establish Linley Valley Pork and Western Australian premium free range-branded pork products in Singapore. This then allowed the company to invest in a \$14m upgrade of its Linley Valley abattoir and recruit 20 additional staff during the project's timeframe.

Another grant assisted Moora Citrus to install advanced packaging technology to deliver high-quality citrus fruits to premium export markets, including China, from its new Bindoon export facility.

The new business' export tonnages have increased significantly, allowing it to provide secure employment to 11 permanent staff.

Participating businesses were also able to take advantage of research included in the project's [Target Market Opportunities](#) report, which identified 20 high-growth, high-value premium opportunities in Asian markets for products directly related to Western Australia's production and supply conditions.

The project, due to end at 30 June 2018, received an extra \$1.5m to continue in 2018/19 to support more agribusinesses.



**Moora Citrus Manager Shane Kay and shareholders at the company's packing facility. Photo: Lucinda Jose, ABC**



## Accommodating an enhanced regional network

Our department has 'moved' quickly to provide a more efficient and cohesive service in the regions.

After the amalgamation was announced, we started work to consolidate our extensive regional presence by bringing staff from the former departments and RDCs together at existing facilities where suitable.

The goal was to identify co-location opportunities in towns and districts where we had inherited duplicate facilities to create savings while creating a single DPIRD culture and improving services.

Our staff worked with the Department of Finance to review the location and capacity of our 150-plus buildings, including offices, research facilities and works depots. Many opportunities were identified.

Co-locations to date have included former Fisheries and Agriculture staff moving in together in Kununurra and Albany, former Wheatbelt Development Commission staff relocating to the department's offices in Northam, Moora, Merredin and Narrogin, and former Mid-West Development Commission staff moving to the department's Geraldton office.

This has so far generated about \$1m worth of savings in the first year on office leases, utility costs and a streamlined fleet. Further savings are expected in 2018/19.

Staff have reported that co-location has provided a great opportunity to share knowledge and resources with new colleagues, helping them provide an improved service.

In most cases, staff have moved into more modern or renovated facilities, including at the \$11.5m redeveloped Northam site, which features upgraded offices, laboratories and field plots. Former Commission staff will also be able to take advantage of increased corporate support.

Our clients are benefiting by being able to access more services at a single office.

Our department is examining further potential co-locations, which are expected to be completed by the end of 2019.



**Wheatbelt Development Commission CEO Wendy Newman and DPIRD Regional Director Pam l'Anson are now working together at the Northam office**

## Financial targets and results

Table 2a Financial targets 2017/18

	2017/18 Target <sup>1</sup> \$'000	2017/18 Actual <sup>2</sup> \$'000	Variation \$'000	Explanation of variation <sup>3</sup>
Total cost of services (expense limit) (details from Statement of comprehensive income)	\$528,413	\$499,971	\$28,442	<p>As part of the 2018/19 Budget process, the 2017/18 total cost of service target was revised down to \$516 million, primarily due to the recashflowing of RfR and externally funded projects, and various government savings measures including the Voluntary Targeted Separation Scheme.</p> <p>This means that the variance to the revised target was approximately \$16 million (as opposed to the variation of \$28 million as reported to the left). The remaining \$16 million variance primarily relates to:</p> <ul style="list-style-type: none"> <li>• an underspend in Grants and Subsidies of \$35 million (mainly due to underspends across the department's RfR-funded projects)</li> <li>• depreciation expenses being lower than budgeted by \$8 million (due to revised depreciation estimates for the Gascoyne Food Bowl pipeline, Grains Innovation precinct and the State Barrier Fence)</li> <li>• an overspend in Other Expenses (mainly due to a \$28 million devaluation of land and buildings at the department's South Perth site and the Garrjang Workers' Accommodation Village).</li> </ul>
Net cost of services (details from Statement of comprehensive income)	\$423,483	\$378,196	\$45,287	<p>This variance of \$45 million in the net cost of services includes:</p> <ul style="list-style-type: none"> <li>• the above-mentioned reductions in total cost of services</li> <li>• revenue being \$17 million above target due to the return of unspent RfR funds from the local government sector.</li> </ul>

Table 2a **Financial targets 2017/18 (continued)**

	<b>2017/18 Target<sup>1</sup> \$'000</b>	<b>2017/18 Actual<sup>2</sup> \$'000</b>	<b>Variation \$'000</b>	<b>Explanation of variation<sup>3</sup></b>
Total equity (details from Statement of financial position)	\$527,612	\$544,371	\$16,759	The recashflow of RfR projects (as part of the 2017/18 Mid-year Review, and 2018/19 Budget process) increased this target to \$547.8 million, which is in line with actual expenditure.
Net increase/(decrease) in cash held (details from Statement of cash flows)	(\$20,177)	\$19,704	\$39,881	The increase in cash held is due to the department receipting the return of \$17m of unspent RfR funds from the local government sector and underspending on the purchase of assets by \$16m.
Approved salary expense level	\$188,825	\$185,912	\$2,913	Salary expenses were lower than expected primarily due to vacancies as a result of reduced recruitment activity since the announcement of Machinery of Government changes.

<sup>1</sup> As specified in the 2017/18 DPIRD Budget Paper, this includes the financial targets of the department and the nine RDCs.

<sup>2</sup> To enable comparison against the 2017/18 DPIRD Budget Paper, the actual figures in this table reflect the audited financial statements of the department and the nine RDCs. The financial information presented in the remainder of this DPIRD annual report 2017/18 does not include the financial position of the RDCs. RDCs report their audited financial statements in their respective annual reports.

<sup>3</sup> Further explanations are contained in note 9.14 of the financial statements.

Table 2b **Working cash targets**

	<b>2017/18 Agreed Limit \$'000</b>	<b>2017/18 Target<sup>1</sup>/ Actual \$'000</b>	<b>Variation \$'000</b>	<b>Explanation of variation<sup>2</sup></b>
Agreed working cash limit (at Budget)	\$25,081	\$25,081	NA	NA
Agreed working cash limit (at Actuals)	\$24,676	\$21,337	\$3,339	This variation is due to the savings generated by the underspends outlined in Table 2a above.

<sup>1</sup> Target is as specified in the 2017/18 DPIRD Budget Paper and includes the financial position of the department and the nine RDCs. To enable comparison against the DPIRD Budget Paper, the actual figures in this table reflect the audited financial statements of the department and the nine RDCs. The financial information presented in the remainder of this DPIRD annual report 2017/18 does not include the financial position of the RDCs. RDCs report their audited financial statements in their respective annual reports.

<sup>2</sup> Further explanations are contained in note 9.14 of the financial statements.

## Key performance indicator (KPI) targets and results

This section summarises our results against our KPI targets. Effectiveness indicators help us assess the extent to which we are successful in achieving our outcomes. Efficiency indicators help us monitor the relationship between the service delivered and the resources used to produce the service.

The methods and thresholds used to measure our performance against the KPIs are consistent with those used by DPIRD's former agencies to enable comparability with previous years.

Detailed explanations of the results are provided in the 'Additional key performance indicator information' section that has been audited by the Auditor General.

### **Exemption**

In line with Treasurer's Instruction 904, the Under Treasurer has granted an exemption to DPIRD, allowing our department to exclude reporting on the effectiveness and efficiency KPIs of the nine RDCs, as these statutory authorities will report their relevant KPIs in their respective 2017/18 annual reports. As such, results of KPIs associated with the desired outcome: 'The sustainable economic and social development of the State's remote and regional areas' and the service 'Regional development' are not reported here.

Table 3 **Key effectiveness indicator targets, results and variations**

Key effectiveness indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: Conservation and sustainable development of the State's fish resources				
1. The proportion of fish stocks identified as not being at risk or vulnerable through exploitation	97%	97%	0%	–
2. The proportion of commercial fisheries where catches or effort levels are acceptable	95%	93%	-2%	Generally met
3. The proportion of recreational fisheries where catches or effort levels are acceptable	85%	92%	7%	–
4. The volume (tonnes) of State commercial fisheries (including aquaculture) production	21,500	23,818	2,318	–
5. The participation rate in recreational fishing	30%	25.4%	-4.6%	The participation rate is consistent with the long-term, slightly declining trend observed since the late 1990s.
6. Satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the department is achieving aquatic resources management objectives:				
Community	85%	86.8%	1.8%	–
Stakeholders	NA	NA	NA	–

Table 3 **Key effectiveness indicator targets, results and variations (continued)**

Key effectiveness indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia				
7. Proportion of co-investment in department-led initiatives	25%	22.4%	-2.6%	The 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site. The devaluation increased the net cost of service, a figure used to calculate this KPI. If the devaluation had not occurred, the 2017/18 Actual would have been 25.2%, which would have met the target.
8. Proportion of businesses that consider the department has positively influenced the profitability of the sector	42%	48.7%	6.7%	—
9. Proportion of businesses that consider the department has fostered innovation in the sector	44%	49.8%	5.8%	—
10. Proportion of businesses and key stakeholders that consider the department has positively influenced the sustainability of the sector	48%	50.9%	2.9%	—
Desired outcome: Increased capacity of regional communities to develop economic growth and social wellbeing				
11. Client satisfaction with regional development services	85%	79%	-6%	The 2017/18 Actual reflects the level of change and disruption across the portfolio as a result of Machinery of Government reform.

Table 4 **Key efficiency indicator targets, results and variations**

Key efficiency indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: Conservation and sustainable development of the State's fish resources				
<b>Service 1 Fisheries management</b>				
1.1. Average cost per hour for management (excluding grants and fisheries adjustments)	\$159	\$192	\$33	This target was not met due to: (1) an error in the calculation of the 2017/18 target which resulted in an understatement in this indicator; and (2) a reduction in hours delivered in this service, following the implementation of the government's Voluntary Targeted Separation Scheme.
<b>Service 2 Enforcement and education</b>				
2.1. Average cost per hour of enforcement and education	\$146	\$154	\$8	Generally met
<b>Service 3 Research and assessment</b>				
3.1. Average cost per hour of research and assessment	\$111	\$113	\$2	Generally met



Table 4 **Key efficiency indicator targets, results and variations (continued)**

Key efficiency indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia				
<b>Service 4 Market development, investment and market access</b>				
4.1. Net service cost as a factor of gross value of agricultural production (GVAP)	0.3%	0.21%	-0.09%	–
4.2. Public and private sector co-investment in department-led market development initiatives as a factor of the net cost of this service	13%	12.2%	-0.8%	This target was generally met. In addition, the 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site, which increased the net cost of this service. If the devaluation had not occurred, the 2017/18 Actual would have been 13.9%, which would have met the target.
<b>Service 5 Productivity improvement and innovation</b>				
5.1. Net service cost as a factor of GVAP	0.3%	0.41%	0.11%	The 2017/18 Actual reflects that the net cost of this service was higher than budgeted due to a significant increase in the number of Government funded projects delivered by DPIRD under this service compared to the previous year.
5.2. Public and private sector co-investment in department-led productivity improvement and innovation initiatives as a factor of the net cost of this service	57%	47.7%	-9.3%	The 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site, which increased the net cost of this service. If the devaluation had not occurred, the 2017/18 Actual would have been 53.0%.

Table 4 Key efficiency indicator targets, results and variations (continued)

Key efficiency indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia (continued)				
<b>Service 6 Business development and promotion</b>				
6.1. Net service cost as a factor of GVAP	0.2%	0.19%	-0.01%	–
6.2. Public and private sector co-investment in department-led business development and promotion initiatives as a factor of the net cost of this service	23%	19.2%	-3.8%	This target was generally met. In addition, the 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site, which increased the net cost of this service. If the devaluation had not occurred, the 2017/18 Actual would have been 21.7%.
<b>Service 7 Productive natural resources</b>				
7.1. Net service cost as a factor of GVAP	0.1%	0.27%	0.17%	The 2017/18 Actual reflects a very significant increase in the net cost of this service. The growth was largely driven by an increase in the value of RfR and externally funded projects delivered by DPIRD.
7.2. Public and private sector co-investment in department-led productive resource management initiatives as a factor of the net cost of this service	65%	31.6%	-33.4%	The 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site, which increased the net cost of this service. If the devaluation had not occurred, the 2017/18 Actual would have been 35.4%.

Table 4 **Key efficiency indicator targets, results and variations (continued)**

Key efficiency indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia (continued)				
<b>Service 8 Biosecurity and product integrity</b>				
8.1. Net service cost as a factor of GVAP	0.7%	0.75%	0.05%	This target was generally met. In addition, if the devaluation of the South Perth site had not occurred, the 2017/18 Actual would have been 0.66%, which would have met the target.
8.2. Public and private sector co-investment in department-led biosecurity and product integrity initiatives as a factor of the net cost of this service	18%	14.8%	-3.2%	This target was generally met. In addition, the 2017/18 Actual was influenced by the unforeseen devaluation of DPIRD's South Perth site, which increased the net cost of this service. If the devaluation had not occurred, the 2017/18 Actual would have been 16.6%.
<b>Service 9 A business environment for growth</b>				
9.1. Net service cost as a factor of GVAP	0.5%	0.43%	-0.07%	—
9.2. Public and private sector co-investment in department-led growth initiatives as a factor of the net cost of this service	9%	11.4%	2.4%	—

Table 4 **Key efficiency indicator targets, results and variations (continued)**

Key efficiency indicator	2017/18 Target	2017/18 Actual	Variation	Comment
Desired outcome: Increased capacity of regional communities to develop economic growth and social wellbeing				
<b>Service 10 Regional investment</b>				
10.1. Average cost per funded initiative administered	\$28,837	\$25,907	-\$2,931	–
10.2. Average internal cost per satellite site supported	–	–	–	–
<b>Service 11 Regional policy</b>				
11.1. Average cost per item of written advice requiring Minister's attention	\$11,105	\$4,097	-\$7,008	The decrease of average cost per item of written advice requiring the Minister's attention between the target and 2017/18 Actual is mainly attributable to lower net cost of this service than budgeted and higher number of written advice requiring the Minister's attention. The need for additional resources to sustain this level of activity has been identified and will be addressed through organisational redesign.

# Significant issues impacting the agency



## Changing Western Australian economy/ regional growth

Ongoing structural changes to our State's economy, which include a need to reduce reliance on the mining and resources sector, reinforce the importance of driving growth and diversification in our regions. The regions have significant opportunities for growth over the long term, driven primarily by productivity improvement and population and economic growth in global markets.

To help realise these opportunities, our department is focusing on initiatives to improve digital connectivity, agribusiness growth, Aboriginal development, economic infrastructure and energy futures.

## Trade and investment

Western Australia's primary industries are heavily export focused, with exports accounting for about 80% of total production. As a reliable producer of clean and safe food, our State is well positioned to benefit from the forecast significant growth in food demand in Asia.

We will continue to support small and medium-sized enterprises seeking to attract investment, begin exporting or develop new export markets through programs such as the HARVEST Accelerator Program, Asian Market Success industry events and the Investor Ready Incentive for Food and Beverage Producers.

## Aquaculture industry growth

Western Australia has a significant opportunity to develop a major aquaculture industry based on large-scale production of marine finfish and shellfish, and with associated up and down stream businesses.

We are supporting the industry through providing critical infrastructure such as the new multi-species mollusc hatchery in Albany, undertaking research, developing aquaculture zones, streamlining processes, and ascertaining additional areas that may be suitable for aquaculture.

## Pastoral lands reform

The State Government is renewing the focus on pastoral lands reform to drive new economic opportunities and income streams across Western Australia's vast rangelands.

Our department is working with the Pastoral Lands Board, pastoral lease holders and industry to investigate opportunities to increase economic diversification, streamlining approval processes and boosting security of tenure. There will be a focus on building the ecological sustainability of pastoral lands through diversification and attention to regeneration of soil and vegetation. Key opportunities to be explored include carbon farming, irrigated agriculture and tourism.

## Changing climate and variable weather

Climate change and climate variability continue to be significant challenges for natural resource management and primary industry production, with extreme weather events such as frost, bushfires and marine heatwaves increasing in frequency and severity. Our department continues to respond to, and support primary industries to respond to this challenge.

This includes providing planning information and decision-making tools to support agricultural producers and land managers. We will also develop new fisheries management policies in consultation with stakeholders over time to deal with climate change effects on fish stocks.

## Sustainability/natural resource management

Expanding populations, growing global demand for food and new technology bring many opportunities and challenges for our agrifood and fisheries sectors. One of these challenges is to achieve industry growth while ensuring we use our natural resources in a sustainable way, particularly with increasing consumer expectations and demand around sustainably sourced produce.

We are taking a lead role in helping the commercial fishing industry move to sustainable fishery certification. We are also working with NRM groups and grower organisations to explore the science and best practice in regenerative agriculture and the premium food markets they can access.

## Threats from pests, weeds and diseases

Prevention, early detection, and effective response to biosecurity threats remain a priority for our department, with growth in national and international trade and passenger movements placing increased risk on the biosecurity of Western Australia.

We work closely with industry, the community and relevant authorities to ensure our State manages biosecurity threats relating to livestock, plant, aquatic and invasive species to protect market access for Western Australian agribusiness, as well as our environment and lifestyles.

In 2017/18 we responded to a number of biosecurity incursions and supported the establishment of six new Recognised Biosecurity Groups, increasing community participation in biosecurity.

## Animal welfare

The demands on our department in administering the *Animal Welfare Act 2002* have continued to increase.

We further built our animal welfare compliance team in 2017/18 and are continuing to focus on improving community and industry awareness and engagement with animal welfare requirements.

Our department has also been managing issues relating to animal welfare in the live animal export industry. We recognise the strong public support for animal welfare and are working with DAWR to improve animal welfare safeguards in live export consignments. We will continue to work with our State's livestock producers and processors to ensure the best outcome for Western Australian producers.



## Sharks/community safety

Our department maintained a strong focus on effective measures and initiatives aimed at providing additional protection for those most at risk from shark attacks, including surfers and divers.

These measures included rebates for independently verified personal shark deterrents, funding for a Beach Emergency Numbering system, the use of drones to support helicopter and beach patrols, extending the Shark Monitoring Network to Esperance, and maintaining the SharkSmart website with up-to-date information on shark movements.

A suite of other initiatives such as a public notification system, helicopter and beach patrols, education and awareness and beach enclosures continue as important elements of the government's overall shark hazard mitigation program.

## Legislation reform

Our department has a significant role in the regulation of our primary industries to ensure they are effective, sustainable and meet community expectations.

The new *Aquatic Resources Management Act 2016* is expected to commence on 1 January 2019. It replaces the *Fish Resources Management Act 1994* and the *Pearling Act 1990* to provide modern effective, efficient and integrated fisheries and aquatic resource management.

Reviews of the *Animal Welfare Act 2002* (AW Act) and the *Biosecurity and Agriculture Management Act 2007* (BAM Act) will be progressed during 2018/19.

The BAM Act review will further improve biosecurity management to protect our economy, environment and the community. The AW Act is being reviewed to ensure it meets community expectations and animal needs and that the national animal welfare standards and guidelines can be adequately applied and enforced in Western Australia.

## Royalties for Regions reform

Our department manages the State Government's RfR Fund.

As part of the 2017/18 State Budget, the government undertook a review of the program to prioritise the delivery of regional election commitments and to support ongoing sustainability of regional programs. Additionally, the Special Inquiry into Government Programs and Projects led by John Langoulant found while the program has led to the delivery of significant benefits in regional areas through unprecedented investment in communities and projects, there were opportunities for streamlining and improving the program.

Prior to the inquiry, we had recognised and acted on the need for change and engaged with the Department of Treasury to negotiate a better integration of the RfR program and associated governance with the broader State Government budget management processes.

We will work closely with central agencies to ensure further improvements to the RfR program are implemented.

## Machinery of Government changes

The creation of our department as part of the government's public sector reforms/Machinery of Government changes required a significant amount of resources throughout the year. Our goal is to achieve a thorough and successful integration to allow us to provide more efficient and effective service delivery to the Western Australian community.

We accelerated the integration of our department through a central team until, following the launch of an interim organisational structure in December 2017, this transitioned to core business. We are currently designing and implementing our fully integrated organisational structure.

## Rebuilding agriculture R&D capacity

With domestic and international markets becoming increasingly competitive, it is essential our State invests in R&D to maintain our agricultural industry's productivity growth and innovation.

In 2017/18, we commenced a major transformation of State Government involvement in agrifood R&D. This has seen the formation of a new area of the department to focus on the scientific infrastructure needed to maintain and build on the competitive advantage of Western Australia's agrifood sector. This group will work in close collaboration with universities and other research providers to deliver benefits to the industry and government.

## Capability review

As part of its Service Priority Review and public sector reform program, the State Government committed to agencies undertaking periodic capability reviews. In March 2018, the State Government requested our department undertake a capability review.

The review will provide a clear statement of DPIRD's functions, priorities and financial position, allowing the government to make more informed decisions and commitments about the future role and resourcing of our department in 2019/20 and beyond.

The aim is to position DPIRD to continue to deliver the most efficient and effective service to stakeholders.

# Disclosures and legal compliance



# Independent auditor's report



Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT

### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Department of Primary Industries and Regional Development which comprise the Statement of Financial Position as at 30 June 2018, 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.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Primary Industries and Regional Development for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Matter of Significance**

The Western Australian Agriculture Authority (WAAA) was established by the Biosecurity and Agriculture Management Act 2007 (BAM Act) as a body corporate that is governed by the Minister for Agriculture and Food. Although WAAA has financial transactions and assets and liabilities, the BAM Act does not require it to report these separately. However, for financial accountability purposes, the BAM Act requires WAAA's activities to be regarded as services under the control of the Department. Consequently, the Department has included WAAA's income, expenses, assets and liabilities in its financial statements as though they relate to the Department. The Department does not separately account for these transactions or disclose them in its financial statements. My opinion is not modified in respect of this matter.



**Responsibility of the Director General 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

**Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report on Controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Primary Industries and Regional Development. The controls exercised by the Department 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Primary Industries and Regional Development 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 2018.

### ***The Director General's Responsibilities***

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

### ***Auditor General's Responsibilities***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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



### ***Limitations of Controls***

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected.

Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### **Report on the Key Performance Indicators**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Primary Industries and Regional Development for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Primary Industries and Regional Development are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2018.

#### ***The 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 internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

#### ***Auditor General's Responsibility***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements.

In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 Primary Industries and Regional Development for the year ended 30 June 2018 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.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
20 September 2018

## Financial statements

### Certification of financial statements

#### For the reporting period ended 30 June 2018

The accompanying financial statements of the Department of Primary Industries and Regional Development 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 reporting period ending 30 June 2018 and the financial position as at 30 June 2018.

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.



Ms Mandy Taylor  
Chief Financial Officer  
14 September 2018



Mr David (Ralph) Addis  
Accountable Authority  
14 September 2018

## Statement of comprehensive income for the year ended 30 June 2018

	Note	2018 \$'000
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expense	3.1.1	205,019
Supplies and services	3.3	117,461
Depreciation and amortisation expense	5.1.1, 5.2.1	16,394
Share of loss in joint venture entities using the equity method	6.6.1	2,047
Finance cost	7.2	1,892
Accommodation expenses	3.3	8,109
Other expenses	3.3	50,755
Grants and subsidies paid	3.2	70,879
Loss on disposal of non-current assets	4.6	87
<b>Total cost of services</b>		<b>472,643</b>
<b>Income</b>		
<b>Revenue</b>		
User charges and fees	4.2	50,603
Commonwealth grants and contributions	4.3	5,933
Non-government grants and subsidies received	4.4	25,486
Other revenue	4.5	38,106
<b>Total revenue</b>		<b>120,128</b>
<b>Total income other than income from State Government</b>		<b>120,128</b>
<b>NET COST OF SERVICES</b>		<b>352,515</b>
<b>Income from State Government</b>	4.1	
Service appropriations		192,955
Resources received free of charge		1,782
Royalties for Regions Fund		137,344
Other income from State Government		643
<b>Total income from State Government</b>		<b>332,724</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(19,791)</b>
<b>OTHER COMPREHESIVE INCOME</b>		
<b>Items not subsequently reclassified to net cost of services</b>		
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	9.11	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(19,791)</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.



## Statement of financial position as at 30 June 2018

	Note	2018 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	7.3.1	11,499
Restricted cash and cash equivalents	7.3.2	113,615
Biological assets	6.5	864
Inventories	6.4	1,288
Receivables	6.1	14,817
Amounts receivable for services	6.2	4,897
Other current assets	6.3	7,489
<b>Total current assets</b>		<b>154,469</b>
<b>Non-current assets</b>		
Restricted cash and cash equivalents	7.3.2	1,045
Amounts receivable for services	6.2	121,142
Receivables	6.1	14,217
Other non-current assets	6.3	9,879
Investments accounted for using the equity method	6.6.1	12,621
Property, plant and equipment	5.1	274,730
Intangible assets	5.2	14,149
<b>Total non-current assets</b>		<b>447,783</b>
<b>TOTAL ASSETS</b>		<b>602,252</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	6.7	19,112
Provisions	3.1.2	38,036
Borrowings	7.1	9,098
Other current liabilities	6.8	1,106
<b>Total current liabilities</b>		<b>67,352</b>
<b>Non-current liabilities</b>		
Provisions	3.1.2	8,354
Borrowings	7.1	17,610
<b>Total non-current liabilities</b>		<b>25,964</b>
<b>TOTAL LIABILITIES</b>		<b>93,316</b>
<b>NET ASSETS</b>		<b>508,936</b>
<b>EQUITY</b>		
Contributed equity		528,727
Accumulated surplus/(deficit)		(19,791)
<b>TOTAL EQUITY</b>	9.11	<b>508,936</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

## Statement of changes in equity for the year ended 30 June 2018

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
<b>BALANCE AT 1 JULY 2017</b>					
Former Department of Regional Development		69,530	-	-	<b>69,530</b>
Former Department of Fisheries		85,603	-	-	<b>85,603</b>
Former Department of Agriculture and Food		369,149	-	-	<b>369,149</b>
		<b>524,282</b>	-	-	<b>524,282</b>
Surplus/(deficit) for the period		-	-	(19,791)	<b>(19,791)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-	<b>(19,791)</b>	<b>(19,791)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Capital appropriations		5,206	-	-	<b>5,206</b>
Distribution to owners		(761)	-	-	<b>(761)</b>
<b>Total</b>		<b>4,445</b>	-	-	<b>4,445</b>
<b>BALANCE AT 30 JUNE 2018</b>	9.11	<b>528,727</b>	-	<b>(19,791)</b>	<b>508,936</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.



## Statement of cash flows for the year ended 30 June 2018

	Note	2018 \$'000
<b>CASH FLOW FROM STATE GOVERNMENT</b>		
Service appropriations		168,783
Capital contributions		5,206
Holding account drawdown		5,743
Royalties for Regions Fund		137,344
Other income from State Government		643
<b>Net cash provided by State Government</b>		<b>317,719</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits		(206,957)
Supplies and services		(107,380)
Accommodation		(7,725)
Finance costs		(1,551)
GST payments on purchases		(20,550)
Other payments		(23,130)
Grants and subsidies		(70,732)
<b>Receipts</b>		
User charges and fees		49,635
Commonwealth grants and contributions		5,258
Interest received		2,202
GST receipts on sales		5,358
GST receipts from taxation authority		15,008
Other receipts		61,834
<b>Net cash used in operating activities</b>	7.3.3	<b>(298,730)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Investment in joint ventures		(3,000)
Purchase of non-current assets		(12,330)
<b>Receipts</b>		
Proceeds from sale of non-current physical assets		228
<b>Net cash used in investing activities</b>		<b>(15,102)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Payments</b>		
Repayment of borrowings		(4,790)
<b>Receipts</b>		
Proceeds from industry		4,790
<b>Net cash used in financing activities</b>		<b>-</b>

## Statement of cash flows for the year ended 30 June 2018 (continued)

	Note	2018 \$'000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>3,887</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>		
Cash balance transferred from:		
Former Department of Regional Development		45,864
Former Department of Fisheries		5,439
Former Department of Agriculture and Food		70,969
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	7.3.3	<b>126,159</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

## Summary of consolidated account appropriations and income estimates for the year ended 30 June 2018

	Estimate 2018 \$'000	Actual 2018 \$'000	Variance \$'000
<b>DELIVERY OF SERVICES</b>			
Item 24 Net amount appropriated to deliver services	179,776	189,484	9,708
Amount authorised by Other Statutes			
<i>Biosecurity and Agriculture Management Act 2007</i>	3,673	2,462	(1,211)
<i>Salaries and Allowances Act 1975</i>	1,009	1,009	-
<b>TOTAL APPROPRIATIONS PROVIDED TO DELIVER SERVICES</b>	<b>184,458</b>	<b>192,955</b>	<b>8,497</b>
<b>CAPITAL</b>			
Item 98 Capital appropriations	1,085	5,206	4,121
<b>ADMINISTERED TRANSACTIONS</b>			
Item 25 Amount provided for Administered Grants, Subsidies and Transfer Payments	1,600	1,600	-
<b>TOTAL ADMINISTERED TRANSACTIONS</b>	<b>1,600</b>	<b>1,600</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>187,143</b>	<b>199,761</b>	<b>12,618</b>
<b>DETAILS OF EXPENSES BY SERVICE</b>			
Market development, investment and access	27,691	20,022	(7,669)
Productivity, improvement and innovation	35,243	51,912	16,669
Business development and promotion	20,139	20,128	(11)
Productive natural resources	32,726	28,512	(4,214)
Biosecurity and product integrity	83,072	74,866	(8,206)
A business environment for growth	52,864	39,443	(13,421)
Fisheries management	28,628	24,284	(4,344)
Enforcement and education	41,034	44,633	3,599
Research and assessment	25,765	25,736	(29)
Policy investment	66,003	106,650	40,647
Regional policy	60,926	21,706	(39,220)
Support for Regional Development Commissions	28,418	14,751	(13,667)
Total cost of services	<b>502,509</b>	<b>472,643</b>	<b>(29,866)</b>
Less total income	(104,930)	(120,128)	(15,198)
<b>NET COST OF SERVICES</b>	<b>397,579</b>	<b>352,515</b>	<b>(45,064)</b>
Adjustments	(213,121)	(159,560)	53,561
<b>TOTAL APPROPRIATIONS PROVIDED TO DELIVER SERVICES</b>	<b>184,458</b>	<b>192,955</b>	<b>8,497</b>
<b>CAPITAL EXPENDITURE</b>			
Purchase of non-current assets	28,853	12,330	(16,523)
Adjustment for other funding sources	(27,768)	(7,124)	20,644
<b>CAPITAL APPROPRIATIONS</b>	<b>1,085</b>	<b>5,206</b>	<b>4,121</b>
<b>DETAIL OF INCOME ESTIMATES</b>			
Income disclosed as administered income (refer note 10.2)	(50,433)	9,544	59,997
	<b>(50,433)</b>	<b>9,544</b>	<b>59,997</b>

Note 9.14 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2018.

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

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## Notes to the financial statements for the year ended 30 June 2018

### 1 Basis of preparation

The department is a Western Australian Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. A description of the nature of its operations and its principal activities has been included in the 'Overview', which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the department on 14 September 2018.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. The *Financial Management Act 2006* (FMA)
2. The Treasurer's Instructions (the Instructions or TI)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. 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.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

On 1 July 2017 the departments of Agriculture and Food, Regional Development and Fisheries were amalgamated to form the new Department of Primary Industries and Regional Development (DPIRD). The financial statements have been prepared on a going concern basis with the net assets of the amalgamated departments have been transferred to the new department that will continue to provide the department's services.

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

## Notes to the financial statements for the year ended 30 June 2018

### 1 Basis of preparation (continued)

#### 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 transfers of net assets to/from other departments, 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.

#### Comparative figures

Comparative figures are not required as the Department of Primary Industries and Regional Development commenced on 1 July 2017.

#### Memorandum of understanding

During the year, the department had a memorandum of understanding with the Agricultural Produce Commission and the Rural Business Development Corporation. The objective of these arrangements is to establish the types and standards of services to be provided, the basis for determining the level and the costs of services and responsibilities of the parties to the memorandum.



## Notes to the financial statements for the year ended 30 June 2018

### 2. Department outputs

#### How the department operates

This section includes information regarding the nature of funding the department receives and how this funding is utilised to achieve the department's objectives. This note also provides the distinction between controlled funding and administered funding:

Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liabilities by Service	2.3

### 2.1 Department objectives

#### Mission

Our department ensures that primary industries and regions are key contributors to the government's agenda for economic growth and diversification, job creation, strong communities and better places.

#### Services

The department provides the following services:

- Service 1: Market development, investment and market access
- Service 2: Productivity improvement and innovation
- Service 3: Business development and promotion
- Service 4: Productive natural resources
- Service 5: Biosecurity and product integrity
- Service 6: A business environment for growth
- Service 7: Fisheries management
- Service 8: Enforcement and education
- Service 9: Research and assessment
- Service 10: Regional investment
- Service 11: Regional policy
- Service 12: Support for Regional Development Commissions

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 10.1 'Disclosure of administered income and expenses by service' and note 10.3 'Disclosure of administered assets and liabilities by service'.

