



Department of
Primary Industries and
Regional Development

*We're working for
Western Australia.*

Annual Report



Protect Grow Innovate

Statement of compliance

For year ended 30 June 2019

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 2019.

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 'D. Addis', with a stylized flourish extending from the end.

Mr David (Ralph) Addis
Director General

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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 2019. 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 Western Australia's (WA) 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 used is provided on the following page.

Acronyms

CLso	<i>Candidatus Liberibacter solanacearum</i>
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)
DPC	Department of the Premier and Cabinet (Western Australia)
DPIRD	Department of Primary Industries and Regional Development (Western Australia)
DPLH	Department of Planning, Lands and Heritage (Western Australia)
FTE	full-time equivalent (staff hours)
FRMA	<i>Fish Resources Management Act 1994</i>
ICT	information and communications technology
IFS	Industry funding scheme
JTSI	Department of Jobs, Tourism, Science and Innovation (Western Australia)
KPI	key performance indicator
LCD	Land Conservation District
LCDC	Land Conservation District Committee

MODIS	Moderate Resolution Imaging Spectroradiometer
NA	not applicable
NBN	National Broadband Network
NCoS	net cost of service
NGO	non-government organisation
NOI	Notice of Intention
NRM	natural resource management
OBM	Outcome Based Management framework
OSH	occupational safety and health
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
SEMC	State Emergency Management Committee
TAC	Total Allowable Catch
TDGDLF	Temperate Demersal Gillnet Demersal Longline Fishery
TPP	Tomato potato psyllid
UWA	University of Western Australia
WA	Western Australia
WARMS	Western Australian Rangeland Monitoring System
WCDSF	West Coast Demersal Scalefish Fishery

Contents

Statement of compliance	ii	Disclosures and legal compliance	48
Contact	iii	Independent auditor's report.....	49
Guide to this report	iv	Financial statements.....	54
Acronyms.....	v	Additional key performance indicator information	163
Contents	vi	Ministerial directives	195
Overview	1	Other financial disclosures	195
Executive summary	2	Governance disclosures	200
Operational structure	5	Other legal requirements	200
Administered legislation.....	11	Government policy requirements.....	208
Performance management framework.....	12	Appendices	224
Shared responsibilities with other agencies.....	14	Appendix 1: Statement from the Commissioner of Soil and Land Conservation	225
Agency performance	19	Appendix 2: Breeding stock status, catch and effort ranges for Western Australia's major commercial and recreational fisheries	233
Report on operations	20	Appendix 3: State register of authorisations, exemptions and aquaculture leases	250
Case studies.....	27		
Financial targets and results.....	34		
Key performance indicator targets and results	37		
Significant issues impacting the agency.....	43		



Overview

Executive summary

Year at a glance

- Aligned our efforts to the 'Our Priorities: Sharing Prosperity' strategy to drive a whole-of-government approach to economic development
- Provided \$729.4m through the **Royalties for Regions program** towards 228 new and continuing initiatives
- Opened the state-of-the-art **Aquatic Animal Health Research Laboratories** at the Indian Ocean Marine Research Centre
- **Launched Lanza teder** – a new high-value, drought-tolerant pasture legume variety to boost WA's sheep industry
- Facilitated Huon Aquaculture taking a **2200ha aquaculture lease** off Geraldton to farm yellowtail kingfish
- Successfully **eradicated citrus canker** from WA, following incursion in the Kimberley and Pilbara
- Launched a non-lethal **SMART drumlines trial** to evaluate the effectiveness of shark hazard mitigation technology
- Invested more than \$6.3m in 70 projects through the **Regional Economic Development Grants** program
- Won an Australian Biosecurity Award for our **State-Wide Array Surveillance Program** – a marine pest early detection system
- Commenced a five-year, **\$48m scientific research partnership** with the Grains Research and Development Corporation
- Coordinated approvals for, and started a 660km extension of the **State Barrier Fence**

Director General's report



The Department of Primary Industries and Regional Development's second year of operation was one of solid progress, ongoing achievement and alignment to the State Government's economic development agenda.

We developed a clearer picture of how we can best protect and grow the State's agricultural, fisheries, aquaculture and food industries and our regional economies – and received acknowledgment of the vital

role we play.

The Government launched its 'Our Priorities: Sharing Prosperity' whole-of-government strategy in early 2019 and tasked DPIRD with leading the delivery of a range of actions to create jobs and promote economic growth and diversification in partnership with other agencies.

One of our key deliverables is the development of a Primary Industries Plan, which was well progressed by 30 June.

The plan will outline how the Government will work with industry organisations, Aboriginal groups and community stakeholders to increase the social and economic contribution of the agriculture, aquaculture and fisheries sectors and maintain and protect the natural environment that supports them.

Internally, we progressed the significant task of fully integrating the staff, resources and services of the former departments of Agriculture and Food, Fisheries and Regional Development and the staff from the nine Regional Development Commissions into one modern, cohesive and effective agency.

This work was done in parallel to a comprehensive capability review, undertaken at the Government's request to provide a clear statement of DPIRD's functions, priorities and financial position.

We used the review findings to prepare a strong 2019/20 budget submission, which resulted in the May State Budget featuring an additional \$131.5 million of expenditure over four years to put us on a more sustainable financial base.

This will allow us to continue delivering our critical core services, respond to strategic priorities and to build on our many achievements in 2018/19.

We continued to successfully administer the Royalties for Regions program, which included providing \$729.4m towards 228 new and continuing initiatives to support long-term jobs, economic diversification and build regional capacity.

We remained focused on building our department's research and development (R&D) capabilities, securing a five-year \$48m research partnership with the Grains Research and Development Corporation.

It is through investment in grains R&D and agricultural technology that we were able to support a record \$7 billion grain harvest in 2018.

We also opened the new state-of-the-art Aquatic Animal Health Research Laboratories at the Indian Ocean Marine Research Centre, Watermans Bay to provide research and advice to industry to support growth in Western Australia's (WA) aquaculture and seafood industries. We continue to support WA's world class recreational fishing experiences.

We successfully implemented the Government's scientific non-lethal SMART drumline trial in Gracetown to test the effectiveness of the drumlines in reducing the risk of shark attacks.

We administered a range of grants programs such as Asian Market Success, Regional Economic Development and the Value Add Agribusiness Investment Attraction Fund, which are helping businesses to build their capacity.

Additionally, we supported emerging industry opportunities and the new energy economy, including providing R&D grants to grow WA's hemp industry and developing the State's Renewable Hydrogen Strategy.

Our department continued to help Aboriginal communities become economically independent through a new Aboriginal Economic Development Strategy and provided ongoing employment and skills development opportunities through the State Barrier Fence project.

In the animal welfare space, we facilitated the successful passage of a Bill to amend the *Animal Welfare Act 2002* to enable the making of regulations to implement the National Standards for appropriate treatment of livestock and developed the interim State Support Plan for Animal Welfare in Emergencies, to ensure proper treatment and management of animals, including during natural disasters.

We have also successfully responded to a range of emergency incidents and pest and disease incursions, including animal welfare issues on cattle properties in the Kimberley and Pilbara, an outbreak of citrus canker, and continuing surveillance to keep European wasps from establishing in WA.

Our responses have been strong and appreciated by industry and government alike.

I am continually impressed by the willingness and ability of our people to step up and support our industries and communities in times of need – and I would like to thank all staff for their positive approach during our ongoing transformation.

In the coming year, we will continue to harness our strong regional footprint and connections to industry and central government to protect our global markets, grow WA's productivity and competitiveness, and drive innovation to capture emerging opportunities.

Internally, our focus will be on making DPIRD a healthy, positive and empowering workplace to deliver the best public service we can.

Regards



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 detailed in our [Strategic Intent 2018–21](#).

Our purpose

To create enduring prosperity for all Western Australians.

Our role

Our department ensures WA'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 WA'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 WA 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

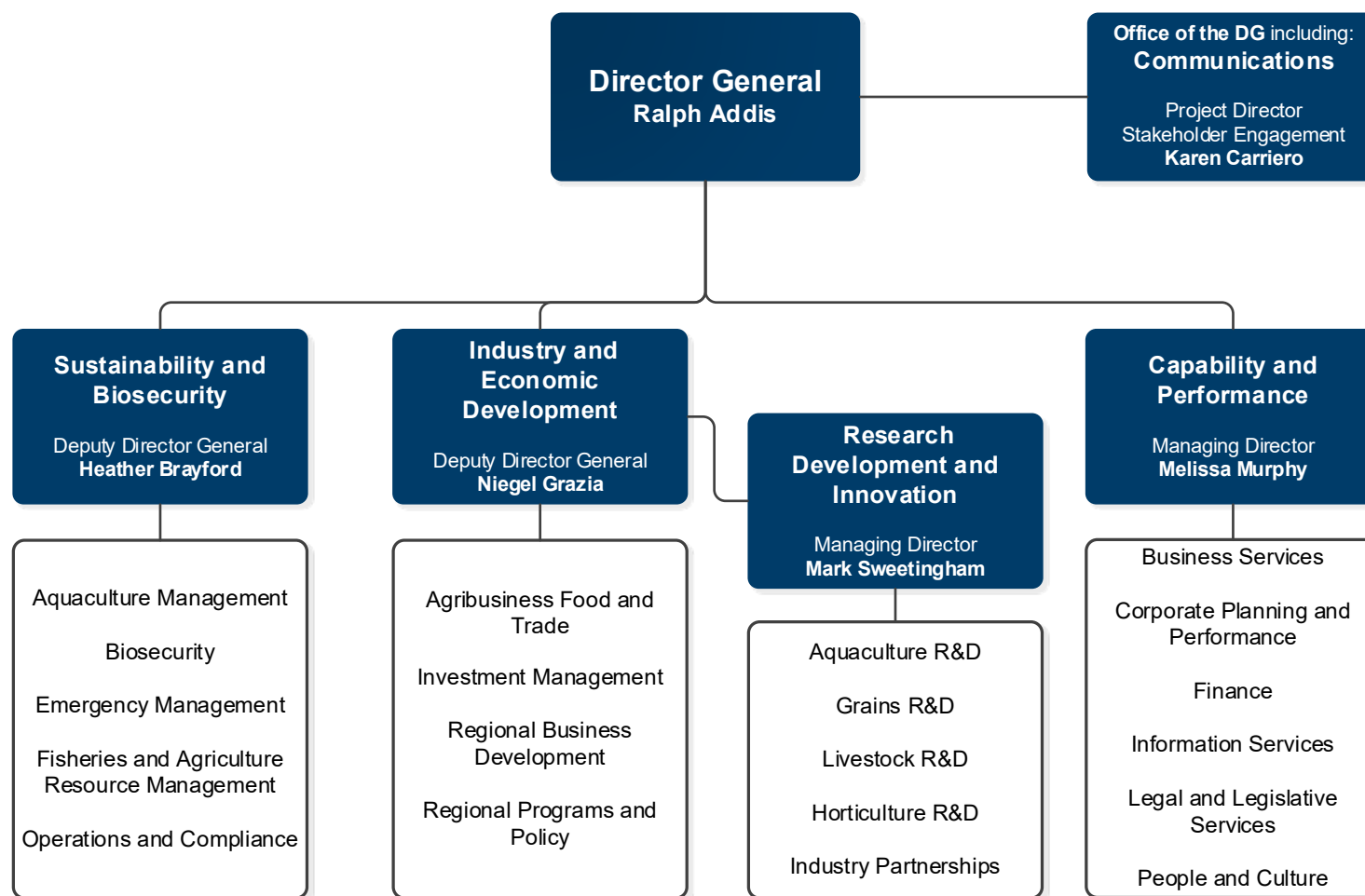


Figure 1 **Organisational structure listing senior officers and key functions as at 30 June 2019**

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; the Managing Director of Research, Development and Innovation; and the Project Director Stakeholder Engagement.

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 WA 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 Economic Studies and is a graduate member of the Australian Institute of Company Directors.

Heather Brayford, Deputy Director General Sustainability and Biosecurity



As Deputy Director General, Sustainability and Biosecurity, Heather seeks to ensure that the State's enviable biosecurity and sustainability status is maintained and protected. With more than 30 years' experience in fisheries and aquaculture, public policy, regulation, biosecurity and natural resource management, and a graduate of the Australian Institute of Company Directors, Heather thrives on ensuring the

department continues to meet its strategic objectives and is a leader in natural resource management and biosecurity.

Pillar description

The pillar is largely regulatory and market access focused with staff providing the technical and expert knowledge in driving legislation reform, policy, compliance, laboratories and on-ground presence to ensure WA maintains its enviable reputation as a producer of safe, sustainable and biosecure agricultural and aquatic products. We are able to achieve this through strong relationships and partnerships with community and industry stakeholders who equally make a strong contribution to our purpose.

Niegel Grazia, Deputy Director General Industry and Economic Development



Niegel was appointed to the position of Deputy Director General, Industry and Economic Development in late 2017, having previously worked as Deputy Director General at the Department of Regional Development. He has worked in the oil and gas industry for more than 20 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. Niegel is passionate about driving innovation, building vibrant regions with strong economies and is committed to supporting the State's agribusiness, food and trade development opportunities.

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 support and services to the Rural Business Development Corporation, the Regional Development Commissions, Regional Development Council and the Western Australian Regional Development Trust. 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 35 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, legal and legislative services and corporate planning and performance. 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 quality services to DPIRD staff, our Ministers and central government agencies.