## Notes to the financial statements for the year ended 30 June 2018

### 2.2 Schedule of income and expenses by service for the year ended 30 June 2018

	Market development, investment and market access	Productivity improvement and innovation	Business development and promotion	Productive natural resources	Biosecurity and product integrity	A business environment for growth
	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	9,284	23,935	8,956	14,503	42,010	19,306
Depreciation and amortisation expense	835	1,433	713	1,009	2,737	1,798
Share of loss in joint venture entities using the equity method	441	-	706	-	-	900
Grants and subsidies paid	3,159	8,323	1,458	2,410	5,322	5,782
Loss on disposal of non-current assets	13	24	12	17	47	31
Other expenses	6,290	18,197	8,283	10,573	24,750	11,626
<b>Total cost of services</b>	<b>20,022</b>	<b>51,912</b>	<b>20,128</b>	<b>28,512</b>	<b>74,866</b>	<b>39,443</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees	428	1,428	644	1,135	6,702	1,402
Commonwealth grants and contributions	43	105	-	218	2,398	119
Non-government grants and subsidies received	1,697	13,515	2,518	3,793	2,724	1,024
Other revenue	983	3,383	1,832	1,293	2,577	2,262
<b>Total revenue</b>	<b>3,151</b>	<b>18,431</b>	<b>4,994</b>	<b>6,439</b>	<b>14,401</b>	<b>4,807</b>
<b>Total income other than income from State Government</b>	<b>3,151</b>	<b>18,431</b>	<b>4,994</b>	<b>6,439</b>	<b>14,401</b>	<b>4,807</b>
<b>NET COST OF SERVICES</b>	<b>16,871</b>	<b>33,481</b>	<b>15,134</b>	<b>22,073</b>	<b>60,465</b>	<b>34,636</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	13,349	22,157	11,146	16,320	44,719	29,418
Resources received free of charge	58	94	47	67	187	123
Royalties for Regions Fund	3,739	10,322	3,883	2,991	5,597	6,293
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>	<b>17,146</b>	<b>32,573</b>	<b>15,076</b>	<b>19,378</b>	<b>50,503</b>	<b>35,834</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>275</b>	<b>(908)</b>	<b>(58)</b>	<b>(2,695)</b>	<b>(9,962)</b>	<b>1,198</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

## Notes to the financial statements for the year ended 30 June 2018

### 2.2 Schedule of income and expenses by service for the year ended 30 June 2018

	Fisheries management	Enforcement and education	Research and assessment	Regional investment	Regional policy	Support for Regional Development Commissions	Total
	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Employee benefits expense	9,343	28,482	17,624	10,440	10,150	10,986	205,019
Depreciation and amortisation expense	1,873	2,205	983	2,628	180	-	16,394
Share of loss in joint venture entities using the equity method	-	-	-	-	-	-	2,047
Grants and subsidies paid	755	4,348	-	35,104	4,218	-	70,879
Loss on disposal of non-current assets	(56)	(10)	1	4	4	-	87
Other expenses	12,369	9,608	7,128	58,474	7,154	3,765	178,217
<b>Total cost of services</b>	<b>24,284</b>	<b>44,633</b>	<b>25,736</b>	<b>106,650</b>	<b>21,706</b>	<b>14,751</b>	<b>472,643</b>
<b>Income</b>							
<b>Revenue</b>							
User charges and fees	9,905	18,042	10,401	260	256	-	50,603
Commonwealth grants and contributions	-	857	1,752	441	-	-	5,933
Non-government grants and subsidies received	-	-	215	-	-	-	25,486
Other revenue	753	2,345	752	17,993	3,500	433	38,106
<b>Total revenue</b>	<b>10,658</b>	<b>21,244</b>	<b>13,120</b>	<b>18,694</b>	<b>3,756</b>	<b>433</b>	<b>120,128</b>
<b>Total income other than income from State Government</b>	<b>10,658</b>	<b>21,244</b>	<b>13,120</b>	<b>18,694</b>	<b>3,756</b>	<b>433</b>	<b>120,128</b>
<b>NET COST OF SERVICES</b>	<b>13,626</b>	<b>23,389</b>	<b>12,616</b>	<b>87,956</b>	<b>17,950</b>	<b>14,318</b>	<b>352,515</b>
<b>INCOME FROM STATE GOVERNMENT</b>							
Service appropriation	13,586	24,748	14,266	1,626	1,620	-	192,955
Resources received free of charge	190	346	198	472	-	-	1,782
Royalties for Regions Fund	410	-	-	92,803	11,306	-	137,344
Other income from State Government	-	-	143	500	-	-	643
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>	<b>14,186</b>	<b>25,094</b>	<b>14,607</b>	<b>95,401</b>	<b>12,926</b>	<b>-</b>	<b>332,724</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>560</b>	<b>1,705</b>	<b>1,991</b>	<b>7,445</b>	<b>(5,024)</b>	<b>(14,318)</b>	<b>(19,791)</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development. As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

## Notes to the financial statements for the year ended 30 June 2018

### 2.3 Schedule of assets and liabilities by service as at 30 June 2018

	Market development, investment and market access	Productivity improvement and innovation	Business development and promotion	Productive natural resources	Biosecurity and product integrity	A business environment for growth
	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
Current assets	3,729	21,439	8,605	8,191	19,383	16,441
Non-current assets	30,855	65,053	25,118	46,830	86,006	64,789
<b>Total assets</b>	<b>34,584</b>	<b>86,492</b>	<b>33,723</b>	<b>55,021</b>	<b>105,389</b>	<b>81,230</b>
<b>LIABILITIES</b>						
Current liabilities	2,633	5,243	2,845	4,329	9,696	6,955
Non-current liabilities	431	717	361	510	1,424	936
<b>Total liabilities</b>	<b>3,064</b>	<b>5,960</b>	<b>3,206</b>	<b>4,839</b>	<b>11,120</b>	<b>7,891</b>
<b>NET ASSETS</b>	<b>31,520</b>	<b>80,532</b>	<b>30,517</b>	<b>50,182</b>	<b>94,269</b>	<b>73,339</b>

	Fisheries management	Enforcement and education	Research and assessment	Regional investment	Regional policy	Support for Regional Development Commissions	Total
	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>							
Current assets	9,471	6,334	8,850	26,068	25,958	-	154,469
Non-current assets	29,073	39,329	37,970	11,404	11,356	-	447,783
<b>Total assets</b>	<b>38,544</b>	<b>45,663</b>	<b>46,820</b>	<b>37,472</b>	<b>37,314</b>	<b>-</b>	<b>602,252</b>
<b>LIABILITIES</b>							
Current liabilities	10,132	7,698	5,297	8,890	1,823	1,811	67,352
Non-current liabilities	14,418	1,633	905	3,789	386	454	25,964
<b>Total liabilities</b>	<b>24,550</b>	<b>9,331</b>	<b>6,202</b>	<b>12,679</b>	<b>2,209</b>	<b>2,265</b>	<b>93,316</b>
<b>NET ASSETS</b>	<b>13,994</b>	<b>36,332</b>	<b>40,618</b>	<b>24,793</b>	<b>35,105</b>	<b>(2,265)</b>	<b>508,936</b>

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

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development. As this is the first reporting period for the Department of Primary Industries and Regional Development there are no comparative figures to disclose.

## Notes to the financial statements for the year ended 30 June 2018

### 3. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the department in achieving its objectives and the relevant notes are:

	Notes	2018 \$'000
Employee benefits expense	3.1.1	205,019
Employee benefits provisions	3.1.2	46,390
Grants and subsidies paid	3.2	70,879
Supplies and services	3.3	117,461
Other expenses	3.3	50,755
Accommodation expenses	3.3	8,109

#### 3.1.1 Employee benefits expense

	2018 \$'000
<b>Employee benefits expense</b>	
Wages and salaries <sup>(a)</sup>	166,999
Superannuation-defined contribution plans <sup>(b)</sup>	16,870
Long service leave	2,222
Annual leave	11,984
Other related expenses <sup>(c)</sup>	6,944
	<b>205,019</b>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component, redundancy payments of \$13.6 million and leave entitlements, including superannuation contribution component.

(b) Defined contribution plans include West State Superannuation (WSS), Gold State Superannuation Scheme (GSS), and Government Employees Superannuation Board Schemes (GESB) to the amount of \$15.5 million and other eligible funds.

(c) The department paid \$1.2 million in 2017/18 to the Department of Communities for staff housing under the Government Regional Officers Housing (GROH) program.

## Notes to the financial statements for the year ended 30 June 2018

### 3.1.1 Employee benefits expenses (continued)

**Wages and salaries:** Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.



## Notes to the financial statements for the year ended 30 June 2018

### 3.1.2 Employee benefits provision

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018 \$'000
<b>Current</b>	
Annual leave <sup>(a)</sup>	15,813
Deferred and purchased leave <sup>(b)</sup>	360
Long service leave <sup>(c)</sup>	21,354
<b>Total current employee benefits provision</b>	<b>37,527</b>
Employee on-costs <sup>(d)</sup>	509
<b>Total current other provisions</b>	<b>509</b>
<b>Total current provisions</b>	<b>38,036</b>
<b>Non-current</b>	
Long service leave <sup>(c)</sup>	8,241
<b>Total non-current employee benefits provision</b>	<b>8,241</b>
Employee on-costs <sup>(d)</sup>	113
<b>Total non-current other provisions</b>	<b>113</b>
<b>Total non-current provisions</b>	<b>8,354</b>

## Notes to the financial statements for the year ended 30 June 2018

### 3.1.2 Employee benefits provision (continued)

(a) <b>Annual leave liabilities:</b> Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:	<b>2018</b>
	<b>\$'000</b>
	11,225
	4,588
Within 12 months of the end of the reporting period	
More than 12 months after the reporting period	
	<b>15,813</b>

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability 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 for 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 defer settlement of the liability for at least 12 months after the end of the reporting period.

(b) <b>Deferred salary scheme liabilities:</b> Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:	<b>2018</b>
	<b>\$'000</b>
	360
	-
Within 12 months of the end of the reporting period	
More than 12 months after the reporting period	
	<b>360</b>

## Notes to the financial statements for the year ended 30 June 2018

### 3.1.2 Employee benefits provision (continued)

- (c) **Long service leave liabilities:** 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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$'000
Within 12 months of the end of the reporting period	7,975
More than 12 months after the reporting period	21,620
	<b>29,595</b>

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore 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 expect 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 the settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and 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.

- (d) **Employment on-costs:** 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. 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, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

#### Movements in other provisions

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

	2018 \$'000
<b>Employment on-cost provision</b>	
Carrying amount at start of period	813
Additional provisions recognised	(191)
<b>Carrying amount at end of period</b>	<b>622</b>

## Notes to the financial statements for the year ended 30 June 2018

### 3.1.2 Employee benefits provision (continued)

#### **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 current provision as employees can leave the scheme at their discretion at any time.

#### **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.

#### **Key sources of estimation uncertainty – long service leave**

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.

Several estimates and assumptions are used in calculating the department's long service leave provision. These 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## Notes to the financial statements for the year ended 30 June 2018

### 3.2 Grants and subsidies paid

	2018 \$'000
<b>Recurrent</b>	
Other grant payments	32,370
Regional Community Services Fund	19,263
Regional Infrastructure and Headworks Fund	16,050
Regional Reform Fund	3,196
	<b>70,879</b>

Transactions in which the department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector departments, local government, non-government schools, and community groups.

## Notes to the financial statements for the year ended 30 June 2018

### 3.3 Other expenses

	2018 \$'000
Professional services	57,926
Travel	4,890
Communications	3,454
Consumables	16,954
Lease, rent and hire costs	4,907
Consultancies expense	768
Utilities, rates and charges	3,411
Insurance	1,355
Licences, fees and registration	4,562
Advertising	1,470
Repairs and services for assets	1,966
Services purchased from non-government departments	9,162
General administration costs	6,636
<b>Total supplies and services</b>	<b>117,461</b>
Lease rentals <sup>(a)</sup>	5,770
Repairs and maintenance	2,339
<b>Total accommodation expenses</b>	<b>8,109</b>
Doubtful debts expense	85
Donations and sponsorships	558
Employment on-costs	1,277
Return of unused grants	20,000
Miscellaneous other	1,249
Fisheries adjustment scheme buybacks	38
Impairments	210
Revaluation decrement <sup>(b)</sup>	27,338
<b>Total other expenses</b>	<b>50,755</b>
<b>Total</b>	<b>176,325</b>

(a) The department paid \$5.2 million to the Department of Finance for accommodation.

(b) Revaluation decrement includes individual amounts of \$22.6 million (land) relating to South Perth and \$7.3 million (building) relating to the Garrjang Workers Accommodation Village as per the Fair Value assessment by Landgate. The balance of the overall decrement of \$27.3 million includes a \$2.6 million net revaluation increment from all remaining land and building as per the Fair Value assessment by Landgate.



## Notes to the financial statements for the year ended 30 June 2018

### 3.3 Other expenses (continued)

#### **Supplies and services**

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

#### **Accommodation expenses**

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

#### **Building and infrastructure maintenance and equipment repairs and maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

#### **Doubtful debt expense**

Doubtful debt expense is recognised as the movement in the provision for doubtful debt. Please refer to note 6.1.1 Movement of the allowance for impairment of receivables.

#### **Employee on-costs**

Employee on-costs include workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1.2 Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

#### **Other**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

## Notes to the financial statements for the year ended 30 June 2018

### 4 Our funding sources

#### How we obtain our funding

This section provides additional information about how the department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the department and the relevant notes are:

	Notes	2018 \$'000
Income from State Government	4.1	332,724
User charges and fees	4.2	50,603
Commonwealth grants and contributions	4.3	5,933
Grants and subsidies received	4.4	25,486
Other revenue	4.5	38,106
Loss on disposal of non-current assets	4.6	(87)

## Notes to the financial statements for the year ended 30 June 2018

### 4.1 Income from State Government

	2018 \$'000
<b>Appropriation received during the period:</b>	
<b>Service appropriation <sup>(a)</sup></b>	192,955
	<b>192,955</b>
<b>Resources received free of charge</b>	
Landgate	28
State Solicitor's Office	923
Department of Finance	830
Department of Water and Environmental Regulation	1
	<b>1,782</b>
<b>Other income from State Government</b>	
Department of Jobs, Tourism, Science and Innovation <sup>(b)</sup>	500
Pilbara Ports Authority	44
Southern Ports Authority	35
Mid West ports	21
Other income from State Government	43
	<b>643</b>
<b>Royalties for Regions Fund <sup>(c)</sup></b>	
Seizing the Opportunity Agriculture	18,007
Regional Infrastructure and Headworks Account	39,743
Regional Community Services Account	42,154
Regional and Statewide Initiatives	37,440
	<b>137,344</b>
<b>Total income from State Government</b>	<b>332,724</b>

## Notes to the financial statements for the year ended 30 June 2018

### 4.1 Income from State Government (continued)

- a) **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 department's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue of \$192.955 million comprises the following:

- Cash component
  - Service appropriations \$165,312,000
  - Biosecurity and Agriculture Management Act 2007* \$2,462,000
  - Salaries and Allowances Act 1975* \$1,009,000
- A receivable (asset) \$24,172,000

The receivable (holding account – note 6.2) comprises the following:

- The budgeted depreciation expense for the year
- Any agreed increase in leave liabilities during the year

- b) **Other income from State Government:** The department received \$500,000 from the Department of Jobs, Tourism, Science and Innovation. This income is to support and accelerate new and emerging businesses and SMEs (small to medium enterprises) as well as diversify the Western Australian economy and create new Western Australian jobs and industries.
- c) **The Regional Infrastructure and Headworks Account, Regional Community Services Accounts and Regional Statewide Initiative** are sub funds within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the department gains control on receipt of the funds. The department received \$137,344,000 under Royalties for Regions funds in 2017/18.

## Notes to the financial statements for the year ended 30 June 2018

### 4.2 User charges and fees

	2018 \$'000
Access fees	28,440
Regulatory fees	17
Recreational licence fees	8,463
Fees for services provided under service level agreements	512
Other user charges and fees	12,460
Memorandum of understanding—services provided	
Agricultural Produce Commission	183
Rural Business Development Corporation	528
	<b>50,603</b>

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.

#### 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 2017/18 Budget Statements, the department retained \$259.9m in 2018 from the following:

- proceeds from fees and charges
- sale of goods
- Commonwealth – specific purpose grants and contributions
- one-off gains with a value of less than \$10,000 derived from the sale of property other than real property
- revenues from services provided through the establishment of memorandum of understandings
- other departmental revenue.



## Notes to the financial statements for the year ended 30 June 2018

### 4.3 Commonwealth grants and contributions

	2018 \$'000
Commonwealth National Partnership Agreements	2,192
Commonwealth Agriculture Activity Grants	586
Department of Agriculture and Water Resources	970
Fisheries Research and Development Corporation	622
Plant Biosecurity Cooperative Research	140
Other grants from the Commonwealth	170
Indian Ocean Territories	1,253
	<b>5,933</b>

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

Grant income arises from transactions described as:

- non-reciprocal (where the department does not provide approximate equal value in return to a party providing goods or assets (or extinguishes a liability); or
- reciprocal (where the department provides equal value to the recipient of the grant provider).

The accountings for these are set out below.

For non-reciprocal grants, the department recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured. Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

For reciprocal grants, the department recognises income when it has satisfied its performance obligations under the terms of the grant.

Grants can further be split between:

- general purpose grants
- specific purpose grants.

General purpose grants refer to grants which are not subject to conditions regarding their use. Specific purpose grants are received for a particular purpose and/or have conditions attached regarding their use.

## Notes to the financial statements for the year ended 30 June 2018

### 4.4 Non-government grants and subsidies received

	2018 \$'000
<b>Agriculture Research Grants Account No. 1</b>	
Meat and Livestock Australia	2,398
Grains Research and Development Corporation	14,716
Rural Industry Research and Development Corporation	280
Australian Wool Innovation Pty Ltd	14
Cooperative Research Centres research grants	320
Commercial grants	6,583
<b>Agriculture Research Grants Account No. 2</b>	
Horticulture industry	534
888 Abalone	10
Broadspectrum	13
Citic Pacific Mining Management Pty Ltd	19
Marine Fishfarmers Association of WA	150
Rio Tinto	18
Other grants and subsidies	431
<b>Total grants and subsidies from non-government sources</b>	<b>25,486</b>

### 4.5 Other revenue

	2018 \$'000
Levies and rates	4,924
Return of grant allocations	16,851
Royalties	3,028
Rents and leases	2,600
Interest revenue	2,677
Other	8,026
	<b>38,106</b>

## Notes to the financial statements for the year ended 30 June 2018

### 4.6 Loss on disposal of non-current assets

	2018 \$'000
<b>Proceeds from disposal of non-current assets</b>	
Vehicles and buses	113
Plant and machinery	8
Marine vessels	107
	<b>228</b>
<b>Carrying amount of non-current assets disposed</b>	
Buildings	132
Computer and communications equipment	4
Office equipment	6
Vehicles and buses	128
Plant and machinery	10
Marine vessels	35
	<b>315</b>
<b>Net (loss)/gain</b>	<b>(87)</b>

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets. Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of Comprehensive Income (from the proceeds of sale).

## Notes to the financial statements for the year ended 30 June 2018

### 5 Key assets

#### Assets the department utilises for economic benefit or service potential

This section includes information regarding the key assets the department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018 \$'000
Property, plant and equipment	5.1	274,730
Intangible assets	5.2	14,149
<b>Total key assets</b>		<b>288,879</b>

#### 5.1 Property, plant and equipment

	Land	Buildings	Leasehold improvements	Computer and communications equipment	Office and other equipment	Plant and machinery	Marine vessels	Vehicles and buses	Infrastructure	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>											
Contribution from owner	56,496	104,649	6,041	1,569	2,569	21,158	7,242	795	11,312	19,509	<b>231,340</b>
Additions	-	13	-	465	332	460	105	133	-	9,166	<b>10,674</b>
Disposals	-	(132)	-	(4)	(6)	(47)	(35)	(91)	-	-	<b>(315)</b>
Transfers <sup>(a)</sup>	72,037	2,384	-	(24)	155	744	189	184	23,007	(24,673)	<b>74,003</b>
Revaluations decrements	(22,311)	(5,027)	-	-	-	-	-	-	-	-	<b>(27,338)</b>
Depreciation	-	(4,753)	(1,858)	(954)	(773)	(2,867)	(941)	(269)	(1,219)	-	<b>(13,634)</b>
<b>Carrying amount at end of period</b>	<b>106,222</b>	<b>97,134</b>	<b>4,183</b>	<b>1,052</b>	<b>2,277</b>	<b>19,448</b>	<b>6,560</b>	<b>752</b>	<b>33,100</b>	<b>4,002</b>	<b>274,730</b>

(a) The balance in transfers includes land and buildings transfers from/(to) assets held for distribution (note 9.10).

## Notes to the financial statements for the year ended 30 June 2018

### 5.1 Infrastructure, property, plant and equipment (continued)

#### Initial recognition

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).

Assets transferred as part of a Machinery of Government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

#### Subsequent measurement

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

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. Where the fair value of buildings is determined on the depreciated replacement cost basis, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Fair value for restricted use land is determined by comparison with market evidence for land with similar appropriate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the valuation, fair value was determined by reference to market values for land \$15.0 million and buildings \$5.6 million (note 8.3). For the remaining balance fair value of buildings were determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted used land).



## Notes to the financial statements for the year ended 30 June 2018

### 5.1 Infrastructure, property, plant and equipment (continued)

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. Upon disposal or de-recognition of an item of land and buildings, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets.

#### **Key sources of estimation uncertainty – Measurement of fair values**

A number of the department's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Landgate provide valuation services for the department's land and buildings.

The department provides the remaining useful life and depreciated book value to Landgate to assist them in their calculation of Level 3 fair value. When measuring the fair value of an asset or a liability, the department uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The department recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Notes to the financial statements for the year ended 30 June 2018

### 5.1 Infrastructure, property, plant and equipment (continued)

#### 5.1.1 Depreciation and impairment

	2018 \$'000
<b>Depreciation expense</b>	
<b>Charge for the period</b>	
Buildings	4,753
Computer and communications equipment	954
Office and other equipment	773
Plant and machinery	2,867
Lease improvements	1,858
Marine vessels	941
Infrastructure	1,219
Vehicles and buses	269
<b>Total depreciation for the period</b>	<b>13,634</b>

As at 30 June 2018 there were no indications of impairment to property, plant and equipment or infrastructure. All surplus assets at 30 June 2018 have either been classified as assets held for sale or have been written-off. Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite useful lives

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:

Asset category	Life (years)
Buildings	20 to 40 and/or estimated useful life
Computer and communications equipment	3 to 5
Office and other equipment	5 to 10
Plant and machinery	5 to 20
Marine vessels	5 to 6
Infrastructure	20 to 80
Vehicles and buses	5 to 10

Leased improvements are depreciated on a straight line basis over the life of the lease or the life of the asset, whichever is less. Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

## Notes to the financial statements for the year ended 30 June 2018

### 5.1 Infrastructure, property, plant and equipment (continued)

#### 5.1.1 Depreciation and impairment (continued)

##### **Impairment of assets**

Property, plant, equipment and infrastructure 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 the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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.

## Notes to the financial statements for the year ended 30 June 2018

### 5.2 Intangible assets

	2018 \$'000
<b>Computer software</b>	
At cost	31,887
Accumulated amortisation	(19,891)
	<b>11,996</b>
<b>Capital works in progress</b>	
At cost	2,153
<b>Total intangible assets</b>	<b>14,149</b>
<b>Reconciliation</b>	
<b>Computer software</b>	
Contribution from owner	12,464
Additions	9
Transfers from capital works in progress	2,283
Amortisation expense	(2,760)
<b>Carrying amount at end of period</b>	<b>11,996</b>
<b>Capital works in progress</b>	
Contribution from owner	2,999
Additions	1,647
Provision for impairment	(210)
Transfers to computer software	(2,283)
<b>Carrying amount at end of period</b>	<b>2,153</b>

## Notes to the financial statements for the year ended 30 June 2018

### 5.2 Intangible assets (continued)

#### Initial recognition

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 profit or loss in the Statement of comprehensive income. All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- An intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefit
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

Costs incurred in the research phase of a project are immediately expensed.

#### Subsequent measurement

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

#### 5.2.1 Amortisation and impairment

##### Amortisation expense

##### Charge for the period

Intangible assets

##### Total amortisation for the period

2018

\$'000

2,760

**2,760**

## Notes to the financial statements for the year ended 30 June 2018

### 5.2.1 Amortisation and impairment (continued)

As at 30 June 2018 there was impairment to intangible assets (refer Note 3.3). The department held no goodwill or intangible assets with an indefinite useful life during the reporting period.

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 expected useful lives for each class of intangible asset are:

<b>Asset category</b>	<b>Life (years)</b>
Licences	up to 10
Development costs	3 to 5
Software <sup>(a)</sup>	3 to 10
Website costs	3 to 5

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

#### **Impairment of intangible assets**

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

#### **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 economic benefits 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 treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated 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.



## Notes to the financial statements for the year ended 30 June 2018

### 6 Other assets and liabilities

This section sets out those assets and liabilities that arose from the department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$'000
Receivables	6.1	29,034
Amounts receivable for services (holding account)	6.2	126,039
Other assets	6.3	17,368
Inventories	6.4	1,288
Biological assets	6.5	864
Investments accounted for using the equity method	6.6.1	12,621
Jointly controlled assets	6.6.2	13,057
Payables	6.7	19,112
Other liabilities	6.8	1,106

#### 6.1 Receivables

	2018 \$'000
<b>Current</b>	
Receivables	4,247
Allowance for impairment of receivables	(206)
Accrued revenue	1,379
GST receivable	2,615
Interest receivable	184
Other debtors	6,598
<b>Total current receivables</b>	<b>14,817</b>
<b>Non-current</b>	
Other debtors	14,217
<b>Total non-current receivables</b>	<b>14,217</b>

The department does not hold any collateral or other credit enhancements as security for receivables. Receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

## Notes to the financial statements for the year ended 30 June 2018

### 6.1.1 Movement of the allowance for impairment of receivables

	2018 \$'000
<b>Reconciliation of changes in the allowances for impairment of receivables:</b>	
Balance at start of period	184
Doubtful debt expense	85
Amounts written off during the period	(63)
<b>Balance at end of period</b>	<b>206</b>

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 uncollectable amounts (doubtful debts) is raised when there is objective evidence that the department will not be able to collect the debts.

### 6.2 Amounts receivable for services (Holding Account)

	2018 \$'000
Current	4,897
Non-current	121,142
	<b>126,039</b>
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.	
The reconciliation at the beginning and end of the current year and previous year is set out below.	
Opening balance of holding account	107,610
Non-cash appropriation	24,172
Departmental drawdown	(5,743)
<b>Closing balance of Holding Account</b>	<b>126,039</b>

Amounts receivable for services 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.

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.

## Notes to the financial statements for the year ended 30 June 2018

### 6.3 Other assets

	2018 \$'000
<b>Current</b>	
Prepaid goods and services	265
Doppler radar maintenance <sup>(a)</sup>	531
Lease prepayments <sup>(b)</sup>	2,418
Licences and rentals	4,275
<b>Total current assets</b>	<b>7,489</b>
<b>Non-current</b>	
Doppler radar maintenance <sup>(a)</sup>	6,737
Goods and services	64
Available for sale financial assets	
Unlisted shares	55
Lease prepayments <sup>(b)</sup>	3,023
<b>Total non-current assets</b>	<b>9,879</b>

- (a) Prepaid value of future maintenance associated with Doppler radars. The department owns Doppler radars, situated in the Wheatbelt, which are designed to provide more precise weather information to help growers in their decision making.
- (b) The department, on behalf of the State, has entered into a lease agreement with the Baiyungu Aboriginal Corporation. The lease is in relation to the Royalties for Regions-funded Coral Bay Services Workers' Accommodation project. The lease is a 10-year lease that expires in 2020. At the end of the lease, the workers' accommodation will be transferred to the Baiyungu Aboriginal Corporation unless advised otherwise within three months from lease expiry. The value of the building has been recognised as a prepayment and will be expensed annually up the lease expiry date.

### 6.4 Inventories

	2018 \$'000
<b>Inventories held for resale</b>	
Agricultural produce	102
Raw materials and stores	1,186
	<b>1,288</b>

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is based on the first-in first-out basis. Inventories not held for resale are measured at cost unless they are no longer required, in which case they are valued at net realisable value.

## Notes to the financial statements for the year ended 30 June 2018

### 6.5 Biological assets

	2018 \$'000
Livestock	571
Field crops	293
	<b>864</b>
Balance at 1 July	1,151
Purchases	115
Sales of livestock	(402)
<b>Balance at 30 June</b>	<b>864</b>

Biological assets comprising livestock and field crops are valued at fair value less estimated point of sale costs and costs necessary to get them to market. A gain or loss on valuation is recognised in the Statement of comprehensive income.

### 6.6 Joint arrangements

The department has interests in a number of joint arrangements, some of which are classified as joint operations and others as joint ventures.

A joint venture is an arrangement in which the department has joint control, whereby the department has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The department recognises its investment in joint ventures using the equity method of accounting (refer to note 6.6.1).

A joint operation is an arrangement in which the department has joint control, whereby the department has direct rights to its assets and obligations for its liabilities. The department recognises its share of any joint operation assets and liabilities to the extent of its interest (refer to note 6.6.1).

## Notes to the financial statements for the year ended 30 June 2018

### 6.6.1 Investments accounted for using the equity method

	2018 \$'000
Share of loss in joint venture entity using the equity method	2,047
	<b>2,047</b>
	2018 \$'000
Investment in joint ventures at initial cost of investment	34,623
Share of profit/(loss) using the equity method	(28,885)
Recognition of gain on dilution	2,428
	<b>8,166</b>
Loan to InterGrain Pty Ltd	4,455
	<b>12,621</b>

The Western Australian Agriculture Authority (WAAA), a body corporate established under the *Biosecurity and Agriculture Management Act 2007*, is a joint venturer in:

#### **InterGrain Pty Ltd**

InterGrain Pty Ltd was incorporated on 26 October 2007 and is resident in Australia. The principal activity of the joint venture is to commercialise the research from wheat and barley breeding. As at 30 June 2018, WAAA holds a 61.67% equity interest in InterGrain Pty Ltd.

The department regards the investment in InterGrain Pty Ltd as a joint venture, due to the contractually agreed sharing of control over economic activity and the financial and operating decisions relating to the activity requiring the unanimous consent of the shareholders.

#### **Australian Export Grains Innovation Centre Ltd (Limited by Guarantee) (AEGIC)**

AEGIC was incorporated on 24 October 2012. The primary aim of the joint venture is to lead the establishment and operation of a centre of science, technology and innovation to facilitate the competitiveness of the Australian grains industry with a particular focus on export markets.

The department has no obligations with respect to liabilities incurred by InterGrain Pty Ltd and AEGIC.

## Notes to the financial statements for the year ended 30 June 2018

### 6.6.1 Investments accounted for using the equity method (continued)

#### Summary financials of equity accounted investees

Summary financials from the management accounts for equity accounted investees, not adjusted for the percentage ownership by the department:

	2018 \$'000 InterGrain	2018 \$'000 AEGIC
Current assets	18,649	10,878
Non-current assets	2,746	1,192
<b>Total assets</b>	<b>21,395</b>	<b>12,070</b>
Current liabilities	7,669	1,664
Non-current liabilities	8,923	-
<b>Total liabilities</b>	<b>16,592</b>	<b>1,664</b>
<b>Net (liabilities)/assets</b>	<b>4,803</b>	<b>10,406</b>
Revenue	20,750	3,077
Expenses	(15,417)	(11,167)
<b>Net gain/(loss)</b>	<b>5,333</b>	<b>(8,090)</b>



## Notes to the financial statements for the year ended 30 June 2018

### 6.6.2 Jointly controlled assets

The department has shared ownership of Crown land and buildings with the Department of Water and Environmental Regulation. The following amounts represent the fair value of the assets employed in the joint ownership:

	2018 \$'000
<b>Non-current assets</b>	
Land <sup>(a) (b) (c)</sup>	11,315
Building <sup>(c)</sup>	1,742
	<b>13,057</b>

The department's share of these assets has been included in property, plant and equipment.

The shared ownership of Crown land and buildings relates to the following sites:

- (a) Forrestfield was established in 1993 to protect fauna and flora located on the site and the department has been responsible for all costs in regards to maintaining the site and any proposed future developments. It was valued by Landgate in 2017/18 at \$9.0 million.
- (b) The department has a 50% share of ownership of Crown land with the Department of Water and Environmental Regulation in the Mandurah Marine Operations Centre. It was valued by Landgate in 2017/18 at \$0.6 million.
- (c) The department has a 50% share of ownership of Crown land and building with the Department of Transport in the Fremantle Marine Operations Centre. It was valued by Landgate in 2017/18 at \$3.4 million (land \$1.7 million, buildings \$1.7 million).

## Notes to the financial statements for the year ended 30 June 2018

### 6.7 Payables

	2018 \$'000
<b>Current</b>	
Trade payables	7,942
Accrued expenses	9,081
Accrued salaries	1,336
Other payables	753
<b>Total current</b>	<b>19,112</b>

Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.3.2 'Restricted cash and cash equivalents') consists of amounts paid annually, from departmental appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

### 6.8 Other liabilities

	2018 \$'000
Accrued Western Australian Treasury Corporation charges	1,106
	<b>1,106</b>

## Notes to the financial statements for the year ended 30 June 2018

### 7 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the department.

	Notes	2018 \$'000
Borrowings	7.1	26,708
Finance costs	7.2	1,892
Reconciliation of cash	7.3.1	11,499
Restricted cash and cash equivalents	7.3.2	114,660
Non-cancellable operating lease commitments	7.4.1	50,339
Non-cancellable finance lease commitments	7.4.2	5,893
Capital commitments	7.4.3	706

## Notes to the financial statements for the year ended 30 June 2018

### 7.1 Borrowings

	2018 \$'000
<b>Current</b>	
Borrowings from Western Australian Treasury Corporation <sup>(a)</sup>	6,598
Finance lease <sup>(b)</sup>	2,500
	<b>9,098</b>
<b>Non-current</b>	
Borrowings from Western Australian Treasury Corporation <sup>(a)</sup>	14,217
Finance lease <sup>(b)</sup>	3,393
	<b>17,610</b>
	<b>26,708</b>

- (a) 'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Western Australian Treasury Corporation (WATC), finance leases and other interest bearing arrangements.

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the department has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The department determines the classification of its interest bearing liabilities at initial recognition.

- (b) The Department of Primary Industries and Regional Development, on behalf of the State, has entered into a lease agreement with the Baiyungu Aboriginal Corporation. The lease is in relation to the Royalties for Regions-funded Coral Bay Services Workers' Accommodation project. The lease is a 10-year lease that expires in 2020. At the end of the lease, the workers' accommodation will be transferred to the Baiyungu Aboriginal Corporation unless advised otherwise within three months from lease expiry. The value of the building has been recognised as a prepayment and will be expensed annually up the lease expiry date.

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.