Karen Carriero, Project Director Stakeholder Engagement



Karen joined DPIRD in January 2019 and is responsible for leading the development of the department's brand, reshaping the integrated communications team and promoting relationships with the department's stakeholders. Karen has a breadth of leadership experience gained within the higher education sector, a WA member-based organisation, the public sector and retail banking. Karen has a Master of Business Leadership degree

and is a Graduate Member of the Australian Institute of Company Directors.

Directorate description

The Stakeholder Engagement and Communications directorate is responsible for providing overarching strategic communications advice and the design and implementation of innovative internal and external communication services across DPIRD. This includes promotion of pillar strategies and regional development priorities. The team is responsible for actively developing and leveraging stakeholder relationships and manages the DPIRD stakeholder engagement strategy.

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* (repealed 29 December 2018)
- *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* (not yet in effect)
- *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 outcome-based management framework was updated for 2018/19 and presented in the 2018/19 State Budget. The updated framework better reflects the integrated nature of our organisation's functions.

Under this framework, we contribute to the success of the State Government's goal of 'Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development'. The updated framework has seven agency-level desired outcomes within that goal, and seeks to achieve those outcomes by delivering seven services.

The relationship between the Government goal, 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.

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.

Regional Development Commissions' key performance indicators are disclosed in their respective annual reports.

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.	1. Regional Western Australia has the investment to grow and create jobs	1. Regional Industry and Community Development Investment Facilitation
	2. Regional Western Australia has the technology to grow and create jobs	2. Regional Technical and Technological Development
	3. Regional Western Australia has the skills and knowledge to grow and create jobs	3. Regional Skills and Knowledge Development
	4. Regional Western Australia has the social amenity, through recreational fisheries, to grow and create jobs	4. Regional Social Amenity Development
	5. Regional Development Commissions contribute to the economic development of regions	5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions
	6. Western Australian agriculture and fishing protect their biosecurity advantages and integrity	6. Agricultural and Fisheries Biosecurity and Integrity
	7. Western Australian agriculture and fishing protect the sustainability of the natural resources on which they rely and impact	7. Agricultural and Fisheries Natural Resource Management

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 State Government.

In 2018/19, we also took a leading role in public sector reform initiatives such as the Our Priorities: Sharing Prosperity strategy, which is described further in the Significant issues section.

Aboriginal economic development

We lead the State Government's delivery of Aboriginal economic development initiatives and work closely with a wide range of agencies including Department of Planning Lands and Heritage (DPLH) in supporting Aboriginal pastoralists and improving economic opportunities and divestment of the Aboriginal Lands Trust estate. We also work with the Department of the Premier and Cabinet (DPC) in relation to Aboriginal Native Title agreements and policy matters including Closing the Gap targets, and the Department of Finance in supporting the implementation of Aboriginal Procurement Policy initiatives.

Agricultural investment

We work in collaboration with government and industry representatives to support interstate and international investment into our State's primary industries, and are the lead point of contact for agriculture and food investment.

We work closely across government departments to support state and Commonwealth delegations and investment proposals, and collaborate with Commonwealth, state and regional colleagues to deliver a cohesive and comprehensive service.

Animal welfare

Our department works with the Royal Society for the Prevention of Cruelty to Animals Western Australia (RSPCA WA), Commonwealth Department of Agriculture and Water Resources (DAWR), Animal Health Australia, state agencies, jurisdictions and industry to develop and 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.

Following extensive collaboration between DPIRD, the State Emergency Management Committee (SEMC), and the SEMC Response and Capability Subcommittee Working Group, the State Support Plan for Animal Welfare in Emergencies has been developed. The interim plan outlines the State's strategic arrangements for coordinating animal welfare services in preparedness for, response to and recovery from emergencies; and marks the beginning of formalising our department's role in coordinating animal welfare support in emergencies.

At-sea safety compliance

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

Biosecurity

We work with Commonwealth, State, territory and local governments to ensure Australia has a strong biosecurity system that can deliver on obligations under World Trade Organisation agreements, the Intergovernmental Agreement on Biosecurity, the National Environmental Biosecurity Response Agreement, the Emergency Animal Disease Response Agreement and the Emergency Plant Pest Response Deed.

We also work with other State 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, as well as managing pests and diseases of economic significance.

We provide state policy leadership and extensive technical expertise in biosecurity and related areas across the WA Government. As an example, we chair the State's Biosecurity Senior Officers Group (comprising DPIRD, the Department of Biodiversity, Conservation and Attractions (DBCA) and the Forest Products Commission), and the Western Australian Gene Technology Interdepartmental Committee with membership from the Department of Health and DBCA.

We support the National Management Group, National Biosecurity Committee, Animal Health Committee, Plant Health Committee, and Environment and Invasives Committee to determine and deliver on biosecurity priorities in the national interest. We share responsibilities with DAWR, Plant Health Australia and Animal Health Australia to support government–industry arrangements to grow and protect our primary production industries and meet biosecurity and product integrity outcomes.

We represent the Western Australian Government on the national Gene Technology Standing Committee and the Harmonisation of Agvet Chemicals Use Task Force and share responsibility for delivering these outcomes with other relevant government agencies.

Emergency management/natural disaster relief

Our department continues to work closely with the SEMC, hazard management agencies, local government and identified stakeholders with respect to enhancing the State's emergency management arrangements (legislative and policy framework), in addition to enhanced prevention, preparedness, response and recovery capability and capacity.

We continue to directly support the State Emergency Management Plan and all-hazards emergency management arrangements (Westplans) in the State to prevent, prepare for, respond to and recover from identified hazards as listed in the *Emergency Management Act 2005*.

Food industry development

In collaboration with other WA departments, other state and territory jurisdictions, the Commonwealth (DAWR, Austrade, AusIndustry and Food Innovation Australia Limited) and industry representatives, we support and enable the development of the food industry across the State.

Incident management

We continue to work with the Commonwealth, State, territory and local governments, other government agencies, industry bodies and local communities to ensure nationally consistent response arrangements are in place to promote the effective and timely management of biosecurity incidents and emergencies, including incursions of national and regional exotic plant, livestock, aquatic or environmental pests and diseases.

Information and communications technology (ICT)

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

Local Content Program

Our Local Content Team works in collaboration with the Department of Jobs, Tourism, Science and Innovation (JTSI) to maximise procurement and contract opportunities for regional entities by creating awareness and pathways to accessing State Government-funded tender and contract opportunities.

Marine park management

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

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 DPLH 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.

This includes working cooperatively towards reforms in management of the pastoral estate, including enhanced monitoring and assessment consistent with findings of the Auditor General.

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 levels of government, multiple industries and not-for-profit agencies in the development and delivery of regional programs and services, including RfR. In 2018/19, 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 Regional Development Commissions, Regional Development Council and the Western Australian Regional Development Trust.

The State's nine Regional Development Commissions 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 economic development in the 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 Regional Development Commissions and our Director General.

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 has 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 and other matters as requested by the Minister.

Regional New Industries Program

In collaboration with JTSI, our Regional New Industries Fund seeks to engage with industry partners to develop and accelerate innovation in the regions where scale and diversity are limited. The program also seeks to support individual businesses with the development of industry-led innovation hubs, where new ideas, new enterprises and new jobs can flourish.

Regional policy

We work in collaboration with DPC to provide policy advice to State and Commonwealth entities on regional issues, in particular on matters as they relate to northern Australia. DPIRD has advised Infrastructure Australia on key infrastructure investment opportunities in northern Australia.

Shark hazard mitigation

We are involved in both operational response and research initiatives as part of a suite of shark hazard mitigation strategies. We partner 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.

Trade and market access

As the lead agency for trade and market access in primary industries, we work in collaboration with government (State and Commonwealth) 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.

We work closely with JTSI and DPC, our in-market trade commissioners, other state and territory jurisdictions, Commonwealth departments (Austrade, Department of Foreign Affairs and Trade and DAWR), Food Innovation Australia Limited and industry representatives to facilitate and support trade development and grow export market outcomes.



Agency performance

The image features two abstract graphic elements. The top element consists of a large, dark blue, rounded rectangular shape. A thin, curved green line runs along the bottom edge of this shape, following its contour. The bottom element consists of a dark blue, rounded rectangular shape. A thick, curved orange line runs along the top edge of this shape, following its contour. The text "Agency performance" is centered between these two shapes.

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 continuing to report achievements related to the amalgamation and integration of our new department as a result of the State Government's public sector reforms.

Priority 1: Biosecurity

Delivering respected and recognised state biosecurity

- We instigated the aquatic State-Wide Array Surveillance Program (SWASP), together with State and private ports, to provide an innovative early warning system to detect and respond quickly to potential marine pest incursions, protecting our fisheries and aquaculture industries. This partnership and ground-breaking approach resulted in an Australian Biosecurity Award as well as a Golden Gecko award for environmental excellence.
- We facilitated the resumption of domestic trade in seed and ware potatoes in December 2018 after undertaking extensive surveillance and testing of more than 10,000 tomato potato psyllids (TPP) over three growing seasons to demonstrate the bacteria *Candidatus Liberibacter solanacearum* (CLso) is not present in WA. Trade was closed in 2017 after TPP, which can carry the potato disease-causing CLso, was discovered in WA.
- We responded to incursions of plant pests and diseases, including citrus canker, brown marmorated stink bug and European wasp. Staff undertook more than 13,000 citrus canker surveillance visits and conducted tracing of more than 500 host plants from the Northern Territory. We also completed surveillance to demonstrate proof of freedom from citrus canker in the Mid West – our State's largest commercial citrus production area.
- We coordinated the approvals for the State Barrier Fence to be extended by 660 kilometres, which will help protect south-eastern agricultural businesses from the impact of emus, wild dogs and kangaroos. We are working with Esperance Tjaltjraak traditional owners to complete the fencing works.

Priority 2: Sustainability

Sustaining our State's land, water and aquatic resources, reputation and competitive advantage

- We opened the \$1m state-of-the-art Aquatic Animal Health Research Laboratories at the Indian Ocean Marine Research Centre, Watermans Bay. The laboratories provide cutting-edge aquatic animal health and research services and specialist advice to grow WA's aquaculture and seafood industries, supporting finfish and shellfish industry development, sustainability and productivity.
- We led a cross-agency response to the Office of the Auditor General's 2018 review of Government's dryland salinity management. We facilitated a review of the previous 20 years' mitigation programs and consulted 35 cross-sector stakeholders, including industry bodies, to inform recommendations to underpin the Government's future approach. We also funded a collaborative project with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to resurvey the extent of dryland salinity in WA.
- We developed a risk-based Framework for Sustainable Pastoral Management to assist in achieving the Government's objective to improve pastoral lands condition, increase economic opportunities and meet the Office of the Auditor General's recommendations for monitoring and compliance in the Rangelands.
- We supported the North Wanneroo Agriculture and Water Taskforce to address decreasing groundwater allocation and the protection of existing agricultural land in the City of Wanneroo. A number of recommendations were presented to Government on water efficient horticulture, climate change impacts, support for new horticultural development and options for creating land and water security to facilitate investment.
- We led a Ministerial Soils Advisory Committee that delivered a draft State Soil Health Strategy to guide investment in soil health research, innovation and education, and initiated revisions to the *Soil and Land Conservation Act 1945*. These will include re-establishment of the Soil and Land Conservation Council to drive regenerative land practices across the State.
- We continued to achieve outstanding results in the management of our fisheries and aquatic ecosystems, with almost all fisheries sustainable or recovering through application of our work. We explicitly consider impacts of climate change in fisheries management decisions and continue to implement related strategies.
- We completed 77 prosecutions for commercial and recreational fishery offences. Applying appropriate sanctions for offences is an important aspect of our compliance and regulation for sustainable fisheries management, complimented by community education and compliance programs.

Priority 3: International competitiveness

Growing internationally competitive industries and businesses

- We facilitated Huon Aquaculture taking up a 2200-hectare aquaculture lease off Geraldton to farm yellowtail kingfish in offshore aquaculture farms. DPIRD's Fremantle hatchery will supply Huon and other producers with juvenile seed stocks to grow to maturity. We announced our intention to fund construction and operation of a marine finfish nursery in Geraldton. It is estimated investment in aquaculture in the Mid West could create more than 3000 jobs by 2030.
- We provided 23 agribusinesses in regional WA with a total of \$3.1m in Value Add Agribusiness Investment Attraction Funds to support capital investment in value adding and processing projects. The projects are expected to generate approximately \$12.5m in co-investment and create about 128 regional jobs over 18 months.
- We provided the opportunity for 50 premium food and beverage businesses in regional WA to showcase their value-added products to buyers from Singapore, Malaysia, Thailand and Vietnam, and develop export supply contracts. It is anticipated the buyers' visit to WA will increase WA's agrifood trade to South East Asia, valued at \$2.3 billion in 2016/17.
- We supported 25 early stage ag-tech businesses to attend accelerator programs to innovate, value-add and scale up, and seek partnerships, investments and market access. As strategic partner of the national evokeAG conference in Melbourne, DPIRD also sponsored the attendance of five investor-ready WA businesses, where they discussed investment and partnership prospects with delegates.
- We provided \$408,000 in a third round of Asian Market Export grants to help expand business export capacity, create regional jobs and drive increased agrifood exports to high-growth Asian markets. The grants leveraged 114% of their value from recipients across the South West, Great Southern, Peel and Wheatbelt regions.