## Notes to the financial statements for the year ended 30 June 2018

### 7.2 Finance costs

	2018 \$'000
Interest expense	435
WATC borrowing charges	1,457
	<b>1,892</b>

'Finance cost' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

### 7.3 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.

#### 7.3.1 Reconciliation of cash

	2018 \$'000
<b>Cash and cash equivalents</b>	
<b>Reconciliation of cash</b>	
Cash advances	28
Cash at bank	11,471
<b>Cash and cash equivalents</b>	<b>11,499</b>

## Notes to the financial statements for the year ended 30 June 2018

### 7.3.2 Restricted cash and cash equivalents

	2018 \$'000
<b>Current</b>	
<b>Restricted cash and cash equivalents</b>	
Royalties for Regions Fund <sup>(a)</sup>	51,220
Potato Marketing Corporation	2
Funds for capital purposes <sup>(b)</sup>	2,633
Colocation Fund	77
Recurrent grants	564
Trust Account	516
<b>Special purpose accounts <sup>(c)</sup></b>	
Agriculture Research Grants Account No. 1 (non-interest bearing)	20,605
Agriculture Research Grants Account No. 2	4,008
Commonwealth Agriculture Activity Grants (non-interest bearing)	3,839
Plant Research and Development	5,548
Cattle Industry Funded Scheme	5,747
Declared Pest Account	2,631
Land Conservation Districts Fund	78
Grain, Seeds and Hay Industry Funded Scheme	9,595
Sheep and Goats Industry Funded Scheme	2,014
Fisheries Research and Development	1,516
Recreational Fishing Account	2,500
Fisheries Adjustment Schemes Trust Account	522
<b>Total current</b>	<b>113,615</b>
<b>Non-current</b>	
Accrued salaries suspense account <sup>(d)</sup>	1,045
<b>Total non-current</b>	<b>1,045</b>
<b>Total restricted cash and cash equivalents</b>	<b>114,660</b>

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

(b) Funds for capital purposes are restricted by the fact that these amounts are specifically appropriated by Treasury for capital spend.

(c) Receipts and disbursements are disclosed in note 9.7 in accordance with Treasurer's Instruction 1103(15).

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



## Notes to the financial statements for the year ended 30 June 2018

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

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2018 \$'000
Cash and cash equivalents (note 7.3.1)	11,499
Restricted cash and cash equivalents: current (note 7.3.2)	113,615
Restricted cash and cash equivalents: non-current (note 7.3.2)	1,045
	<b>126,159</b>

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

Net cost of services	(352,515)
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#### Non-cash items

Loss on disposal of non-current assets (note 4.6)	315
Depreciation and amortisation expense (notes 5.1.1, 5.2.1)	16,394
Doubtful debts expense (note 3.3)	85
Impairments (note 3.3)	210
Revaluation decrement (note 3.3)	27,338
Resources received free of charge (note 4.1)	1,782
Other non-cash items	76
Share of net (profit)/loss in joint ventures using equity method (note 6.6.1)	2,047

#### (Increase)/decrease in assets

Biological assets	287
Inventories	(484)
Receivables	(1,031)
Other assets	1,529

#### Increase/(decrease) in liabilities

Payables	5,183
Provisions	(994)
Other liabilities	1,048

#### Net cash used in operating activities

**(298,730)**

## Notes to the financial statements for the year ended 30 June 2018

### 7.4 Commitments

#### 7.4.1 Non-cancellable operating lease commitments

**Commitments for minimum lease payments are payable as follows:**

The commitments below are inclusive of GST where relevant.

	2018 \$'000
Within 1 year	13,038
Later than 1 year and not later than 5 years	25,785
Later than 5 years	11,516
	<b>50,339</b>

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.

The property leases are non-cancellable leases with five-year terms, with rents payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the leases at the end of their five-year terms for an additional term of five years.

A contractual arrangement exists between State Fleet and the department for the lease of vehicles based on both a vehicle kilometre specification and vehicle lease terms. Lease payments are made on a monthly basis. The department is responsible for registration, insurance and servicing of leased vehicles in line with the manufacturer's recommendations, as well as the cost of refurbishment on return. State Fleet carries the residual risk on the sale of the vehicle.

## Notes to the financial statements for the year ended 30 June 2018

### 7.4 Commitments (continued)

#### 7.4.2 Non-cancellable finance lease commitments

	2018 \$'000
<b>Finance lease commitments</b>	
Minimum lease payments commitments in relation to the finance lease payable as follows:	
Within 1 year	2,811
Later than 1 year and not later than 5 years	3,580
<b>Minimum finance lease payments</b>	<b>6,391</b>
Less future finance charges	(498)
<b>Present value of finance lease liabilities</b>	<b>5,893</b>
<b>The present value of finance leases payable is as follows:</b>	
Within 1 year	2,500
Later than 1 year and not later than 5 years	3,393
<b>Present value of finance lease liabilities</b>	<b>5,893</b>
<b>Included in the financial statements as follows:</b>	
Current (Note 7.1 'Borrowings')	2,500
Non-current (Note 7.1 'Borrowings')	3,393
	<b>5,893</b>

The department, on behalf of the State, has entered into a lease agreement with the Baiyungu Aboriginal Corporation. The lease is in relation to the Royalties for Regions-funded Coral Bay Services Workers' Accommodation project. The lease is a 10-year lease that expires in 2020. See note 6.3, 'Other assets' and Note 7.1 'Borrowings'.

#### 7.4.3 Capital commitments

	2018 \$'000
The commitments below are inclusive of GST where relevant.	
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:	
Within 1 year	512
Later than 1 year	194
	<b>706</b>

## Notes to the financial statements for the year ended 30 June 2018

### 8 Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the department.

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3

#### 8.1 Financial risk management

Financial instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, available for sale financial assets, payables, Western Australian Treasury Corporation (WATC)/bank borrowings, finance leases, and Treasurer's advances. The department has limited exposure to financial risks. The department's overall risk management program focuses on managing the risks identified below.

##### (a) Financial risk management objectives and policies

###### 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 allowance for impairment as shown at note 8.1(c) Financial instrument disclosures' and note 6.1 'Receivables'.

Credit risk associated with the department's financial assets is minimal because the main receivable is the amount receivable for services (holding accounts). 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 was no significant concentration 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 drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

## Notes to the financial statements for the year ended 30 June 2018

### 8.1 Financial risk management (continued)

#### 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 trade in foreign currency but values are not considered material. The department 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.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at Note 8.1(d), the department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

#### (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:

	2018 \$'000
<strong>Financial assets</strong>	
Cash and cash equivalents	11,499
Restricted cash and cash equivalents	114,660
Receivables	5,604
Lease prepayments	5,441
Available for sale financial assets	55
Loans and advances	25,270
Amounts receivable for services <sup>(a)</sup>	126,039
	<strong>288,568</strong>
<strong>Financial liabilities</strong>	
Payables	19,112
Finance lease	5,893
Borrowings	20,815
	<strong>45,820</strong>

(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 budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

## Notes to the financial statements for the year ended 30 June 2018

### 8.1 Financial risk management (continued)

#### (c) Ageing analysis of financial assets

The following 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. Disclosed below is the ageing of financial assets that are past due but not impaired and impaired financial assets. It is based on information provided to senior management of the department. The department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

	Ageing analysis of financial assets						
	Carrying amount	Not past due and not impaired	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Impaired financial assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>							
<b>Financial assets</b>							
Cash and cash equivalents	11,499	11,499	-	-	-	-	-
Restricted cash and cash equivalents	114,660	114,660	-	-	-	-	-
Receivables <sup>(a)</sup>	5,604	2,559	989	511	1,709	42	(206)
Lease prepayments	5,441	-	202	403	1,814	3,022	-
Available for sale financial assets	55	-	-	-	-	55	-
Loans and advances	25,270	-	-	-	6,599	18,671	-
Amounts receivable for services	126,039	126,039	-	-	-	-	-
	<b>288,568</b>	<b>254,757</b>	<b>1,191</b>	<b>914</b>	<b>10,122</b>	<b>21,790</b>	<b>(206)</b>

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



## Notes to the financial statements for the year ended 30 June 2018

### 8.1 Financial risk management (continued)

#### (d) Liquidity risk and interest rate exposure

The following table details 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		Interest rate exposure			Nominal amount	Maturity dates				
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018											
Financial assets											
Cash and cash equivalents	1.97	11,499	-	1,521	9,978	11,499	11,499	-	-	-	-
Restricted cash and cash equivalents	1.97	114,660	-	34,325	80,335	114,660	114,660	-	-	-	-
Receivables	-	5,604	-	-	5,604	5,604	3,548	511	1,545	-	-
Lease prepayments	5.09	5,441	5,441	-	-	6,391	234	468	2,108	3,581	-
Available for sale financial assets	-	55	-	-	55	55	-	-	-	55	-
Loans and advances	5.27	25,270	25,270	-	-	28,851	-	-	6,701	22,150	-
Amounts receivable for services	-	126,039	-	-	126,039	126,039	-	-	-	4,897	121,142
		288,568	30,711	35,846	222,011	293,099	129,941	979	10,354	30,683	121,142
Financial liabilities											
Payables	-	19,112	-	-	19,112	19,112	19,112	-	-	-	-
Finance lease liabilities	6.28	5,893	5,893	-	-	6,391	234	468	2,108	3,581	-
WATC borrowings	5.31	20,815	20,815	-	-	22,783	-	-	6,701	16,082	-
		45,820	26,708	-	19,112	48,286	19,346	468	8,809	19,663	

## Notes to the financial statements for the year ended 30 June 2018

### 8.1 Financial risk management (continued)

#### (e) Interest rate sensitivity analysis

The department is exposed to interest rate risk on its restricted cash \$34.3 million and cash equivalents \$1.5 million which both earn interest at a variable rate (note 8.1 (d)). A 1% change in interest rates at reporting period end would result in an increase/decrease in profit or loss and equity of \$358,000 depending upon whether interest rates increased/decreased. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Interest rate sensitivity analysis				
	Carrying amount	-100 basis points		+100 basis points	
		Surplus	Equity	Surplus	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,521	(15)	(15)	15	15
Restricted cash and cash equivalents	34,325	(343)	(343)	343	343
<b>Total increase/(decrease)</b>		<b>(358)</b>	<b>(358)</b>	<b>358</b>	<b>358</b>

## Notes to the financial statements for the year ended 30 June 2018

### 8.2 Contingent assets and liabilities

The following contingent assets and liabilities are additional to the assets and liabilities included in the financial statements.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### 8.2.1 Contingent assets

There are currently no contingent assets.

#### 8.2.2 Contingent liabilities

##### Litigation in progress

The department has three pending litigation claims that may affect the financial position to the value of \$2,509,166 pertaining to cases relating to a death when a fishing vessel sunk, a prosecution for taking excess rock lobster and also an alleged incorrect advice/breach of contract that allegedly led to farm losses. These are currently with the State Solicitor's Office, with the exception of the death when a fishing vessel sunk. It is uncertain when the cases will be finalised. RiskCover is providing full indemnity in the event that the department is found to be liable.

##### Contaminated sites

Under the *Contaminated Sites Act 2003* (the Act), the department is required to report suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, after specific site investigations, reports are submitted to DWER to classify these sites. DWER classifies these sites on the basis of the risk to human health and the environment. The department currently has 15 sites registered with DWER as possibly contaminated and one site registered as contaminated. Where a risk is identified, the department may have a responsibility for further investigation and possible site remediation, if the identified risk cannot be managed. The department adopts a risk management approach which sees properties retained and managed, rather than proceeding with site remediation. Currently the department is not planning or been directed by DWER to remediate any specific sites. However, it is envisaged in the future some surplus 'high value' sites will require remediation to DWER standards to allow the properties to proceed to sale through the Department of Planning, Lands and Heritage (DPLH). This future liability when known will be covered through the DPLH's sale process.

The department, in consultation with the relevant authorities, is in the process of finalising a re-write of the original (1998) Preliminary Site Investigation report and the Site Management Plan in accordance with the 'Assessment and management of contaminated sites (Contaminated Sites guidelines) 2014' under provisions of the *Contaminated Sites Act 2003*.

##### Negotiations in progress

There are currently no negotiations in progress.

## Notes to the financial statements for the year ended 30 June 2018

### 8.3 Fair value measurements

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of period \$'000
<b>2018</b>				
Land (note 5.1)	-	15,011	91,211	<b>106,222</b>
Buildings (note 5.1)	-	5,591	91,543	<b>97,134</b>
	-	<b>20,602</b>	<b>182,754</b>	<b>203,356</b>

Transfers into and transfers out of the fair value hierarchy level are recognised at the end of the financial reporting period. There were no transfers between Levels 1, 2 or 3 during the current period.

#### Valuation techniques to derive Level 2 fair values

Level 2 fair values of land and buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings in close proximity is used to determine price per square metre. Non-current assets held for distribution to owners have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

#### Fair value measurement using significant observable inputs (Level 3)

The following table presents the changes in the fair value of assets measured using significant unobservable inputs (Level 3) for recurring fair value measurements:

	Held for sale \$'000	Land \$'000	Buildings \$'000
<b>2018</b>			
Fair value at start of period	-	-	-
Contribution from owner	75,156	40,080	98,573
Revaluation increments/(decrements) recognised in Other comprehensive income	-	(20,888)	(4,395)
Transfers (from/(to) Level 2)	-	8	(417)
Other transfers	(74,395)	72,011	2,384
Disposals	(761)	-	(132)
Depreciation expense	-	-	(4,470)
<b>Fair value at end of period</b>	<b>-</b>	<b>91,211</b>	<b>91,543</b>

## Notes to the financial statements for the year ended 30 June 2018

### 8.3 Fair value measurements (continued)

#### Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for distribution as Treasurer's Instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

#### Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by Landgate and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

#### Buildings (Level 3 fair values)

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

The Level 3 input used in the valuation process is estimated by Landgate. The Level 3 input is based upon the estimated consumed economic benefit/obsolescence of the asset concerned. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

#### Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

#### Amendments to AASB 136

Mandatory application of AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* has no financial impact for the department as the department is classified as not-for-profit and regularly revalues specialised infrastructure, property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

## Notes to the financial statements for the year ended 30 June 2018

### 9 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Services provided free of charge	9.9
Non-current assets classified as held for sale	9.10
Equity	9.11
Supplementary financial information	9.12
Indian Ocean Territories Service Level Agreement	9.13
Explanatory statement	9.14

#### 9.1 Events occurring after the end of the reporting period

There were no other events that occurred after the end of the reporting period that would materially affect the financial statements or disclosures.

#### 9.2 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 or by an exemption from TI 1101. Where applicable, the department plans to apply the following Australian Accounting Standards from their application date.

## Notes to the financial statements for the year ended 30 June 2018

### 9.2 Future impact of Australian Accounting Standards not yet operative (continued)

		Operative for reporting periods beginning on/after
AASB 9	<p><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 department has assessed that recognition of expected credit losses will increase the amount of impairment losses recognised as Other expenses in the Statement of Comprehensive Income. This assessment would not have significant adverse impact on the department's Surplus/(Deficit) for the period.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the department has discharged its performance obligations.</p>	1 Jan 2019
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>While the impact of AASB 16 has not yet been quantified, the department currently has commitments for \$50.3 million worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by a department. The department anticipates that the application will not materially impact appropriations or untied grant revenues.</p>	1 Jan 2019



## Notes to the financial statements for the year ended 30 June 2018

### 9.2 Future impact of Australian Accounting Standards not yet operative (continued)

	Operative for reporting periods beginning on/after
<p><i>AASB 1059 Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector department by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The department has not identified any public private partnerships within scope of the Standard.</p>	1 Jan 2019
<p><i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, the department is only insignificantly impacted by the application of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the department was not permitted to early adopt AASB 9.</p>	1 Jan 2018
<p><i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

## Notes to the financial statements for the year ended 30 June 2018

### 9.2 Future impact of Australian Accounting Standards not yet operative (continued)

	Operative for reporting periods beginning on/after
<i>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.	1 Jan 2018
<i>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i> This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB15. The department has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.	1 Jan 2018
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i> This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	1 Jan 2018
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i> This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	1 Jan 2019

## Notes to the financial statements for the year ended 30 June 2018

### 9.3 Key management personnel

The department has determined that key management personnel include Cabinet Ministers and senior officers of the department. However, the department is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Compensation band (\$)	2018
200,001 – 210,000	1
220,001 – 230,000	1
260,001 – 270,000	1
380,001 – 390,000	1
390,001 – 400,000	1

	2018 \$'000
Short-term employee benefits	1,175
Post-employment benefits	155
Other long-term benefits	137
Termination benefits	-
<b>Total compensation of senior officers</b>	<b>1,467</b>

### 9.4 Related party transactions

The department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities
- all senior officers and their close family members, and their controlled or jointly controlled entities
- other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements, and the
- Government Employees Superannuation Board (GESB).

## Notes to the financial statements for the year ended 30 June 2018

### 9.4 Related party transactions (continued)

#### Significant transactions with government-related entities

- Superannuation payments to GESB (note 3.1.1)
- Staffing housing costs to the Department of Communities (note 3.1.1)
- Grants and subsidies paid (note 3.2) includes:
  - Forest Products Commission \$4,520,000
  - Department of Communities \$2,000,000
  - Department of Education \$1,195,930
  - Department of Water and Environmental Regulation \$1,125,000
  - Department of State Development \$114,338
  - Department of Health \$82,000
- Supplies and services (note 3.3) includes:
  - Department of Finance \$3,806,586
  - Department of Water and Environmental Regulation \$3,624,779
  - Department of Finance State Fleet \$3,056,199
  - RiskCover \$1,353,172
  - Synergy \$1,044,220
  - Office of the Auditor General \$896,946
  - Department of Communities \$593,489
  - Department of Biodiversity, Conservation and Attractions \$372,310
  - Department of Jobs, Tourism, Science and Innovation \$263,138
  - Department of Transport \$238,668
  - Water Corporation \$224,918
  - Department of Mines, Industry Regulation and Safety \$206,899
  - Horizon Power \$129,023
  - Landcorp \$63,636
- Accommodation lease payments (note 3.3)
- Other expenditures (note 3.3) includes:
  - RiskCover \$937,986

## Notes to the financial statements for the year ended 30 June 2018

### 9.4 Related party transactions (continued)

#### Significant transactions with government-related entities

- Service appropriation (note 4.1)
- Resources received free of charge (note 4.1)
- Royalties for Regions Fund (note 4.1)
- User charges and fees (note 4.2) includes:
  - Department of Planning, Lands and Heritage \$512,000
  - Rural Business Development Corporation \$559,830
  - Agricultural Produce Commission \$100,872
- Other revenue (note 4.5) includes:
  - Department of Treasury \$697,064
  - Mid West Development Commission \$270,923
  - Department of Mines, Industry Regulation and Safety \$100,000
  - RiskCover \$194,623
  - Forest Products Commission \$175,341
  - Goldfields-Esperance Development Commission \$81,007
  - Midwest Ports \$80,923
  - Department of Biodiversity, Conservation and Attractions \$77,791
  - Rural Business Development Corporation \$68,861
- Services provided free of charge (note 9.9)
- Capital appropriations (note 9.11)

The department had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

## Notes to the financial statements for the year ended 30 June 2018

### 9.5 Related bodies

The following industry funding schemes are deemed to be related bodies by the Treasurer:

- The Cattle Industry Funded Scheme
- The Grains, Seeds and Hay Industry Funded Scheme
- The Sheep and Goat Industry Funded Scheme

The funds of the three schemes are reported as restricted cash and cash equivalents (note 7.3.2) and movements in Special Purpose Accounts (note 9.7).

The transactions and results of these related bodies have been included in the financial statements.

### 9.6 Affiliated bodies

The Community Resource Centre Network is an affiliated body that received administrative support through contracts for service for \$9.2 million and grant funding of \$2 million from the department. The Community Resource Centres are not subject to operational control by the department.

## Notes to the financial statements for the year ended 30 June 2018

### 9.7 Special purpose accounts

#### Special purpose accounts

##### Agriculture Research Grants Account No. 1 (non-interest bearing)

The purpose of the fund is to receive and disperse funds from industry and other organisations in support of agricultural research projects.

	2018 \$'000
Balance at start of period	16,887
Receipts	27,469
Payments	(23,751)
<b>Balance at end of period</b>	<b>20,605</b>

##### Agriculture Research Grants Account No. 2

The purpose of the fund is to receive and disperse funds from industry and other organisations in support of agricultural research projects.

Balance at start of period	3,151
Receipts	2,370
Payments	(1,513)
<b>Balance at end of period</b>	<b>4,008</b>

##### Commonwealth Agriculture Activity Grants (non-interest bearing)

The purpose of the fund is to receive and disperse funds to conduct Commonwealth-funded activities.

Balance at start of period	4,552
Receipts	2,952
Payments	(3,665)
<b>Balance at end of period</b>	<b>3,839</b>

##### Plant Research and Development

The purpose of the fund is to receive and disperse funds to conduct plant research and development in Western Australia.

Balance at start of period	11,391
Receipts	1,249
Payments	(7,092)
<b>Balance at end of period</b>	<b>5,548</b>



## Notes to the financial statements for the year ended 30 June 2018

### 9.7 Special purpose accounts (continued)

	2018 \$'000
<b>Cattle Industry Funded Scheme</b>	
The purpose of the fund is to receive and disperse funds from the cattle industry to enable industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level.	
Balance at start of period	5,578
Receipts	358
Payments	(189)
<b>Balance at end of period</b>	<b>5,747</b>
<b>Declared Pest Account</b>	
The purpose of the fund is to receive and disperse funds collected to carry out measures to control declared pests on and in relation to areas for which the rates were collected.	
Balance at start of period	2,794
Receipts	3,496
Payments	(3,659)
<b>Balance at end of period</b>	<b>2,631</b>
<b>Land Conservation Districts Fund</b>	
The purpose of the fund is to promote soil conservation through research and implementation of soil and conservation measures and practices.	
Balance at start of period	144
Receipts	94
Payments	(160)
<b>Balance at end of period</b>	<b>78</b>
<b>Grain, Seeds and Hay Industry Funded Scheme</b>	
The purpose of the fund is to receive and disperse funds from the grain, seeds and hay industry to enable the industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level.	
Balance at start of period	9,756
Receipts	4,052
Payments	(4,213)
<b>Balance at end of period</b>	<b>9,595</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.7 Special purpose accounts (continued)

#### Sheep and Goats Industry Funded Scheme

The purpose of the fund is to receive and disperse funds from the sheep and goats industry to enable the industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level.

	2018 \$'000
Balance at start of period	2,014
Receipts	805
Payments	(805)
<b>Balance at end of period</b>	<b>2,014</b>

#### Fisheries Research and Development Account

The Fisheries Research and Development Account, which was established under the *Fisheries Act 1905* (repealed), was continued under the *Fish Resources Management Act 1994* (FRMA 1994). The purpose of the Account is to hold funds in accordance with section 238 of the FRMA 1994 which may be used and applied by the Minister in such manner and in such proportion as the Minister thinks fit for all or any of the purposes prescribed by section 238(5) of the FRMA 1994 and section 37(3), 41 and 55(4) and (5) of the *Pearling Act 1990*. All revenue and expenditure relating to commercial fishing, fish and fish habitat protection, pearling and aquaculture services is transacted through this account. The AFMA Account and Fisheries Research and Development Corporation Account no longer exist in 2011/12. The balances of the two funds were transferred to Fisheries Research and Development Account in 2011/12.

Balance at start of period	1,060
<b>Receipts</b>	
Contribution from Consolidated Account	39,767
Royalties for Regions	410
Fisheries Access Fees	29,899
Grants and Contributions	1,022
Other Receipts	6,328
Interest	110
<b>Payments</b>	
Contributions to Fisheries WA operations	(77,080)
<b>Balance at end of period</b>	<b>1,516</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.7 Special purpose accounts (continued)

#### Recreational Fishing Account

The Recreational Fishing Account is established under the FRMA 1994. The purpose of the account is to hold funds in accordance with section 239 of the FRMA 1994 which may be applied by the Minister for all or any of the purposes prescribed by section 239(4) of the FRMA 1994. The main revenue sources include contributions from the Consolidated Account and revenue from recreational fishing licences. The funds support activity relating to recreational fishing.

	2018 \$'000
Balance at start of period	2,500
<b>Receipts</b>	
Contribution from Consolidated Account	9,340
Recreational Fishing Licences	8,463
<b>Payments</b>	
Expenditure on recreational fishing related activities	(17,803)
<b>Balance at end of period</b>	<b>2,500</b>

#### Fisheries Adjustment Schemes Trust Account

The purpose of this account is to hold funds in accordance with section 5 of the *Fisheries Adjustment Scheme Act 1987* which shall be applied by the Minister for the purposes prescribed by section 6 of that Act.

Balance at start of period	551
<b>Receipts</b>	
Repayments from Industry for Voluntary Fisheries Adjustment Schemes	6,174
<b>Payments</b>	
Loan repayment, Interests and guarantee fees to WATC for Voluntary Fisheries Adjustment Schemes	(6,165)
Unit buy back State Scheme	(38)
<b>Balance at end of period</b>	<b>522</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.8 Remuneration of auditor

	2018
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:	\$'000
Auditing the accounts, financial statements and performance indicators	578
Certifications: Royalties for Regions	158
	<b>736</b>

### 9.9 Services provided free of charge

	2018
During the period the following services were provided to other departments free of charge for functions outside the normal operations of the department:	\$'000
Gascoyne Development Commission	900
Goldfields-Esperance Development Commission	1,466
Great Southern Development Commission	1,342
Kimberley Development Commission	1,334
Mid West Development Commission	1,292
Peel Development Commission	1,763
Pilbara Development Commission	2,305
South West Development Commission	2,721
Wheatbelt Development Commission	1,195
Agricultural Produce Commission (APC)	69
Department of Biodiversity, Conservation and Attractions	55
Department of Finance	2
Department of Fire and Emergency Services	4
Department of Jobs, Tourism, Science and Innovation	8
Department of Local Government, Sport and Cultural Industries	1
Department of Mines, Industry Regulation and Safety	2
Department of Planning, Lands and Heritage	2
Department of Transport	1
Department of Water and Environmental Regulation	9
Housing Authority	1
Landgate	2
Water Corporation	2
Western Australia Police	1
	<b>14,477</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.10 Non-current assets classified as assets held for sale

	2018 \$'000
<b>Assets classified as held for distribution to owners</b>	
<b>Land and buildings</b>	
Current	-
Non-current	-
	-
Opening balance	-
Contribution from owner	75,181
Revaluation of land and buildings distributed	-
Assets reclassified back to property, plant and equipment	(74,420)
<b>Total assets classified as held for distribution to owners</b>	<b>761</b>
Less assets distributed	(761)
<b>Closing balance</b>	<b>-</b>

Assets held for distribution to owners are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for distribution to owners are not depreciated or amortised.

All Crown land holdings are vested in the department by the government. The Department of Planning, Lands and Heritage (DPLH) is the only department with the power to sell Crown land. The department transfers the Crown land and any attached buildings to DPLH when the land becomes available for sale.

Mandatory application of AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle* requires disclosure changes and no financial impact. The department has no interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5.

## Notes to the financial statements for the year ended 30 June 2018

### 9.11 Equity

The Western Australian 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.

	2018 \$'000
<b>Contributed equity</b>	
Balance at start of period	-
Transfer of net assets from other departments	524,282
Capital appropriation <sup>(a)</sup>	1,085
<b>Other contributions by owners</b>	
Royalties for Regions Fund: Regional Infrastructure and Headworks Account	4,121
<b>Distributions to owners <sup>(b)</sup></b>	
Transfer of assets to other departments:	
Land held for distribution transferred to the Department of Planning, Lands Heritage	(761)
<b>Balance at end of period</b>	<b>528,727</b>

(a) Capital contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets between State Government departments have been designated as contributions by owners in Treasurer's Instruction 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities'.

(b) Treasurer's Instruction 955 requires non-reciprocal transfers of net assets to government to be accounted for as distribution to owners in accordance with AASB Interpretation 1038.

	2018 \$'000
<b>Accumulated surplus/(deficit)</b>	
Balance at start of period	-
Result for the period	(19,791)
<b>Balance at end of period</b>	<b>(19,791)</b>
<b>Total equity at end of period</b>	<b>508,936</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.11 Equity (continued)

As of 1 July 2017, the departments of Agriculture and Food, Fisheries and Regional Development amalgamated to establish the Department of Primary Industries and Regional Development.

	Net assets transferred in			Total net assets received
	Department of Regional Development	Department of Fisheries	Department of Agriculture and Food	Department of Primary Industries and Regional Development
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	45,864	5,520	70,969	122,353
Land and buildings	9,382	46,627	105,135	161,144
Other assets	27,204	79,777	229,120	336,101
<b>Total assets</b>	<b>82,450</b>	<b>131,924</b>	<b>405,224</b>	<b>619,598</b>
Liabilities	9,793	30,426	13,042	53,261
Provisions	3,127	15,895	23,033	42,055
<b>Total liabilities and provisions</b>	<b>12,920</b>	<b>46,321</b>	<b>36,075</b>	<b>95,316</b>
<b>Total contribution by owners</b>	<b>69,530</b>	<b>85,603</b>	<b>369,149</b>	<b>524,282</b>



## Notes to the financial statements for the year ended 30 June 2018

### 9.12 Supplementary financial information

	2018 \$'000
<b>(a) Write-offs</b>	
<b>Non-current assets</b>	
During the financial year \$60,768 was written off the department's asset register under the authority of:	
The accountable authority	61
The Minister	-
	<b>61</b>
<b>Irrecoverable amounts and inventory</b>	
During the financial year \$63,380 was written off in bad debts and inventory under the authority of:	
The accountable authority	63
The Minister	-
	<b>63</b>
<b>(b) Losses through theft, defaults and other causes</b>	
Losses of public moneys and public and other property through theft or default	70
Amounts recovered from insurance	(64)
	<b>6</b>

### 9.13 Indian Ocean Territories Service Level Agreement

	2018 \$'000
<b>The provision of services to the Indian Ocean Territories are recouped from the Commonwealth Government.</b>	
Opening balance	91
Receipts	1,360
Payments	(1,035)
<b>Closing balance</b>	<b>416</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement

Significant variations between estimates and actual results for income and expenses as presented in the financial statement titled 'Summary of consolidated account appropriations and income estimates' are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$10.0 million for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$11.7 million for the Statement of Financial Position.

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

Statement of comprehensive income	Variance note	2018 Original budget \$'000	2018 Actual \$'000	Variance Estimate and actual \$'000
<b>COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits expense		213,468	205,019	(8,449)
Supplies and services		119,553	117,461	(2,092)
Depreciation and amortisation expense		25,330	16,394	(8,936)
Share of loss in joint venture entities using the equity method		-	2,047	2,047
Finance cost		1,646	1,892	246
Accommodation expenses		14,873	8,109	(6,764)
Other expenses	1	22,529	50,755	28,226
Grants and subsidies paid	2	104,866	70,879	(33,987)
Loss on disposal of non-current assets		234	87	(147)
<b>Total cost of service</b>		<b>502,499</b>	<b>472,643</b>	<b>(29,856)</b>
<b>Income</b>				
<b>Revenue</b>				
User charges and fees		47,887	50,603	2,716
Commonwealth grants and contributions		2,864	5,933	3,069
Non-government grants and subsidies received	3	36,629	25,486	(11,143)
Other revenue	4	17,550	38,106	20,556
<b>Total revenue</b>		<b>104,930</b>	<b>120,128</b>	<b>15,198</b>
<b>Total income other than income from State Government</b>		<b>104,930</b>	<b>120,128</b>	<b>15,198</b>
<b>NET COST OF SERVICES</b>		<b>397,569</b>	<b>352,515</b>	<b>(45,054)</b>
<b>INCOME FROM STATE GOVERNMENT</b>				
Service appropriations		184,449	192,955	8,506
Resources received free of charge		2,169	1,782	(387)
Royalties for Regions Fund	5	189,258	137,344	(51,914)
Other income from State Government		-	643	643
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>		<b>375,876</b>	<b>332,724</b>	<b>(43,152)</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(21,693)</b>	<b>(19,791)</b>	<b>1,902</b>
<b>Other comprehensive income</b>				
<b>Items not subsequently reclassified to net cost of service</b>				
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(21,693)</b>	<b>(19,791)</b>	<b>1,902</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

Statement of financial position	Variance note	2018 Original budget \$'000	2018 Actual \$'000	Variance Estimate and actual \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		9,790	11,499	1,709
Restricted cash and cash equivalents	1	57,139	113,615	56,476
Biological assets		1,231	864	(367)
Inventories		718	1,288	570
Receivables		22,742	14,817	(7,925)
Amounts receivable for services		4,781	4,897	116
Assets classified as held for distribution to owners		2,749	-	(2,749)
Other current assets		11,721	7,489	(4,232)
<b>Total current assets</b>		<b>110,871</b>	<b>154,469</b>	<b>43,598</b>
<b>Non-current assets</b>				
Restricted cash and cash equivalents		1,064	1,045	(19)
Amounts receivable for services		124,742	121,142	(3,600)
Receivables		15,780	14,217	(1,563)
Other non-current assets	2	22,646	9,879	(12,767)
Investments accounted for using equity method		13,881	12,621	(1,260)
Property plant and equipment		285,702	274,730	(10,972)
Intangible assets		13,711	14,149	438
<b>Total non-current assets</b>		<b>477,526</b>	<b>447,783</b>	<b>(29,743)</b>
<b>TOTAL ASSETS</b>		<b>588,397</b>	<b>602,252</b>	<b>13,855</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	3	3,681	19,112	15,431
Provisions		44,264	38,036	(6,228)
Borrowings		9,768	9,098	(670)
Other current liabilities		6,968	1,106	(5,862)
<b>Total current liabilities</b>		<b>64,681</b>	<b>67,352</b>	<b>2,671</b>
<b>Non-current liabilities</b>				
Provisions		8,669	8,354	(315)
Borrowings		17,579	17,610	31
<b>Total non-current liabilities</b>		<b>26,248</b>	<b>25,964</b>	<b>(284)</b>
<b>TOTAL LIABILITIES</b>		<b>90,929</b>	<b>93,316</b>	<b>2,387</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

Statement of financial position (continued)	Variance note	2018 Original budget \$'000	2018 Actual \$'000	Variance Estimate and actual \$'000
<b>NET ASSETS</b>		<b>497,468</b>	<b>508,936</b>	<b>11,468</b>
<b>EQUITY</b>				
Contributed equity	4	285,134	528,727	243,593
Reserves	5	262,867	-	(262,867)
Accumulated deficit		(50,533)	(19,791)	30,742
<b>TOTAL EQUITY</b>		<b>497,468</b>	<b>508,936</b>	<b>11,468</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

Statement of cash flows	Variance note	2018 Original budget \$'000	2018 Actual \$'000	Variance Estimate and actual \$'000
<b>CASH FLOW FROM STATE GOVERNMENT</b>				
Service appropriation		160,281	168,783	8,502
Capital contributions		1,085	5,206	4,121
Holding Account drawdown		4,355	5,743	1,388
Royalties for Regions Fund	1	208,775	137,344	(71,431)
Other income from State Government		-	643	643
<b>Net cash provided by State Government</b>		<b>374,496</b>	<b>317,719</b>	<b>(56,777)</b>
Utilised as follows:				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee benefits		(213,476)	(206,957)	6,519
Supplies and services		(113,033)	(107,380)	5,653
Accommodation		(14,716)	(7,725)	6,991
Finance costs		(1,252)	(1,551)	(299)
GST payments on purchases		(20,847)	(20,550)	297
GST payments to taxation authority		(5,724)	-	5,724
Other payments		(23,518)	(23,130)	388
Grants and subsidies	2	(104,485)	(70,732)	33,753
<b>Receipts</b>				
User charges and fees		47,887	49,635	1,748
Commonwealth grants and contributions		2,864	5,258	2,394
Interest received		1,616	2,202	586
GST receipts on sales		5,769	5,358	(411)
GST receipts from taxation authority		20,687	15,008	(5,679)
Other receipts		52,369	61,834	9,465
<b>Net cash used in operating activities</b>		<b>(365,859)</b>	<b>(298,730)</b>	<b>67,129</b>

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

Statement of cash flows (continued)	Variance note	2018 Original budget \$'000	2018 Actual \$'000	Variance Estimate and actual \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Payments</b>				
Investment in joint ventures		-	(3,000)	(3,000)
Purchase of non-current assets	3	(22,618)	(12,330)	10,288
<b>Receipts</b>				
Proceeds from sale of non-current physical assets		107	228	121
<b>Net cash used in investing activities</b>		<b>(22,511)</b>	<b>(15,102)</b>	<b>7,409</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Payments</b>				
Repayment of borrowings		(4,791)	(4,790)	1
<b>Receipts</b>				
Proceeds from industry		4,790	4,790	-
<b>Net cash used in financing activities</b>		<b>(1)</b>	<b>-</b>	<b>1</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(13,875)</b>	<b>3,887</b>	<b>17,762</b>
Cash and cash equivalents at the beginning of the reporting period		122,272	122,272	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>108,397</b>	<b>126,159</b>	<b>17,762</b>



## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

#### Major variance narratives

#### Statement of comprehensive income

#### Variances between estimate and actual

- 1) Other expenses: \$28.2 million, 125% above original budget estimate.  
This increase reflects the return of unspent RfR funds (from the local government sector) to the Consolidated Account.
- 2) Grants and subsidies paid: \$34.0 million, 32% below original budget estimate.  
This reduction primarily reflects underspends across the department's RfR-funded projects, following the re-cashflow of project expenditure from 2017/18 and into the out-years, and changes in project scope as approved as part of the government's Mid-year Review and Budget processes. In addition, underspends in Consolidated Account and Externally Funded projects are also contributing to the overall underspend.
- 3) Non-government grants and subsidies received: \$11.1 million, 30% below original budget estimate.  
This reduction reflects the re-cashflow of project expenditure from 2017/18 and into the out-years following changes in project scope.
- 4) Other revenue: \$20.6 million, 117% above original budget estimate.  
This increase reflects the return of unspent RfR funds from the local government sector.
- 5) Royalties for Regions Fund: \$51.9 million, 27% below original budget estimate.  
This reduction primarily reflects underspends across the department's RfR-funded projects, following the re-cashflow of project expenditure from 2017/18 and into the out-years, and changes in project scope as approved as part of the government's Mid-year Review and Budget processes.

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

#### Major variance narratives

#### Statement of financial position

#### Variances between estimate and actual

- 1) Restricted cash and cash equivalents: \$56.5 million, 99% above original budget estimate.

This is predominately due to increased cash holdings from Royalties for Regions (RfR) funds (\$21 million) and increased cash holdings from externally funded projects of \$18 million. It is anticipated that these funds will be repositioned into future years to ensure project milestones are completed in accordance with contractual requirements.

- 2) Other non-current assets: \$12.8 million, 56% below original budget estimate.

This was predominately due to the overstatement of non-current prepayments in the original 2017/18 Budget, with the transfer of the Doppler Radar Asset to Property, Plant and Equipment. This budget was adjusted during the 2017/18 financial year to reflect this change.

- 3) Payables: \$15.4 million, 419% above original budget estimate.

This increase reflects that no allocation was made in the original budget estimate for Accrued Expenses which totalled \$9.5 million. In addition, Trade Payables were \$4.2 million above the original budget estimate.

- 4) Contributed Equity: \$243.6 million, 85% above original budget estimate.

This reflects the transfer of net assets from the amalgamation of the departments of Regional Development, Fisheries and Agriculture and Food as Contributed Equity to the new Department of Primary Industries and Regional Development (see Note 9.11).

- 5) Reserves: \$262.9 million, 100% below original budget estimate.

This reflects the transfer of net assets from the amalgamation of the departments of Regional Development, Fisheries and Agriculture and Food as Contributed Equity to the new Department of Primary Industries and Regional Development (DPIRD). Reserves from the now abolished departments are initially taken up as DPIRD's Contributed Equity at the start of the reporting period (see Note 9.11).

## Notes to the financial statements for the year ended 30 June 2018

### 9.14 Explanatory statement (continued)

#### Major variance narratives

#### Statement of cash flows

#### Variances between estimate and actual

- 1) Royalties for Regions Fund: \$71.4 million, 34% below the original budget estimate.

This reduction primarily reflects underspends across the department's RfR-funded projects, following the re-cashflow of project expenditure from 2017/18 and into the out-years, and changes in project scope as approved as part of the government's Mid-year Review and Budget processes.

- 2) Grants and subsidies: \$33.8 million, 32% below the original budget estimate.

This reduction primarily reflects underspends in RfR-funded projects, following the re-cashflow of project expenditure from 2017/18 and into the out-years, and changes in project scope as approved as part of the government's Mid-year Review and Budget processes. Some minor underspends in Consolidated Account and Externally Funded projects are also contributing to the overall underspends.

- 3) Purchase of non-current assets: \$10.3 million, 45% below the original budget estimate.

This reduction reflects capital projects not being completed by the end of the financial year. It is anticipated that these funds will be repositioned into future years to ensure project milestones are completed in accordance with contractual requirements.

## Notes to the financial statements for the year ended 30 June 2018

### 10 Administered disclosures

This section sets out all of the statutory disclosures regarding the financial performance of the department.

	Notes
Disclosure of administered income and expenses by service	10.1
Explanatory statement for administered items	10.2
Administered assets and liabilities	10.3

## Notes to the financial statements for the year ended 30 June 2018

### 10.1 Disclosure of administered income and expenses by service

	Co-operative loans 2018 \$'000	Commonwealth grants 2018 \$'000	State NRM program 2018 \$'000	Regional Reform Fund 2018 \$'000	Infringements 2018 \$'000	Total 2018 \$'000
<b>Administered items</b>						
<b>INCOME</b>						
Interest revenue	1,357	35	-	-	-	1,392
Other revenue	-	-	66	-	-	66
Royalties for Regions	-	-	6,207	-	-	6,207
Service appropriation	-	-	1,600	-	-	1,600
Regulatory fees and charges	-	-	-	-	279	279
<b>TOTAL ADMINISTERED INCOME</b>	<b>1,357</b>	<b>35</b>	<b>7,873</b>	<b>-</b>	<b>279</b>	<b>9,544</b>
<b>EXPENSES</b>						
Grants and subsidies	-	2,167	7,870	3,660	-	13,697
Interest payments	1,033	-	-	-	-	1,033
Supplies and services	365	-	625	-	-	990
Transfer payments <sup>(a)</sup>	-	-	-	-	259	259
<b>TOTAL ADMINISTERED EXPENSES</b>	<b>1,398</b>	<b>2,167</b>	<b>8,495</b>	<b>3,660</b>	<b>259</b>	<b>15,979</b>

(a) Transfer payments represent the transfer of non-retainable regulatory fees to the consolidated account.

## Notes to the financial statements for the year ended 30 June 2018

### 10.2 Explanatory statement for administered items

Significant variations between estimates and actual results for income and expenses as presented in the financial statement titled 'Summary of consolidated account appropriations and income estimates' are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$1.0 million for the Statements of Comprehensive Income

	Variance note	2018 Original estimate \$000	2018 Actual \$000	Variance estimate and actual \$000
<b>Administered Items</b>				
<b>INCOME</b>				
Interest revenue		1,439	1,392	(47)
Other revenue		-	66	66
Royalties for Regions		6,022	6,207	185
Regional Reform Fund	1	(59,494)	-	59,494
Service appropriation		1,600	1,600	-
Regulatory fees and charges		-	279	279
<b>TOTAL ADMINISTERED INCOME</b>		<b>(50,433)</b>	<b>9,544</b>	<b>59,977</b>
<b>EXPENSES</b>				
Grants and subsidies	2	19,165	13,697	(5,468)
Interest payments		1,052	1,033	(19)
Supplies and services		1,238	990	(248)
Transfer to Consolidated Account	3	(63,143)	259	63,402
<b>TOTAL ADMINISTERED EXPENSES</b>		<b>(41,688)</b>	<b>15,979</b>	<b>57,667</b>

## Notes to the financial statements for the year ended 30 June 2018

### 10.2 Explanatory statement for administered items (continued)

#### Variances between estimate and actual

- 1) Royalties for Regions Program: \$59.4 million variance, 100% above the budget.  
This is a budget adjustment applied by Treasury to take into account the expected underspend in the entire Royalties for Regions Fund.
- 2) Grants and subsidies: \$5.5 million variance, 29% below the original budget.  
This is primarily due to underspends within the RfR projects Kimberley Schools and North-West Aboriginal Housing Initiative.
- 3) Transfer to Consolidated Account: \$63.4 million variance, 100% above the budget.  
This is a budget adjustment applied by Treasury to take into account the expected underspend in the entire Royalties for Regions Fund.



## Notes to the financial statements for the year ended 30 June 2018

### 10.3 Administered assets and liabilities

	2018 \$'000
<b>Current assets</b>	
Cash and cash equivalents	5,866
Restricted cash and cash equivalents	96,188
Receivables	6,165
<b>Total administered current assets</b>	<b>108,219</b>
<b>Non-current assets</b>	
Loan	28,862
<b>Total administered non-current assets</b>	<b>28,862</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>137,081</b>
<b>Current liabilities</b>	
Payables	59
Borrowings	6,103
<b>Total administered current liabilities</b>	<b>6,162</b>
<b>Non-current liabilities</b>	
Borrowings	28,862
<b>Total administered non-current liabilities</b>	<b>28,862</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>35,024</b>

## Additional key performance indicator information

### Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Primary Industries and Regional Development's performance, and fairly represent the performance of the department for the financial year ended 30 June 2018.

A handwritten signature in black ink, appearing to read 'R. Addis', with a long horizontal stroke extending to the left.

Ralph Addis  
Director General (Accountable Authority)  
14 September 2018

This section contains our department's report against the key performance indicator (KPI) targets of the DPIRD outcome-based management framework that was presented in the 2017/18 State Budget. This section is audited by the Auditor General.

The methods used to measure our performance against the KPIs are consistent with those used by DPIRD's former agencies to enable comparability with previous years.

### Exemption

In line with Treasurer's Instruction 904, the Under Treasurer has granted an exemption to DPIRD, allowing our department to exclude reporting on the effectiveness and efficiency KPIs of the nine RDCs as these statutory authorities will report their relevant KPIs in their respective 2017/18 annual reports.

As such, results of KPIs associated with the desired outcome: 'The sustainable economic and social development of the State's remote and regional areas' and the service 'Regional development' are not reported here.

## Key effectiveness indicators

### Desired outcome: Conservation and sustainable development of the State's fish resources

We use four KPIs to measure the effectiveness of the department's management plans and regulatory activities in:

- ensuring the sustainability status of the State's aquatic resources
- the success of keeping fish catches (or effort) at appropriate levels for
  - commercial and
  - recreational fisheries and
- ensuring that sustainably managed commercial fisheries provide benefits to the State as a result of significant local sales and export earnings from fish and fish products.

We use an additional two KPIs to measure community outcomes. Community and stakeholder perceptions surveys are used to:

- examine key aspects of community fishing and appreciation of the aquatic environment, including the trend in recreational fishing participation. This provides an indicator of how management arrangements supporting sustainability are contributing to this recreational pursuit and the lifestyle of Western Australians
- assess the understanding and support of the community for the department's management strategies across the four key fisheries management areas (commercial fisheries, recreational fisheries, protection of the aquatic environment, and aquaculture and pearling).

## 1. The proportion of fish stocks identified as not being at risk or vulnerable through exploitation

The department undertakes annual stock assessments of fisheries that are subject to management. These assessments, together with trends in catch and fishing activity, have been used to determine the sustainability status of the State's most significant commercial and recreational fisheries (full details of which are in the companion *Status Reports on Western Australia's Fisheries and Aquatic Resources 2017/18*).

Performance is measured as the proportion of fisheries (that have sufficient data) for which the breeding stocks of each of the major target or indicator species are:

- being maintained at levels that ensure catches can be sustained at desirable levels given effort levels and normal environmental conditions; or
- recovering from a depleted state at an appropriate rate following management intervention.

The department's 2017/18 target for the proportion of fish stocks not at risk from fishing is 97%.

For the 2017/18 performance review, 38 fisheries were reviewed, which includes two recreational-only fisheries (see appendix 2: Breeding stock status, catch and effort ranges for WA's major commercial and recreational fisheries). For the 38 fisheries reviewed, appendix 2 records that breeding stock assessments are available for the major species taken in 37 (97%) of these fisheries.

For one fishery, northern shark, there is insufficient data to make an assessment on the target species due to the fishery having not operated since 2009.

Within the group of 37 assessed fisheries, 31 were considered to have adequate breeding stock levels and a further four fisheries (West Coast Demersal Scalefish Fishery [WCDSF], the Temperate Demersal Gillnet Demersal Longline Fishery [TDGDLF], the Cockburn Sound Crab Fishery, and the South Coast Estuarine Fishery within South Coast Nearshore and Estuarine Finfish Resource) had breeding stocks considered to be recovering at acceptable rates (collectively 95% of fisheries). The WCDSF and TDGDLF target relatively long-lived species so recovery is expected to take decades to complete.

Of the two remaining fisheries, only the West Coast Nearshore and Estuarine Finfish Resource (which includes the West Coast Beach Bait Fishery and South West Beach Seine Fishery) continues to be environmentally limited with stocks recovering from the 2010/11 marine heat wave. Therefore, only one fishery (or 3% of those assessed) has a single stock that is considered inadequate as a result of exploitation (pink snapper in Gascoyne Demersal Scalefish Fishery) with management actions recently implemented (2018) to assist stock recovery.

Consequently, for the 2017/18 reporting period, the proportion of fish stocks identified as not being at risk or vulnerable through exploitation is 97%, which is the target level (tables 5 and 6). The department considers it has met this performance indicator.

**Table 5 Proportion of fish stocks identified as not being at risk or vulnerable through exploitation**

	<b>2017/18 Target (%)</b>	<b>2017/18 Actual (%)</b>	<b>Variation (%)</b>
Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	97	97	0

**Table 6 Historic data on the proportion of fisheries in which breeding stocks of the major target species are both assessed and considered not to be at risk due to fishing**

<b>Year</b>	<b>Target (%)</b>	<b>Fish stocks considered not to be at risk by fishing (%)</b>
2008/09	82	86
2009/10	85	89
2010/11	83	94
2011/12	86	94
2012/13	91	97
2013/14	94	97
2014/15	94	97
2015/16	97	95
2016/17	97	95
2017/18	97	97

## **2. The proportion of commercial fisheries where catches or effort levels are acceptable**

This indicator provides an assessment of the success of the department's commercial management plans and regulatory activities in keeping fish catches at appropriate levels (including those in a recovery phase). For most of the commercial fisheries in WA, each management plan seeks to directly control the amount of fishing effort applied to stocks, with the level of catch taken providing an indication of the effectiveness of the plan.

Where the plan is operating effectively, annual catches by each fishery should vary within a projected range. The extent of this range reflects the degree to which normal environmental variations affect the recruitment of juveniles to the stock that cannot be 'controlled' by fishery management. Additional considerations include market conditions, fleet rationalisation or other factors that may result in ongoing changes to the amount of effort expended in a fishery, which will in turn influence the appropriateness of acceptable catch ranges for individual fisheries.

An acceptable catch or effort range has been determined for each of the major commercial fisheries (see appendix 2). The department's 2017/18 target is 95%.

For quota-managed fisheries, the measure of success of management arrangements is that the majority of the Total Allowable Commercial Catch (TACC) is achieved and that it has been possible to take this catch using an acceptable amount of fishing effort.

If an unusually large expenditure of effort is needed to take the TACC, or the industry fails to achieve the TACC by a significant margin, this may indicate that the abundance of the stock is significantly lower than anticipated. For these reasons, an appropriate range of fishing effort to take a TACC has also been incorporated for assessing the performance of quota-managed fisheries (see appendix 2).

The major commercial fisheries that have acceptable catch and/or effort ranges account for most of the commercial volume and value of WA's landed catch. Comparisons between actual catches (or effort) with acceptable ranges have been undertaken for 27 of the 36 commercial fisheries referred to in appendix 2. There is still a relatively high number of fisheries not assessed due to a combination of ongoing environmentally induced stock issues in some regions (see above) or poor economic conditions with fisheries either closed or not having material levels of catches during this reporting period. Of the 27 fisheries where 'acceptable ranges' were available and a material level of fishing was undertaken in the relevant reporting period, 11 were primarily catch-quota managed with 16 subject to effort-control management.

Of the 11 individually transferable catch-quota managed fisheries, five operated within their acceptable effort/catch ranges (West Coast Rock Lobster Fishery, Shark Bay Scallop and Crab fisheries, West Coast Deep Sea Crab Fishery and Mackerel Fishery) and five were acceptably below the range (Roe's Abalone Fishery, Greenlip/Brownlip Abalone Fishery, Pearl Oyster Fishery and the Albany/King George and Bremer Bay/Esperance areas of the South Coast Purse Seine Managed Fishery).

The pink snapper stock in the Gascoyne Demersal Scalefish Fishery is considered inadequate (see above) and management action has been implemented during 2018 to assist stock recovery.

In the 16 effort-controlled fisheries, 13 were within, one acceptably above (Kimberley Gillnet and Barramundi Fishery in the North Coast Nearshore and Estuarine Resource) and one acceptably below (Shark Bay Beach Seine and Mesh Net Fishery) their acceptable catch ranges. For effort-controlled fisheries, the current catch rate of southern rock lobster in the South Coast Crustacean Fishery is below the provisional threshold and a review of suitable adjustments to management arrangements has commenced.

In summary, 25 of the 27 commercial fisheries assessed (93%) were considered to have met their performance criteria, or were affected by factors outside the purview of the management plan/arrangements. Consequently, for the 2017/18 reporting period, the percentage of commercial fisheries where acceptable catches (or effort levels) are achieved is 93% which is close to the target level of 95%. Since 95% represents either one or two fisheries not within their catch range when assessing 27 fisheries (tables 7 and 8), the department considers it has generally met this performance indicator.

**Table 7 Proportion of commercial fisheries where catches or effort levels are acceptable**

	<b>2017/18 Target (%)</b>	<b>2017/18 Actual (%)</b>	<b>Variation (%)</b>
Proportion of commercial fisheries where catches or effort levels are acceptable	95	93	-2

**Table 8 Historic data on the proportion of commercial fisheries in which the catch or effort reported is acceptable relevant to the target management range being applied**

<b>Year</b>	<b>Target (%)</b>	<b>Fisheries with acceptable catch/effort (%)</b>
2008/09	85	96
2009/10	90	93
2010/11	90	94
2011/12	94	100
2012/13	88	97
2013/14	92	89
2014/15	95	89
2015/16	95	90
2016/17	95	93
2017/18	95	93

### **3. The proportion of recreational fisheries where catches or effort levels are acceptable**

This indicator provides an assessment of the success of the department's management plans and regulatory activities in keeping fish catches by the recreational sector at appropriate levels for both stock sustainability (including those in a recovery phase) and to meet integrated fisheries management objectives. Previously, WA's fish resources were shared mainly on an implicit basis, with no explicit setting of catch shares within an overall total allowable catch or corresponding total allowable effort.

The department is continuing to implement an Integrated Fisheries Management (IFM) approach where the aggregate effects of all fishing sectors are taken into account. This involves the use of a framework in which decisions on optimum resource use (i.e. allocation and re-allocation of fish resources) are determined and implemented within a total sustainable catch for each fishery or fished stock. IFM is being progressively phased in and all of the State's shared fisheries will come under this new framework as fisheries roll into the new *Aquatic Resources Management Act (ARMA) 2016*.

An acceptable catch or effort range is being determined for each of the major recreational fisheries by the department (see appendix 2). This indicator has only been measured since 2013/14 and the department's 2017/18 target is 85%.

For the purposes of this indicator, 19 fisheries or stocks have been identified as having a 'material' recreational catch share.



Over time, the indicator may need to expand to include reference to fisheries or stocks for which there are other 'material' sectoral shares (e.g. customary fishing). Of the 19 recreational fisheries, only five currently have explicit acceptable catch ranges developed and another eight have implicit ranges that can be used to assess acceptability. Of these 13 fisheries, the data from the 2015/16 statewide survey of boat-based recreational fishing had catch estimate levels that were all within acceptable catch ranges except pink snapper which exceeded the recovery acceptable catch range of the recreational sector within the West Coast Demersal Scalefish Fishery.

Consequently, for the 2017/18 reporting period, the percentage of recreational fisheries where acceptable catches are achieved is 92%, which exceeds the target level of 85% (tables 9 and 10). The department considers it has met this performance indicator.

**Table 9 Proportion of recreational fisheries where catches or effort levels are acceptable**

	<b>2017/18 Target (%)</b>	<b>2017/18 Actual<sup>1</sup> (%)</b>	<b>Variation (%)</b>
Proportion of recreational fisheries where catches or effort levels are acceptable	85	92	7

<sup>1</sup> Mostly 2015/16 data reported in 2017/18.

**Table 10 Historic data on the proportion of recreational fisheries in which the catch or effort reported is acceptable relevant to the target management range being applied**

<b>Year</b>	<b>Target (%)</b>	<b>Fisheries with acceptable catch/effort (%)</b>
2013/14	80	77
2014/15	80	85
2015/16	80	100
2016/17	85	100
2017/18	85	92

#### **4. The volume (tonnes) of State commercial fisheries (including aquaculture) production**

We aim to manage the State's fisheries in an economically, socially and environmentally sustainable manner. This performance indicator deals with the production component of the 'triple bottom line' approach. Sustainably managed commercial fisheries provide benefits to the State as a result of significant local and export earnings from fish and fish products. Commercial fisheries that are not managed sustainably will suffer reduced production, as less fish products will be available to the catching sectors. Noting the economic yield is more important.

The production from WA's commercial fishing, pearling and aquaculture sectors is published annually by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), based on data supplied through industry.



Information for the years 2014/15 to 2016/17 in broad groupings is provided in Table 11.

The department's 2017/18 target for production for 2016/17 is 21,500 tonnes, which represents a production level that is steadily increasing.

The tonnage of commercially caught crustaceans, molluscs and other categories in 2016/17 increased from the previous year primarily due to increases in catches from the Western Rock Lobster Fishery and the recently recovered scallop stocks in the Shark Bay Scallop Fishery and the Abrolhos Islands and Mid West Trawl Fishery.

The annual finfish production in 2016/17 declined marginally from the previous year due to changes occurring across a number of fisheries. However, the 2016/17 finfish production represents the second highest level in a number of years. Total aquaculture production increased in 2016/17 due to an increase in finfish production.

In summary, the overall tonnage of production in 2016/17 continues the increasing trend of recent years. The State's commercial fishing and aquaculture sectors will, however, continue to be affected by a combination of external influences, including environmental conditions that influence the abundances of key species, the impacts of markets and the increasing adoption of strategies to optimise economic returns rather than maximise catch levels.

Consequently, for the 2017/18 reporting period, the volume of State commercial fishing (including aquaculture) production was 23,818 tonnes, which exceeds the target level of 21,500t (Table 12). The department considers it has met this performance indicator.

**Table 11 WA production – years 2014/15 to 2016/17.**  
**Tonnage (t) values are calculated from the catch and effort statistics data supplied by fishers on a monthly/trip basis, or quota returns supplied on a daily basis**

	2014/15 (t)	2015/16 (t)	2016/17 (t) <sup>1</sup>
<b>Crustaceans</b>	9,825	9,624	10,309
<b>Molluscs</b>	991	1,131	2,458
<b>Fish</b>	8,947	9,722	9,420
<b>Other<sup>2</sup></b>	37	37	129
<b>Pearling<sup>3,4</sup></b>	Not applicable	Not applicable	Not applicable
<b>Aquaculture<sup>5</sup></b>	1,104	715	1,502
<b>Total production</b>	<b>20,814</b>	<b>21,229</b>	<b>23,818</b>

<sup>1</sup> Figures current as at end of financial year.

<sup>2</sup> Miscellaneous invertebrates (e.g. beche-de-mer and sea urchins).

<sup>3</sup> Pearl oyster products other than pearls are included under molluscs.

<sup>4</sup> Pearl production is not based on volume, therefore production figures are no longer reported.

<sup>5</sup> Excludes hatchery production plus algae production for beta-carotene; western rock oyster and abalone aquaculture production due to confidentiality (single operators).

**Table 12 Volume (tonnes) of State commercial fisheries (including aquaculture) production<sup>1</sup>**

	<b>2017/18 Target (t)</b>	<b>2017/18 Actual (t)</b>	<b>Variation (t)</b>
Volume of State commercial fisheries (including aquaculture) production	21,500	23,818	2,318

<sup>1</sup> Mostly 2016/17 data reported in 2017/18.

### **Effectiveness indicators 5 and 6: Community outcomes**

We aim to manage the State's fisheries in an economically, socially and environmentally sustainable manner. Sustainably managed fisheries and aquatic environments provide benefits to the State by providing a range of recreational opportunities and experiences to the community from snorkeling and looking at fish in their natural environment to 'catching a feed' for the family. Effectiveness indicators associated with community outcomes are:

- the participation rate in recreational fishing
- the satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the department is achieving aquatic resources management objectives.

The information used to assess our performance against these effectiveness indicators is derived from an annual telephone-based community survey and a biennial telephone-based stakeholder survey.

### **The surveys**

These surveys are conducted to:

- measure the level of recall and awareness of our informational and promotional activities
- assess the understanding and satisfaction of the WA community and fisheries stakeholders of our management strategies across commercial fisheries, recreational fisheries, aquaculture/pearling, and fish and fish habitat protection
- examine the key aspects of fishing and appreciation of the aquatic environment by the WA community.

The results from these surveys are used to monitor, evaluate and improve the effectiveness of the department's programs, activities and functions.

An external research company contracted by the department conducted the 2018 community survey in late March/April 2018. Survey respondents were asked about their experiences and views for the 12-month period prior to their interview date. Of a total of 3796 in-scope respondents (Western Australian residents aged 18 years and older), 703 interviews were completed representing a response rate of 19% which was higher than in the previous community survey (11% in 2017). The 703 interviews comprised:

- 564 respondents from major cities
- 58 respondents from inner regional areas
- 81 respondents from outer regional/remote/very remote areas or who were migratory residents.

This sample was weighted to reflect the population based on March 2018 Estimated Residential Population data from the Australian Bureau of Statistics (ABS), with the survey providing estimates for the 2017/18 financial year.

## 5. The participation rate in recreational fishing

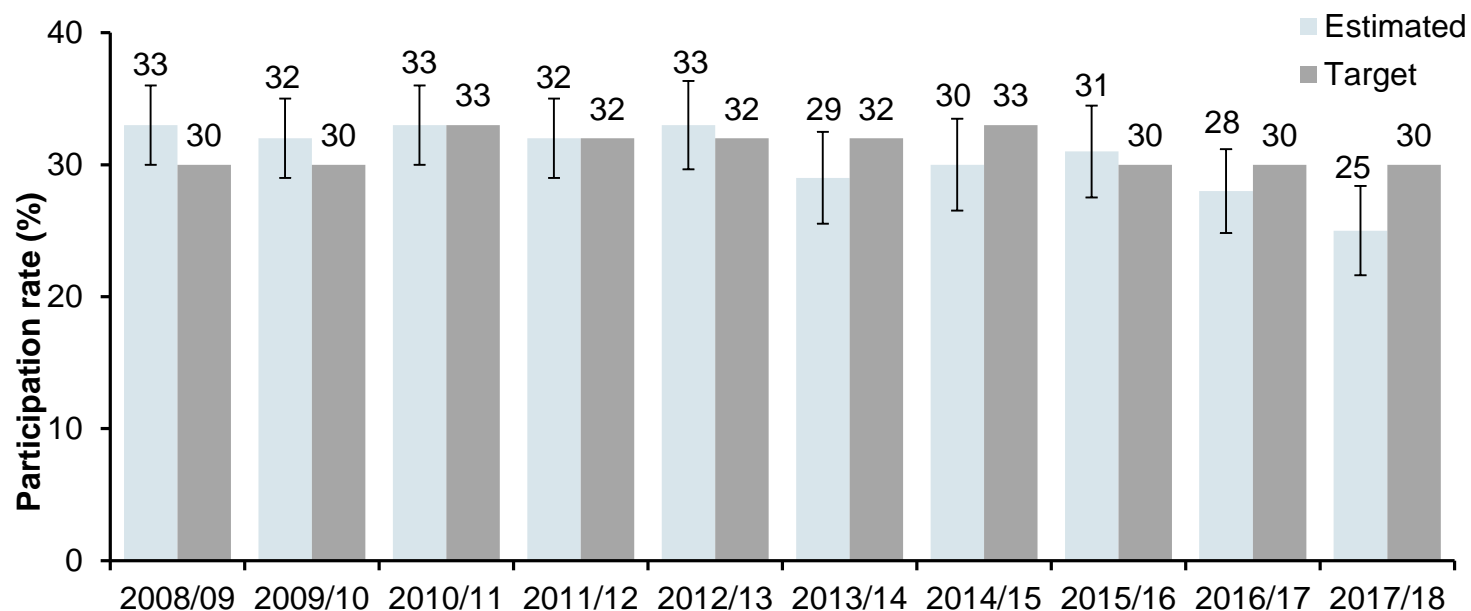
The level of participation and frequency that respondents participate in recreational fishing is a measure of the use of this community resource. Recreational fisheries also provide social and economic benefits for the community. These may include social benefits, such as spending time with family or friends and/or economic benefits, such as the sale of tackle, boats and other gear, and economic support for boating and tourism industries based on fishing.

The department's 2017/18 target participation rate in recreational fisheries in WA is 30%. Based on survey data, the 2017/18 participation rate was estimated as 25.4% (95% confidence interval, CI [22.2%, 28.7%]) of the WA population (Table 13). We did not meet this indicator.

Table 13 **Participation rate in recreational fishing**

	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Participation rate in recreational fishing	30	25.4	-4.6

The estimate of participation rate is lower than the rate reported in the last decade (i.e. ~28–33%; Figure 2); however, it is not statistically different from the participation rate estimates of the previous five years. This participation rate is consistent with the long-term, slight declining trend observed since the late 1990s. Based on the estimated residential population of WA aged five and older at 30 September 2017 (ABS 2017), the estimated number of people in WA who participated in recreational fishing at least once in the previous 12-month period was approximately 612,000 (95% CI [535,000, 690,000]).



**Figure 2 Estimated (with  $\pm$  95% CI) and target participation rate of WA residents in recreational fisheries**

The number of days fished by recreational fishers in the last 12-month period ranged from one to 235 days. The median number of days fished by recreational fishers over the 2017/18 survey period was five days (Figure 3), and the mean number of days fished was 12.5 days. Over half (54.1%) of all recreational fishers fished between one and five days over the 12-month period (Figure 4).