Priority 4: Regional opportunities

Capturing regional opportunities to drive economic growth, job creation, local capability and social amenity

- We awarded grants totalling \$1.36m through the Regional New Industries Fund to help generate regional jobs and growth. The Fund seeks to engage with industry partners to develop and accelerate innovation in the regions where scale and diversity are limited. It seeks to support industry-led projects and develop regional innovation hubs, where new ideas, new enterprises and new jobs can flourish.
- We established governance for the Myalup Wellington project, which aims to reduce salinity in Wellington Dam and enable increased irrigated agricultural production in the Collie River and Myalup irrigation areas. Collie Water is progressing required approvals for the project, with co-funding from the Commonwealth and State governments.
- We supported WA's Renewable Hydrogen Council that provides strategic advice to Government on opportunities and barriers to the development of a renewable hydrogen industry for regional WA. This includes critical success factors, market opportunities, identifying new projects and prospects and barriers for existing energy industries transitioning to a renewable hydrogen future.
- We contributed to regional economic growth, job creation, local capability and social amenity throughout WA by administering the Regional Economic Development (RED) Grants program. Launched in 2018, the program has invested more than \$6.3m in 70 projects facilitated by the State's nine Regional Development Commissions.
- We provided technical advice and worked with Commonwealth and local government agencies to facilitate approvals for artificial reefs that increase reef complexity and enhance fish diversity, enjoyed by recreational fishers and divers. This included expansion of the existing Bunbury reef, supporting Recfishwest with the installation of artificial reefs off Exmouth and Esperance, and progress towards the installation of a seventh artificial reef off Ocean Reef.
- We supported the sustainable development of commercial shellfish farming in WA by supplying about 100 million spat (juvenile shellfish) to WA and interstate aquaculture operations in 2018/19 from our Albany multi-species mollusc hatchery. Significant rapid growth of WA's oyster aquaculture industry, worth \$1m in 2016/17, is now anticipated.
- We continued to support pastoralists through challenging seasonal conditions with our Northern Beef Development and Aboriginal Economic Development teams delivering programs to help ensure timely decisions and improve their profitability and sustainability. As part of this work, we awarded 20 pastoral businesses in the Kimberley and Pilbara with Business Improvement Grants (Round 2). The \$575,000 grant program aims to drive productivity, business planning and management capacity improvements in pastoral enterprises, with a focus on Aboriginal businesses.

Priority 5: Research, development and innovation

Enabling and delivering research, development and innovation to grow our primary industries, food processors and regional development

- We commenced a five-year, \$48m scientific research partnership with the Grains Research and Development Corporation that will benefit WA's grains industries. The major new research projects will unlock the potential of WA's grainbelt soils and boost oat, canola, lupin and pulse production and value for WA growers.
- We launched the new high-value pasture legume variety, Lanza teder, following more than a decade of breeding and agronomic research. The feed option is highly valued for its drought tolerance, and nutritional and nitrogen-fixing qualities, providing a boost for WA's valuable sheep industry, which had a Gross Value of Agricultural Production of \$1.4b in 2016/17.
- We amended the *Industrial Hemp Act 2004* to increase the permitted level of tetrahydrocannabinol content in industrial hemp from 0.35% to 1% and provided grants totalling \$297,000 for hemp research and development to grow the WA hemp industry. This will drive opportunities for hemp production as a food and beverage, fibre for textiles and building products, and the development of infrastructure and market opportunities.
- We commenced the \$5.9m Transforming Agriculture in the Pilbara (TAP) project to examine soil and water resources in the region for potential horticulture, fodder and field crop production. This included trialling the production of stone fruit and table grapes to test the region's suitability for producing high-value temperate irrigated crops.
- We launched a 15-month scientific trial of non-lethal SMART drumlines off Gracetown to evaluate the effectiveness of the technology in WA for shark hazard mitigation. Ten SMART drumlines are deployed about 500 metres offshore over 11.5km of coast to catch, tag, relocate and release white sharks, which are the target species for the trial. The WA Chief Scientist will evaluate the results.

Priority 6: Enabling environment

Creating an enabling environment for primary industries and regions (legislation, policy, business systems and practice)

- We collaborated with DPLH and industry to develop a suite of pastoral lands reforms for Government consideration that includes legislative, regulatory and policy measures to enhance monitoring and compliance, improve security of tenure for pastoralists, and foster diversification and development.
- We facilitated the successful passage of a Bill to amend the *Animal Welfare Act 2002* that allows us to develop regulations to ensure the proper treatment and management of animals as agreed under the Australian Standards and Guidelines for the Welfare of Animals. The change embraces a contemporary approach to animal welfare and reflects modern science and community attitudes.
- We are leading the development of a Primary Industries Plan. This will work across government to support the agriculture and fisheries sectors contribution to economic diversification and jobs. It will provide a framework for the government's investment in research and development, improving supply chain efficiency, and maintaining the State's reputation for environmental stewardship, strong biosecurity and animal welfare, with a particular focus on increasing our value-added production for high-value export markets. We are also developing a complementary aquaculture development plan.
- We developed the interim State Support Plan for Animal Welfare in Emergencies in collaboration with key stakeholders. This outlines the State's strategic arrangements for coordinating animal welfare services to prepare, respond and recover from emergencies. It aims to establish and build understanding of collaborative arrangements to improve the welfare of animals among animal owners and carers.
- We developed a new Aboriginal Economic Development (AED) strategy that defines how DPIRD will help create opportunities for Aboriginal people to become economically independent and prosper. Our Aboriginal Economic Development team will unlock significant Aboriginal economic development and employment opportunities and generate local capacity, new business and jobs for Aboriginal people through primary industries and regional projects.
- We continued to enhance regional business participation in the supply of goods and services for State Government-funded projects through the Local Content Adviser Network. The advisers are located at the nine RDCs throughout regional WA and support greater economic growth and diversification, community sustainability, and jobs in the regions.

Department amalgamation and public sector renewal

- We completed our co-location project, which resulted in the co-location of approximately 100 staff at 16 sites across the State. The project achieved about \$1m in savings across building leases, ICT, utilities, vehicles and records management and has allowed staff to share knowledge and resources to provide an improved service.
- We continued developing integrated policies to provide staff with the knowledge and guidance required to ensure high levels of performance, accountability and good governance across the department.
- We continued to prioritise the integration and rationalisation of our IT systems and environments to reduce operational costs. We are implementing GovNext services with data centre and internet services now in operation and are adopting cloud services as the preferred business solution going forward in line with the WA State ICT Strategy.
- We launched our integrated Occupational Safety and Health (OSH) governance structure, including forming a Strategic OSH Committee and 23 workplace OSH committees across WA, together with a new hazard and incident reporting mechanism, supporting policies, procedures and forms to ensure the safety and health of staff and visitors.
- We launched our Middle Management Development Program for roll out to 261 managers, to develop leadership capability that best supports our strategic and operational plans and enhance our culture.
- We launched the first phase of a reward and recognition program to ensure our employees receive appropriate recognition for their good work and achievements. The first phase encourages staff to nominate colleagues who demonstrate DPIRD's values through their performance and behaviour.
- We received approval to spend \$13.4m as part of the 2019/20 Budget on a program to upgrade and integrate the finance, human resource and document management systems of our former departments to create efficiencies and unify our department. By 30 June, we had appointed a program manager and progressed project planning on this significant corporate program.

Case studies

Grants add value to regional businesses



DPIRD Trade and Investment Executive Director Liam O'Connell with grant recipient Greg Ryan of Ryan's Meats

Our Value Add Agribusiness Investment Attraction Fund initiative is expected to generate approximately \$12.5m in co-investment in WA's agrifood industry and create at least 100 regional jobs by the end of 2020.

DPIRD has invested \$3.1m in the program, via Royalties for Regions, and awarded 23 grants to WA businesses to capitalise on expansion, value-adding and processing opportunities and capture new market opportunities.

Specifically, we have awarded 16 grants enabling businesses to invest in the expansion, relocation or development of new value adding production facilities.

These include the expansion of an Albany seafood factory for value-added processing, filleting and packaging of sardines, development of a new ice cream processing facility in Carnarvon and installation of new sorting technology to improve the quality of high-value, food-grade legumes, such as chickpeas, in the Ord River region for processing and export.

We have provided an additional seven grants allowing businesses to minimise the risk of investment in new projects or expansion opportunities that will build competitiveness and grow their operations.

For example, this includes feasibility studies to assess the likelihood of success for the expansion of an abattoir in Northam and development of a single-origin cheese processing facility in the South West.

Our grants program will help drive the diversification of the State's economy by providing an incentive to interstate or international business to consider WA for new value-adding agribusiness operations.

We are helping WA agribusinesses to advance and take advantage of growth and diversification opportunities.

New pasture species feeds sheep industry growth

A new, drought tolerant pasture legume species developed by our department and launched in 2018 has the potential to make livestock production in the Wheatbelt more resilient and profitable.

Lanza tедера is a hardy, highly nutritious perennial with nitrogen-fixing qualities, which can provide a valuable feed option for livestock producers to fill feed gaps during the season.

The pasture grows all year round and can easily be adapted to continuous or rotation grazing requirements, enabling sheep producers to target out-of-season premium market opportunities.

Our department spent 12 years developing Lanza tедера after sourcing the original seed from the Spanish island of Lanzarote.

Researchers have tested the plant's performance extensively in glasshouse and field trials, from which a supporting agronomic package was developed to optimise the variety's performance.

Long-term livestock grazing trials were also undertaken to evaluate the plant's nutritional value and application, which has shown great promise for sheep and no animal health issues.

Lanza tедера was developed as part of the department's pasture species breeding program in association with the Plant Based Solutions for Dryland Salinity Cooperative Research Centre, which later became the Future Farm Industries Cooperative Research Centre.

Meat and Livestock Australia also invested in the development of the animal production and agronomic packages.

More than 100 interested farmers, consultants and scientists attended a field day at Dandaragan in October 2018, where the new species was launched by Agriculture and Food Minister Alannah MacTiernan.

The first commercial Lanza tедера seed has been made available for the 2019 season and is distributed via the wholesale partner, Landmark.



DPIRD's Facundo Angelino, Marieclaire Castello and Mengistu Yadeta at the Lanza tедера launch

Western Australians get on board with personal shark deterrents



Former Australian professional surfer Tom Carroll displays the surfboard shark deterrent device, featuring silver diamond electrode patches attached to the base

Our world-first subsidy for scientifically proven personal shark deterrents for divers and surfers has been a success, with more than 3650 Western Australians having purchased a device through the program in the past two years.

The subsidy program is part of our multifaceted science-based shark hazard mitigation strategy offering a range of tools and actions, to help keep beach goers and our coastal communities as safe as possible.

We launched the subsidy in May 2017 for 1000 devices, but due to the popularity of the program it has been extended to 4000 rebates over the past two years.

In mid-2018 we added the surfer-specific device, and 543 of these have been purchased in the past 12 months.

People aged between 34 and 54 have purchased more than 50 per cent of the devices sold.

The greatest uptake has been in the coastal suburbs of Mandurah, Scarborough and Karrinyup and in Albany.

The critical factor for the success of the program was to ensure the devices available for the subsidy were independently scientifically tested, verified and then approved by us.

Scientific testing was undertaken by the University of Western Australia for the Ocean Guardian FREEDOM 7™ used by divers and by Flinders University, South Australia for the Ocean Guardian FREEDOM+ Surf™ (Bundle), demonstrating that both devices significantly reduced the chance of a white shark encounter.

Community on watch to support biosecurity efforts



DPIRD entomologist Darryl Hardie with Rebecca O'Leary and son Nicholas checking the garden for potential pests

Our department's ongoing work with the community to increase biosecurity awareness is crucial in keeping WA free of many potentially devastating pests and diseases.

By encouraging community reporting through our MyPestGuide program, the Pest and Disease Information Service, WA PestWatch and a number of community engagement activities such as the annual Biosecurity Blitz campaign, the public are joining with us to protect WA's valuable agriculture and fisheries industries.

Working with the community on surveillance programs such as European house borer, European wasp, brown marmorated stink bug and citrus canker is vital to help us manage these potential threats.

The Biosecurity Blitz in late 2018 resulted in more than 1600 reports, showing the public recognises the vital role they play in identifying and reporting pests and diseases before they have a chance to establish in WA.

It was through community support that our department successfully contained and removed citrus canker, a potentially devastating disease for the \$30m WA citrus industry, from northern WA in 2018.

We worked with the local community to gain the support and co-operation from impacted owners and residents and encouraged people to check and report any signs of disease, which ensured the success of the response.

Our incident response ran for 200 days from April to November 2018. We successfully removed and destroyed 1517 citrus host plants, from 51 properties in 51 days in July and August 2018. Our surveillance and monitoring will continue as part of the national response until 31 December 2019.

Delivering solutions to the 'digital divide'

Fast, affordable, reliable digital telecommunications is a modern necessity for agribusinesses throughout the supply chain to operate successfully and competitively in an increasingly global marketplace.

While the National Broadband Network (NBN) rollout is nearing completion, some areas of WA's vast regions may not have the necessary high-speed universal coverage needed for a modern agribusiness.

To address this, we are administering the State Government's \$22m WA Agricultural Telecommunications Infrastructure Fund to deliver cost effective, innovative solutions.

One component is our Digital Farm Grants program, which is supporting commercial service providers to fill gaps in the regions that lie outside the NBN fixed line and fixed wireless footprint.

In 2018/19, we awarded \$4.8m to five proponents for 11 projects, which attracted a projected \$5.99m of co-investment to deliver high-speed digital connectivity to 1240 agribusinesses via fixed wireless systems across 41,000 square kilometres of the State.

Complementing this, we are supporting trials to develop connectivity solutions and internet-based technology to stimulate the development and use of digital agricultural technology.

Our \$500,000 Internet of Things DecisionAg grants program is helping eight grower groups and five secondary education institutions from across the agricultural region to explore a range of ag-tech opportunities and solve challenges, including apps, devices and systems to collate, store and analyse generated data.



DPIRD digital connectivity director Paul Tzaikos (left) and project manager Darren Gibbon talk to WA College of Agriculture – Cunderdin students and staff about the Internet of Things DecisionAg grants

Fence contracts build Aboriginal employment

Our department is building training and employment opportunities for Aboriginal people in the regions post by post.

During 2018/19, we awarded almost \$5m worth of contracts to Aboriginal businesses and community groups, most to replace, repair and maintain the State Barrier Fence.

It follows our department developing a procedure in August 2018 to help implement the State Government's Aboriginal Procurement Policy, which sets mandatory targets for agencies to contract Aboriginal businesses

We determined we could provide the most opportunities and value in the short term through the State Barrier Fence project and set about creating a fence contract panel comprising 12 Aboriginal owned and operated businesses.

Through fence maintenance and repairs, Aboriginal contractors are not only learning new skills but also helping to prevent animal pests such as wild dogs from moving into agricultural areas and damaging crops and attacking livestock.

In May 2019, we were recognised in a Department of Finance Aboriginal Procurement Policy progress report as one of the top three State Government agencies for awarding contracts to Aboriginal businesses.

By the end of the financial year, we had also started a 660-kilometre fence extension from Ravensthorpe to the east of Esperance.

This included a targeted training module for Esperance Tjaltjraak Aboriginal rangers to complete the fencing works. It involved participants learning the ropes by replacing fencing at DPIRD's Esperance Downs Research Facility.



DPIRD's Ashley Talbot and Barry Davies (far left and far right) with Mallee Mungart Aboriginal contractor Phil Collard (second from right) and members of his team in front of the State Barrier Fence

Financial targets and results

Table 2a Financial targets 2018/19

	2019 Target ¹ (\$'000)	2019 Actual ² (\$'000)	Variation (\$'000)	Explanation of variation ³
Total cost of services (expense limit) (details from Statement of comprehensive income)	517,704	448,242	(69,462)	<p>Total cost of services is lower than budget estimates (the 2019 target) by \$69m. It is important to note that as part of the 2019/20 Budget Process, the 2018/19 total cost of service target was revised down to \$468m, primarily due to the re-cashflowing of RfR-funded projects, \$38m, and the reallocation of \$13.4m to the Core Systems Upgrade project into 2019/20.</p> <p>Therefore the variance to the revised target was approximately \$20m (as opposed to the variation of \$69m as reported to the left). That \$20m variance primarily relates to:</p> <ul style="list-style-type: none"> • The salaries expense limit being \$6.8m below budget, see explanation below; and • Grants and subsidies paid being \$11m lower than budget. This reduction primarily reflects underspends across the department's RfR-funded projects after the re-cashflow of project expenditure 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.
Net cost of services (details from Statement of comprehensive income)	421,359	320,100	(101,259)	<p>This variance of \$101m in the net cost of services includes:</p> <ul style="list-style-type: none"> • the above-mentioned reductions in total cost of services. • the return of unused grants (\$8.6m) and receipt of monies from the Regional Reform Fund (reflected as administered in the original budget (\$16.1m)).

Table 2a Financial targets 2018/19 (continued)

	2019 Target ¹ (\$'000)	2019 Actual ² (\$'000)	Variation (\$'000)	Explanation of variation ³
Total equity (details from Statement of financial position)	560,948	562,611	1,663	Actual is in line with target.
Net increase/ (decrease) in cash held (details from Statement of cash flows)	(43,705)	10,835	54,540	This increase in cash held of \$55m is related to the underspends identified in the total and net cost of services items outlined above and: <ul style="list-style-type: none"> the re-forecast of capital expenditure due to delays in identifying suitable capital projects for the Royalties for Regions North West Aboriginal Housing Initiative and the associated reallocation of funding to the East Kimberley Transitional Housing project. In addition, capital expenditure relating to the commencement of the Information Management System Upgrade project has been deferred to 2019/20.
Approved salary expense level	174,028	167,172	(6,856)	This variance reflects unfilled vacancies in the DPIRD structure as the agency restructures in response to the 2017 Machinery of Government changes. With the approval of the 2019/20 Budget, the department has more certainty over its salary expense level across the forward estimates period, which will result in the restructure being finalised and implemented in the 2019/20 financial year.
Agreed Borrowing Limit	14,212	17,217	3,005	Increase in borrowing limit to support extension of loan repayments for the Abrolhos Islands and Midwest Trawl Fishery and the Shark Bay Scallop Fishery.

¹ As specified in the 2018/19 DPIRD Budget Statements, this includes the financial targets of the department and the nine Regional Development Commissions (RDCs).

² To enable comparison against the 2018/19 DPIRD Budget Statements, 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 2018/19 does not include the financial position of the RDCs. RDCs report their audited financial statements in their respective annual reports.

³ Further explanations are contained in note 9.15 of the financial statements.

Table 2b **Working cash targets**

	2019 Agreed Limit ¹ \$'000	2019 Target / Actual ² \$'000	Variation \$'000	Explanation of variation ³
Agreed working cash limit (at Budget)	24,824	24,824	NA	NA
Agreed working cash limit (at Actuals)	25,251	20,908	(4,343)	This variation is due to the savings generated by the underspends outlined in Table 2a above.

¹ As specified in the 2018/19 DPIRD Budget Statements, this includes the financial targets of the department and the nine RDCs.

² To enable comparison against the 2018/19 DPIRD Budget Statements, 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 2018/19 does not include the financial position of the RDCs. RDCs report their audited financial statements in their respective annual reports.

Key performance indicator targets and results

This section summarises our results against our KPI targets. 2018/19 is the first year we have reported against the majority of these KPIs.

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

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

Key effectiveness indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Desired outcome 1: Regional WA has the investment to grow and create jobs			
1.1 Percentage increase of co-investment that the department attracts to its industry and community development initiatives	1.5%	-7.7% ¹	-9.2
1.2 Percentage increase of co-investment that the department attracts to its Aboriginal business development initiatives	NA ²	0 ¹	NA
1.3 Percentage increase of co-investment that the department attracts to its aquaculture development initiatives	NA ²	See below ^{1, 3}	NA
Desired outcome 2: Regional WA has the technology to grow and create jobs			
2. Percentage increase of client satisfaction with the department's technology initiatives	8.5%	NA ⁴	NA

¹ Underestimates the full extent of DPIRD's leveraging activities that attract investment to regional WA.

² The 2018/19 target was not set as no baseline data was identified at the time of target setting.

³ No co-investment, as per the definition of this KPI, was attracted in 2017/18. In 2018/19, \$404,371 was attracted.

⁴ This was a new KPI for 2018/19. DPIRD did not have survey information for 2017/18 and 2018/19. Accordingly, NA was reported for the actual. The 2019/20 annual report will include an actual for this KPI.

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

Key effectiveness indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Desired outcome 3: Regional WA has the skills and knowledge to grow and create jobs			
3. Percentage increase of client satisfaction with the department's capability initiatives	NA ²	NA ⁵	NA
Desired outcome 4: Regional WA has the social amenity, through recreational fisheries, to grow and create jobs			
4. Percentage increase of client satisfaction with the department's social amenity initiatives	1%	-4.8% ⁶	-5.8
Desired outcome 5: RDCs contribute to the economic development of regions			
5. Number of RDCs supported through business plans	9	9	0
Desired outcome 6: WA agriculture and fishing protect their biosecurity advantages and integrity			
6.1 Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately	60%	62.5%	2.5
6.2 Percentage of invasive aquatic pests and exotic diseases resolved appropriately	75%	0% ⁷	-75

² The 2018/19 target was not set as no baseline data was identified at the time of target setting.

⁵ 2018/19 was the first year of reporting this new KPI and as 2017/18 data was not available, a percentage increased cannot be measured. The 2018/19 satisfaction rating was 72.6%.

⁶ The 2018/19 satisfaction rate was 85.5%. As DPIRD has achieved high levels of satisfaction over recent years, ongoing annual increases are difficult to attain.

⁷ Only one incident was declared in 2018/19 (late June 2019), which was not resolved before the end of the financial year. While this meant the target was not met, the incident was resolved before the end of July 2019.

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

Key effectiveness indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Desired outcome 7: WA agriculture and fishing protect the sustainability of the natural resources on which they rely and impact			
7.1a Extent of soil acidity does not increase	0% ⁸	2.9% ⁹	2.9
7.1b Extent of total soil organic matter (carbon) does not decrease	0%	NA ¹⁰	NA
7.1c Number of soil health extension workshops held	30	31	1
7.2 Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	95%	98%	3
7.3 Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved	90%	96%	6

⁸ Target of 0% represents the extent of soil acidity not changing between years.

⁹ As the actual was greater than 0%, the data indicates that this aspect of soil condition has improved.

¹⁰ There is inadequate data available to meaningfully measure the change across WA agricultural region.

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

Note A:

The department continues to develop its financial modelling for the attribution of costs, income and full-time equivalents (FTE) to Services.

The allocation of costs, income and FTE by Service for the 2018/19 targets in the 2018/19 State Budget Papers was done at a high level following Machinery of Government changes and limited integration of core systems and reporting tools.

The allocation of costs and income by Service for the 2018/19 actuals reported in this annual report is on a more detailed project basis where possible.

This has resulted in a large discrepancy between the 2018/19 target and 2018/19 actual net cost of most Services and has impacted on the calculation of the key efficiency indicators.

As such, it is difficult to make meaningful comparisons between the targets and actuals for some of the efficiency indicators.

Key efficiency indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Service 1: Regional industry and community development investment facilitation			
1.1 Value of co-investment in the department-led industry and community development initiatives as a factor of the net cost of this Service	26.17%	0.89% ^{1, 2}	-25.28
1.2 Value of co-investment in the department-led Aboriginal business initiatives as a factor of the net cost of this Service.	NA ³	0% ^{1, 2}	NA
1.3 Value of co-investment in the department-led aquaculture business initiatives as a factor of the net cost of this Service	NA ³	0.01% ^{1, 2}	NA

¹ Net cost of this service was impacted as per Note A (above table).

² Underestimates the full extent of DPIRD's leveraging activities that attract investment to regional WA.

³ Target was NA because at the time the target was set (March 2018) the necessary systems were not yet in place to accurately forecast the results of this indicator.

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

Key efficiency indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Service 2: Regional technical and technological development			
2. Net cost of this Service as a factor of Gross Regional Product	0.11%	0.05% ^{1, 4}	-0.06
Service 3: Regional skills and knowledge development			
3. Net cost of this Service as a factor of Gross Regional Product	0.09%	0.02% ^{1, 4}	-0.07
Service 4: Regional social amenity development			
4. Net cost of this Service as a factor of Gross Regional Product	0.01%	0.01% ^{1, 4}	0
Service 5: Corporate and business development services provided by the Department to support Regional Development Commissions			
5. Net cost of this Service as a factor of RDC support	\$157.62/hr ⁵	\$166.38/hr ^{1, 5}	\$8.76/hr
Service 6: Agricultural and fisheries biosecurity and integrity			
6.1 Agricultural portion of net cost of this Service as a factor of Gross Value of Agricultural Production	0.67%	0.59% ⁶	-0.08
6.2 Fisheries portion of net cost of this Service per hour of aquatic biosecurity services	\$174.40/hr	\$186.79/hr ^{1, 7}	\$12.39/hr

¹ Net cost of this service was impacted as per Note A (above table).

⁴ Gross Regional Product increased.

⁵ Target and actual are not directly comparable owing to direct expenditure of RDCs (i.e. the cost of each RDC board and related expenditure) being included in DPIRD budget papers and excluded from DPIRD's annual report due to reporting requirements. If the target is recast to exclude direct expenditure of RDCs, the actual exceeds the target.

⁶ Gross Value of Agricultural Production (three-year average) increased.

⁷ Hours were lower than forecast as DPIRD refined the allocation of positions to Services for the purpose of KPI calculations.

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

Key efficiency indicator	2018/19 Target	2018/19 Actual	Variation (Actual minus Target)
Service 7: Agricultural and fisheries natural resource management			
7.1 Agricultural portion of net cost of this Service as a factor of Gross Value of Agricultural Production	0.15%	0.09% ^{1, 6}	-0.06
7.2 Average cost per hour of fisheries management services	\$91.38/hr	\$44.31/hr ^{1, 8}	-\$47.07/hr
7.3 Fisheries portion of net cost of this Service per fisheries licence administered	\$237.75/licence	\$130.90/licence ^{1, 9}	-\$106.85/licence

¹ Net cost of this service was impacted as per Note A (above table).

⁶ Gross Value of Agricultural Production (three-year average) increased.

⁸ Hours were higher than forecast as DPIRD refined the allocation of positions to Services for the purpose of KPI calculations.

⁹ Number of licences administered decreased.



Significant issues impacting the agency



Aquaculture industry growth

Aquaculture, the world's fastest-growing food production sector, is set to overtake capture fisheries as the major source of seafood and projected to provide 62% of global seafood by 2030.

Improving support for the development of WA's aquaculture industry remains a priority. Our department continues to enable growth through supporting existing industry, undertaking research and development, developing new aquaculture zones and infrastructure, assisting with fish health and biosecurity and reducing red tape to enable industry to enter this growing sector.