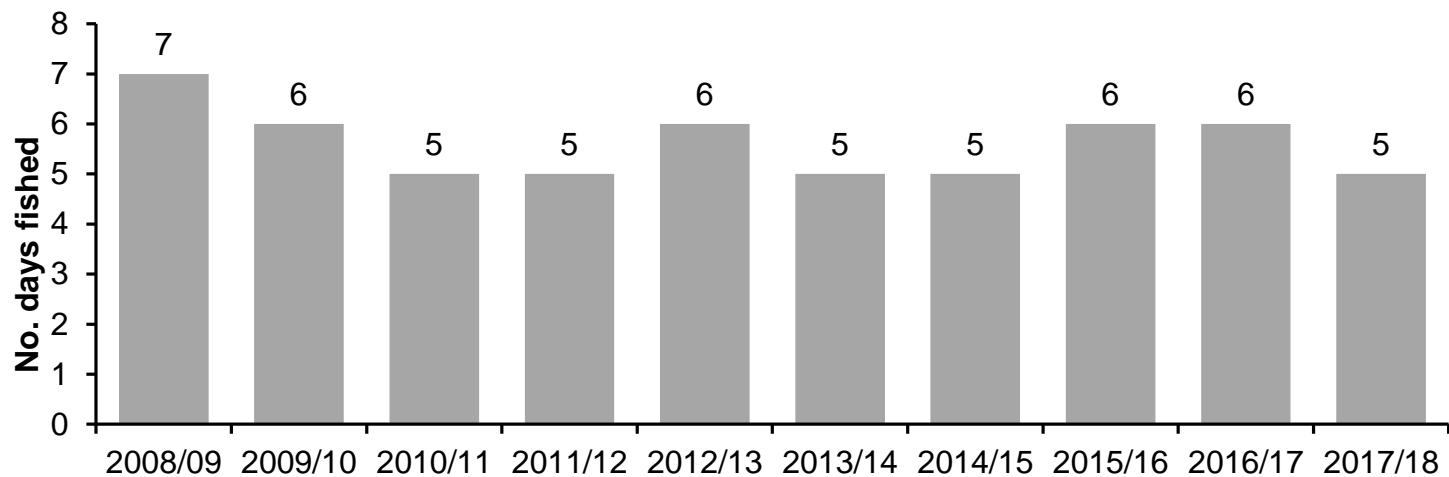


Figure 3 Median number of days fished by recreational fishers in WA

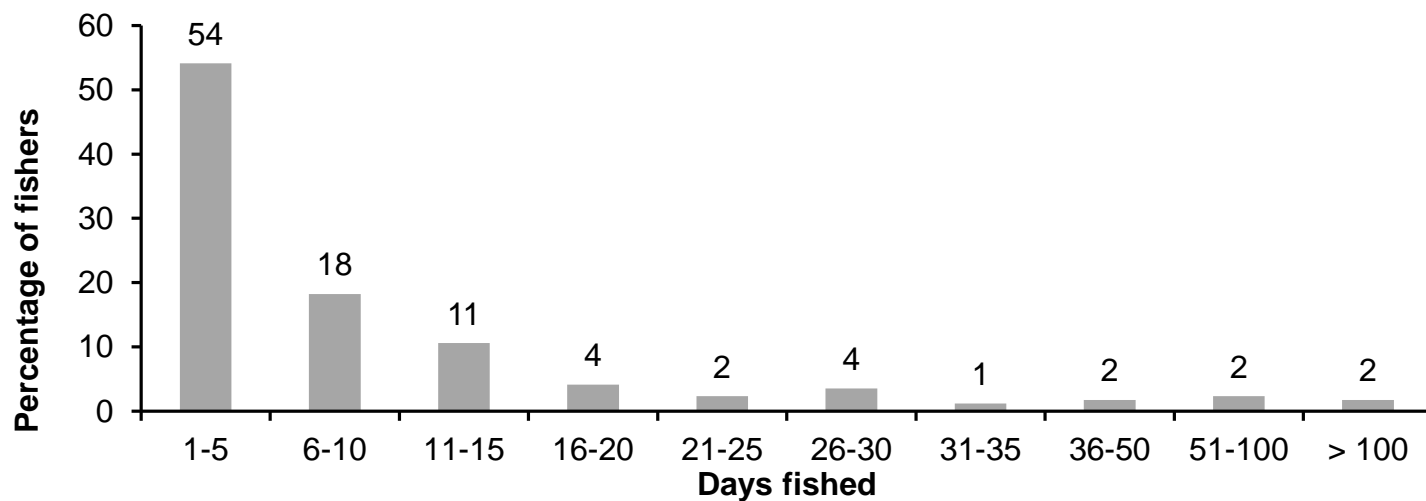
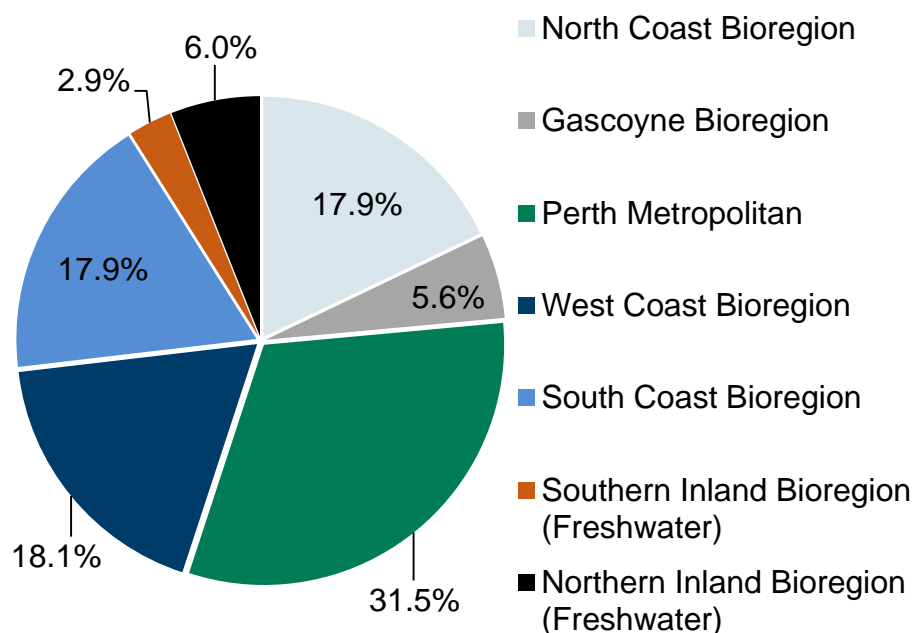


Figure 4 Distribution of total number of days fished by recreational fishers in WA in 2017/18

The Perth metropolitan area from Yanchep to Mandurah was the most popular area for recreational fishing in the State, with 31.5% of the total recreational effort occurring in this region (Figure 5). The West Coast Bioregion (excluding the Perth metropolitan area) was the next most popular area for recreational fishing in the State with 18.1% of effort, followed by the South Coast Bioregion (17.9%) and the North Coast Bioregion (17.9%). Lower levels of fishing were reported from the Gascoyne Coast Bioregion (5.6%), the Southern Inland Bioregion (2.9%), and Northern Inland Bioregion (6.0%).



**Figure 5 Regional distribution of recreational fishing effort throughout WA in 2017/18**

## 6. Satisfaction rating of broader community and stakeholders as to their perceptions of the extent to which the department is achieving aquatic resources management objectives:

### (a) Community

### (b) Stakeholders

In order to assess this indicator, community and stakeholder satisfaction is measured across four key management areas: commercial fisheries, recreational fisheries, aquaculture/pearling, and protection of fish habitat.

As part of the community surveys, respondents were asked to rate the department in its management across each of these four areas. Rating options included 'very poor', 'poor', 'good' or 'very good'. It must be noted DPIRD was formed from the amalgamation of several government departments, including the Department of Fisheries, during this survey period. Thus only respondents who were aware DPIRD or the Department of Fisheries or fisheries within DPIRD was responsible for a management area were asked to rate our performance for that management area as part of the community survey. All stakeholder respondents were asked about each management area, regardless of their primary interest area.

Satisfaction rates are calculated for each management area as the proportion of respondents who ranked our management of that particular area as 'good' or 'very good'. The overall satisfaction rate is an average of the satisfaction ratings across these four management areas. Note that responses of 'can't say' and 'neither' were excluded from the calculation of the satisfaction rates.

The department's 2017/18 target overall satisfaction rating by the broader community is 85%. Based on survey data, the department was given an overall satisfaction rate of 86.8% (95% CI [83.2%, 90.5 %]) by the WA community across these four management areas, exceeding the target (tables 14 and 15). This rate was similar to those reported for recent years (Figure 6). The department considers it has met this performance indicator.

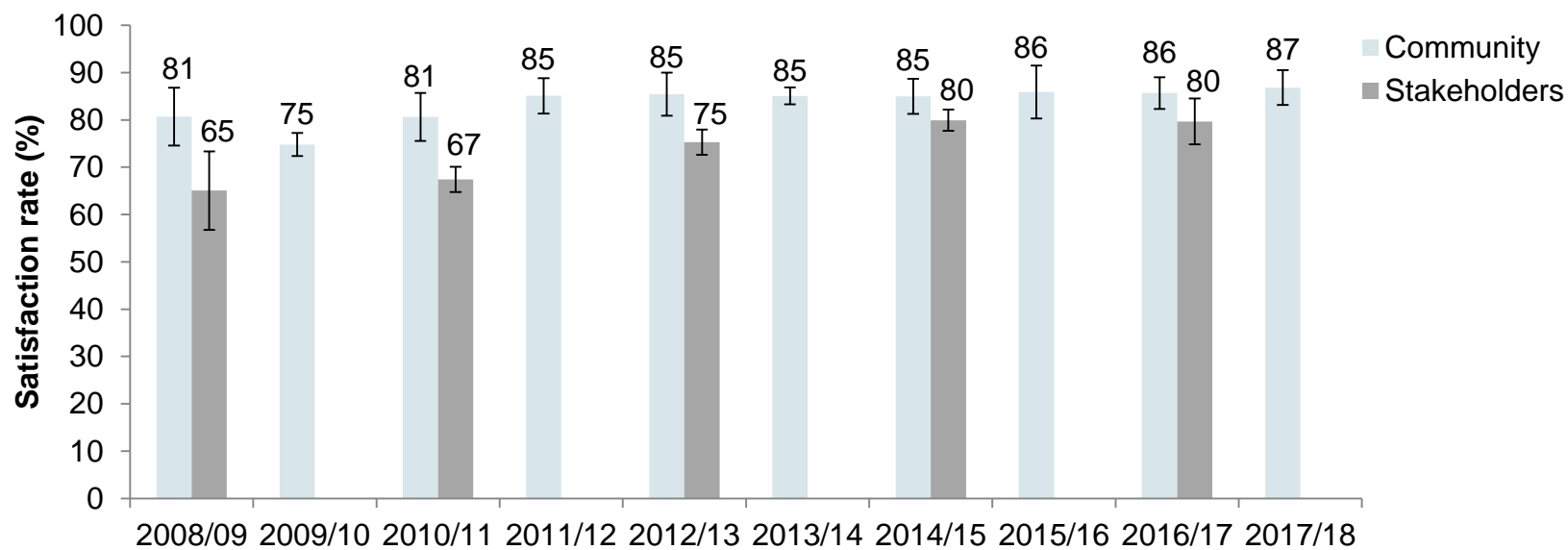
The stakeholder survey is conducted biennially and was not scheduled for 2018. Previous survey satisfaction ratings of stakeholders have been lower than the satisfaction rating of the broader community (Figure 6).

**Table 14 Satisfaction rate (%) of the WA community across key fisheries management areas in 2017/18**

Key fisheries management areas	Number of respondents	Satisfaction rate (%)
Commercial fisheries	200	84.7
Recreational fisheries	241	89.8
Aquaculture and pearling	136	90.2
Fish habitat protection	179	82.6
<b>Overall</b>	<b>424</b>	<b>86.8</b>

**Table 15 Satisfaction rating of broader community as to their perceptions of the extent to which the department is achieving aquatic resources management objectives**

	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Satisfaction rating of broader community as to their perceptions of the extent to which the department is achieving aquatic resources management objectives	85	86.8	1.8



**Figure 6 Estimated overall satisfaction rate of the broader Western Australian community (with  $\pm$  95% CI) and departmental stakeholders**



### Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia

We use four KPIs to measure our effectiveness in contributing to a profitable, innovative and sustainable agrifood sector for Western Australia. The first focuses on co-investment and allows us to understand our effectiveness in encouraging industry and others to invest alongside the State Government in developing and promoting Western Australia's agrifood sector.

The other three KPIs focus primarily on the extent to which business owners and managers believe we have positively influenced their industry over the past 12 months. They are derived from an annual survey of producers, intermediaries (such as processors and exporters) and agrifood consultants.

#### 7. Proportion of co-investment in department-led initiatives

Investment included under this KPI relates to both cash and in-kind resources for all work undertaken, or commissioned by us, and funded in part by the Western Australian Government, excluding those in which we play a purely administrative role.

This KPI includes co-investment through entities created as a means of building collaboration, such as AEGIC Ltd, but excludes profit-oriented entities established to ensure the successful commercialisation of activities no longer receiving direct government support, such as InterGrain Pty Ltd.

Table 16 shows that our expenditure of co-invested funds was 22.4% of NCoS, below our 2017/18 target of 25%.

We did not meet this indicator, however, the result was significantly influenced by the unforeseen, approximately \$20 million devaluation of the department's South Perth site. If the devaluation had not occurred, the result would have been 25.2%, which would have met this target.

Note actual co-investment expended was 19.2% greater than in the previous year, mainly attributed to additional co-investment from the Grains Research and Development Corporation into both AEGIC and the State's broader grains research and development program. This result reflects the department's strong ability to leverage funding from industry and government.

Table 16 **Proportion of co-investment in department-led initiatives**

	2014/15 (%)	2015/16 (%)	2016/17 (%)	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Co-investment in DPIRD-led initiatives (as % of NCoS*)	25.0	24.6	22.7	25.0	22.4	-2.6

\*NCoS = net cost of services related to this desired outcome

## Effectiveness indicators 8–10: Industry views on our effectiveness

The following three effectiveness indicators are used to evaluate our department's impact on the profitability, innovativeness and environmental sustainability of the agrifood sector. These indicators are determined by a survey of agrifood producers, intermediaries and consultants undertaken each year.

### The survey

This year's survey involved 401 respondents comprising 299 primary producers, 68 intermediaries (primarily processors, marketers and exporters) and 34 agribusiness consultants (sourced from the independent, agriculture-specific consultants listed on the website of the Australian Association of Agricultural Consultants (WA) Inc.).

It was designed, executed and analysed by Painted Dog Research. Producer respondents were drawn primarily from the state's major agricultural industries — grains, sheep, beef, dairy and horticulture. To the extent possible, the survey focused on larger producers, using the threshold criteria set out in Table 17. Scale criteria were not applied to horticultural producers due to the diversity of their production systems, or to intermediaries or consultants.

Table 17 Threshold stocking and production levels for producers considered in the 2018 survey

Principal product type	Threshold
Sheep	>2000 head
Grain	>500 tonnes harvested
Beef – agricultural	>500 head
Beef – pastoral	>2500 head
Intensive livestock	
– Dairy	>200 head
– Pig (breeders)	>50 sows
– Pig (growers)	>1000 head
– Poultry	>10 000 head

### Indicator benchmark

Respondents rated our impact on a scale from zero to 10, with zero representing 'no impact at all', five is 'had a medium impact' and a score of 10 indicating the department 'had a very strong impact'. In 2016/17, the formal benchmark for these indicators was amended to be that a score of five or above is considered a 'moderate to significant' (i.e. 'medium to very strong', 5-10) impact. In prior years, only scores of six or above were considered, this being deemed a 'significant' impact. The change was made on the basis that, in previous years, scores of five and above had shown greater variation — and hence greater interpretative value — than when they were restricted to scores of six and above.

This benchmark of five and above is the formal benchmark, however both results are shown for comparative purposes. The six and above benchmark does not include a 2017/18 target.

### **Key survey messages against the formal indicator benchmark**

- The 2017/18 KPI results across all respondents are the best the department has achieved since 2013/14.
- Producers and intermediaries rated the department more favourably across all KPIs than in the previous financial year, however, consultants did show a reduction in their rating of the department's influence on all KPIs.
- There was a significant increase in intermediaries' ratings of the department's influence on profitability and innovation, with a smaller increase in sustainability. This may be attributed to the 85% of intermediaries looking to grow their businesses over the coming years, with fewer looking to just maintain their businesses.

Additionally, the survey highlighted the growing confidence and optimism about the future among respondents. This is likely due to a number of reasons, including current high produce prices, respondents feeling confident in their plans and choices, and growing opportunities.

### **8. Proportion of businesses that consider the department has positively influenced the profitability of the sector**

This year's survey indicated that, across all respondents, 48.7% rated the department as having a medium to very strong impact on the profitability of their industry over the past year. This result is significantly better than the 2016/17 result of 41.5%, and above the 2017/18 target of 42% (Table 18).

While there was a slight decline in the rating received from consultants, with 55% viewing our department's influence on profitability as medium to very strong, compared to 60% in 2016/17, primary producers' and intermediaries' ratings were significantly higher. In 2017/18, primary producers rated the department's influence on profitability higher than last year, increasing from 42% to 50%. A similar trend was recorded for intermediaries, up from 30% to 40% in 2017/18. The department considers it has met this performance indicator.

Table 18 **Respondent ratings of DPIRD's impact on profitability**

<b>Impact scored at 5 or above</b>	<b>2014/15 (%)</b>	<b>2015/16 (%)</b>	<b>2016/17 (%)</b>	<b>2017/18 Target (%)</b>	<b>2017/18 Actual (%)</b>	<b>Variation (%)</b>
Profitability	46.1	42.1	41.5	42.0	48.7	6.7
<b>Impact scored at 6 or above</b>						
Profitability	24.6	24.6	27.2	NA	21.3	NA

To further understand this KPI, respondents are also asked about their aspirations for business growth, and whether they are seeking to grow, maintain or reduce their business.

The 2017/18 survey found 57% of respondents are seeking to grow their business over the next three years, and 33% are seeking to maintain their current business size and structure. Of those looking to increase, 45% rated the department's influence on profitability as medium to very strong, in line with last year's result of 43%.

Similarly, of those seeking to grow their businesses, it was again the newer entrants to the sector that rated us most highly, continuing a trend noted in last year's report. Of respondents with 20 years' or less experience in the industry, 54% rated our impact on the profitability of the sector as medium to very strong.

### 9. Proportion of businesses that consider the department has fostered innovation in the sector

The impact of the department on the ability of industry to make changes in the future is used as a proxy for the department fostering innovation in the sector. Our focus under this indicator is support to businesses to be able to make timely, locally-relevant and evidence-based decisions.

This year's survey highlights that 49.8% of respondents rate the department's impact on their innovativeness as medium to very strong. This is an improvement on last year's result of 43.7%, and is higher than our 2017/18 target of 44% (Table 19). This is a positive sign, showing the department's delivery of products and services beyond its core regulatory functions is valued.

Among the group of respondents seeking to grow their business, 48% rated the department's impact on innovation in their industry as medium to very strong, up from 44.8% last year. This highlights that our impact on the key group who will drive the future growth of the sector is positive and increasing.

There was a strong increase in the rating of the department's influence on innovation from both intermediaries (50%) and producers (50%), compared with 2016/17 results of 34% and 45% respectively. Consultants' ratings reduced slightly from 51% in 2016/17 to 48% in 2017/18. The department considers it met this performance indicator.

Table 19 Respondent ratings of DPIRD's impact on innovativeness

Impact scored at 5 or above	2014/15 (%)	2015/16 (%)	2016/17 (%)	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Innovativeness	45.8	40.5	43.7	44.0	49.8	5.8
Impact scored at 6 or above						
Innovativeness	24.7	23.2	23.5	N/A	23.4	N/A

# **10. Proportion of businesses and key stakeholders that consider the department has positively influenced the sustainability of the sector**

This effectiveness KPI relates to our impact on the environmental sustainability of the agrifood sector. Of the total respondents, 50.9% rated our impact as medium to very strong, an increase on the 2016/17 result of 47.7%, and higher than our 2017/18 target of 48% (Table 20).

Table 20 Respondent ratings of DPIRD's impact on sustainability

Impact scored at 5 or above	2014/15 (%)	2015/16 (%)	2016/17 (%)	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Sustainability	46.9	47.0	47.7	48.0	50.9	2.9
Impact scored at 6 or above						
Sustainability	28.6	27.0	31.5	NA	26.7	NA

Ratings for both producers and intermediaries have increased this year with producers up from 47% in 2016/17 to 51% in 2017/18 and intermediaries up from 46% to 48% in the same period. The consultant category has remained steady. The department considers it met this performance indicator.

**Desired outcome: Increased capacity of regional communities to develop economic growth and social wellbeing**

This desired outcome is supported by a variety of departmental services, including:

- administration and delivery of the Royalties for Regions program
- support to the Regional Development Commissions, including resources to deliver their agreed business plans and local projects
- secretariat support to the Regional Development Council and the WA Regional Development Trust
- community development, including advice, funding and support to Community Resource Centres
- development and initiation of new government initiatives to achieve jobs and economic growth in regional WA
- investment facilitation for WA agribusinesses and food small to medium enterprises.

**11. Client satisfaction with regional development services**

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

Two hundred and five surveys were completed from a list of 419 valid stakeholders (a response rate of 49%) giving a maximum standard error ratio of +/-4.9% at the 95% confidence level. While below our target, our result of 79% is a satisfactory result. The lower satisfaction rating this year reflects the level of change and disruption across the portfolio as a result of Machinery of Government reform.

Table 21 **Client satisfaction with regional development services**

	2015/16 Actual (%)	2016/17 Actual (%)	2017/18 Target (%)	2017/18 Actual (%)	Variation (%)
Client satisfaction with Regional Development Services	86	87	85	79	-6

## Key efficiency indicators

### Desired outcome: Conservation and sustainable development of the State's fish resources

The key efficiency indicators for this outcome have been calculated by dividing the total service by the hours attributed to delivering the service. The measures enable analysis of variance in costs from year to year and provide a benchmark for comparison against like service deliveries.

They indicate the average cost per hour of service required to deliver services and outcomes, and include all costs associated with the specific service. To report the total cost of service and hourly rate, department-wide corporate overheads, executive and divisional support expenses are allocated across services and incorporated into key efficiency indicators based on the total direct hours delivered by each service.

Grants, fisheries adjustments and payments to stakeholder groups are excluded from key efficiency indicators (as appropriate) where these expenses are not considered to be a cost of service delivery.

In calculating the key efficiency indicator targets, it is assumed that the department will operate at full capacity (i.e. all full-time equivalent positions occupied) for the full year. This is not normally the case and consequently the target cost per hour is normally less than the actual cost. This fact is demonstrated in the closer alignment when comparing actual results from one year to the next.

Explanations for those variances greater than 10% have been included within each service.

### Service 1: Fisheries management

Fisheries management includes the development of policy and procedural frameworks for the management of the State's fisheries, aquaculture and the aquatic environment, including legislation and management plans, consultation with fishing industry stakeholders and the community.

#### 1.1. Average cost per hour for management (excluding grants and fisheries adjustments)

Efficiency in Service 1 is described as the average cost per hour for services delivered excluding payments for grants and fisheries adjustment schemes (Table 22).

Table 22 **Efficiency indicator for DPIRD's fisheries management service**

	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Average cost per hour of management (excluding grants and fisheries adjustments)	\$196	\$174	\$165	\$159	\$192	\$33



The increase in the 2017/18 actual compared to the 2017/18 target of \$33 (or 17%) reflects a significant reduction in hours delivered in this service, following the implementation of the government's Voluntary Targeted Separation Scheme. In addition, an error in the calculation of the 2017/18 target resulted in an understatement in this indicator.

## **Service 2: Enforcement and education**

Through the enforcement and education service, the department raises community awareness and understanding of fisheries and aquatic management issues and the need to adhere to the rules governing these activities. This service enforces fishing rules and also plans and instigates investigations and enforcement strategies.

### **2.1. Average cost per hour of enforcement and education**

Efficiency in Service 2 is described as the average cost per hour for services delivered (Table 23).

Table 23 **Efficiency indicator for DPIRD's enforcement and education service**

	<b>2014/15 Actual</b>	<b>2015/16 Actual</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2017/18 Actual</b>	<b>Variation</b>
Average cost per hour of enforcement and education	\$179	\$140	\$145	\$146	\$154	\$8

The 2017/18 financial year was consistent with the previous year's operations, resulting in similar Total Cost of Services outcomes. The subsequent variance in cost per hour to target for 2017/18 was less than 10%. The department considers that it has generally met this indicator.

### Service 3: Research and assessment

The research and assessment service provides scientific knowledge for the sustainable management of the State's fisheries and aquatic resources and the associated environment.

#### 3.1. Average cost per hour of research and assessment

Efficiency in Service 3 is described as the average cost per hour for research and assessment services (Table 24).

Table 24 **Efficiency indicator for DPIRD's research and assessment service**

	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Average cost per hour of research and assessment	\$107	\$104	\$110	\$111	\$113	\$2

The 2017/18 financial year was consistent with the previous year's operations, resulting in similar Total Cost of Services outcomes. The subsequent variance in cost per hour to target for 2017/18 was less than 10%. The department considers that it has generally met this indicator.

### Desired outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia

The efficiency with which we undertake each of our services in relation to this desired outcome is estimated by the same two indicators:

1. the net cost of each service as a factor of the gross value of agricultural production (GVAP); and
2. the extent of co-investment we attract to each service.

#### **Understanding net cost of service as a factor of GVAP**

This indicator compares our investment in each service area with the GVAP for Western Australia as calculated by the Australian Bureau of Statistics (ABS).

The GVAP figure used in these KPIs of \$8.1 billion represents the average of the past five years of published GVAP values. The most-recently published GVAP figure is for 2016/17. The average is used to minimise the annual variability that results from seasonal, marketing and other influences. This value continues the upward trend of the GVAP five-year average in Western Australia.

GVAP understates the overall economic activity of the sector, as it does not include activity that happens past the farm gate. However, it is the most consistent, independent and broadly based benchmark relevant to the sector.

The net cost of service represents funding provided to the department by the State Government, less revenue returned to government by the department through fees, charges and sales.

A reduction in this KPI represents a more efficient service in that a smaller investment by government is linked to increased economic activity for the State.

#### **Understanding co-investment in department-led initiatives related to net cost of service**

Co-investment is used as an indicator of our efficiency in leveraging the State Government's investment by partnering with other parties — across other governments, industry and the community — to invest in the same strategic goals we seek to achieve.

We do not include funding from the RfR program as 'co-investment' in this context because it is sourced from the State Government. However, we do include third party funding linked to individual RfR projects.

Co-investment may be provided in the form of cash or in-kind contributions.

An increase in this KPI represents a more efficient service.

#### **Results – impact of devaluation of DPIRD South Perth site**

The department met four of the 12 efficiency indicators for the services related to this outcome.

However, the total net cost of service related to this outcome, which influences these efficiency indicators, was higher than expected due to an unforeseen, approximately \$20 million devaluation of the department's South Perth site.

If the devaluation had not occurred, one additional GVAP efficiency indicator would have been met: Service 8 – Biosecurity and Product Integrity. Results are presented below for that service. Impacts on the other GVAP indicators were minimal.

In addition, if the devaluation had not occurred, one additional co-investment efficiency indicator would have been met: Service 4 - Market development, investment and market access, and we would have been closer to meeting several other co-investment efficiency indicators. Additional comments are provided below.

Separately, co-investment expended was higher than the previous year in five of the six services, which demonstrates the value clients see in co-investing with the department.

#### **Service 4: Market development, investment and market access**

This service supports Western Australian agrifood businesses to increase their access to domestic and international markets.

It aims to support current and prospective industries to develop the marketing and business arrangements they need to remain globally competitive. It focuses on the development of coordinated growth initiatives, collaborative processes and networks that help the State's agrifood sector increase its contribution to the Western Australian economy.

#### **4.1. Net service cost as a factor of GVAP**

Table 25 shows that the net cost of this service represented 0.21% of the gross value of Western Australia's agricultural production. This is a better result than our target of 0.3% and is mainly attributable to an increase in Western Australia's five-year GVAP average. The department considers that it met this performance indicator.

#### **4.2. Public and private sector co-investment in department-led market-development initiatives as a factor of the net cost of this service**

Co-investment in this service was equivalent to 12.2% of the net funding provided by the State Government, just below our target of 13.0% (Table 25). We did not meet this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the result would have been 13.9%, and we would have met the indicator.

**Table 25 Efficiency indicators for DPIRD's market development, investment and market access service**

	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2017/18 Actual</b>	<b>Variation</b>
Net cost of service (as % of GVAP)	0.26	0.3	0.21	-0.09
Co-investment in this service (as % of NCoS* for this service)	11.6	13.0	12.2	-0.8

Source: DPIRD, ABS; \*NCoS = net cost of service

## Service 5: Productivity improvement and innovation

This service supports businesses to optimise the technical side of their enterprise by increasing the volume and cost effectiveness of their products.

It applies to all elements of the supply chain and to the key systems and processes required for an internationally competitive sector. This focus is particularly important in the current economic environment where businesses are being challenged by rapid technical changes, increasing climate variability and evolving capital and financing arrangements. The department provides a range of tools to foster innovation in target industries, and is constantly developing new tools in response to emerging trends and opportunities.

### 5.1. Net service cost as a factor of GVAP

Table 26 shows that the net cost of this service represented 0.41% of the gross value of Western Australia's agricultural production. This result did not meet the performance indicator target of 0.3%. It reflects a significant increase in the number of projects delivered by the department under this service compared to the previous year. Examples include additional spending related to Doppler radar and grower groups.

## 5.2. Public and private sector co-investment in department-led productivity improvement and innovation initiatives as a factor of the net cost of this service

Co-investment in this service was equivalent to 47.7% of the net funding provided by the State Government, below our target of 57.0% (Table 26). We did not meet this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the department would have been closer to meeting the target with a result of 53.0%.

Note actual co-investment in this specific service was up by 8.1% on the previous year, a positive result, demonstrating the value our partners see in co-investing with us.

Table 26 Efficiency indicators for DPIRD's productivity improvement and innovation service

	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Net cost of service (as % of GVAP)	0.27	0.3	0.41	0.11
Co-investment in this service (as % of NCoS* for this service)	69.7	57.0	47.7	-9.3

Source: DPIRD, ABS; \*NCoS = net cost of service

## Service 6: Business development and promotion

This service relates to the department's focus on the commercial components needed for business success. It involves working with industry to facilitate the development of investment ready supply chains: helping business owners align their corporate skills and knowledge with global best practices and developing decision-aiding tools that support business success. It aims to help growing businesses in their efforts to increase the quality and marketability of their existing and emerging products, and in managing their business risks.

### 6.1. Net service cost as a factor of GVAP

Table 27 shows that the net cost of this service represented 0.19% of the gross value of Western Australia's agricultural production, better than our target of 0.2%. The department considers that it met this performance indicator.

### 6.2. Public and private sector co-investment in department-led business development and promotion initiatives as a factor of the net cost of this service

Co-investment in this service was equivalent to 19.2% of the net funding provided by the State Government, below our target of 23.0% (Table 27). We did not meet this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the department would have been closer to meeting the target with a result of 21.7%.

Note actual co-investment in this specific service was up by 4.8% on the previous year, a positive result.

Table 27 **Efficiency indicators for DPIRD's business development and promotion service**

	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Net cost of service (as % of GVAP)	0.16	0.2	0.19	-0.01
Co-investment in this service (as % of NCoS* for this service)	21.7	23.0	19.2	-3.8

Source: DPIRD, ABS; \*NCoS = net cost of service

## Service 7: Productive natural resources

This service supports the productive capacity and health of the natural resources: land, water, native vegetation and biodiversity that underpin the agrifood the sector. This is essential both to the viability of the sector and to maintaining the physical environment and amenity that all Western Australians value and enjoy. This work involves partnerships with industry and a wide range of government agencies to fulfil shared responsibilities.

### 7.1. Net service cost as a factor of GVAP

Table 28 shows that the net cost of this service represented 0.27% of the gross value of Western Australia's agricultural production.

This result did not meet the performance indicator target of 0.1%, and reflects a 300% increase in the NCoS of this service from \$5.6 million in 2016/17 to \$22.1 million in 2017/18. The growth was largely driven by an increase in the value of externally funded and Royalties for Regions projects delivered by the department, including in wild dog management and the Water for Food project.

### 7.2. Public and private sector co-investment in department-led initiatives related to productive resource management initiatives as a factor of the net cost of this service

Co-investment in this service was equivalent to 31.6% of the net funding provided by the State Government, below our target of 65.0% (Table 28). We did not meet this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the department would have been slightly closer to meeting the target with a result of 35.4%.

Note actual co-investment in this specific service was up by 23.9% on the previous year, a positive outcome, demonstrating the value clients see in co-investing with the department on productive natural resources activities. However, the increase in the net cost of delivering this service offset this growth.

Table 28 Efficiency indicators for DPIRD's productive natural resources service

	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Net cost of service (as % of GVAP)	0.07	0.1	0.27	0.17
Co-investment in this service (as % of NCoS* for this service)	100.1	65.0	31.6	-33.4

Source: DPIRD, ABS; \*NCoS = net cost of service



## Service 8: Biosecurity and product integrity

This service protects the productivity, marketing, environmental and social advantages that all Western Australians enjoy from being free of the world's most serious weed, pest and disease threats. While the Australian Quarantine and Inspection Service provides the frontline of defence against biosecurity threats arriving from overseas, all other biosecurity management responsibilities rest with the states, including keeping out a number of significant threats endemic to the Eastern States but not Western Australia. The world's premium food markets are increasingly demanding that their suppliers have highly sophisticated biosecurity management capabilities at local to international levels.

### 8.1. Net service cost as a factor of GVAP

Table 29 shows that the net cost of this service represented 0.75% of the gross value of Western Australia's agricultural production.

This result just did not meet the performance indicator target of 0.7%. However, if the unforeseen devaluation of the South Perth site had not occurred, the department would have met this indicator with a result of 0.66%.

### 8.2. Public and private sector co-investment in department-led biosecurity and product integrity initiatives as a factor of the net cost of this service

Co-investment in this service was equivalent to 14.8% of the net funding provided by the State Government, below our target of 18.0% (Table 29). We did not meet this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the department would have been closer to meeting the target with a result of 16.6%.

Note actual co-investment in this specific service was up by 62.6% on the previous year, a positive result, affirming industry support and the value it gains from co-investing with the department on biosecurity and product integrity activities. Examples of additional co-investment were in our work in interstate quarantine, invasive species and wild dog management. However, this increase in co-investment was offset by NCoS increasing.

Table 29 Efficiency indicators for DPIRD's biosecurity and product integrity service

	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Net cost of service (as % of GVAP)	0.64	0.7	0.75	0.05
Co-investment in this service (as % of NCoS* for this service)	11.0	18.0	14.8	-3.2

Source: DPIRD, ABS; \*NCoS = net cost of service



## Service 9: A business environment for growth

This service optimises policy settings and relationships across government, industry and related organisations.

It reflects the leadership that the department provides in partnering with stakeholders in terms of the regulatory, policy and planning settings that affect the agrifood sector. It involves building the combined ability of governments, industry and the broader community to develop the agrifood sector while dealing with biosecurity and natural resource risks. An increasingly complex and changing world requires a collaborative approach that allows the agrifood sector to develop in the most efficient and effective manner possible.

### 9.1. Net service cost as a factor of GVAP

Table 30 shows that the net cost of this service represented 0.43% of the gross value of Western Australia's agricultural production. This is a better result than our target of 0.5% and is mainly attributable to an increase in Western Australia's five-year GVAP average.

The department considers that it met this performance indicator.

### 9.2. Public and private sector co-investment in department-led growth initiatives as a factor of the net cost of this service

Co-investment in this service was equivalent to 11.4% of the net funding provided by the State Government, above our target of 9.0% (Table 30). We met this performance indicator.

If the unforeseen devaluation of the South Perth site had not occurred, the department would have performed even better against the target with a result of 13.1%.

Note actual co-investment in this specific service was up by 22.5% on the previous year, demonstrating the value clients see in co-investing with the department on growth activities. Additional co-investment in 2017/18 included that from GRDC in grains research and development and other co-investment in wild dog management.