Biosecurity status

Growing national and international trade and passenger movements continue to place pressure on WA's and Australia's biosecurity system, which underpins access to markets. Maintaining and increasing the State's biosecurity measures remains a priority for our department.

We continue to work with industry, the community and relevant authorities to detect, respond and manage biosecurity threats relating to livestock, plant, aquatic and invasive species to maintain our enviable biosecurity status, including protecting market access for Western Australian agribusiness, and our environment and lifestyle.

During 2018/19, our department helped industry to regain access to key seed and ware potato markets as a result of showing WA to be free of *Candidatus Liberibacter solanacearum* (CLso). We successfully ran biosecurity responses to several pests and diseases including citrus canker, brown marmorated stink bug and European wasp and supported the establishment of two biosecurity advisory committees (Grains and Horticulture).

Climate change and variability

Increasing extreme weather events as a result of climate change and variability continue to present significant challenges for the management of our State's natural resources and primary industries to produce quality products. We developed and provided planning information and decision-making tools to support agricultural producers and land managers as well as undertook aquatic research to assist in the management of our fragile aquatic resources.

Our department is also working with natural resource management groups and grower organisations to explore the science and best practice in regenerative agriculture, in particular focusing on premium food markets that can be accessed by farmers using these methodologies.

Digital connectivity

Equitable access to enterprise grade digital connectivity remains a challenge across regional WA. Continued Commonwealth and private sector investment support for priority investment in infrastructure aimed at improving access remains a focus area for our regional industries, businesses and communities.

DPIRD capability review

In 2018, DPIRD completed a comprehensive capability review, which confirmed the functions, structure, resourcing and strategic priorities required to deliver the Government's priorities in primary industries and regional development. Following this, the 2019/20 State Budget included a \$131.5m increase in expenditure across the forward estimates for DPIRD. This will allow DPIRD to fulfil our critical role in supporting the State's primary industries and regional communities while also ensuring DPIRD is able to rebuild capacity and capability, and provides a long-term, sustainable funding base.

Legislation reform

Our department is supporting and undertaking a modern approach to update legislation, including the new *Aquatic Resources Management Act 2016*, *Animal Welfare Act 2002* and the *Biosecurity and Agriculture Management Act 2007*, *Veterinary Surgeons Act 1960* and the *Gene Technology Act 2006* in order to respond to community expectations and needs.

This work will continue into 2019/20 as we work to ensure regulation of our primary industries is effective, efficient and relevant.

Machinery of Government changes

In 2018/19, we continued to embed Machinery of Government changes, including through our organisational restructure to amalgamate the staff and functions of our former agencies. We started with the integration of our corporate services areas, with the entire department to be completed in 2019/20. Our organisational structure reflects our need to cater to a diverse industry and stakeholder group and is designed to enable teams to work collaboratively to deliver the best outcomes for our stakeholders.

Since the formation of our department in 2017, we have been using the human resources, finance and electronic document and records management systems from our former agencies. This has required significant resources to maintain.

In the 2019 State Budget, we secured approval to spend \$13.4m to integrate these systems, which will enable our department to operate more efficiently and effectively.

Pastoral lands reform

In late 2017, the Auditor General identified issues with the way WA's pastoral estate is administered, including concern that it does not optimise environmental outcomes. At around the same time, consultation by the Pastoral Lands Board identified concerns about the administrative system unnecessarily constraining economic development, particularly as it provided a lack of security of tenure for investment.

Our department, in close collaboration with DPLH, is progressing pastoral lands reform to deliver enhanced social, environmental and economic outcomes in WA's pastoral rangelands.

Public sector reform

DPIRD continues to have a strong focus on the implementation of public sector reform initiatives and embracing whole-of-government change. This year, we supported and were involved in a number of measures to drive public sector reform and the Government's jobs and economic diversification agenda, including supporting the development of the Our Priorities: Sharing Prosperity targets, and the State Economic Development Framework and related whole-of-government initiatives. We are also leading development of a State Aquaculture Plan and Primary Industries Plan.

Regional growth and prosperity

The Government is focused on jobs and local content outcomes for the regions. It introduced the *Jobs Act 2017*, which has seen the implementation of the Western Australia Industry Participation Strategy and Western Australia Industry Link.

As part of this, our department established the Local Content Adviser Network, which is taking a lead role in maximising the participation of regional businesses in regional contracting opportunities, leading to jobs and economic growth in regional WA. The network will play an increasingly important role in driving the contribution of the regions to the State's economy.

Research & Development capacity

Access to world-leading research, development and innovation is essential for the international competitiveness of the State's primary industries.

In line with national and global trends, DPIRD will continue its evolution from being a deliverer of research, development and extension to an investor, partner and facilitator of a system to support the transfer of knowledge to Western Australian agribusinesses. We are working to maintain our core scientific skills and capabilities in areas of strategic importance to provide expert and independent technical and policy advice to government and industry. In 2018/19, we continued to rebuild DPIRD's R&D capacity to pull together the scientific and technical framework required to maintain and improve industries' productivity growth.

We will continue to work in collaboration with universities and industry to build on WA's competitive advantage in research on grains, livestock, horticulture and aquaculture.

Trade and investment

WA's primary industries are heavily export focused, with exports accounting for about 80% of total production. As a result, future growth will need to be driven by leveraging export markets.

Realising the sector's full potential will require the Government's support in working with industry to build on export readiness, as well as to engage on behalf of industry with the Commonwealth Government to ensure our priorities are included in free trade agreement negotiations.

WA's agrifood exports are dominated by bulk commodity-based trade, as opposed to processed, value-added food items.

Our department is committing efforts to growing both our trade market access, and trade and food industry to ensure we can capture more value, drive economic growth and create jobs through processing our agricultural produce.



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 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, 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 2019 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 Agricultural 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 2019.

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 2019. 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 2019.

Emphasis of Matter

I draw attention to the following key performance indicators, which are based on the percentage increase in performance between 2017-18 and 2018-19:

KPI 2 'Percentage Increase of Client Satisfaction with DPIRD's Technology Initiatives'

KPI 3 'Percentage Increase of Client Satisfaction with DPIRD's Capability Initiatives'

These are new indicators for 2018-19 and reliable information is not available for 2017-18. Therefore, as the percentage increase has not been measured, the Department has reported a result of "Not applicable" for 2018-19. My opinion is not modified in respect of this matter.

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 2019 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
19 September 2019

Financial statements

Certification of financial statements

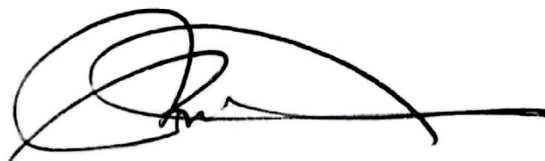
For the reporting period ended 30 June 2019

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 ended 30 June 2019 and the financial position as at 30 June 2019.

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
18 September 2019



Dr Mark Sweetingham
Acting Accountable Authority
18 September 2019

Statement of comprehensive income for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1.1	187,968	205,019
Supplies and services	3.3	110,321	103,215
Depreciation and amortisation expense	5.1.1, 5.2.1	14,943	16,394
Share of loss in joint venture entities using the equity method	6.6.1	2,465	2,047
Finance cost	7.2	1,484	1,892
Accommodation expenses	3.3	8,652	8,109
Other expenses	3.3	20,718	50,755
Grants and subsidies paid	3.2	92,952	85,125
Loss on disposal of non-current assets	4.6	-	87
Total cost of services		439,503	472,643
Income			
Revenue			
User charges and fees	4.2	54,125	50,603
Commonwealth grants and contributions	4.3	3,434	5,933
Non-government grants and subsidies received	4.4	27,407	25,486
Gain on disposal of non-current assets	4.6	127	-
Other revenue	4.5	42,877	38,106
Total revenue		127,970	120,128
Total income other than income from State Government		127,970	120,128
NET COST OF SERVICES		311,533	352,515
INCOME FROM STATE GOVERNMENT	4.1		
Service appropriations		160,860	192,955
Services received free of charge		2,784	1,782
Royalties for Regions Fund		159,026	137,344
Other income from State Government		576	643
TOTAL INCOME FROM STATE GOVERNMENT		323,246	332,724
SURPLUS/(DEFICIT) FOR THE PERIOD		11,713	(19,791)
OTHER COMPREHENSIVE INCOME			
Items not subsequently reclassified to net cost of services			
Changes in asset revaluation surplus		-	-
Gains/(losses) recognised directly in equity		-	-
TOTAL OTHER COMPREHENSIVE INCOME	9.12	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		11,713	(19,791)

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

Statement of financial position as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7.3.1	977	11,499
Restricted cash and cash equivalents	7.3.2	141,328	113,615
Biological assets	6.5	946	864
Inventories	6.4	875	1,288
Receivables	6.1	17,716	14,817
Amounts receivable for services	6.2	5,846	4,897
Other current assets	6.3	7,725	7,489
Total current assets		175,413	154,469
Non-current assets			
Restricted cash and cash equivalents	7.3.2	1,046	1,045
Amounts receivable for services	6.2	138,995	121,142
Receivables	6.1	11,251	14,217
Other non-current assets	6.3	7,319	9,879
Investments accounted for using the equity method	6.6.1	12,643	12,621
Property, plant and equipment	5.1	267,368	274,730
Intangible assets	5.2	12,072	14,149
Total non-current assets		450,694	447,783
TOTAL ASSETS		626,107	602,252
LIABILITIES			
Current liabilities			
Payables	6.7	29,338	19,112
Provisions	3.1.2	39,259	38,036
Borrowings	7.1	8,524	9,098
Other current liabilities	6.8	389	1,106
Total current liabilities		77,510	67,352
Non-current liabilities			
Provisions	3.1.2	7,919	8,354
Borrowings	7.1	12,086	17,610
Total non-current liabilities		20,005	25,964
TOTAL LIABILITIES		97,515	93,316
NET ASSETS		528,592	508,936
EQUITY			
Contributed equity		536,670	528,727
Accumulated deficit		(8,078)	(19,791)
TOTAL EQUITY	9.12	528,592	508,936

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

Statement of changes in equity for the year ended 30 June 2019

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2017					
Former Department of Regional Development		69,530	-	-	69,530
Former Department of Fisheries		85,603	-	-	85,603
Former Department of Agriculture and Food		369,149	-	-	369,149
		524,282	-	-	524,282
Surplus/(deficit) for the period		-	-	(19,791)	(19,791)
Other comprehensive income		-	-	-	-
Total Comprehensive Income For The Period		-	-	(19,791)	(19,791)
Transactions with owners in their capacity as owners:					
Capital appropriations		5,206	-	-	5,206
Other contributions from owners		-	-	-	-
Distribution to owners		(761)	-	-	(761)
Total		4,445	-	-	4,445
Balance at 30 June 2018	9.12	528,727	-	(19,791)	508,936
Balance at 1 July 2018		528,727	-	(19,791)	508,936
Surplus/(deficit) for the period		-	-	11,713	11,713
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	11,713	11,713
Transactions with owners in their capacity as owners:					
Capital appropriations		9,557	-	-	9,557
Other contributions from owners		46	-	-	46
Distribution to owners		(1,660)	-	-	(1,660)
Total		7,943	-	-	7,943
Balance at 30 June 2019	9.12	536,670	-	(8,078)	528,592

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

Statement of cash flows for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOW FROM STATE GOVERNMENT			
Service appropriations		137,161	168,783
Capital contributions		9,557	5,206
Holding account drawdown		4,897	5,743
Royalties for Regions Fund		159,026	137,344
Other income from State Government		576	643
Net cash provided by State Government		311,217	317,719
Utilised as Follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(185,193)	(206,957)
Supplies and services		(103,546)	(93,134)
Accommodation		(8,652)	(7,725)
Finance costs		(1,484)	(1,551)
GST payments on purchases		(20,344)	(20,550)
Other payments		(14,723)	(23,130)
Grants and subsidies		(92,952)	(84,978)
Receipts			
User charges and fees		49,930	49,635
Commonwealth grants and contributions		3,434	5,258
Interest received		1,760	2,202
GST receipts on sales		4,900	5,358
GST receipts from taxation authority		15,444	15,008
Non-government grants and subsidies		27,407	25,271
Other receipts		42,367	36,563
Net cash used in operating activities	7.3.3	(281,652)	(298,730)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Investment in joint ventures		(2,487)	(3,000)
Purchase of non-current assets		(10,254)	(12,330)
Receipts			
Proceeds from sale of non-current physical assets		218	228
Net cash used in investing activities		(12,523)	(15,102)

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

Statement of cash flows for the year ended 30 June 2019 (continued)

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(3,598)	(4,790)
Receipts			
Proceeds from industry		3,748	4,790
Net cash from financing activities		150	-
Net (Decrease)/Increase In Cash And Cash Equivalents		17,192	3,887
Cash and cash equivalents at the beginning of the reporting period		126,159	122,272
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7.3.3	143,351	126,159

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

Summary of consolidated account appropriations and income estimates for the year ended 30 June 2019

	Estimate 2019 \$'000	Actual 2019 \$'000	Variance \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance \$'000
DELIVERY OF SERVICES						
Item 65 Net amount appropriated to deliver services	166,301	154,454	(11,847)	154,454	189,484	(35,030)
Amount authorised by Other Statutes						
<i>Biosecurity and Agriculture Management Act 2007</i>	5,397	5,397	-	5,397	2,462	2,935
<i>Salaries and Allowances Act 1975</i>	1,003	1,009	6	1,009	1,009	-
TOTAL APPROPRIATIONS PROVIDED TO DELIVER SERVICES	172,701	160,860	(11,841)	160,860	192,955	(32,095)
CAPITAL						
Item 98 Capital appropriations	285	9,557	9,272	9,557	5,206	4,351
ADMINISTERED TRANSACTIONS						
Item 25 Amount provided for Administered Grants, Subsidies and Transfer Payments	1,550	1,550	-	1,550	1,600	(50)
TOTAL ADMINISTERED TRANSACTIONS	1,550	1,550	-	1,550	1,600	(50)
GRAND TOTAL	174,536	171,967	(2,569)	171,967	199,761	(27,794)
DETAILS OF EXPENSES BY SERVICE						
Regional Industry and Community Development Investment Facilitation	108,975	166,680	57,705	166,680	183,341	(16,661)
Regional Technical and Technological Development	106,150	71,620	(34,531)	71,620	95,814	(24,194)
Regional Skills and Knowledge Development	91,925	20,223	(71,702)	20,223	17,817	2,406
Regional Social Amenity Development	14,739	17,513	2,774	17,513	18,728	(1,215)
Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions	45,038	22,273	(22,766)	22,273	18,816	3,456
Agricultural and Aquatic Biosecurity and Integrity	77,392	77,009	(383)	77,009	79,816	(2,807)
Agricultural and Fisheries Natural Resource Management	69,329	64,187	(5,142)	64,187	58,311	5,875
Total cost of services	513,547	439,503	(74,044)	439,503	472,643	(33,140)
Less total income	(96,345)	(127,970)	(31,625)	(127,970)	(120,128)	(7,842)
NET COST OF SERVICES	417,202	311,533	(105,669)	311,533	352,515	(40,982)
Adjustments	(244,501)	(150,673)	93,828	(150,673)	(159,560)	8,887
TOTAL APPROPRIATIONS PROVIDED TO DELIVER SERVICES	172,701	160,860	(11,841)	160,860	192,955	(32,095)
CAPITAL EXPENDITURE						
Purchase of non-current assets	40,517	10,254	(30,263)	10,254	12,330	(2,076)
Adjustment for other funding sources	(40,232)	(697)	39,535	(697)	(7,124)	6,427
CAPITAL APPROPRIATIONS	285	9,557	9,272	9,557	5,206	4,351
DETAIL OF INCOME ESTIMATES						
Income disclosed as administered income (refer note 10.2)	(56,725)	9,669	66,394	9,669	9,544	125
	(56,725)	9,669	66,394	9,669	9,544	125

Note 9.15 Explanatory statement provides details of any significant variations between estimates and actual results for 2019.

Index of notes to the financial statements for the year ended 30 June 2019

Subject	Note	Note title
Basis of preparation	1	Statement of compliance
Basis of preparation	1	Judgements and estimates
Basis of preparation	1	Contributed equity
Basis of preparation	1	Memorandum of understanding
Department outputs	2.1	Department objectives
Department outputs	2.2	Schedule of income and expenses by service
Department outputs	2.3	Schedule of assets and liabilities by service
Use of our funding	3.1.1	Employee benefits expenses
Use of our funding	3.1.2	Employee benefits provision
Use of our funding	3.2	Grants and subsidies paid
Use of our funding	3.3	Other expenses
Our funding sources	4.1	Income from State Government
Our funding sources	4.2	User charges and fees
Our funding sources	4.3	Commonwealth grants and contributions
Our funding sources	4.4	Non-government grants and subsidies received
Our funding sources	4.5	Other revenue
Our funding sources	4.6	Loss on Disposal of non-current assets
Key assets	5.1	Infrastructure, property, plant and equipment
Key assets	5.1.1	Depreciation and impairment
Key assets	5.2	Intangible assets
Key assets	5.2.1	Amortisation and impairment
Other assets and liabilities	6.1	Receivables
Other assets and liabilities	6.2	Amounts receivable for services (Holding Account)
Other assets and liabilities	6.3	Other assets
Other assets and liabilities	6.4	Inventories
Other assets and liabilities	6.5	Biological assets
Other assets and liabilities	6.6	Joint arrangements
Other assets and liabilities	6.6.1	Investments accounted for using the equity method
Other assets and liabilities	6.6.2	Jointly controlled assets
Other assets and liabilities	6.7	Payables
Other assets and liabilities	6.8	Other liabilities
Financing	7.1	Borrowings
Financing	7.2	Finance costs
Financing	7.3	Cash and cash equivalents

Subject	Note	Note title
Financing	7.3.1	Reconciliation of cash
Financing	7.3.2	Restricted cash and cash equivalents
Financing	7.3.3	Reconciliation of net cost of services
Financing	7.4	Commitments
Financing	7.4.1	Non-cancellable operating lease commitments
Financing	7.4.2	Non-cancellable finance lease commitments
Financing	7.4.3	Capital commitments
Financing	7.4.4	Other expenditure commitments
Risks and contingencies	8.1	Financial risk management
Risks and contingencies	8.2	Contingent assets and liabilities
Risks and contingencies	8.3	Fair value measurements
Other disclosures	9.1	Events occurring after the end of the reporting period
Other disclosures	9.2	Initial application of Australian Accounting Standards
Other disclosures	9.3	Future impact of Australian Accounting Standards
Other disclosures	9.4	Key management personnel
Other disclosures	9.5	Related party transactions
Other disclosures	9.6	Related bodies
Other disclosures	9.7	Affiliated bodies
Other disclosures	9.8	Special purpose accounts
Other disclosures	9.9	Remuneration of auditors
Other disclosures	9.10	Services provided free of charge
Other disclosures	9.11	Non-current assets classified as assets held for sale
Other disclosures	9.12	Equity
Other disclosures	9.13	Supplementary financial information
Other disclosures	9.14	Indian Ocean Territories Service Level Agreement
Other disclosures	9.15	Explanatory statement
Administered disclosures	10.1	Disclosure of administered income and expenses by service
Administered disclosures	10.2	Explanatory statement for administered items
Administered disclosures	10.3	Administered assets and liabilities
Administered disclosures	10.4	Special purpose accounts

Notes to the financial statements for the year ended 30 June 2019

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 18 September 2019.

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 2019

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.

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 2019

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: Regional Industry and Community Development Investment Facilitation
- Service 2: Regional Technical and Technological Development
- Service 3: Regional Skills and Knowledge Development
- Service 4: Regional Social Amenity Development
- Service 5: Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions
- Service 6: Agricultural and Aquatic Biosecurity and Integrity
- Service 7: Agricultural and Fisheries Natural Resource Management

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 2019

2.2 Schedule of income and expenses by service for the year ended 30 June 2019

	Regional Industry and Community Development Investment Facilitation		Regional Technical and Technological Development		Regional Skills and Knowledge Development		Regional Social Amenity Development	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cost of services								
Expenses								
Employee benefits expense	44,894	58,130	31,355	35,369	7,557	7,233	12,014	13,800
Supplies and services	36,502	41,654	17,905	20,956	5,212	4,360	3,066	3,488
Depreciation and amortisation expense	5,465	6,856	2,348	3,180	663	648	574	608
Share of loss in joint venture entities using the equity method	2,465	2,047	-	-	-	-	-	-
Finance Cost	443	734	196	384	54	71	47	75
Accommodation expenses	2,483	3,886	1,016	898	287	171	542	422
Other expenses	15,566	26,583	3,937	13,527	624	1,175	278	(64)
Grants and subsidies paid	58,863	43,387	14,862	21,470	5,826	4,153	992	433
Loss on disposal of non-current assets	-	65	-	30	-	6	-	(34)
Total cost of services	166,680	183,341	71,620	95,814	20,223	17,817	17,513	18,728
Income								
Revenue								
User charges and fees	1,163	1,784	1,885	1,917	946	598	8,841	8,727
Commonwealth grants and contributions	188	213	88	-	51	987	226	343
Non-government grants and subsidies received	1,386	377	17,136	19,750	2,564	3,060	0	-
Other revenue	29,036	24,156	4,275	4,966	1,300	545	303	622
Gain on disposal of non-current assets	60	-	29	-	7	-	6	-
Total revenue	31,831	26,530	23,413	26,633	4,868	5,190	9,377	9,692
Total income other than income from state government	31,831	26,530	23,413	26,633	4,868	5,190	9,377	9,692
NET COST OF SERVICES	134,848	156,811	48,207	69,181	15,354	12,627	8,136	9,036
Income from state government								
Service appropriation	59,001	76,160	25,323	38,104	8,769	7,568	6,192	7,448
Resources received free of charge	928	755	399	266	113	49	98	52
Royalties for Regions Fund	86,266	67,410	34,493	30,735	7,770	10,813	538	976
Other income from State Government	119	500	47	-	13	28	13	-
Total income from state government	146,315	144,824	60,262	69,105	16,664	18,458	6,841	8,476
SURPLUS / (DEFICIT) FOR THE PERIOD	11,466	(11,987)	12,055	(76)	1,310	5,832	(1,295)	(560)

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

In 2018/19, the Department of Treasury approved for the department to report against a new Outcome-Based Management (OBM) framework following the Machinery of Government changes since 1 July 2017. The comparatives have been reinstated to align with the services in the new OBM framework.

Notes to the financial statements for the year ended 30 June 2019

2.2 Schedule of income and expenses by service for the year ended 30 June 2019 (continued)

	Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions		Agricultural and Aquatic Biosecurity and Integrity		Agricultural and Fisheries Natural Resource Management		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cost of services								
Expenses								
Employee benefits expense	13,397	12,259	43,008	42,535	35,743	35,691	187,968	205,019
Supplies and services	4,621	3,199	22,368	14,712	20,646	14,847	110,321	103,215
Depreciation and amortisation expense	730	611	2,525	2,597	2,638	1,894	14,943	16,394
Share of loss in joint venture entities using the equity method	-	-	-	-	-	-	2,465	2,047
Finance Cost	370	75	205	320	171	233	1,484	1,892
Accommodation expenses	1,850	1,123	1,141	746	1,333	863	8,652	8,109
Other expenses	125	131	929	8,607	(739)	798	20,718	50,757
Grants and subsidies paid	1,179	1,412	6,834	10,249	4,396	4,020	92,952	85,123
Loss on disposal of non-current assets	-	6	-	51	-	(35)	-	87
Total cost of services	22,273	18,816	77,009	79,816	64,187	58,311	439,503	472,643
Income								
Revenue								
User charges and fees	29	30	8,233	7,334	33,028	30,213	54,125	50,603
Commonwealth grants and contributions	-	45	1,903	2,392	978	1,953	3,434	5,933
Non-government grants and subsidies received	18	-	5,810	1,762	493	537	27,407	25,486
Other revenue	264	302	6,471	6,098	1,228	1,416	42,877	38,106
Gain on disposal of non-current assets	8	-	28	-	(11)	-	127	-
Total revenue	319	378	22,445	17,586	35,717	34,119	127,970	120,128
Total income other than income from state government	319	378	22,445	17,586	35,717	34,119	127,970	120,128
NET COST OF SERVICES	21,953	18,439	54,564	62,230	28,470	24,192	311,532	352,515
Income from state government								
Service appropriation	7,875	7,483	31,006	33,002	22,695	23,190	160,860	192,955
Resources received free of charge	124	277	429	221	693	162	2,784	1,782
Royalties for Regions Fund	16,980	16,535	7,554	7,478	5,424	3,397	159,026	137,344
Other income from State Government	15	-	182	-	186	115	576	643
Total income from state government	24,994	24,295	39,170	40,702	28,999	26,863	323,246	332,724
SURPLUS / (DEFICIT) FOR THE PERIOD	3,041	5,857	(15,394)	(21,528)	529	2,671	11,713	(19,791)

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

In 2018/19, the Department of Treasury approved for the department to report against a new Outcome-Based Management (OBM) framework following the Machinery of Government changes since 1 July 2017. The comparatives have been reinstated to align with the services in the new OBM framework.

Notes to the financial statements for the year ended 30 June 2019

2.3 Schedule of assets and liabilities by service as at 30 June 2019

	Regional Industry and Community Development Investment Facilitation		Regional Technical and Technological Development		Regional Skills and Knowledge Development		Regional Social Amenity Development	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Current assets	66,525	59,919	28,585	31,314	8,071	5,823	6,990	6,121
Non-current assets	170,924	173,698	73,443	90,774	20,738	16,880	17,959	17,743
Total assets	237,447	233,617	102,028	122,088	28,809	22,702	24,947	23,864
Liabilities								
Current liabilities	29,395	26,126	12,631	13,654	3,566	2,539	3,089	2,669
Non-current liabilities	7,587	10,072	3,260	5,263	920	979	797	1,029
Total liabilities	36,982	36,198	15,891	18,917	4,487	3,518	3,886	3,698
Net assets	200,465	197,419	86,137	103,171	24,322	19,185	21,063	20,166

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

In 2018/19, the Department of Treasury approved for the department to report against a new Outcome-Based Management (OBM) framework following the Machinery of Government changes since 1 July 2017. The comparatives have been reinstated to align with the services in the new OBM framework.