Table 30 **Efficiency indicators for DPIRD's business environment for growth service**

	2016/17 Actual	2017/18 Target	2017/18 Actual	Variation
Net cost of service (as % of GVAP)	0.53	0.5	0.43	-0.07
Co-investment in this service (as % of NCoS* for this service)	7.8	9.0	11.4	2.4

Source: DPIRD, ABS; \*NCoS = net cost of service

Desired outcome: Increased capacity of regional communities to develop economic growth and social wellbeing

### Service 10: Regional investment

This service delivers a pipeline of quality initiatives to drive a long-term, high-value approach to the RfR program. This is achieved through identifying and assessing projects against regional priorities, needs and solutions, including infrastructure, economic development, job creation and community services.

#### 10.1. Average cost per funded initiative administered

The number of open, funded initiatives is comprised of the number of RfR agreements signed and funds disbursed. These are projects that are actively reporting to the department on expenditure. The decrease of average cost per funded initiative administered between the 2017/18 Budget Target and 2017/18 Actual is mainly attributable to lower net cost of this service than budgeted. The department considers that it has met this performance indicator.

#### 10.2. Average internal cost per satellite site supported

As per the 2017/18 Budget Paper, there is no Budget Target for the average internal cost per satellite site supported. The number of satellite sites supported related to broadcasting by the Westlink program. As part of the Agency Expenditure Review process, Westlink was identified for closure in 2017/18 due to the diminishing interest in using Westlink as a communication tool in recent years.

Table 31 Efficiency indicators for DPIRD's regional investment service

	2015/16 Actual (\$)	2016/17 Actual (\$)	2017/18 Target (\$)	2017/18 Actual (\$)	Variation (\$)
Average cost per funded initiative administered	16,998	22,157	28,837	25,907	-2,931
Average internal cost per satellite site supported	4,661	4,239	-	-	-

## Service 11: Regional policy

This service provides strategic input into policy and strategy directions to support increased regional business development and investment to grow and attract business for the economic and social benefits of regional communities and the State.

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

Average cost is calculated by the internal cost incurred by the areas responsible for regional policy and divided by the tracked number of written advice items requiring the attention of the Minister for Regional Development. The number of written advice items requiring the Minister's attention comprises the total number of Ministerial correspondence, advice, briefing notes, Cabinet submissions, responses to parliamentary questions, contentious issues and media statements submitted to the Minister for Regional Development.

The decrease of average cost per item of written advice requiring Minister's attention between the 2017/18 Budget Target and 2017/18 Actual is mainly attributable to lower net cost of this service than budgeted and higher number of written advice requiring the Minister's attention. The need for additional resources to sustain this level of activity has been identified and will be addressed through organisational redesign.

Table 32 Efficiency indicator for DPIRD's regional policy service

	2015/16 Actual (\$)	2016/17 Actual (\$)	2017/18 Target (\$)	2017/18 Actual (\$)	Variation (\$)
Average cost per item of written advice requiring Minister's attention	5,974	11,112	11,105	4,097	-7,008

[End of audited KPI section.]

## Ministerial directives

No ministerial directives were received during the financial year.

## Other financial disclosures

### Pricing policies of services provided

DPIRD charges on a full or partial cost recovery basis for some goods and services, with fees and charges determined in accordance with the *Costing and Pricing Government Services: Guidelines for use by Agencies in the Western Australian Public Sector* published by the Department of Treasury and statutory requirements.

The 2017/18 list of fees and charges was implemented on 1 July 2017.

DPIRD receives a significant proportion of own source revenue from regulatory fees and charges related to commercial and recreational fishing, aquaculture and biosecurity services.

The level of cost recovery for all fees and charges is based on the nature of the transaction. For example, commercial access to fish resources is determined to reflect an appropriate payment to the community for access to that resource. Similarly, some services may be exempted from charges in certain circumstances. This may include, but not be limited to, where the service relates to an outbreak of a suspected exotic disease or where the service involves approved research or surveillance.

## Capital works

Capital works undertaken during the year focused on a number of building, infrastructure, equipment and information technology projects. This was to enable us to meet our corporate and operational needs in regional and metropolitan locations as the newly created DPIRD and to complete projects that were former commitments of the previous standalone departments. This is outlined in Table 33.

Table 33 Capital works program 2017/18

Capital projects	Year of completion	Estimated cost to complete the project \$'000	Estimated total cost of the project at 2017/18 \$'000	Estimated total cost of the project at 2016/17 \$'000	Variation between 2017/18 and 2016/17 estimated total cost of the project \$'000	Explanation of variances over \$500,000
<b>Projects that remain uncompleted at the end of 2017/18</b>						
Coral Bay seasonal staff accommodation	2019/20	387	387	387	–	
Equipment replacement program	2021/22	10,892	36,891	32,213	4,678	This is an annual rolling budget that fluctuates depending on actual spend per annum
Information management systems upgrade	2018/19	2,250	32,219	31,854	365	
Help grain growers to better manage risk (eConnected)	2018/19	652	3,332	3,332	–	
Regional Natural Resource Management program	2019/20	2,928	9,983	10,009	-26	
Wild Dog Action Plan	2020/21	7,143	10,143	12,880	-2,737	Project re-cashflowed during 2017/18
Abrolhos Islands airstrips rolling program	2020/21	300	874	874	–	

Capital projects	Year of completion	Estimated cost to complete the project \$'000	Estimated total cost of the project at 2017/18 \$'000	Estimated total cost of the project at 2016/17 \$'000	Variation between 2017/18 and 2016/17 estimated total cost of the project \$'000	Explanation of variances over \$500,000
Abrolhos Islands general rolling program	2020/21	600	1,922	1,922	–	
Fish health laboratory Watermans research	2018/19	400	1,000	1,000	–	
Fitout furniture and office equipment rolling program	2020/21	1,800	5,184	5,243	-59	
Operational equipment rolling program	2021/22	2,377	5,329	4,194	1,135	This is an annual rolling budget that fluctuates depending on actual spent per annum
Small boats and trailers rolling program	2020/21	4,642	11,569	11,569	–	
Computing hardware and software rolling program	2020/21	450	3,700	3,800	-100	
Information system development rolling program	2020/21	1,200	2,792	2,792	–	
Shark monitoring network	2020/21	225	795	795	–	
Great Kimberley Marine Park	2018/19	325	430	425	5	

Capital projects	Year of completion	Estimated cost to complete the project \$'000	Estimated total cost of the project at 2017/18 \$'000	Estimated total cost of the project at 2016/17 \$'000	Variation between 2017/18 and 2016/17 estimated total cost of the project \$'000	Explanation of variances over \$500,000
Kimberley Development Commission – refurbishment of Kununurra office	2017/18	–	100	100	–	
Dolphin Discovery Centre	2018/19	6,200	12,255	12,290	-35	
North-West Aboriginal housing initiative	2021/22	95,000	100,000	100,000	–	
<b>Projects completed during 2017/18</b>						
Managing pest animals and weeds (White paper)	2017/18	–	150	–	150	New project in 2017/18
Boosting Biosecurity Defences	2017/18	–	477	477	–	
Grainswest infrastructure	2017/18	–	7,436	6,836	600	Project re-cashflowed during 2017/18
Replacement and upgrade of public jetties at East Wallabi and Beacon Islands	2017/18	–	228	1,126	-898	Project re-cashflowed during 2017/18
Albany multi-species mollusc hatchery	2017/18	–	1,800	1,800	–	

Capital projects	Year of completion	Estimated cost to complete the project \$'000	Estimated total cost of the project at 2017/18 \$'000	Estimated total cost of the project at 2016/17 \$'000	Variation between 2017/18 and 2016/17 estimated total cost of the project \$'000	Explanation of variances over \$500,000
Great Southern Development Commission – purchase of records management system	2017/18	–	25	25	–	
Department of Biodiversity, Conservation and Attractions Bunbury headquarters	2017/18	–	500	–	500	New project in 2017/18
2017/18 Equipment replacement program	2017/18	–	112	112	–	



## Employment and industrial relations

Table 34 **Staff profile**

Staff profile	2016/17 Average FTE*	2017/18 Average FTE*
Permanent full time	1251.5	1,196.0
Permanent part time	157.5	154.6
Temporary full time	237.5	240.5
Temporary part time	67.3	73.5
<b>Total</b>	<b>1713.7</b>	<b>1,664.6</b>

\*Full-time equivalent (FTE)

Note: The 2016/17 staffing profile is comprised of FTE in the former departments of Agriculture and Food, Fisheries and Regional Development and the FTE of the RDCs, presented as an average across the 2016/17 financial year. Previously calculated data for the Department of Regional Development and the RDCs was in some cases given as an FTE number at the last pay date in the financial year and therefore, has been recalculated to provide an average across the 2016/17 year so that all data is calculated consistently.

## Staff development

Key activities during 2017/18 included:

- commencing review and development of key staffing policies, with the preparation of our Values and Behaviours Charter and the launch of a new Code of Conduct, a grievance handling procedure and interim instructions for the filling of vacancies while we are conducting our organisational restructure. We continue to

develop consolidated policies for our new department through the systematic review of former department approaches to staffing matters

- continuing to support and develop DPIRD graduates from the former departments, with a focus on development and network opportunities. This included graduates participating in the Public Sector Commission (PSC) Graduate Program
- implementation of a single online learning management system containing an initial suite of training courses, accessible by all DPIRD staff, which will be expanded in the future. The new system ensures all staff have access to the same corporate information, supporting the integration of our department
- developing a Core Capability Framework that articulates the capabilities required across the department to deliver on our strategic intent
- demonstrating a strong commitment to developing the leadership and management capabilities of our staff, through the delivery and support of a number of central government and external programs
- building staff preparedness for change through support and training in the areas of resilience, resume writing and selection criteria skills, and mental health support, including online training and resources
- hosting an inaugural workshop for our volunteer network of workplace support officers. The workshop brought our volunteers together under a consolidated, department-wide Employee Support Network that provides employees with mental health support and assistance in the resolution of workplace conflict.

## Unauthorised use of corporate credit cards

DPIRD is required to report on instances where a DPIRD-issued government purchasing card ('a credit card') was used for personal use.

Table 35 **Unauthorised use of credit cards 2017/18**

Description	Quantity/value
Number of instances the Western Australian Government purchasing card has been used for personal use expenditure	113
Aggregate amount of personal use expenditure	\$6,317.48
Aggregate amount of personal use expenditure settled by due date	\$4,462.17
Aggregate amount of personal use expenditure settled after the period required	\$1,855.31
Aggregate amount of personal use expenditure outstanding at the end of the period	—
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	—

## Act of grace payments

The department from time to time processes act of grace payments on behalf of government. Five payments were made in 2017/18, totalling \$202,675.

## Governance disclosures

### Shares held by the department

Our department does not hold shares in any subsidiary body as defined by s. 60 of the *Financial Management Act 2006*.

### Director indemnity insurance

There was no insurance premium paid to indemnify any director (as defined in Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996*) against a liability incurred under sections 13 or 14 of that Act.

## Other legal requirements

### Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the department reports incurring expenditure in relation to advertising agencies, market research, polling, direct mail and media advertising organisations. Total expenditure for 2017/18 was \$678,628.

Table 36 **Expenditure on advertising, market research, polling, direct mail and media advertising 2017/18**

<b>Advertising</b>	<b>\$</b>
Albany & Great Southern Weekender	90
Albany Chamber of Commerce	452
Carnarvon Visitor Centre	123
Derby Visitor Centre	600
Hootsuite	22
Katanning Regional Business Association	500
Pastoralists & Graziers Association of WA	841
Perth Expo	533
Picton Press	212
Poster Passion	521
Promoco	2,060
RAC Perth Caravan & Camping	2,516
REIWA	345
Scott Printing	1,099
Shutterstock Netherlands	45
Southern Dirt Incorporated	1,255
State Law Publisher	13,938
Walpole Community Resource Centre	130
<b>Total</b>	<b>25,281</b>

<b>Market research organisations</b>	<b>\$</b>
Market Creations Pty	5,001
Telstra	32
The Royal Life Saving Society WA Inc.	460
<b>Total</b>	<b>5,493</b>
<b>Polling organisations</b>	<b>\$</b>
Nil	–
<b>Direct mail organisations</b>	<b>\$</b>
ABCorp Australasia Pty Ltd	498,258
Createsend.com.au	978
Grum	12
Kwik Kopy	6,020
LogMeIn Inc.	1,390
Magicorp	457
Quickmail	1,424
<b>Total</b>	<b>508,539</b>

Table 36 **Expenditure on advertising, market research, polling, direct mail and media advertising 2017/18 (continued)**

<b>Media advertising organisations</b>	<b>\$</b>
Adcorp	110,971
Albany Chamber of Commerce	143
Australian Veterinary Association	483
Campaign Monitoring	40
City of Greater Geraldton	15
Dalwallinu Community Resource Centre	123
Denmark Bulletin	250
Facebook	826
Fairfax	3,987
Gumtree	46
Impact Media	3,665
Kimberley Echo	112
Lizart Productions	494
Mia Lacy	46
Micromedia Advertising Design	15,155
NRMjobs.com.au	525
Shire of Wongan – Ballidu	155
West Australian Newspaper	296
West Coast Media	350
Western Regional Newspapers	1,633
<b>Total</b>	<b>139,314</b>

## Disability Access and Inclusion Plan outcomes

DPIRD is committed to ensuring clients and staff with disability are able to access our information, services and facilities.

During the year, we developed our inaugural [Disability Access and Inclusion Plan \(DAIP\) 2018–23](#), with the nine RDCs included under the umbrella of the DPIRD DAIP. The plan, which was endorsed by Corporate Executive in June 2018, recognises the initiatives and achievements of our former departments and the RDCs regarding disability access and inclusion, and draws on our combined knowledge to ensure we can continue to meet the needs of people with disability, their families and carers.

In accordance with *the Disability Services Act 1993* and Schedule 3 of the Disability Services Regulations 2004 our department is implementing strategies and initiatives that achieve seven access and inclusion outcomes identified in our DAIP 2018–23.

While the new plan was in development, DPIRD continued to fulfil the DAIP strategies of our former departments and RDCs, with key achievements highlighted below.

### Employment

Our department continued to support employment for people with disability, primarily through the Western Australian Disability Enterprises. Intelife and Activ have been contracted to undertake commercial cleaning and garden and grounds maintenance at our South Perth, Bunbury, Esperance and Geraldton offices.

## Raising awareness and celebrating achievements

Our department continues to raise awareness and celebrate the achievements of people with disability as part of Disability Awareness Week and International Day of People with Disability.

We also supported Fishability, a not-for-profit organisation that seeks to provide fishing opportunities for people with disabilities.

### Major building works and office upgrades

DPIRD regional offices (including Bunbury and Northam) have undertaken building works to improve disability access, including:

- wheelchair accessibility
- upgrades to disability car parks
- installing a lift at the Bunbury office, providing access to the upper level.

### Staff training

Our corporate online employee training includes content to raise awareness about substantive equality, equity and diversity.

Our Employee Support Network and Human Resource Business Partners attended training on grievance handling and supporting staff, with an emphasis on raising awareness of issues, including mental health.

## Compliance with public sector standards and ethical codes

Compliance issues that arose during 2017/18 regarding public sector standards are documented in Table 37.

Table 37 **Compliance issues/breach claims**

<b>Breach claims lodged</b>	<b>2016/17*</b>	<b>2017/18^</b>
Claims carried over	0	1
New claims received	8	3
<b>Total claims</b>	<b>8</b>	<b>4</b>
<b>Relevant standard</b>		
Employment	7	2
Performance management	0	0
Redeployment	0	0
Termination	0	0
Grievance resolution	1	2
<b>Handling of claims</b>		
Withdrawn in agency	1	0
Resolved in agency	1	1
Still pending in agency	0	0
Referred to Public Sector Commission	6	3 <sup>#</sup>
<b>Total claims completed</b>	<b>8</b>	<b>4</b>

\*This is the aggregated data from the three former agencies and nine RDCs that were amalgamated through the Machinery of Government change to form DPIRD.

^It should be noted that our department undertook less recruitment activity due to the amalgamation.

<sup>#</sup>No claims were upheld by the Public Sector Commission.

During 2017/18, eight cases of non-compliance with the Code of Ethics/Code of Conduct were reported. Five cases were not treated as disciplinary (i.e. resulted in improvement action or no action). As at 30 June 2018, two cases were being considered for treatment as a disciplinary matter and one case had resulted in a disciplinary investigation.

Our department's activities to achieve compliance with public sector standards and ethical codes included:

- the development and implementation of a DPIRD Code of Conduct, conduct guide, discipline procedures and grievance policy and procedures
- the development and communication of organisational values, which have been incorporated into a Values and Behaviours Charter, to be launched early in 2018/19
- implementation of the Employee Support Network – bringing together and training a group of volunteers to assist colleagues to resolve issues and grievances informally, as well as provide advice on the grievance policy and procedures
- a requirement for all staff to undertake an accountable and ethical decision making online course, with a 91% completion rate as at June 2018
- addressing allegations of misconduct in a timely and responsible way.

## Recordkeeping Plan

In 2017/18, a DPIRD Recordkeeping Plan was approved by the State Records Commission. The Recordkeeping Plan provides an accurate account of our department's recordkeeping program and will drive continuous improvements in support of organisational activities.

Over the year, training has been provided in live sessions and interactive online courses. In 2017/18, 237 staff attended face-to-face training on recordkeeping systems and practices across metropolitan and regional locations. Mandatory corporate induction and recordkeeping awareness courses were reviewed and re-released for DPIRD in 2018.

The recordkeeping awareness course provides a structured overview of records management and outlines employee roles and responsibilities, as well as promulgating DPIRD Recordkeeping Plan requirements.

## Additional reporting requirements

Additional reporting required under the *Fish Resources Management Act 1994* and *Soil and Land Conservation Act 1945* is contained in the appendices to this report.

## Government policy requirements

### Substantive equality

DPIRD is committed to identifying and eliminating institutional barriers wherever they exist. Substantive equality recognises that while some systems and processes may outwardly appear as non-discriminatory, they may not be fully responsive to the needs and aspirations of different people and groups and, as a result, can unintentionally create further inequalities.

Some examples of our department's commitment to implementing the Public Sector Commission's [Policy Framework for Substantive Equality](#) in 2017/18 included:

- hosting a financial management workshop for Vietnamese-speaking vegetable growers as part of our Building Capacity Project with course content delivered in Vietnamese and English
- our Aboriginal Business Development project supporting Yandeyarra Pastoral Station in the Pilbara with tailored pastoral production support that has allowed it to independently carry out ongoing property and herd development and work towards creating an Indigenous cattle production supply chain
- sponsoring the Inspire Summit that engaged 230 agricultural businesswomen to help develop their skills and networks.



## Occupational safety, health and injury management

### Safety commitment

Our department is committed to occupational safety and health (OSH) and injury management, and is working towards the amalgamation of the OSH management systems of our former departments, including the framework for our safety management system, which will comprise policy, procedures, guidelines and a variety of tools such as checklists and information sheets.

The Corporate Executive team monitors monthly incident and injury statistics and OSH performance reports, participates in OSH training and supports OSH training for all staff.

### Safety system

Our department has endorsed a two-tier system of management in accordance with the *Occupational Safety and Health Act 1984* for implementation in early 2018/19. The top tier is a Strategic OSH Committee that comprises OSH representatives and managers of the main risk groups, and this group is responsible for policy approval, developing OSH strategy and for monitoring OSH performance. The second tier comprises local workplace OSH committees that consider incident, hazard and inspection reports and actions raised by the policy committee.

There are elected OSH representatives across the department and staff members are made aware of their OSH representatives through local OSH induction.

### OSH and injury management

The injury management system and return-to-work program are documented in the injury management policies and supporting guidelines of our former agencies, and are in the process of being consolidated. All current processes are compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981*.

Independent accredited consultants carried out a WorkSafe Plan assessment of OSH systems for the two largest of our former departments. The Department of Agriculture and Food, Western Australia (DAFWA) was provided a WorkSafe Plan score of 77% in 2013 and the Department of Fisheries 60% in 2015. Additionally, DAFWA underwent a health and safety framework assessment of OSH management systems and culture by an external consultant for its Audit and Integrity branch in 2015. Of the WorkSafe Plan audit recommendations for DAFWA, 100% are complete. Our department is progressing with the recommendations to the Department of Fisheries, with 61% of the high-risk recommendations complete, and plans for the new Strategic OSH Committee to monitor progress on the remaining actions.

## Performance

Table 38 outlines our performance against key indicators for occupational safety, health and injury management.

### Table 38 **Occupational safety, health and injury management performance against key indicators**

RDCs are included in the previous and base year data in accordance with the PSC Annual Reporting Framework 2017/18, to reflect the Machinery of Government change that transitioned staff of the RDCs into DPIRD. RDCs are required to report separately in their respective 2017/18 annual reports.

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
Number of fatalities	Department of Agriculture and Food, Western Australia (DAFWA)	0	0	0	0	Target achieved
	Department of Fisheries	0	0			
	Department of Regional Development	0	0			
	Gascoyne Development Commission	0	0			
	Goldfields-Esperance Development Commission	0	0			
	Great Southern Development Commission	0	0			
	Kimberley Development Commission	0	0			
	Mid West Development Commission	0	0			

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
	Peel Development Commission	0	0			
	Pilbara Development Commission	0	0			
	South West Development Commission	0	0			
	Wheatbelt Development Commission	0	0			
Lost time injury and disease incidence rate	DAFWA	0.62	0.51	0.54	0 or 10% reduction in incidence rate	Not achieved. Target measure is not directly comparable due to amalgamation.
	Department of Fisheries	0.21	0.15			
	Department of Regional Development	0	0			
	Gascoyne Development Commission	9.0	0			
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	0	0			
	Kimberley Development Commission	0	0			
	Mid West Development Commission	0	0			
	Peel Development Commission	0	0			

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
	Pilbara Development Commission	0	0			
	South West Development Commission	0	0			
	Wheatbelt Development Commission	0	0			
Lost time injury and disease severity rate	DAFWA	33.3	20.0	0%	0 or 10% reduction in severity rate	Target achieved
	Department of Fisheries	0	0			
	Department of Regional Development	0	0			
	Gascoyne Development Commission	0	0			
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	0	0			
	Kimberley Development Commission	0	0			
	Mid West Development Commission	0	0			
	Peel Development Commission	0	0			
	Pilbara Development Commission	0	0			

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
	South West Development Commission	1	0			
	Wheatbelt Development Commission	0	0			
Percentage of injured workers returned to work (i) within 13 weeks	DAFWA	75%	82%	100%	Greater than or equal to 60%	Target achieved
	Department of Fisheries	66.67%	100%			
	Department of Regional Development	NA	NA			
	Gascoyne Development Commission	100%	NA			
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	NA	NA			
	Kimberley Development Commission	NA	NA			
	Mid West Development Commission	0	NA			
	Peel Development Commission	NA	NA			
	Pilbara Development Commission	NA	NA			
	South West Development Commission	NA	NA			

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
	Wheatbelt Development Commission	NA	NA			
Percentage of injured workers returned to work (ii) within 26 weeks	DAFWA	82%	55%	NA	Greater than or equal to 80%	Target achieved
	Department of Fisheries	0	NA			
	Department of Regional Development	NA	NA			
	Gascoyne Development Commission	NA	NA			
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	NA	NA			
	Kimberley Development Commission	NA	NA			
	Mid West Development Commission	0	NA			
	Peel Development Commission	NA	NA			
	Pilbara Development Commission	NA	NA			
	South West Development Commission	NA	NA			
	Wheatbelt Development Commission	NA	NA			

Measures	Former agencies	Results for former agencies*		Results, targets and commentary for DPIRD		
		Results 2015/16	Results 2016/17	Results 2017/18	Targets	Comments on progress towards targets
Percentage of managers trained in occupational safety, health and injury management responsibilities	DAFWA	99%	99%	64%	Greater than or equal to 80%	Not achieved.  Staff who were employed by RDCs prior to their disposition did not have the same training records or access to training, which has affected this year's result.
	Department of Fisheries	95%	100%			
	Department of Regional Development	79%	70%			
	Gascoyne Development Commission	70%	70%			
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	50%	50%			
	Kimberley Development Commission	50%	50%			
	Mid West Development Commission	0%	0%			
	Peel Development Commission	66%	66%			
	Pilbara Development Commission	33%	40%			
	South West Development Commission	20%	25%			
	Wheatbelt Development Commission	0%	0%			

\*Data from prior years is replicated exactly from previously published annual reports, as required for amalgamated departments.

## Government building training policy

The department does not enter into building and construction contracts; these are managed by the Department of Finance, Building Management and Works, on our behalf and will therefore be reported on in their annual report.

Minor maintenance work may be contracted in the regions but these contracts would be below the \$2 million threshold.

## Board and committee remuneration

DPIRD supports 11 government boards or committees. These bodies provide essential services and advice in regards to fish resource allocation, the ethical use of animals in science, biosecurity policy and the management of industry funding schemes (IFS). Total remuneration across all boards for 2017/18 was \$178,768.

Table 39 **Integrated Fisheries Allocation Advisory Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	I Longson	Per month	Jul-2017	Nov-2017	\$7,844
Member	N Halse	Per month	Jul-2017	Nov-2017	\$4,706
Member	S Lodge	Per month	Jul-2017	Nov-2017	\$4,706
Member	E Woods	Per month	Jul-2017	Nov-2017	NA
				<b>Total</b>	<b>\$17,256</b>



Table 40 **Animal Ethics Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	Dr B Mullan	Per meeting	Jul-2017	Feb-2018	NA
Member	Dr K Kelman	Per meeting	Jul-2017	Jun-2018	\$2,205
Member	Prof I Robertson	Per meeting	Jul-2017	Jun-2018	\$2,573
Member	S Vanstan	Per meeting	Jul-2017	Jun-2018	\$2,573
Member	R Moore	Per meeting	Jul-2017	Jun-2018	\$2,205
Member	S Leitch	Per meeting	Jul-2017	Jun-2018	\$1,838
Member	G Mabury	Per meeting	Jul-2017	Jun-2018	\$2,573
				<b>Total</b>	<b>\$13,967</b>

Table 41 **Biosecurity Council of Western Australia**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	K Goss	Per fortnight	Jul-2017	Feb-2018	\$18,107
Member/Chair	S McKirdy	Per fortnight	Jul-2017	Jun-2018	\$18,349
Member	M Allen	Per fortnight	Jul-2017	Jun-2018	\$13,656
Member	D Jarvie	Per fortnight	Jul-2017	Feb-2018	\$9,087
Member	T Thorne	Per fortnight	Jul-2017	Jun-2018	\$13,656
Member	B Large	Per fortnight	Jul-2017	Feb-2018	\$9,087
Member	C Winfield	Per fortnight	Jul-2017	Feb-2018	\$9,087
Member	R Flugge	Per fortnight	Mar-2018	Jun-2018	\$4,570
Member	J Mackenzie	Per fortnight	Mar-2018	Jun-2018	\$4,570
				<b>Total</b>	<b>\$100,169</b>

Note that IFS committees are industry funded. Member contributions are collected by industry and these funds are managed by our department.

Table 42 **Cattle IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	S Meerwald	Per meeting	Jul-2017	Jun-2018	\$980
Member	C Forsyth	Per meeting	Jul-2017	Jun-2018	\$960
Member	R Paliskis	Per meeting	Jul-2017	Jun-2018	\$0
Member	W Brockhurst	Per meeting	Jul-2017	Jun-2018	\$960
Member	J Motter	Per meeting	Jul-2017	Jun-2018	\$640
Member	G Nixon	Per meeting	Jul-2017	Jun-2018	\$960
Member	M Norton	Per meeting	Jul-2017	Jun-2018	\$960
				<b>Total</b>	<b>\$5,460</b>

Table 43 **Grains, Seed and Hay IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair/Member	R Creagh	Per meeting	Jul-2017	Jun-2018	\$1,280
Member	S Woods	Per meeting	Jul-2017	Jun-2018	\$1,280
Member	R Day	Per meeting	Jul-2017	Jun-2018	\$1,280
Member	R Beard	Per meeting	Jul-2017	Jun-2018	\$1,280
Member	A Mutter	Per meeting	Jul-2017	Jun-2018	\$640
Member	B Jones	Per meeting	Jul-2017	Jun-2018	\$640
Member/Chair	J Sullivan	Per meeting	Jul-2017	Jun-2018	\$1,960
				<b>Total</b>	<b>\$8,360</b>

Table 44 **Sheep and Goat IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	E Rogister	Per meeting	Jul-2017	Jun-2018	\$1,960
Member	J Jensen	Per meeting	Jul-2017	Jun-2018	\$980
Member	D England	Per meeting	Jul-2017	Nov-2017	\$640
Member	S McGuire	Per meeting	Jul-2017	Jun-2018	\$2,560
Member	J Moyes	Per meeting	Jul-2017	Jun-2018	\$960
Member	C Wass	Per meeting	Jul-2017	Jun-2018	\$1,280
Member	G Bowen	Per meeting	Jul-2017	Jun-2018	\$1,280
				<b>Total</b>	<b>\$9,660</b>

Table 45 **IFS Appointments Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Gillam	Per meeting	Jul-2017	Apr-2018	\$270
Member	W Cox	Per meeting	Jul-2017	Apr-2018	\$0
Member	T Fisher	Per meeting	Jul-2017	Apr-2018	\$180
Member	A York	Per meeting	Jul-2017	Apr-2018	\$0
Member	A Seabrook	Per meeting	Jul-2017	Apr-2018	\$0
Chair/Member	I Longson	Per meeting	Jul-2017	Jun-2018	\$11,256
Member	C Bowen	Per meeting	Jul-2017	Jun-2018	\$11,520
Member	J Jarvis	Per meeting	Jul-2017	Jun-2018	\$670
				<b>Total</b>	<b>\$23,896</b>

The following committees did not convene during the year.

Table 46 **South Coast Herring G-trap Voluntary Fisheries Adjustment Scheme Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Donald	Per meeting	Jul-2017	Jun-2018	\$0
Member	K Webber	Per meeting	Jul-2017	Jun-2018	\$0
Member	K Tocas	Per meeting	Jul-2017	Jun-2018	\$0
Member	B Mezzatesta	Per meeting	Jul-2017	Jun-2018	NA

Table 47 **Cattle Industry Funding Scheme Review Panel**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	H Cowan	Per meeting	Jul-2017	Jun-2018	\$0
Member	A Cleland	Per meeting	Jul-2017	Jun-2018	\$0
Member	C Richardson	Per meeting	Jul-2017	Jun-2018	\$0

Table 48 **Sheep and Goat Industry Funding Scheme Review Panel**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	C Richardson	Per meeting	Jul-2017	Jun-2018	\$0
Member	T De Landgraft	Per meeting	Jul-2017	Jun-2018	\$0
Member	R Coole	Per meeting	Jul-2017	Jun-2018	\$0

Table 49 **Grains, Seeds and Hay Industry Funding Scheme Review Panel**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Sewell	Per meeting	Jul-2017	Jun-2018	\$0
Member	D Clauson	Per meeting	Jul-2017	Jun-2018	\$0
Member	D Kelly	Per meeting	Jul-2017	Jun-2018	\$0

# Appendices



## Appendix 1: Statement from the Commissioner of Soil and Land Conservation

A report on the Commissioner's operations for 2017/18 is submitted in accordance with Section 25 F of the *Soil and Land Conservation Act 1945* (the Act).

### Delegations

The Commissioner continues to have delegated authority from the Minister for the Environment to issue woodchip permits.

### Auditor General's performance audits

During the year, the Commissioner assisted the Office of the Auditor General with two inquiries. Performance audit reports for the sustainable management of the State's rangelands and salinity were tabled in Parliament by the Auditor General in October 2017 and April 2018 respectively.

These findings are consistent with previous reviews and reflect the level of department resources available for land management regulation.

The Auditor General's key findings and recommendations relevant to the Commissioner were:

### Rangelands

- Management of the State's rangelands is a responsibility shared with the Department of Planning, Land and Heritage, Pastoral Lands Board, DPIRD and the Commissioner.

- The ecological sustainability of the rangelands is not adequately protected.
- Development of a lease level monitoring system and a rigorous compliance system is recommended.

### Salinity

- Managing dryland salinity is a shared responsibility and effectiveness relies upon coordinated local action.
- The lack of strategic direction and coordination identified.
- The State does not have all the information (extent and rate of change) it needs to effectively manage salinity.

The Commissioner and DPIRD are working with the relevant partner agencies to develop and implement coordinated responses to these audit reports by the end of 2019. Implementation will require allocation of additional resources to these areas.

### Land clearing assessments

Fifty-four clearing area and purpose permit applications were assessed for land degradation, with advice provided to the Department of Water and Environmental Regulation for agriculture-purpose clearing or to other agencies for mining-related and infrastructure development.

## Compliance

The Commissioner registered and investigated 17 complaints during the year with eight being soil erosion issues, five related to drainage, three to flooding and one to clearing. A nutrient export complaint registered at the end of 2016/17 was also inspected and satisfactorily resolved during the year. At 30 June 2018, four erosion complaints are pending further monitoring of compliance with directions given.

## Woodchip permits

No woodchip permits were issued.

## Agreements to reserve and conservation covenants

During the year, one conservation covenant protecting 12ha in perpetuity was finalised with the memorial registered on the certificate of title. A further eight irrevocable conservation covenants in perpetuity that protect 504.5ha of vegetation set aside for environmental offsets were developed and/or executed and are pending lodgement at Landgate by the proponents. A total of 1822\* instruments under the Act remain registered on certificates of title protecting 161,375.9ha\* of native and planted vegetation.

\*Corrected figure from 2017

## Soil conservation notices

During the year, one soil conservation notice was issued to destock a property subject to severe soil erosion and one soil conservation notice reviewed under s. 38 was discharged. This notice also has an application for review by the State Administrative Tribunal under s. 39 pending.

## Land drainage

Farmer interest in constructing deep drains for the management and recovery of salt-affected land remains at an historically low level. During 2017/18, only six landholders submitted Notices of Intention to Drain (NOI). Of these, five were issued letters of 'no objection' and one a 'letter of objection' to the proposed works.

Pre-NOI inspections to assist farmers with problem definition and possible treatment options for waterlogging and salinity were carried out on eight properties in the Great Southern and south eastern Wheatbelt.

## Land Conservation District Committees (LCDCs)

LCDCs are statutory committees created under Part IIIA of the Act to manage projects and to promote practices that mitigate or prevent land degradation. At the year's close, there were 193 gazetted members of 16 LCDCs active in the agricultural and rangeland regions of the State. Twelve committees are pending reappointment, 25 are in 'recess' and 99 have been abolished. A key emerging issue is the denial of LCDCs' access to Commonwealth funds in 2018 due to changed eligibility criteria for environmental project grants.