Notes to the financial statements for the year ended 30 June 2019

2.3 Schedule of assets and liabilities by service as at 30 June 2019 (continued)

	Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions		Agricultural and Aquatic Biosecurity and Integrity		Agricultural and Fisheries Natural Resource Management		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets								
Current assets	8,889	6,150	30,735	26,085	25,618	19,057	175,413	154,469
Non-current assets	22,840	17,827	78,970	75,618	65,821	55,244	450,694	447,783
Total assets	31,729	23,976	109,705	101,703	91,439	74,302	626,107	602,252
Liabilities								
Current liabilities	3,928	2,681	13,581	11,374	11,320	8,309	77,510	67,352
Non-current liabilities	1,014	1,034	3,505	4,385	2,922	3,203	20,005	25,964
Total liabilities	4,942	3,715	17,086	15,758	14,242	11,513	97,515	93,316
Net assets	26,787	20,261	92,619	85,945	77,198	62,789	528,592	508,936

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

In 2018/19, the Department of Treasury approved for the department to report against a new Outcome-Based Management (OBM) framework following the Machinery of Government changes since 1 July 2017. The comparatives have been reinstated to align with the services in the new OBM framework.

Notes to the financial statements for the year ended 30 June 2019

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	2019 \$'000	2018 \$'000
Employee benefits expenses	3.1.1	187,968	205,019
Employee benefits provisions	3.1.2	47,178	46,390
Grants and subsidies paid	3.2	92,952	85,125
Supplies and services	3.3	110,321	103,215
Other expenses	3.3	20,718	50,755
Accommodation expenses	3.3	8,652	8,109

3.1.1 Employee benefits expense

	2019 \$'000	2018 \$'000
Employee benefits expense		
Wages and salaries ^(a)	150,901	166,999
Superannuation-defined contribution plans ^(b)	16,085	16,870
Long service leave	2,924	2,222
Annual leave	11,134	11,984
Other related expenses ^(c)	6,924	6,944
	187,968	205,019

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component, redundancy payments of \$3.27 million (\$13.6 million in 2017/18) 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 (GESBs) to the amount of \$15.9 million (\$15.5 million in 2017/18) and other eligible funds.

(c) The department paid \$1.4 million (\$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 2019

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 2019

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.

	2019 \$'000	2018 \$'000
Provisions		
Current		
Annual leave (a)	16,860	15,813
Deferred and purchased leave (b)	422	360
Long service leave (c)	21,452	21,354
Total current employee benefits provision	38,734	37,527
Employee on-costs (d)	525	509
Total current other provisions	525	509
Total current provisions	39,259	38,036
Non-current		
Long service leave (c)	7,813	8,241
Total non-current employee benefits provision	7,813	8,241
Employee on-costs (d)	106	113
Total non-current other provisions	106	113
Total non-current provisions	7,919	8,354

Notes to the financial statements for the year ended 30 June 2019

3.1.2 Employee benefits provision (continued)

- (a) **Annual leave liabilities:** 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:

	2019 \$'000	2018 \$'000
Within 12 months of the end of the reporting period	11,394	11,225
More than 12 months after the reporting period	5,466	4,588
	16,860	15,813

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) **Deferred salary scheme liabilities:** 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:

	2019 \$'000	2018 \$'000
Within 12 months of the end of the reporting period	422	360
More than 12 months after the reporting period	-	-
	422	360

Notes to the financial statements for the year ended 30 June 2019

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. 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. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 \$'000	2018 \$'000
Within 12 months of the end of the reporting period	7,919	7,975
More than 12 months after the reporting period	21,346	21,620
	29,265	29,595

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.

- (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'.

Notes to the financial statements for the year ended 30 June 2019

3.1.2 Employee benefits provision (continued)

Movements in other provisions

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

	2019 \$'000	2018 \$'000
Employment on-cost provision		
Carrying amount at start of period	622	813
Additional provisions recognised	9	(191)
Carrying amount at end of period	631	622

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 2019

3.2 Grants and subsidies paid

	2019 \$'000	2018 \$'000
Recurrent		
Other grant payments	17,659	32,370
Regional Community Services Fund	40,537	19,263
Regional Infrastructure and Headworks Fund ^(a)	18,661	30,296
Regional Reform Fund	16,095	3,196
	92,952	85,125

(a) The 2017/18 financial year figures have been restated by \$14.2 million for comparative purposes as a result of the reclassification of the Regional Telecommunications Project expenditure from Other Expenses to Grants and Subsidies paid.

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 2019

3.3 Other expenses

Supplies and services

	2019 \$'000	2018 \$'000
Professional services ^(a)	50,866	43,680
Travel	5,378	4,890
Communications	3,841	3,454
Consumables	20,713	16,954
Lease, rent and hire costs	5,791	4,907
Consultancies expense	680	768
Utilities, rates and charges	3,598	3,411
Insurance	1,454	1,355
Licences, fees and registration	3,348	4,562
Advertising	1,032	1,470
Repairs and services for assets	1,534	1,966
Services purchases from Non-Government Agencies	8,917	9,162
General administration costs	3,169	6,636
Total supplies and services expenses	110,321	103,215

(a) The 2017/18 financial year figures have been restated by \$14.2 million for comparative purposes as a result of the reclassification of the Regional Telecommunications Project expenditure from Other Expenses to Grants and Subsidies paid.

Notes to the financial statements for the year ended 30 June 2019

3.3 Other expenses (continued)

Accommodation expenses

	2019 \$'000	2018 \$'000
Lease rentals ^(a)	6,153	5,770
Repairs and maintenance	2,499	2,339
Total accommodation expenses	8,652	8,109
Other expenses		
Doubtful debts expense	370	85
Donations and sponsorships	676	558
Employment on-costs	1,074	1,277
Return of unused grants	14,864	20,000
Miscellaneous other	893	1,249
Fisheries adjustment scheme buybacks	-	38
Impairments	-	210
Revaluation decrement	2,841	27,338
Total other expenditures	20,718	50,755
Total other expenses	139,691	162,079

(a) The department paid \$5.3 million (\$5.2 million in 2017/18) to the Department of Finance for accommodation.

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.

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.

Notes to the financial statements for the year ended 30 June 2019

3.3 Other expenses (continued)

Doubtful debt expense

Doubtful debt expense was recognised as the movement in the provision for doubtful debt. From 2018/19, expected credit losses expense is recognised as the movement in the allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Please refer to note 6.1 Movement in 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 2019

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	2019 \$'000	2018 \$'000
Income from State Government	4.1	323,246	332,724
User charges and fees	4.2	54,125	50,603
Commonwealth grants and contributions	4.3	3,434	5,933
Non-Government grants and subsidies received	4.4	27,407	25,486
Other revenue	4.5	42,877	38,106
Loss on disposal of non-current assets	4.6	127	(87)

Notes to the financial statements for the year ended 30 June 2019

4.1 Income from State Government

	2019 \$'000	2018 \$'000
Appropriation received during the period:		
Service appropriation ^(a)	160,860	192,955
Resources received free of charge		
Landgate for the provision of imagery and valuation services	162	28
State Solicitor's Office for the provision of legal advice	1,584	923
Department of Finance for the provision of leasing and fit out depreciation	690	830
Department of Transport for system enhancements	336	
Department of Water and Environmental Regulation for the provision of surveying services	12	1
	2,784	1,782
Other income from State Government		
Department of Jobs, Tourism, Science and Innovation	-	500
Department of Water and Environmental Regulation	297	-
Australian Institute of Marine Science	124	-
Fremantle Ports Authority	20	-
Kimberley Ports Authority	18	-
Pilbara Ports Authority	52	44
Southern Ports Authority	35	35
Mid-West ports	21	21
Other income from State Government	9	43
	576	643

Notes to the financial statements for the year ended 30 June 2019

4.1 Income from State Government (continued)

	2019 \$'000	2018 \$'000
Royalties for Regions fund ^(b)		
Seizing the Opportunity Agriculture	-	18,007
Regional Infrastructure and Headworks Account	31,190	39,743
Regional Community Services Account	91,273	42,154
Regional and Statewide Initiatives	36,563	37,440
	159,026	137,344
Total income from State Government	323,246	332,724

- 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 \$160.86 million in 2018/19 (\$192.95 million in 2017/18) comprises the following:

- Cash component
 - Service appropriations \$130,755,000
 - Biosecurity and Agriculture Management Act 2007* \$5,397,000
 - Salaries and Allowances Act 1975* \$1,009,000

- A receivable (asset) \$23,699,000

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) **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 \$159,026 under Royalties for Regions funds in 2018/19 (\$137,344 in 2017/18).

Notes to the financial statements for the year ended 30 June 2019

4.2 User charges and fees

	2019 \$'000	2018 \$'000
Access fees	31,293	28,440
Regulatory fees	-	17
Recreational licence fees	8,802	8,463
Fees for services provided under service level agreements	216	512
Other user charges and fees	13,233	12,460
Memorandum of understanding—services provided		
Agricultural Produce Commission	98	183
Rural Business Development Corporation	483	528
	54,125	50,603

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 2018/19 Budget Statements, the department retained \$145.2 million in 2018/19 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 2019

4.3 Commonwealth grants and contributions

	2019 \$'000	2018 \$'000
Commonwealth National Partnership Agreements	1,011	2,192
Commonwealth Agriculture Activity Grants	-	586
University of Western Australia	45	-
Director National Park	226	-
Department of Agriculture and Water Resources	563	970
Fisheries Research and Development Corporation	333	622
Plant Biosecurity Cooperative Research	-	140
Other grants from the Commonwealth	285	170
Indian Ocean Territories	971	1,253
	3,434	5,933

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 accounting policies 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 2019

4.4 Non-government grants and subsidies received

	2019 \$'000	2018 \$'000
Agriculture Research Grants Account No. 1		
Meat and Livestock Australia	1,941	2,398
Grains Research and Development Corporation	15,681	14,716
Rural Industry Research and Development Corporation	548	280
Australian Wool Innovation Pty Ltd	-	14
Cooperative Research Centres research grants	201	320
Commercial grants	4,715	6,583
Agriculture Research Grants Account No. 2		
Horticulture industry	3,322	534
888 Abalone	-	10
Broadspectrum	28	13
Citic Pacific Mining Management Pty Ltd	18	19
Marine Fishfarmers Association of WA	-	150
Rio Tinto	18	18
WA Fishing Industry Council	250	-
Future Green Solution Pty Ltd	48	-
Fisheries Research and Development Corporation	404	-
Other grants and subsidies	233	431
Total grants and subsidies from non-government sources	27,407	25,486

4.5 Other revenue

	2019 \$'000	2018 \$'000
Levies and rates	5,158	4,924
Return of grant allocations	9,622	16,851
Royalties	1,798	3,028
Rents and leases	2,478	2,600
Interest revenue	2,191	2,677
Other	21,630	8,026
	42,877	38,106

Notes to the financial statements for the year ended 30 June 2019

4.6 Loss on disposal of non-current assets

	2019 \$'000	2018 \$'000
Net Proceeds from disposal of non-current assets		
Vehicles and buses	164	113
Plant and machinery	25	8
Marine vessels	29	107
	218	228
Carrying amount of non-current assets disposed		
Buildings	-	132
Computer and communications equipment	-	4
Office equipment	-	6
Vehicles and buses	34	128
Plant and machinery	58	10
Marine vessels	-	35
	92	315
Net (loss)/gain	127	(87)

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 2019

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	2019 \$'000	2018 \$'000
Infrastructure, property, plant and equipment	5.1	267,368	274,730
Intangibles	5.2	12,072	14,149
		279,440	288,879

5.1 Infrastructure, property, plant and equipment

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

(a) The balance in transfers includes land and buildings transfers from/(to) assets classified as held for distribution (note 9.11).

Notes to the financial statements for the year ended 30 June 2019

5.1 Infrastructure, property, plant and equipment (continued)

	Land	Buildings	Leasehold improve- ments	Computer and communi- cations equipment	Office and other equipment	Plant and machinery	Marine vessels	Vehicles and buses	Infra- structure	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018											
Gross carrying amount	106,222	97,134	14,869	14,760	6,613	50,604	18,529	11,826	39,978	4,002	364,537
Accumulated depreciation	-	-	(10,686)	(13,708)	(4,336)	(31,156)	(11,969)	(11,074)	(6,878)	-	(89,807)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at start of period	106,222	97,134	4,183	1,052	2,277	19,448	6,560	752	33,100	4,002	274,730
2019											
Additions	43	1,628	-	290	260	2,197	453	306	61	4,083	9,321
Disposals	-	-	-	-	-	(58)	-	(34)	-	-	(92)
Transfers ^(a)	(1,660)	-	(2)	(2)	9	2,728	(22)	(1)	265	(3,004)	(1,688)
Revaluations increments/(decrements)	(2,625)	(216)	-	-	-	-	-	-	-	-	(2,841)
Depreciation ¹	-	(4,189)	(1,858)	(648)	(566)	(2,487)	(792)	(231)	(1,291)	-	(12,062)
Carrying amount at end of period	101,980	94,357	2,323	692	1,980	21,828	6,199	793	32,135	5,081	267,368
Gross carrying amount	101,980	94,357	14,868	14,948	6,805	55,265	18,893	11,622	40,304	5,081	364,123
Accumulated depreciation	-	-	(12,545)	(14,256)	(4,825)	(33,437)	(12,694)	(10,829)	(8,169)	-	(96,755)

(a) The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown Land. The land is transferred to DPLH for sale and the agency accounts for the transfer as a distribution to owner.

Notes to the financial statements for the year ended 30 June 2019

5.1 Infrastructure, property, plant and equipment (continued)

Initial recognition

Items of infrastructure, property, plant and equipment 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. Land is carried at fair value. Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses. All other items of infrastructure, property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions.

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 current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the 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 current 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).

Notes to the financial statements for the year ended 30 June 2019

5.1 Infrastructure, property, plant and equipment (continued)

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 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the valuation, fair value was determined by reference to market values for land \$14.5 million (\$15.0 million in 2017/18) and buildings \$5.0 million (\$5.6 million in 2017/18). 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).