## Condition of the resource base

### Agricultural region

Agriculture is largely confined to the South West Land Division in WA. Productivity is dependent upon the condition and the inherent limitations of the soil resource. Agricultural soils are susceptible to salinisation, acidification, soil erosion, water repellence and compaction. Waterways and wetlands are also susceptible to acid groundwater discharge, salinity, nutrient export and sedimentation from agricultural land. The combination of soil constraints, climate variability and increasing production costs is significantly impacting farm viability on the margins of the Wheatbelt.

### Soil acidity

Increasing soil acidity affects much of the State's agricultural land and is the most serious, long-term preventable land degradation threat to the State's crop and pasture production. Except the Esperance mallee district, most agricultural land is in either poor or very poor condition from a soil acidity perspective (Schoknecht et al. 2013). The economic impact of soil acidity was estimated to be about \$1500 million per annum or about 20% of gross value of annual production (GVAP) (Bennett, A. pers. comm., Oct 2015; Peterson, E 2015). In 2017/18 farmers applied an estimated 1.231 million tonnes of lime (Gazey, C. pers. comm., Aug 2018). This level is similar to last year but about 230,000 tonnes lower than previous years.

The current level of lime application is about 50% of the estimated annual requirement to raise soil pH to desirable levels over the next 10 years.

### Soil salinity

Salinity has a serious impact on agriculture and offsite natural assets. When the last assessment of salinity extent (Landsat) was carried out in 1998, more than one million hectares of farmland were severely salt affected and more than 2.8 million hectares were at risk due to shallow saline water tables. The economic impact for the period 2009–13 was estimated to be \$519 million per annum or 7% of GVAP (Bennett, A. pers. comm., Oct 2015) while off-site costs are estimated to be greater (Simons, George and Raper 2013).

The network of monitoring bores established throughout the agricultural region identify hydrozones where the risk of further salinity expansion is high – Dandaragan plateau, East Binnu sandplain, Arrowsmith, east of the Gingin scarp, Esperance Sandplain and SW Zone of Ancient Drainage.

In recent years, monitoring effort was reduced in line with departmental resources. Targeted bore monitoring indicates that rising groundwater trends still dominate in the SW Zone of Ancient Drainage, Dandaragan Plateau, Arrowsmith, east of the Gingin scarp and the Esperance sandplain.

The salinity risk for the East Binnu sandplain has been better defined following an airborne electromagnetic study.

Last year, widespread heavy summer rainfall exacerbated rising groundwater trends in eight hydrozones. Recent monitoring indicates rates of groundwater rise appear to have returned to long-term values, following below average rainfall to 30 June 2018.

## Soil erosion

Water erosion is generally episodic and caused by localised, high-intensity rainfall over the summer and autumn/early winter period. Damage is greatest where protective vegetative cover has been removed by burning, cultivation or heavy grazing pressure.

As previously reported, the frequency of intense summer rainfall events appears to be increasing in the eastern and south eastern Wheatbelt where five events of between 1:50 or 1:100 year annual exceedance probability have occurred during the past 20 years.

Inappropriate cultivation of waterways and some controlled traffic cropping practices were identified as factors contributing to the severe soil erosion observed in 2017.

Remote sensed cover data indicate that in April 2018, 1.22 million hectares had less than 50% cover with some eastern Wheatbelt shires having more than 30% of land at risk of wind erosion. The dry autumn exacerbated this risk.

Widespread wind erosion was reported over the 2017/18 summer–autumn and early winter period. Contributing factors include cultivation, burning, grazing management and low carryover cover levels from the 2017 season. An integrated farming systems response is needed to address this issue.

## Rivers and wetlands

Diffuse nutrient pollution from agriculture has serious offsite environmental impacts. It is a serious long-term land degradation problem of sandy soils of the coastal estuary catchments where the level of historically applied phosphorus fertiliser now exceeds current production requirements.

In 2017/18, 2429 soil samples were collected from farm paddocks under the Regional Estuaries Initiative and Restoring Geographie Waterways project in the Peel, Leschenault, Lower Blackwood, Vasse Geographie, Scott River, Oyster Harbour and Wilson Inlet catchments. Of these, 74% of samples had soil phosphorus (P) concentrations in excess of pasture growth requirements and 87% had soil acidity problems. The sampling also identified that potassium and sulphur deficiency were also reducing productivity.

There is a high level of confidence with these findings. Since 2009, under this program, some 17,500 soil samples have been collected from 813 farms covering 197,000ha.

The cost of excess farm fertilisers applied in the south-west agricultural area was estimated at \$400 million per annum (Weaver and Summers 2013).

## Pastoral rangelands

WA's rangelands cover 87% of the State, with pastoral leases covering about 35% (874,000km<sup>2</sup>) with Unallocated Crown Lands (UCL) plus land vested for conservation and Indigenous purposes making up the balance. Following the 2015 lease renewal process, there are 435 registered pastoral stations on 490 pastoral leases. There are 152 stations in the northern rangelands with 92 in the Kimberley, 60 in the Pilbara and 283 stations located in the southern rangelands (shrublands).

### Rangeland resource condition assessment

Rangeland condition assessment in the Kimberley and much of the Pilbara is based on the frequency of perennial grasses. The density of perennial shrubs is used to determine condition in the southern rangelands. The key drivers for change in resource condition are seasonal conditions, grazing pressure and fire.

The Western Australian Rangeland Monitoring System (WARMS) was established between 1993 and 1999 to monitor rangeland condition trend at a regional scale. There are 1612 sites – 629 in grassland and 983 in shrubland. Grassland and shrubland sites are assessed on a three-yearly and six-yearly cycles respectively.

In 2017, 384 sites were assessed on 85 stations in the Kimberley, Pilbara and shrublands Land Conservation Districts (LCDs).

#### Seasonal conditions

Seasonal quality is an estimate of the effectiveness of the rainfall received at WARMS sites.

The long run of favourable seasonal conditions experienced in the Kimberley continued. In 2017/18, seasonal conditions were average to well above average (Table A1). Summer rainfall was highest in the Broome LCD (1334mm, long-term average 472mm) and above average in the Halls Creek-East Kimberley LCD (564mm, long-term average 541mm).

In the Pilbara, 97% of sites were above average or average, with a small number of sites near the coast again experiencing below-average seasonal conditions.

Rainfall in the Pilbara is highly variable and the long-term average summer rainfall is about one-third of that received in the Kimberley.

Rainfall in the arid southern shrublands is also highly variable. In 2017, 76% of WARMS sites experienced below-average seasonal quality. This contrasts with 2016, when 94% of WARMS sites experienced average or above average seasonal quality. Significantly, in 2017 the average winter rainfall across this region was 55mm (49% of the long-term average of 114mm).

**Table A1 Seasonal quality\* by region for WARMS sites in 2017/18**

Region	Above average (%)	Average (%)	Below average (%)
Kimberley	85	15	0
Pilbara	36	61	3
Southern	7	17	76

\*Seasonal quality is estimated from the long-term average and seasonality of rainfall received.

## Plant trends

### Northern rangelands

In 2017, WARMS assessment cycle 8 was completed. Site assessments were carried out in the De Grey, Derby West Kimberley, East Pilbara, Halls Creek-East Kimberley and Lyndon LCDs.

The data indicate that the frequency of desirable perennial grasses on most WARMS sites was stable. North Kimberley and East Pilbara LCDs recorded increases of 5% and 4% respectively while Roebourne LCD recorded the largest decline of 5%.

### Southern rangelands

The fifth WARMS assessment cycle commenced in 2016 and by 30 June 2018, 381 sites in six LCDs had been completed. Analysis of this data-set indicates variable trends in the density of desirable shrubs since 2010–15. Modest increases were observed in four LCDs and a 21% decline recorded in Lyndon LCD.

In the same period, the average density of undesirable and intermediate shrub species on the WARMS sites assessed also increased by 49% and 17% respectively. The increase in undesirable shrub density was most notable in the Wiluna and North Eastern Goldfields LCDs with 141% and 36% respectively.

Since monitoring began in 1994 (for this subset of sites) the density of desirable shrubs has decreased 8%, while undesirable shrubs increased 46% and intermediates 23%.

The largest increases in undesirables were observed in the Wiluna (+128%) and Kalgoorlie (+120%) LCDs.

## Cost of rangeland degradation

The published inventory and condition surveys of the pastoral districts indicate that land degradation has reduced carrying capacity by about 27%. Analysis of these data suggests that in aggregate, an average opportunity cost of land degradation was around \$145,000 per annum per pastoral business (Bennett, A. pers. comm., Oct 2015). Rangeland degradation seriously undermines pastoral business viability and has ongoing impacts unless adequately managed.

## Conclusions

The monitoring data continue to point to critical areas where land degradation is impacting the sustainability of our agricultural industries:

- Subsoil acidity is widespread and has a very significant economic impact. Long-term security of access to coastal lime resources remains a high priority for agriculture.
- On-farm nutrient mapping again highlights widespread inappropriate fertiliser management on the Coastal Plain and South West impacts farm profitability as well as causing significant offsite land degradation (eutrophication).
- Although the current extent of salinity is unknown, bore monitoring indicates that the salinity risk is high in six hydrozones in the South West Agricultural Region.

Continued expansion is likely in catchments where clearing occurred in the past three-to-four decades.

- Large-scale wind erosion now occurs regularly in the South West Agricultural Region where plant cover is reduced. Water erosion is insidious and tends to be episodic. The frequency of severe unseasonal rainfall events has increased over the past 20 years. Increased soil erosion points to farming systems failure.
- In the Kimberley and Pilbara LCDs, rangeland condition trend remains stable or improving in response to favourable seasonal conditions.
- In the shrublands, variable condition trends were observed, with modest increases in desirable shrubs in four of the six LCDs assessed. The previously reported increases in undesirable shrubs since WARMS monitoring began in 1994 was again observed in 2017 and points to declining resource condition.

Andrew Watson

**Commissioner of Soil and Land Conservation**

## Reference list

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## Appendix 2: Breeding stock status, catch and effort ranges for Western Australia's major commercial and recreational fisheries

The information in this appendix underpins the four audited key performance indicators measuring the effectiveness of the department's management plans and regulatory activities in:

- ensuring the sustainability status of the State's aquatic resources
- the success of keeping fish catches (or effort) at appropriate levels for commercial and recreational fisheries
- ensuring that sustainably managed commercial fisheries provide benefits to the State as a result of significant local sales and export earnings from fish and fish products.

More detailed information can be viewed in the Status Reports of the Fisheries and Aquatic Resources of Western Australia (State of the Fisheries).

The term 'sustainable' is given where the breeding stocks are considered adequate as well as breeding stocks that are recovering. Terms 'inadequate' or 'environmentally limited' include where additional actions need to be taken or confirmation is required to ensure the breeding stocks are either adequate or are now recovering. The term 'overfished' is only given where breeding stocks are inadequate due to exploitation (i.e. overfishing) that have been identified but for which definitive management actions have yet to be fully implemented.

An acceptable catch or effort range may be determined for each of the major commercial and recreational fisheries.

Commercial ranges 'under revision' or 'under development' are not assessed. Recreational ranges 'not developed' or 'under revision' are not assessed however 'not formal' ranges are assessed.

### Acronyms

- NA – Not applicable
- Q – Quota management
- TAC – Total Allowable Catch
- TACC – Total Allowable Commercial Catch
- TARC – Total Allowable Recreational Catch
- MSC – Certified by Marine Stewardship Council
- CI – Confidence interval
- se – standard error

### Assessment level (and method)

- Level 1 – Catch data and biological/fishing vulnerability
- Level 2 – Level 1 plus fishery-dependent effort
- Level 3 – Levels 1 and/or 2 plus fishery-dependent biological sampling of landed catch (e.g. average size, fishing mortality, etc. estimated from representative samples)
- Level 4 – Levels 1, 2 or 3 plus fishery-independent surveys of relative abundance, exploitation rate, recruitment
- Level 5 – Levels 1 to 3 and/or 4 plus outputs from integrated simulation, assessment model.



Table A2 **Breeding stock status, catch and effort ranges for Western Australia's major commercial and recreational fisheries**

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
<b>West Coast Bioregion</b>					
West Coast Rock Lobster (MSC)	Level 5	Sustainable: Adequate	Commercial: 6300 tonnes (TACC)  Recreational: 480t (TARC)	Commercial: 6400t  Recreational: 272–400t	Acceptable  Commercial: Catch exceeded TACC due to water loss (+1.5%). Egg production above threshold level.  Recreational: Catch within acceptable range. Review of methods used for estimating recreational catch is underway.
Roe's Abalone	Level 4	Sustainable: Adequate	Commercial: 79t (Q) (530–640 days)  Recreational: 18–22t Perth metro area	Commercial: 49t (404 days)  Recreational: 23–27t Perth metro area; 14t Other	Acceptable  Commercial: Catch was below TACC due to low catches in regional areas resulting from economic and accessibility issues.  Recreational: Perth metro catch was above acceptable range due to larger size of abalone taken.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Octopus	Level 2	Sustainable: Adequate	Commercial: 200–500t  Recreational: Not developed	Commercial: 257t  Recreational: 1t (95% CI, boat only, top 10 species)	Acceptable  Commercial: Catch within acceptable range. The commercial fishery is in a planned expansion phase.  Recreational: Catch levels are not considered a risk to stocks.
Abrolhos Islands and Mid West Trawl	Level 4	Sustainable: Adequate	Commercial: 95–1830t  Recreational: NA	Commercial: 651t	Acceptable  Catch within acceptable range. In 2016/17, recruitment stock levels in parts of the Abrolhos Islands improved and the fishery opened in 2017 after being closed for five years.
Cockburn Sound Crab	Level 4	Sustainable: Recovering	Commercial: Under revision  Recreational: Under revision	Commercial: 0t  Recreational: 0t	NA  The fishery has been closed since April 2014. In 2017, the juvenile recruitment improved but remained below the limit reference level and the egg production index declined below the threshold.



<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Peel-Harvey West Coast Crab (MSC)	Level 2	Sustainable: Adequate	Commercial: 45–105t  Recreational: Not formal	Commercial: 55t  Recreational West Coast 36–50t (95% CI, boat only, top 10 species)	Acceptable  Commercial: Catch and catch rates within acceptable ranges.  Recreational: Catch levels are not considered a risk to stocks.
West Coast Nearshore and Estuarine Finfish (partly MSC)	Level 3	Sustainable: Adequate – Mullet/ Whiting  Sustainable: Recovering – Herring/ Southern Garfish  Inadequate – Whitebait	Commercial: Peel-Harvey: 46–166t Herring: Under revision Whitebait: 60–275t  Recreational: Not developed	Commercial: Peel-Harvey: 139t Herring statewide: 87t Whitebait: 19t Other: 51t  Recreational: 58–77t (95% CI, boat only, top 10 species)	NA  2017 herring assessment indicates stock is rebuilding. Metro Zone garfish fishery closed in 2017. Decline in whitebait consistent with an environmental limited stock as a result of the 2011 heat wave. Stocks require a review of acceptable catch ranges.
West Coast Purse Seine	Level 1	Sustainable: Adequate	Commercial: 0–3000t (Q)  Recreational: NA	Commercial: 1097t (all species)	Acceptable  Catch for all zones within acceptable ranges.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
West Coast Demersal Scalefish	Annual: Level 1  Periodic: Level 3	Sustainable: Recovering	Commercial: <450t  Recreational: <250t	Commercial: 248t  Recreational: 193–230t (95% CI, boat only, top 10 species) 56t (charter)	Commercial: Acceptable  Commercial: Demersal suite catch within range.  Recreational: Not acceptable  Recreational: Snapper catch was above recovery benchmark.  Level 3 assessment completed in 2017.
<b>Gascoyne Coast Bioregion</b>					
Shark Bay Prawn (MSC)	Level 4	Sustainable: Adequate	Commercial: 1350–2150t  Recreational: NA	Commercial: 1608t	Acceptable  Western king and brown tiger prawn catches within acceptable ranges.
Exmouth Gulf Prawn (MSC)	Level 4	Sustainable: Adequate	Commercial: 771–1276t  Recreational: NA	Commercial: 713t	Acceptable  Brown tiger and endeavour prawns catches within acceptable ranges. Western king prawn catch below acceptable range but spawning stock above threshold.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Shark Bay Scallop	Level 4	Sustainable: Adequate	Commercial: Trial quota 1650t  Recreational: NA	Commercial: 1632t	Acceptable  Catch: Achieved trial quota for Denham Sound and northern Shark Bay stocks. Most recent survey identified further improved recruitment for both stocks.
Shark Bay Crab	Level 4	Sustainable: Adequate	Commercial: 450t (Q)  Recreational: Not developed	Commercial: 443t	Acceptable  Commercial: Achieved quota. Shark Bay Crab fishery is now considered fully recovered. Stock continues to improve under the current favourable environmental conditions.  Recreational: Catch levels are not considered a risk to stocks.
Shark Bay Beach Seine and Mesh Net	Annual: Level 2  Periodic: Level 3	Sustainable: Adequate	Commercial: 235–335t  Recreational: Not developed	Commercial: 156t	Acceptable  Catch below the acceptable range due to ongoing low levels of effort. Catch rates for whiting and yellowfin bream above the 10-year average.  Level 3 assessment completed in 2014 for yellowfin whiting.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
West Coast Deep Sea Crab (MSC)	Level 2	Sustainable: Adequate	Commercial: 154t (Q); 60,000–105,000 pot lifts  Recreational: NA	Commercial: 153.7t (86,000 pot lifts)	Acceptable  TAC achieved with effort within acceptable range. The standardised catch rate of retained legal crabs is within the acceptable range.
Gascoyne Demersal Scalefish	Annual: Level 2  Periodic: Level 5	Inadequate	Commercial: Snapper – 277t (Q) Other demersals – 227t (Q)  Recreational: Not formal	Commercial: Snapper 133t Other demersals 144t  Recreational: 87–118t (95% CI, boat only, top 10 species)	Snapper: Not Acceptable  Other demersals: Acceptable  Snapper spawning biomass is around the limit level with additional management action undertaken during 2018. Management for other demersals adequate.  Level 5 assessment completed in 2017.
Inner Shark Bay Demersal (snapper)	Periodic: Level 5	Sustainable: Adequate	Commercial: 3.8t Eastern Gulf (EG), 3.8t Denham Sound (DS), 1.2t Freycinet Estuary (FE)  Recreational: 11.2t EG, 11.2t DS, 3.8t FE	Commercial: 3t  Recreational: 3t EG (95% CI 0.3–7t), 5 t DS (95% CI 1–14t), 3t FE (95% CI 1–6t) (boat only)	Acceptable  Recreational: Catch within acceptable range.  Commercial: Incidental catch. Not considered a risk to stocks.  Level 5 assessment completed in 2015.

Fishery/ resource	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported <sup>1,2</sup>	Catch (or effort or catch rate) level acceptable and explanation if needed
<b>North Coast Bioregion</b>					
Onslow Prawn	Level 1	Sustainable: Adequate	Commercial: 60–180t  Recreational: NA	Negligible	NA  Minimal fishing occurred in 2017.
Nickol Bay Prawn	Level 1	Sustainable: Adequate	Commercial: 90–300t  Recreational: NA	227t	Acceptable  Catch within acceptable range. Record high catch not seen since 2006.
Broome Prawn	Level 1	Sustainable: Adequate	Commercial: 55–260t  Recreational: NA	Negligible	NA  Minimal fishing occurred in 2017.
Kimberley Prawn	Level 1	Sustainable: Adequate	Commercial: 240–500t  Recreational: NA	Commercial: 269t	Acceptable  Banana prawn catch within acceptable range.
North Coast Nearshore and Estuarine Finfish	Level 2	Sustainable: Adequate	Commercial: 33–45t (barramundi)  Recreational: Not formal	Commercial: 50t (barramundi) 77t (total)  Recreational: 20–35t (95% CI, boat only, top 10 species)	Acceptable  Commercial: Catch above acceptable range. The catch is similar to 2016 and the catch rate remains high.  Recreational: Catch levels are not considered a risk to stocks.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Northern Demersal Scalefish	Annual: Level 2  Periodic: Level 5	Sustainable: Adequate	Commercial: Under revision  Recreational: Not Formal	Commercial: 1317t (total) 473t (goldband snapper – not including other jobfish) 138t (red emperor)  Recreational: 34–47t (95% CI, boat only, top 10 species)	NA  Commercial: Goldband snapper and red emperor catches are within their longer-term ranges.  Recreational: Catch levels are not considered a risk to stocks.  Recreational catches are combined for Kimberley and Pilbara. See below for Pilbara fish trawl and demersal trap and line.  Level 5 assessment completed in 2015.
Pilbara Fish Trawl	Level 2, 3 & 5	Sustainable: Adequate	Commercial: Under revision  Recreational: NA	Commercial: 1780t	NA  Full assessment is in progress and the catch range is under review.
Pilbara Demersal Trap and Line	Level 2, 3 & 5	Sustainable: Adequate	Commercial: 400–600t (trap) 50–115t (line)  Recreational: NA	Commercial 573t (trap) 143t (line)	Acceptable  Trap fishery catch within acceptable range. Line catch marginally above acceptable range.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Mackerel	Level 1	Sustainable: Adequate	Commercial: 246–410t (Q, Spanish Mackerel)  Recreational: Not formal	Commercial: 283t  Recreational: 21–31t (95% CI, boat only, top 10 species)	Acceptable  Commercial: Catch within acceptable range since the management plan was introduced.  Recreational: Catch levels are not considered a risk to stocks.
Northern Shark	No assessment	NA	<20t (sandbar)	0	NA  No fishing since 2008/09.
Pearl Oyster	Level 3	Sustainable: Adequate	Commercial: 612,550 oysters (Q) (14,071–20,551 dive hours)  Recreational: NA	Commercial: 468,573 oysters (12,845 dive hours)	Acceptable  Catch below quota as vessels switched to seeding operations. Catch rates increased from 2016 to 2017. Abundance predicted to increase slightly in 2018.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Sea Cucumber	Level 2	Sustainable: Adequate	Commercial: Sandfish (Kimberley) 0–100t Sandfish (Pilbara) 0–80t Redfish 0–150t  Recreational: NA	Commercial: Sandfish (Kimberley): 21t Sandfish (Pilbara): 33t Redfish: 81t	Acceptable  Catch within acceptable range.  Catch rates for sandfish and redfish above the target reference levels. New stock of sandfish accessed in Pilbara. Main redfish stocks targeted this year due to planned rotational harvest schedule by industry.
<b>South Coast Bioregion</b>					
South Coast Crustacean	Level 2	Sustainable: Adequate	Commercial: 50–80t (southern rock lobster)  Recreational: Not developed	Commercial: 39t (southern rock lobster)	Not Acceptable  Catch below acceptable range. Southern rock lobster stock indicator below the threshold reference level, driven by a marked reduction in Zone 4 (Bight). A review is currently being undertaken and appropriate management options examined.



<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Abalone (Greenlip/ Brownlip)	Level 3	Sustainable: Adequate	Commercial: 142t (Q) (3440–5270 hours)  Recreational: Not formal	Commercial: 98t (4097 hours)  Recreational: 8t	Acceptable  Commercial: Catch below TACC due to commercial industry decisions. Area 3 Greenlip abalone stock indicator below threshold reference level and TACC reduced to 74t for 2018 season.  Recreational: Catch levels are not considered a risk to stocks.
South Coast Nearshore and Estuarine Finfish	Level 2	Sustainable: Recovering – cobble in Wilson Inlet  Sustainable: Adequate – Others	Commercial: Under revision  Recreational: Not formal	Commercial: 154t (salmon) 220t (other)  Recreational: 13–21t (95% CI, boat only, top 10 species)	NA  Commercial: Cobble stock in Wilson Inlet is being reviewed.  Low salmon catch due to low effort from limited market demand.  Recreational: Catch levels are not considered a risk to stocks.
Albany/King George Sound Purse Seine	Level 1	Sustainable: Adequate	Commercial: 2683t (Q)  Recreational: NA	974t	Acceptable  Catch below conservatively set quota.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
Bremer Bay and Esperance Purse Seine	Level 1	Sustainable: Adequate	Commercial: 3000t (Q) Combined  Recreational: NA	Commercial: 577t	Acceptable  Catch below conservatively set quota.
Temperate Demersal Gillnet and Demersal Longline	Gummy and whiskery shark: Level 5  Dusky and sandbar shark: Level 4	Sustainable: Adequate – Gummy and whiskery  Sustainable: Recovering – Dusky and sandbar	Commercial: shark 725– 1,095t  Recreational: NA	Commercial: 780t (key species only)	Acceptable  Catch of key shark species within acceptable range.  Level 5 assessment of key commercial shark species completed in 2017.
South Coast Demersal Scalefish	Annual: Level 1  Periodic: Level 3	Sustainable: Adequate	Commercial: Under development  Recreational: Not formal	Commercial: 213t; Charter: 5t  Recreational: 38–51t (95% CI, boat only, top 10 species)	Acceptable  Commercial and recreational catch levels are not considered a risk to stocks due to fishing mortality and spawning potential ratio at acceptable risk levels.  Level 3 assessment completed in 2013/14.

<b>Fishery/ resource</b>	<b>Assessment level</b>	<b>Breeding stock assessment</b>	<b>Catch (and effort) range</b>	<b>Catch, effort and catch rate for season reported<sup>1,2</sup></b>	<b>Catch (or effort or catch rate) level acceptable and explanation if needed</b>
<b>Northern Inland Bioregion</b>					
Lake Argyle Catfish	Level 1	Sustainable: Adequate	Commercial: 93–180t  Recreational: NA	103t	Acceptable  Catch within acceptable level.
<b>Southern Inland Bioregion</b>					
South-West Recreational Freshwater	Level 1	Sustainable: Adequate	Commercial: NA  Recreational: 50,000–100,000 (marron) 50,000–120,000 (fish)	59,890 marron ( $\pm 4516se$ ) 69,231 fish ( $\pm 9447se$ )	Acceptable  Catch within acceptable range since 2003.

<sup>1</sup>. Commercial and recreational catch figures supplied for latest year/season available.

<sup>2</sup>. Where there are three or less licences operating in the fishery, annual catch levels are not reported due to confidentiality requirements.

## Appendix 3: State register of authorisations, exemptions and aquaculture leases

The State Register of authorisations, exemptions and aquaculture leases is available to the public on application to the Registrar and payment of appropriate fees – see section 125 of the *Fish Resources Management Act 1994* (FRMA).

At 30 June 2018, the following items were recorded on the State Register:

- 167,513 recreational fishing licences of 243,254 varying fishing activities (note: although details of recreational fishing licences are recorded on the State Register, the Registrar is prohibited from making these available for public search – see section 125(6) of the FRMA)
- 10 aquaculture leases
- 416 aquaculture licences
- 6101 commercial authorisations of varying licence types.

Licensed recreational fishing activities consisted of the activities listed in Table A3.

Table A3 **Recreational fishing licensed activities**

Activity	Number of activities
Recreational fishing from boat	135,384
Rock lobster	55,368
Abalone	17,094
Marron	10,779
Net fishing	15,705
South West fresh water angling	8,924
<b>Total</b>	<b>243,254</b>

The commercial authorisations on the State Register consisted of the following:

Table A4 **Interim managed fishery permits**

Permits	Number of permits
Octopus	30
Pilbara Fish Trawl	11
West Coast Demersal Gillnet & Demersal Long Line	16
West Coast Demersal Scalefish	60
<b>Total</b>	<b>117</b>

Table A5 **Managed fishery licences**

<b>Licences</b>	<b>Number of licences</b>
Abalone	50
Abrolhos Mid trawl	10
Broome Prawn	5
Cockburn Sound Crab	12
Cockburn Sound Fish Net	1
Cockburn Sound Line & Pot	13
Cockburn Sound Mussel	1
Exmouth Gulf Prawn	15
Gascoyne Demersal Scale Fish	60
Kimberley Gill Net & Barramundi	4
Kimberley Prawn	121
Mackerel	51
Marine Aquarium Fish Corporate	1
Marine Aquarium Fish Individual	11
Nickol Bay Prawn	14
Northern Demersal Scale Fish	15
Onslow Prawn	30
Pilbara Trap	6
Shark Bay Crab	31
Shark Bay Beach Seine	10
Shark Bay Prawn	18
Shark Bay Scallop	29

<b>Licences</b>	<b>Number of licences</b>
South Coast Crustacean	40
South Coast Estuarine	25
South Coast Purse Seine	33
South Coast Salmon	18
South West Salmon	6
South West Trawl	10
Southern Demersal Gillnet and Demersal Longline	53
Specimen Shell	31
Warnbro Sound Crab	1
West Coast Beach Bait Fish	1
West Coast Estuarine	13
West Coast Purse Seine	12
West Coast Rock Lobster	643
West Coast Deep Sea Crustacean	7
<b>Total</b>	<b>1,401</b>

Table A6 **Other licences**

<b>Licences</b>	<b>Number of licences</b>
Commercial Fishing Licence	2,353
Fish Processing Licence (land)	114
Fish Processing Licence (sea)	89
Fishing Boat Licence	1,291
Fishing Tour Operators Licence	207
Restricted Fishing Tour Licence	22
Permit to Construct a Fish Processing Establishment (Land and sea)	474
Carrier Boat Licence	33
<b>Total</b>	<b>4,583</b>

Fees to access the State Register and obtain copies of entries in, and extracts from, the register are prescribed in Schedule 1 Part 1 of the Fish Resources Management Regulations 1995.

Table A7 **Transactions on the Register**

<b>Transactions</b>	<b>Number of transactions</b>
Extracts and searches	502
Notation, removal and variation of a security interest	92
<b>Total</b>	<b>594</b>

Table A8 **State register of exemptions 2017/18**

Note: this register refers to additional schedules and tables that are not provided in this document.

Exemption no.	Expiry	Holder	Purpose
2966	15/11/2017	John Keesing of CSIRO and others as listed in Schedule 1	To collect fish, invertebrates, algae, marine plants, sediment samples, phytoplankton and zooplankton from North West Shelf for the purposes of research.
2967	30/05/2020	Tim Langlois of The University of Western Australian (UWA) and others as listed in Schedule 1	To collect catch and release Western rock lobster, puerulus, juveniles and adults from Seven Mile, White Point, Cliff Head, Desperate Bay, Beagle Islands and Jurien Bay for the purposes of research.
2968	25/08/2017	Kate Swindells of UWA and others as listed in Schedule 1	To collect Southwestern long-necked turtles from 30 wetlands located across an urban-rural gradient in Albany, from Torndirrup National Park to Two People's Bay for the purposes of research.
2969	13/07/2020	Gardine Marine Sciences (employees of)	To collect samples of fish throughout Western Australian waters on infrastructure, natural substrates and vessels, within ports areas, marinas and harbours and within 250m of designated anchorages and associated moorings and navigation structures associated with the port areas, marinas and harbours, for the purpose of undertaking surveys for invasive marine species.
2970	31/10/2017	Bruce Cockman	For the purposes of assisting the Science and Resource Assessment Branch, Fisheries Division of DPIRD in conducting the annual independent breeding stock survey .
2971	18/07/2020	Chenae Tuckett of UWA and others as listed in Schedule 1	<ol style="list-style-type: none"> <li>1. To collect hard corals (Order <i>Scleractinia</i>) from Kalbarri, Port Gregory, Jurien Bay, Perth metro and Hamelin Bay</li> <li>2. To recruit tile retrieval and redeployment, deployment of plankton nets to determine spawning timing, tagging of coral colonies, staining and collection of corals and creating permanent plots for the purposes of research.</li> </ol>

Exemption no.	Expiry	Holder	Purpose
2972	31/12/2019	Peter Cook and Judy Maughan of UWA	To collect Gilgie or Koonac and Western Pygmy perch from locations as listed in Exemptions Table 1 for the purposes of research.
2973	03/09/2017	Southwest Freshwater Anglers	To fish for freshwater fish, without holding a current freshwater angling licence.
2974	31/12/2019	Leah Beesley, Michael Douglas, Brad Pusey and Chris Keogh of UWA	To collect fish from Fitzroy River for the purposes of research.
2975	31/12/2018	Stephen McLeod	To collect four leafy sea dragons ( <i>Phycodurus eques</i> ) for use as broodstock for aquaculture purposes.
2976	30/09/2020	Trevor Price	For the purpose of using set nets up to two-and-a-half hours after sunrise in the waters of Area 3 of the West Coast Estuarine Managed Fishery as required in order to minimise the mortality of bycatch species.
2977	01/01/2020	Bruce Cockman and Jeff Cockman	To be in possession of totally protected rock lobsters (i.e. under legal minimum size or tarspot) taken from waters of the West Coast Rock Lobster Managed Fishery.
2978	30/06/2020	Claudia Mueller of Murdoch University and others as listed in Schedule 1	To collect plankton, jellyfish, mussels, other marine invertebrates, Daphnia, Planarians and leeches from the locations listed in Table 1 and other locations if required in the Perth metropolitan area.
2979	31/10/2017	Craig Lawrence of DPIRD Fisheries Division and Derik Aquary of UWA	To collect Tilapia ( <i>Oreochromis mossambicus</i> ) from Chapman River.
2980	01/08/2018	Mark Thiele of Murdoch University and others as listed in Schedule 1	To collect algae from Peel Harvey Estuary, Woodman Point and North Mole.



Exemption no.	Expiry	Holder	Purpose
2981	01/08/2020	Chris Hallett of Murdoch University and others as listed in Schedule 1	To collect small benthic invertebrates and macrophytes from various sites throughout the basins and tidal rivers of the Peel-Harvey Estuary.
2982	31/10/2017	Mike Van Keulen of Murdoch University and others as listed in Schedule 1	To collect the coral <i>Coelastrea</i> sp. from Hall Bank Reef, Fremantle.
2983	15/10/2017	Persons fishing recreationally	To fish for demersal scalefish, be in possession of demersal scalefish on a boat, or bring onto land any demersal scalefish as part of the National Gone Fishing Day to promote healthy outdoor activity.
2984	15/10/2017	Persons fishing recreationally	To fish recreationally for rock lobster and all freshwater fish (other than crustaceans) and to fish by means of a fishing net and to fish from a boat without holding a recreational fishing licence or a recreational (boat) fishing licence that would otherwise be required to engage in these activities as part of the National Gone Fishing Day to promote healthy outdoor activity.
2985	30/06/2018	Jemma Hopkins, Tracy Muir, staff and students of Cowaramup Primary School	To collect and remove introduced freshwater species from Duggan Dam, Cowaramup.
2986	30/04/2018	Karissa Lear of Murdoch University and others as listed in Schedule 1	To collect sea mullet ( <i>Mugil cephalus</i> ) and yellow eye mullet ( <i>Aldrichetta forsteri</i> ) from open waters around Broome.
2987	30/08/2019	James Tweedley of Murdoch University and others as listed in Schedule 1	To collect fish and benthic macroinvertebrates from 10 sites within Toby Inlet.
2988	14/07/2020	Rick Roberts of UWA and others as listed in Schedule 1	To collect Invertebrates from Busselton, Cockburn Sound, Jurien Bay, Trigg, Swan River and North and South Mole.

Exemption no.	Expiry	Holder	Purpose
2989	30/08/2020	James Tweedley of Murdoch University and others as listed in Schedule 1	To collect fish and benthic macroinvertebrates from 20 sites in Vasse-Wonnerup wetlands.
2990	30/09/2019	Jennifer Chaplin and Angus Lawrie of Murdoch University	To collect invertebrates from inland saline environments throughout south-western Australia (e.g. around Esperance, Kalgoorlie, Wongan Hills and Dalwallinu).
2991	31/12/2017	Mike Van Keulen and Sophie Teede of Murdoch University	To collect benthic invertebrates from jetty piles from Busselton Jetty.
2992	03/10/2017	Sam Koncurat	For the purposes of assisting the Research Division, Department of Fisheries, in conducting the annual independent breeding stock survey and the Department's long-term monitoring of the recovery of demersal species in the West Coast Bioregion.
2993	03/10/2017	Matthew Fong	For the purposes of assisting the Research Division, Department of Fisheries, in conducting the annual independent breeding stock survey.
2994	11/09/2020	Hayden Lancelot Webb	To take fish for bait, namely mullet, garfish and sand whiting for commercial purposes within one nautical mile of North Turtle Island.
2995	14/01/2021	West Coast Rock Lobster Managed Fishery licence numbers 1414, 2233, 2241, 2245, 1597	To allow the holders of a managed fishery licence, and persons acting on their behalf, to operate in the fishery when the usual entitlement on the license is less than 300 units.
2996	31/10/2017	Jen Chambers, Belinda Robson and students of Murdoch University	To collect aquatic invertebrates and aquatic and fringing vegetation from a variety of urban wetlands in the Perth, Mandurah and Bunbury metropolitan regions for the purposes of teaching.

Exemption no.	Expiry	Holder	Purpose
2997	30/09/2018	South Metropolitan TAFE	<ol style="list-style-type: none"> <li>1. To collect a total of 200 western king prawns (<i>Melicertus latisulcatus</i>) by deep diving, at the area described in Schedule 3.1.</li> <li>2. To undertake aquaculture trials of named species at the area described in Schedule 3.2.</li> </ol>
2998	31/07/2019	Cockburn Sound Line and Pot Managed Fishery (CSLPMF) licence holders	To allow the trial of baited octopus pots in the CSLPMF.
2999	30/11/2017	James Gilmour of Australian Institute of Marine Science and others as listed in Schedule 1	To collect coral from Rowley Shoals and Seringapatam Reef.
3000	30/12/2019	Bridgette Poulton and Belinda Robson of Murdoch University	To collect dragonfly and damselfly larvae and exuviae from various freshwater wetlands within the Perth metropolitan region, including Ramsar wetlands within the Swan Coastal Plain.
3001	03/11/2017	Bruce Cockman and Jeff Cockman	To operate 160 commercial rock lobster pots to soak, adjacent to breeding stock survey grounds in the waters of the Abrolhos.
3002	03/11/2017	James Chandler	To operate 160 commercial rock lobster pots to soak, adjacent to breeding stock survey grounds in the waters off Dongara.
3003	03/11/2017	Kjell Stokke and Karl Stokke	To operate 160 commercial rock lobster pots to soak, adjacent to breeding stock survey grounds in the waters off Lancelin.
3004	11/10/2017	Muhammad Azmi Abdul Wahab of AIMS and others as listed in Schedule 1	To collect sponge ( <i>Carteriospongia foliascens</i> ) from Adele Island, Beagle Reef and White Island (Kimberley).

Exemption no.	Expiry	Holder	Purpose
3005	30/09/2020	Maxima Pearling Co Pty Ltd	To collect spat of the following oyster species and undertake research and development trials of those species at the areas described in Schedule 3: <ul style="list-style-type: none"> <li>• western rock oyster (<i>Saccostrea cucullata</i>)</li> <li>• tropical black lip oyster (<i>Saccostrea echinata</i>)</li> <li>• coral oyster (<i>Saccostrea scyphilla</i>).</li> </ul>
3006	18/10/2017	Jesse Shakespeare	The total collection of no more than 340 native and western rock oysters, 70 mud whelks and 1750 grams of live sand from the locations listed in Schedule 3 to test for heavy metal and hydrocarbon contaminates.
3007	01/10/2019	Bianca Owen of Murdoch University and others as listed in Schedule 1	To collect phytoplankton and zooplankton from the Swan-Canning Estuary.
3008	30/12/2019	Nicole Said of Edith Cowan University and others as listed in Schedule 1	To collect Seagrass from Exmouth Gulf, Mangrove Islands and Dampier.
3009	30/05/2018	James Tweedley of Murdoch University and others as listed in Schedule 1	To collect prawns and fish from 20 nearshore and 16 offshore sites in the Swan-Canning Estuary.
3010	30/10/2020	Stephen Beatty of Murdoch University and others as listed in Schedule 1	To collect introduced species from Vasse River, Canning River, Southern River, westerly flowing rivers and streams of the Cape to Cape region (including Margaret River), Blackwood River, Murray River, Serpentine River, Warren River, Brunswick, Preston, Yule, Helena and Swan Coastal Plain Wetlands in the Perth metropolitan region.
3011	30/01/2018	Danny Wimpress	To take small tissue samples and tag and release pink snapper ( <i>Pagrus auratus</i> ) from various locations in Cockburn Sound and Warnbro Sound.

Exemption no.	Expiry	Holder	Purpose
3012	31/12/2018	Mr Paul Merendino and Mr Antoni Merendino	To take blue swimmer crabs ( <i>Portunus armatus</i> ), three spot sand crabs ( <i>Portunus sanguinolentus</i> ) and coral crabs ( <i>Charybdis feriata</i> ) for a commercial purpose by means of crab trap of a design approved by the DPIRD Fisheries Research Division.
3013	15/02/2018	Maria Samsonova of Edith Cowan University and others as listed in Schedule 1	To collect rabbitfish/spinefoot ( <i>Siganus fuscescens</i> ) from seagrass meadows near rocky reefs in Cockburn Sound, Success Bay and Marmion Marine Park.
3014	31/03/2018	Craig Lawrence of Fisheries Division and Derik Aquary of UWA	To collect Tilapia ( <i>Oreochromis mossambicus</i> ) from Chapman River.
3015	19/04/2019	Stephen Beatty of Murdoch University and others as listed in Schedule 1	To collect fish from up to 100 firefighting water points from the catchments of the locations listed in Table 1.
3016	13/11/2017	Michael O'Leary of Curtin University and others as listed in Schedule 1	To collect coral cores from living massive <i>Porites</i> sp. and other suitable corals from Exmouth Gulf.
3017	30/04/2018	West Coast Rock Lobster Managed Fishery Licence (persons fishing under the authority of)	Under quota, total catch is capped, so permitting more pots to be used will help improve profitability, while not impacting on sustainability.
3018	31/12/2018	North Regional TAFE	To culture the following species at the area described in Schedule 3.
3019	01/04/2020	Justin Benson of UWA and others as listed in Schedule 1	To collect Freshwater mussels from Goodga River, Kent River and Deep River.
3020	30/11/2018	James Tweedy of Murdoch University and others as listed in Schedule 1	To release hatchery-reared blue swimmer crabs and collect them at the end of the experiment from the cooling water pond closest to the beach adjacent to the old Cockburn Power Station.

Exemption no.	Expiry	Holder	Purpose
3021	28/02/2018	Muhammad Azmi Abdul Wahab of AIMS and others as listed in Schedule 1	To collect sponges from shallow reefal areas (up to 12m depth) around Rottnest Island.
3022	30/06/2018	South Coast Crustacean Managed Fishery licence holders	To fish using rock lobster pots that are not fitted with a sea lion exclusion device.
3023	26/11/2020	Stephen Beatty of Murdoch University and others as listed in Schedule 1	To collect fish from one site on Record Brook, and one site upstream and one site downstream of the confluence with the Donnelly River.
3024	28/02/2018	Shark Bay Scallop Managed Fishery licence SBSC 2097	To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.
3025	30/06/2018	Ana Giraldo and Gary Kendrick of UWA	To collect kelp ( <i>Ecklonia radiata</i> ) from Rottnest Island.
3026	01/01/2020	Bruce Cockman and Jeff Cockman	To operate 80 commercial rock lobster pots, adjacent to breeding stock survey grounds in the waters off Jurien, including the closed area specified in Schedule 7.
3027	30/01/2018	Ryan Thipthorp	To take small tissue samples and tag and release pink snapper ( <i>Pagrus auratus</i> ) from various locations in Cockburn Sound and Warnbro Sound.
3028	06/12/2017	Adelaide Bevilaqua and Peter Michael	The total collection of no more than 150 native rock oysters ( <i>Saccostrea cucullata</i> ) from the locations listed in Schedule 3 to test for heavy metal contaminants.
3029	14/12/2020	South West Trawl Managed Fishery licence holders	To fish with a Bison board not exceeding the size of a No. 5 board with measurements not exceeding 1.460m in length and 0.980m in breadth.
3030	14/02/2018	Western Rock Lobster Local Access Tag Trial	An interim mechanism to enhance the supply of rock lobster to the Western Australian community.

Exemption no.	Expiry	Holder	Purpose
3031	31/12/2020	Broome Hatcheries Pty Ltd	To collect the maximum quantities of fish per annum for aquaculture broodstock, public display and commercial purposes.
3032	31/07/2020	Chris Hallett of Murdoch University and others as listed in Schedule 1	To sample the entire fish community from the Swan Estuary.
3033	12/12/2017	Rasidah Dobbs, Chastity King and students of Rockingham Senior High School	To collect plankton, juvenile sand whiting and trumpeter, and invertebrates from the shoreline along Palm Beach near Mangles Bay.
3034	31/09/2019	Alan Cottingham of Murdoch University and others as listed in Schedule 1	To collect blue mussels ( <i>Mytilus edulis</i> ) from Melville Waters and Black pygmy mussels ( <i>Xenostrobus securis</i> ) from the Swan River Estuary, see Table 1.
3035	31/01/2020	Tracy Brothers of Albany Senior High School and others as listed in Schedule 1	To collect finfish and molluscs (excluding cephalopods) species from Oyster Harbour, Princess Royal Harbour, Middleton Beach, Nannarup Beach and the Kalgan River.
3036	31/08/2020	Ruben-Lee (Ben) Roennfeldt of South Metropolitan TAFE and Rodney Duffy of DPIRD	To conduct a breeding trial of captive hairy marron using best practice aquaculture techniques at 1 Fleet St, Fremantle.
3037	25/12/2017	West Coast Rock Lobster Managed Fishery licence WCLL 1401	In the case of persons described in Schedule 1, to exceed their entitlement for the 2017/18 season of the West Coast Rock Lobster Managed Fishery by 450kg.
3038	30/06/2018	Jonathan Bilton	To produce, market and sell shellfish spat of a variety of species to existing licensed aquaculture operators.
3039	14/01/2019	S Koncurat and others as listed in Schedule 1	For the purposes of assisting DPIRD in determining the complete size range of lobsters present in the various water depths and areas of the West Coast Rock Lobster Fishery and to trial efficiency of various approved pot designs.

Exemption no.	Expiry	Holder	Purpose
3040	12/12/2019	Claire Ross of UWA and others as listed in Schedule 1	To transport and release corals temporarily back to original collection site and retrieve at the end of the experiment in Coral Bay.
3041	14/01/2018	West Coast Rock Lobster Managed Fishery licence WCLL 1401	To supply up to 450kg of lobsters for the purpose of being provided for the Mission Australia Christmas Lunch on 25 December 2017.
3042	31/12/2018	Ashley Sutton	<ol style="list-style-type: none"> <li>1. To collect a maximum of 500kg per algae species for broodstock.</li> <li>2. To culture the species at the area defined under Schedule 3.2 in the Abrolhos Islands.</li> </ol>
3043	31/12/2018	Andrew Joseph Basile and Tracey Lee Basile	To undertake research and development on live rock aquaculture at three areas, each approximately 0.2ha in area, at the Pelsaert Group, Abrolhos Islands.
3044	31/12/2020	Persons fishing from a licensed fishing boat	<ol style="list-style-type: none"> <li>1. Fish for scalefish by fishing net from, or with the use of a licensed fishing boat.</li> <li>2. Possess, store or transport scalefish taken by fishing net on board a licensed fishing boat.</li> <li>3. Land scalefish taken under the authority of this exemption; and to sell or deal in those fish without the person being liable to prosecution under section 74 of the <i>Fish Resources Management Act 1994</i>.</li> </ol>
3045	30/06/2018	Andrew Joseph Basile and Tracey Lee Basile	For the purpose of enabling the collection of aquaculture broodstock.
3046	30/06/2019	Andrew Joseph Basile and Tracey Lee Basile	For the purpose of enabling the collection of aquaculture broodstock.
3047	31/12/2020	Tim Storer of the Department of Water and Environmental Regulation (DWER) and others as listed in Schedule 1	To collect fish and crayfish from all rivers, estuaries and estuarine inlets, including tributaries, creeks, channels and entrances, primarily Jurien Bay to Esperance.



Exemption no.	Expiry	Holder	Purpose
3048	29/01/2021	Mr Rick Roberts of UWA and others as listed in Schedule 1	To collect fish from Garvey Park to Claremont Jetty and Riverton Bridge to Claremont Jetty.
3049	14/01/2013	WCLL Zone B licence holders	For the purposes of permitting rock lobster fishing in the Big Bank area of the West Coast Rock Lobster Managed Fishery.
3050	30/06/2019	Chenae Tuckett of UWA and others as listed in Schedule 1	To collect algae and associated invertebrates, herbivorous reef fish from localities between Esperance and Ningaloo Reef, extending out to the Abrolhos Islands.
3051	31/03/2021	Salvador Zarco Perello of UWA and others as listed in Schedule 1	To collect rabbitfish ( <i>Siganus fuscescens</i> ) and parrotfish ( <i>Scarus ghobban</i> ) from locations listed in Table 2.
3052	01/04/2018	Michael Moses of UWA	To collect invertebrates from Yanchep Lagoon, South Cottesloe, Waterman's Reef, Trigg, Burns Beach and Iluka.
3053	31/12/2019	Northern Demersal Scalefish Managed Fishery licence holders	When a vessel has fished using traps in Zone C of Area 2 of the Northern Demersal Scalefish Managed Fishery, the class of persons specified in Schedule 1 may not be subject to the formula at Schedule 7 Item 1 of the Northern Demersal Scalefish Fishery Management Plan 2000, otherwise used to determine the extent of fishing that has occurred. This will allow for a revised method of determining the extent of fishing that has been carried out, following a nomination of intention to fish using traps in Zone C of the Northern Demersal Scalefish Managed Fishery.
3054	31/12/2019	Northern Demersal Scalefish Managed Fishery licence holders	<ol style="list-style-type: none"> <li>1. The master of an authorised boat may have handlines with more than six hooks on board the vessel.</li> <li>2. The master and crew of an authorised boat may fish in Area 2 of the Northern Demersal Scalefish Managed Fishery with a handline that has more than six hooks.</li> </ol>
3055	23/02/2018	Dr Mike Van Keulen of Murdoch University and others as listed in Schedule 1	To collect seagrasses, macroalgae, benthic invertebrates and fish from Shoalwater Islands Marine Park (adjacent to Garden Island causeway, Mangles Bay).

Exemption no.	Expiry	Holder	Purpose
3056	28/02/2021	Professor Jonathan P Evans of UWA and others as listed in Schedule 1	To collect Australian sea urchin ( <i>Heliocidaris erythrogramma</i> ) from South Mole Jetty, Fremantle and Woodman Point, Cockburn Sound.
3057	15/02/2018	Dr Peter Last of CSIRO and others as listed in Schedule 1	To collect sandfishes, <i>Lesuerina</i> sp. and <i>Crapatalus</i> sp., from the intertidal zone near Busselton Jetty.
3058	08/02/2023	Fishing boat licence (FBL) holders numbers 2265, 2290 and 2320	The commercial fishing by purse seining in the Southern Development Zone for small nearshore pelagic scalefish species with the exception of Australian salmon ( <i>Arripis truttaceus</i> ), Australian herring ( <i>Arripis georgianus</i> ) and pink snapper ( <i>Pagrus auratus</i> ) and for FBL 2290 with the exception of pilchard ( <i>Sardinops sagax</i> ).
3059	12/02/2020	Octopus Interim Managed Fishery (OIMF) permit holders (minimum of 60 units)	For the purpose of allowing baited octopus pots to be used to fish for octopus by the holder of a permit over a two-year trial period, to provide information for implementation of more permanent management arrangements for the OIMF.
3060	12/03/2018	West Coast Estuarine Managed Fishery licence holders as listed in Schedule 1	For the purpose of allowing crab pots to be set, remain and be pulled in the waters of Area 2 of the West Coast Estuarine Managed Fishery in order to service public demand for fresh crabs for Crab Fest.
3061	28/02/2021	Maxima Pearling Company Pty Ltd	<ol style="list-style-type: none"> <li>1. To collect broodstock of the oyster species specified below and transport them to the Albany Multi Species Mollusc Hatchery</li> <li>2. To collect oyster spat and undertake research and development trials of those species at the areas described in Schedule 3, namely: <ul style="list-style-type: none"> <li>• western rock oyster (<i>Saccostrea cucullata</i>)</li> <li>• milky rock oyster (<i>Saccostrea scyphophilla</i>).</li> </ul> </li> </ol>
3062	31/12/2019	Greg Christian	To harvest and sell yabbies ( <i>Cherax destructor</i> ) from the area described in Schedule 3.

Exemption no.	Expiry	Holder	Purpose
3063	23/02/2023	Abrolhos Island and Mid West Trawl Managed Fishery licence holders	To fish for prawns or scallops in the Abrolhos Islands and Mid West Trawl Managed Fishery with the use of two, seven fathom nets and unload whole scallops without any restrictions imposed under Clause 18 of the Abrolhos Islands and Mid West Trawl Managed Fishery Plan.
3064	30/11/2019	James Gilmore of AIMS and others as listed in Schedule 1	To collect coral from Rowley Shoals sites as per Table 1.
3065	21/05/2018	Dr Tom Bridge of Queensland Museum Network and others as listed in Schedule 1	To collect scleractinian corals from the Abrolhos Islands, mainly Easter Group and Pelsaert Group.
3066	29/02/2020	Emama Nguda Aboriginal Corporation (employees of)	To collect a total of 50 barramundi ( <i>Lates calcarifer</i> ) per calendar year to use as broodstock for aquaculture purposes.
3067	30/06/2018	Jonathan Bilton	To produce, market and sell shellfish spat to existing licensed aquaculture operators.
3068	20/03/2021	Murdoch University – persons as listed in Schedule 1	To monitor for invasive species in the areas of the Barrow Island LNG Project and Wheatstone LNG Project to meet ministerial conditions under the <i>Environmental Protection Act 1986</i> .
3069	10/04/2018	South Coast Salmon and South West Coast Salmon Managed Fishery licence holders	For the penning of Western Australian salmon for up to 24 hours.
3070	28/02/2019	Shark Bay Scallop Managed Fishery licence holders (as listed in Schedule 1)	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>

Exemption no.	Expiry	Holder	Purpose
3071	28/02/2019	Shark Bay Scallop Managed Fishery licence holders (as listed in Schedule 1)	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>
3072	28/02/2019	Shark Bay Scallop Managed Fishery licence holders (as listed in Schedule 1)	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> </ol>
3073	16/11/2018	Shark Bay Scallop Managed Fishery licence no. 2128	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>
3074	16/11/2018	Shark Bay Scallop Managed Fishery licence holders (as listed in Schedule 1)	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>

Exemption no.	Expiry	Holder	Purpose
3075	28/02/2019	Shark Bay Scallop Managed Fishery licence holders (as listed in Schedule 1)	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>
3076	16/11/2018	Shark Bay Scallop Managed Fishery licence no. 2124	<ol style="list-style-type: none"> <li>1. To fish for scallops for a commercial purpose using the methods described in the Shark Bay Scallop Managed Fishery Management Plan 1994.</li> <li>2. To fish for scallops using two, seven fathom nets with mesh no less than 100mm without the use of a fish escape device.</li> <li>3. To fish for scallops at any time of the day when using two, seven fathom nets.</li> </ol>
3077	30/06/2019	MG Kailis Pty Ltd	To collect a total of 2000 individual black tiger prawns ( <i>Penaeus monodon</i> ) and deliver them to Marine Farms Pty Ltd (t/a Seafarms) to use as broodstock for aquaculture purposes.
3078	12/04/2018	Professor Paul Lavery of Edith Cowan University	Collection of fish from Walpole and Nornalup Inlets Marine Park.
3079	1/4/2021	Kimberley Prawn Managed Fishery licence holders	Use of trawl nets with mesh size greater than 50mm on approved replacement boats.
3080	25/02/2021	Zoe Richards of Curtin University	Collection of marine invertebrates, focusing on scleractinian coral, from state waters of Western Australia from Esperance to the Northern Territory border.
3081	31/03/2021	WA Ocean Park Pty Ltd	To allow employees of the WA Ocean Park Pty Ltd to collect fish from the Shark Bay area for the purpose of public display and education.

Exemption no.	Expiry	Holder	Purpose
3082	30/11/2018	Mareterram Fisheries Pty Ltd	To allow Mareterram Fisheries Pty Ltd to trial alternative otter boards (Thyson boards) on its vessels in the Shark Bay Prawn Managed Fishery and Shark Bay Scallop Managed Fishery Licence for the 2018 season.
3083	30/06/2018	Dr Ocean Ramsey and Dr Ben Fitzpatrick (from companies as listed in Schedule 1)	To conduct scientific testing of interactions between white sharks and RPELA shark deterrents from Salisbury Island.
3084	29/03/2018	Tony Westerberg	To allow Tony Westerberg to use a herring G-net at Cheynes Beach on 29 March 2018 to take up to one tonne of herring for donation to Albany Festival of the Sea.
3085	31/12/2019	Northern Demersal Scalefish Area 1 Managed Fishery licences	To allow for masters of authorised vessels operating in Area 1 of the Northern Demersal Scalefish Managed Fishery to trial the use alternative gear in order to decrease shark depredation.
3086	01/04/2021	DPIRD (West Coast Demersal Scalefish Interim Managed Fishery permits)	To allow the storage and transport of filleted demersal scalefish on board, and landing of filleted demersal scalefish from boats fishing in the West Coast Demersal Scalefish Interim Managed Fishery.
3087	31/01/2021	DPIRD (Specimen Shell Managed Fishery licence holders)	To allow current Specimen Shell Managed Fishery Licence (MFL) holders to fish for specimen shell using up to two fishing boats of any size and up to two nominated divers who are not endorsed on the MFL to fish for specimen shell along with fishing for dead specimens of the genus <i>Haliotis</i> except for <i>Haliotis roei</i> , <i>H. laevigata</i> and <i>H. conicopora</i> and fishing for specimen shells of the genus <i>Pecten</i> while long-term management arrangements can be developed.
3088	31/12/2021	Angela Rossen of UWA	Collection of floating wrack or fresh beach wrack from South Cottesloe (outside of Fish Habitat Protection Area), Swanbourne Beach, Burns Beach and Rockingham beaches and Woodman Point and Rottnest Island.

Exemption no.	Expiry	Holder	Purpose
3089	31/10/2018	DPIRD (Giuseppe Ricciardi Nominees Pty Ltd)	To allow Giuseppe Ricciardi Nominees Pty Ltd to commercially fish for crabs in the Shark Bay Crab Managed Fishery using the methods described in the Shark Bay Crab Managed Fishery Management Plan 2015 without a Managed Fishery Licence.
3090	01/09/2018	Jennifer Verduin, Paola Magni and student volunteers of Murdoch University	To deploy and retrieve floats from Southern Flats, Cockburn and coastal jetties within Cockburn Sound.
3091	20/03/2020	Paul Close and Madison Howard of UWA	To collect trout minnow ( <i>Galaxias truttaceus</i> ) and other resident species from Goodga River and Goodga River Weir.
3092	30/10/2018	Kyle Stewart, Fiona Valesini and Daniel Yeoh of Murdoch University	To collect pink snapper ( <i>Chrysophrys auratus</i> ), silver bream ( <i>Rhabdosargus sarba</i> ) and black bream ( <i>Acanthopagrus butcheri</i> ) and small invertebrates from Walpole and Nornalup Inlets Marine Park.
3093	05/10/2018	Recreational and commercial fishing licence holders as listed in Schedule 1	To allow certain commercial or recreational fishing activity in the areas referred to in Schedule 2.
3094	09/04/2020	WCLL Managed Fishery licence holders (locations as listed in Schedule 2)	To facilitate efficient operations in the West Coast Rock Lobster Managed Fishery by permitting access to infrastructure at the Augusta Marina, Mangles Bay and Big Pigeon Island at the Abrolhos Islands.
3095	30/09/2020	Maxima Pearling Company Pty Ltd	To allow Maxima Pearling Company to collect oyster spat and conduct a research and development trial.
3096	01/05/2021	Austfish Pty Ltd	To trial a new net design and assess any increase in economic performance.
3097	31/12/2020	Tim Storer of DWER and others as listed in Schedule 1	To collect fish and crayfish from all waterways and waterbodies in Western Australia, primarily Jurien Bay to Esperance



Exemption no.	Expiry	Holder	Purpose
3098	30/06/2023	Fisheries officers and others as listed in Schedule 1	For the purpose of the capture, tagging and the release of sharks for public safety.
3099	30/09/2020	Rosanna Hindmarsh of the Department of Biodiversity, Conservation and Attractions (DBCA) and others as listed in Schedule 1	To catch, record and release native species from the locations listed below: <ul style="list-style-type: none"> <li>• lower Ellen Brook (upstream of the Millhouse Rd Bridge; downstream of the Millhouse Rd Bridge; downstream at Brand Hwy Bridge; upstream of the nutrient intervention structure at the Brand</li> <li>• Yal Yal Brook.</li> </ul>
3100	30/04/2021	North Regional TAFE	For the purpose of enabling the collection of aquaculture broodstock for a commercial purpose.
3101	30/05/2018	Maaeten De Brauwier, Joey Dibattista and Georgia Nester of Curtin University	To collect seahorses ( <i>Hippocampus subelongatus</i> ) from Kwinana Bulk Jetty and Ammunition Jetty and Bicton Bath, Blackwall Reach, The Coombe and Rocky Bay in the Swan River.
3102	30/06/2021	Colin Johnson, staff and students of Central Regional TAFE	To collect fish and crustaceans from the Gascoyne, Wooramel, Murchison, Hutt, Chapman, Greenough, Irwin, Arrowsmith, Hill and Moore rivers.
3103	31/12/2020	Mike Van Keulen, staff and students of Murdoch University	To collect seagrass species from the locations specified in Table 1.
3104	15/04/2019	Dr Paul Close and Emeritus Professor J Dale Roberts of UWA	To sample the whole fish community from Warriup Lake and Mullocullop Creek, Green Range.
3105	30/04/2019	Abrolhos Island Oysters Pty Ltd	For the purpose of enabling the collection and grow-out of oyster spat.



Exemption no.	Expiry	Holder	Purpose
3106	31/10/2018	WCLL licence holders and others as listed in Schedule 1	To provide further information on permitting the retention of setose western rock lobster in contributing to reducing whale entanglements in the West Coast Rock Lobster Managed Fishery, and to provide the industry with the opportunity to further market setose western rock lobster.
3107	30/11/2018	Fish processor licence holders as listed in Schedule 1	The possession, consignment and sale of totally protected western rock lobster as described in Division 1, Part 2 of Schedule 2 of the Fish Resources Management Regulations 1995, by the persons described in Schedule 1.
3108	29/04/2021	Mackerel Managed Fishery licence holders (masters of authorised boats)	To permit a master of an authorised boat operating in the waters of the fishery to submit a nomination to land mackerel prior to landing mackerel and specify either the number or whole weight of mackerel that are to be unloaded if the fish are to be landed whole or gill and gutted only or headed and gutted only.
3109	31/07/2018	Dr Ty Hibberd at GHD Pty Ltd and other GHD personnel	To collect and retain a total of 200 fish and 100 invertebrates using the following collection methods: seine net, cast net, line fishing, traps and/or pots.
3110	29/06/2019	Dr Ed Chester, Associate Professor Belinda Robson and Dr Scott Strachan of Murdoch University	To collect freshwater invertebrates from locations as per Table 1.
3111	30/03/2019	Dr Ed Chester, Dr Belinda Robson and Dr Scott Strachan of Murdoch University	To collect saltmarsh mosquito and other saltmarsh invertebrates from saltmarshes at Black Lake, the Serpentine River and Leschenault Estuary.
3112	31/01/2021	Holly Emery-Butcher, Belinda Robson, Stephen Beatty, Students and volunteers of Murdoch University	To collect native crustaceans from locations as per Table 1.

Exemption no.	Expiry	Holder	Purpose
3113	31/12/2020	Oscar Serrano of Edith Cowan University and others as listed in Table 1	To collect seagrass, mangrove and tidal marsh plants, macroalgae and sediments from seagrass meadows, tidal marshes and mangroves from locations as per Table 2.
3114	30/08/2018	Dr Mark Meekan of AIMS and others as listed in Schedule 1	To collect red emperor and sediment samples.
3115	30/11/2019	Lynette Hillier, teachers and staff of Manea Senior College and Thomas Bastow	To collect and release blue swimmer crabs from Koombana Bay, Bunbury and Leschenault Estuary, Australind.
3116	15/05/2018	WCLL Managed Fishery licence holders	An interim mechanism to enhance the supply of rock lobster to the Western Australian community.
3117	30/04/2019	Drew Wassman and Aaron Schofield	For the purposes of assisting the Fisheries Science and Resource Assessment Division in determining the complete size range of crabs present in the various water depths and areas of the fishery.
3118	31/08/2020	Gascoyne Demersal Scalefish Managed Fishery licence holders	To trial a reduced pink snapper minimum debit rule in the Gascoyne Demersal Scalefish Managed Fishery.
3119	21/05/2999	Fisheries officers, research officers and those persons assisting	For any activity required to relocate fish when necessary.
3120	31/12/2020	Cygnets Bay Consolidated Pty Ltd	To allow for the collection of listed bivalves at leases in King Sound for research purposes only.
3121	31/05/2021	North Regional TAFE	For the purpose of enabling the collection of aquaculture broodstock for a commercial purpose.
3122	28/02/2019	Fred Wells, Marthe Monique Gagnon and students of Curtin University	To collect marine whelks ( <i>Thais orbita</i> ) from locations as per Table 1.

Exemption no.	Expiry	Holder	Purpose
3123	30/06/2019	Alan Cottingham, James Tweedley, Chris Hallet and Lauren Peck of Murdoch University	To collect blue mussels ( <i>Mytilus edulis</i> ) seeded from spat collected from Blue Mussel Farm from 32 sites in the Peel-Harvey Estuary.
3124	30/01/2021	Stephen Beatty and others as listed in Schedule 1	To collect catch, tag and release estuarine and freshwater fish from Canning River within 5km upstream and downstream of Kent St Weir.
3125	30/04/2019	Jane Chambers, Dallas Campbell and Christopher Hofmeester of Murdoch University	To collect aquatic plants and algae from four sites at each of Weeli Wolli Creek, Marilana Creek, Kalgan's Pool and Bamboo Springs.
3126	14/06/2019	George and Shane Sutton, Laurie Sheridan and John and Michael Leyton	To allow a recreational gear trial of prototype prawn click nets in the Peel-Harvey Estuary.
3127	31/03/2021	Abalone Managed Fishery licence holders AB1015 and AB1910	To trial new processing techniques for greenlip and brownlip abalone taken from area 3 of the Abalone Managed Fishery.
3128	10/04/2019	Recreational and commercial fishers as specified in Schedule 1	To allow certain commercial or recreational fishing activity in the areas referred to in Schedule 2.
3129	30/06/2021	Central Regional TAFE (CRT)	To allow CRT to collect various species as broodstock for aquaculture purposes.
3130	31/07/2021	Wetland Research and Management	To allow employees of Wetland Research and Management to take fish from freshwater creeks and rivers of the Kimberley region for the purposes of research on the level of metals in fish tissue.
3131	02/11/2018	Jane Chambers, Belinda Robson and students of Murdoch University	To collect aquatic invertebrates from urban wetlands in the Perth, Mandurah and Bunbury metropolitan regions for the purposes of teaching.

Exemption no.	Expiry	Holder	Purpose
3132	30/06/2019	DBCA	For the purposes of enabling the personnel of DBCA to undertake research and monitoring projects to support adaptive management of the State's marine parks and reserves and aquatic environment, and to conserve marine fauna across WA.
3133	30/06/2019	Department of Fisheries Science and Resource Assessment Branch	For the purposes of enabling the department's Fisheries Science and Resource Assessment personnel to undertake aquatic science research and conservation projects for the sustainable management and development of the State's fish resources and the protection of fish habitats.
3134	30/06/2019	Stephen Beatty of Murdoch University and others as listed in Schedule 1	To collect Western Pygmy perch ( <i>Nannoperca vittata</i> ) and Western minnow ( <i>Galaxias occidentalis</i> ) from Wilyabrup Brook, downstream of Cowaramup town for the purposes of research.
3135	30/06/2019	Officers of DPIRD (and masters of vessels under their personal direction)	For the purposes of enabling department personnel to undertake research and conservation projects for the sustainable management and development of the State's fish resources and the protection of fish habitats.
3136	09/07/2018	Mike Van Keulen, teaching staff and students of Murdoch University	To collect macroalgae and benthic invertebrates from Ningaloo Marine Park for the purposes of teaching.