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 2019

5.1 Infrastructure, property, plant and equipment (continued)

5.1.1 Depreciation and impairment

	2019 \$'000	2018 \$'000
Depreciation expense		
Charge for the period		
Buildings	4,189	4,753
Computer and communications equipment	648	954
Office and other equipment	566	773
Plant and machinery	2,487	2,867
Lease improvements	1,858	1,858
Marine vessels	792	941
Infrastructure	1,291	1,219
Vehicles and buses	231	269
Total depreciation for the period	12,062	13,634

As at 30 June 2019, there were no indications of impairment to property, plant and equipment or infrastructure. All surplus assets at 30 June 2019 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

Notes to the financial statements for the year ended 30 June 2019

5.1 Infrastructure, property, plant and equipment (continued)

5.1.1 Depreciation and impairment (continued)

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.

Impairment of assets

Infrastructure, property, plant and equipment 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 current 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 declining replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to current 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 2019

5.2 Intangible assets

	2019 \$'000	2018 \$'000
Computer software		
At cost	34,552	31,887
Accumulated amortisation	(22,772)	(19,891)
	11,780	11,996
Capital works in progress		
At cost	292	2,153
Total intangible assets	12,072	14,149
Reconciliation		
Computer software		
Carrying amount at start of period	11,996	-
Contribution from owner	-	12,464
Additions	-	9
Transfers from capital works in progress	2,665	2,283
Amortisation expense	(2,881)	(2,760)
Carrying amount at end of period	11,780	11,996
Capital works in progress		
Carrying amount at start of period	2,153	-
Contribution from owner	-	2,999
Additions	933	1,647
Provision for impairment	-	(210)
Transfers to computer software	(2,794)	(2,283)
Carrying amount at end of period	292	2,153

Notes to the financial statements for the year ended 30 June 2019

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

	2019 \$'000	2018 \$'000
Amortisation expense		
Charge for the period		
Intangible assets	2,881	2,760
Total amortisation for the period	2,881	2,760

Notes to the financial statements for the year ended 30 June 2019

5.2 Intangible assets (continued)

5.2.1 Amortisation and impairment (continued)

As at 30 June 2019 there was no 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:

Asset category	Life (years)
Licences	up to 10
Development costs	3 to 5
Software ^(a)	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 2019

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	2019 \$'000	2018 \$'000
Receivables	6.1	28,967	29,034
Amounts receivable for services (holding account)	6.2	144,841	126,039
Other assets	6.3	15,044	17,368
Inventories	6.4	875	1,288
Biological assets	6.5	946	864
Joint arrangements	6.6	12,643	12,621
Investments accounted for using the equity method	6.6.1	2,465	2,047
Jointly controlled assets	6.6.2	12,682	13,057
Payables	6.7	29,338	19,112
Other liabilities	6.8	389	1,106

6.1 Receivables

	2019 \$'000	2018 \$'000
Receivables		
Current		
Trade receivables	8,442	4,247
Allowance for impairment of trade receivables	(576)	(206)
Accrued revenue	12	1,379
GST receivable	3,257	2,615
Interest receivable	615	184
Other debtors	5,966	6,598
Total current receivables	17,716	14,817
Non-current		
Other debtors	11,251	14,217
Total non-current receivables	11,251	14,217

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 2019

6.1 Receivables (continued)

	2019 \$'000	2018 \$'000
Reconciliation of changes in the allowances for impairment of trade receivables:		
Balance at the start of period	206	184
Remeasurement under AASB 9	-	-
Restated balance at start of period	206	184
Doubtful debt expense	370	85
Amounts written off during the period	-	(63)
Balance at end of period	576	206

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(b) 'Financial instruments disclosures'.

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

6.2 Amounts receivable for services (Holding Account)

	2019 \$'000	2018 \$'000
Current	5,846	4,897
Non-current	138,995	121,142
	144,841	126,039
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	126,039	107,610
Non-cash appropriation	23,699	24,172
Departmental drawdown	(4,897)	(5,743)
Closing balance of holding account	144,841	126,039

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.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

Notes to the financial statements for the year ended 30 June 2019

6.3 Other assets

	2019 \$'000	2018 \$'000
Current		
Prepaid goods and services	209	265
Doppler radar maintenance	1,483	531
Lease prepayments	2,418	2,418
Licences and rentals	3,615	4,275
Total current assets	7,725	7,489
Non-current		
Doppler radar maintenance ^(a)	6,659	6,737
Goods and services	-	64
Lease prepayments ^(b)	660	3,078
Total non-current assets	7,319	9,879

- (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.

Notes to the financial statements for the year ended 30 June 2019

6.4 Inventories

	2019 \$'000	2018 \$'000
Inventories held for resale		
Agricultural produce	162	102
Raw materials and stores	713	1,186
	875	1,288

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.

6.5 Biological assets

	2019 \$'000	2018 \$'000
Livestock	693	571
Field crops	253	293
	946	864
Balance at 1 July	864	1,151
Purchases	122	115
Sales of livestock	(40)	(402)
Balance at 30 June	946	864

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.

Notes to the financial statements for the year ended 30 June 2019

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 6.6.2).

6.6.1 Investments accounted for using the equity method

	2019 \$'000	2018 \$'000
Share of loss in joint venture entity using the equity method	2,465	2,047
	2,465	2,047

Notes to the financial statements for the year ended 30 June 2019

6.6 Joint arrangements (continued)

6.6.1 Investments accounted for using the equity method (continued)

	2019 \$'000	2018 \$'000
Investments in joint ventures at initial cost of investment	37,123	34,623
Share of profit/(loss) using the equity method	(31,524)	(28,885)
Recognition of gain on dilution	2,428	2,428
	8,027	8,166
Loan to InterGrain Pty Ltd	4,616	4,455
	12,643	12,621

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 2019, 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. As at 30 June 2019, the department holds a 50% equity interest in AEGIC.

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 2019

6.6 Joint arrangements (continued)

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:

	2019 \$'000 InterGrain	2018 \$'000 InterGrain	2019 \$'000 AEGIC	2018 \$'000 AEGIC
Current assets	21,742	18,649	7,434	10,878
Non-current assets	3,452	2,746	1,168	1,192
Total assets	25,194	21,395	8,602	12,070
Current liabilities	8,194	7,669	1,798	1,664
Non-current liabilities	9,499	8,923	-	-
Total liabilities	17,693	16,592	1,798	1,664
Net (liabilities)/assets	7,501	4,803	6,804	10,406
Revenue	22,230	20,750	2,320	3,077
Expenses	(19,502)	(15,417)	(11,173)	(11,167)
Net gain/(loss)	2,728	5,333	(8,853)	(8,090)

Notes to the financial statements for the year ended 30 June 2019

6.6 Joint arrangements (continued)

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:

	2019 \$'000	2018 \$'000
Non-current assets		
Land	10,805	11,315
Building	1,955	1,742
	12,760	13,057

The department's share of these assets has been included in infrastructure, 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 at \$8.6 million in 2018/19 (\$9.0 million in 2017/18).
- (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 2018/19 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 2018/19 at \$3.6 million (land \$1.6 million and buildings \$2.0 million), (\$3.4 million in 2017/18; land \$1.7 million and buildings \$1.7 million).

Notes to the financial statements for the year ended 30 June 2019

6.7 Payables

	2019 \$'000	2018 \$'000
Current		
Trade payables	17,155	7,942
Accrued expenses	6,664	9,081
Accrued salaries	3,978	1,336
Other payables	1,541	753
Total current	29,338	19,112

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

	2019 \$'000	2018 \$'000
Accrued Western Australian Treasury Corporation charges	389	1,106
	389	1,106

Notes to the financial statements for the year ended 30 June 2019

7 Financing

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

	Notes	2019 \$'000	2018 \$'000
Borrowings	7.1	20,610	26,708
Finance costs	7.2	1,484	1,892
Reconciliation of cash	7.3.1	977	11,499
Restricted cash and cash equivalents	7.3.2	142,374	114,660
Non-cancellable operating lease commitments	7.4.1	29,416	43,401
Non-cancellable finance lease commitments	7.4.2	3,393	5,893
Capital commitments	7.4.3	771	706
Other expenditure commitments	7.4.4	22,347	6,938

Notes to the financial statements for the year ended 30 June 2019

7.1 Borrowings

	2019 \$'000	2018 \$'000
Current		
Borrowings from Western Australian Treasury Corporation ^(a)	5,966	6,598
Finance lease ^(b)	2,558	2,500
	8,524	9,098
Non-current		
Borrowings from Western Australian Treasury Corporation ^(a)	11,251	14,217
Finance lease ^(b)	835	3,393
	12,086	17,610
	20,610	26,708

- (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.

- (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 2019

7.2 Finance costs

	2019 \$'000	2018 \$'000
Interest expense	316	435
WATC Borrowing Charges	1,168	1,457
	1,484	1,892

'Finance costs' includes costs incurred in connection with the borrowing of funds 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

	2019 \$'000	2018 \$'000
Cash and cash equivalents		
Reconciliation of cash		
Cash advances	28	28
Cash at bank	949	11,471
Cash and cash equivalents	977	11,499

Notes to the financial statements for the year ended 30 June 2019

7.3 Cash and cash equivalents (continued)

7.3.2 Restricted cash and cash equivalents

	2019 \$'000	2018 \$'000
Current		
Restricted cash and cash equivalents		
Royalties for Regions Fund ^(a)	78,308	51,220
Potato Marketing Corporation	-	2
Funds for capital purposes ^(b)	2,197	2,633
Colocation Fund	77	77
Recurrent grants	485	564
Trust Account	510	516
Special purpose accounts ^(c)		
Agriculture Research Grants Account No. 1	18,600	20,605
Agriculture Research Grants Account No. 2	6,020	4,008
Commonwealth Agriculture Activity Grants (non-interest bearing)	3,299	3,839
Plant Research and Development	6,569	5,548
Cattle Industry Funded Scheme	5,563	5,747
Declared Pest Account	5,077	2,631
Land Conservation Districts Fund	80	78
Grain, Seeds and Hay Industry Funded Scheme	9,511	9,595
Sheep and Goats Industry Funded Scheme	1,760	2,014
Fisheries Research and Development	100	1,516
Recreational Fishing Account	2,500	2,500
Fisheries Adjustment Schemes Trust Account	672	522
Total current	141,328	113,615
Non-current		
Accrued salaries suspense account ^(d)	1,046	1,045
Total non-current	1,046	1,045
Total restricted cash and cash equivalents	142,374	114,660

(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 9.8 (Special Purpose Accounts) 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 2019

7.3 Cash and cash equivalents (continued)

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

	2019 \$'000	2018 \$'000
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:		
Cash and cash equivalents (note 7.3.1)	977	11,499
Restricted cash and cash equivalents: current (note 7.3.2)	141,328	113,615
Restricted cash and cash equivalents: non-current (note 7.3.2)	1,046	1,045
	143,351	126,159
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(311,533)	(352,515)
Non-cash items		
Net (gain)/loss on sale of assets (note 4.6 'Net gain/(loss) on disposal of non-current assets')	(127)	315
Depreciation and amortisation expense (note 5.1.1 'Depreciation expense' and note 5.2.1 'Amortisation expense')	14,943	16,394
Doubtful debts expense (note 3.3 'Other expenses')	351	85
Impairment expenses (note 3.3 'Other expenses')	-	210
Revaluation decrement expense (note 3.3 'Other expenses')	2,841	27,338
Resources received free of charge (note 4.1 'Income from State Government')	2,784	1,782
Other non-cash items	(2,797)	76
Share of net (profit)/loss in joint ventures using equity method (note 6.6.1 'Investments accounted for using the equity method')	2,465	2,047
(Increase)/decrease in assets		
Biological assets	(82)	287
Inventories	413	(484)
Receivables	(3,531)	(1,031)
Other assets	2,324	1,529
Increase/(decrease) in liabilities		
Payables	10,226	5,183
Provisions	788	(994)
Other liabilities	(717)	1,048
Net cash used in operating activities	(281,652)	(298,730)

Notes to the financial statements for the year ended 30 June 2019

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.

	2019 \$'000	2018 \$'000
Within 1 year	8,684	9,390
Later than 1 year and not later than 5 years	17,942	22,495
Later than 5 years	2,790	11,516
	29,416	43,401

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 various terms, with rent payable monthly in advance. Contingent rent provisions within the lease agreements require that the minimum lease payments shall be increased by the lower of CPI or 4 per cent per annum. An option exists to renew the leases at the end of the various terms for additional terms.

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 2019

7.4 Commitments (continued)

7.4.2 Non-cancellable finance lease commitments (continued)

	2019 \$'000	2018 \$'000
Finance lease commitments		
Minimum lease payments commitments in relation to the finance lease payable as follows:		
Within 1 year	2,736	2,811
Later than 1 year and not later than 5 years	844	3,580
Later than 5 years	-	-
Minimum finance lease payments	3,580	6,391
Less future finance charges	(187)	(498)
Present value of finance lease liabilities	3,393	5,893
The present value of finance leases payable is as follows:		
Within 1 year	2,558	2,500
Later than 1 year and not later than 5 years	835	3,393
Later than 5 years	-	-
Present value of finance lease liabilities	3,393	5,893
Included in the financial statements as follows:		
Current (Note 7.1 'Borrowings')	2,558	2,500
Non-current (Note 7.1 'Borrowings')	835	3,393
	3,393	5,893

Notes to the financial statements for the year ended 30 June 2019

7.4 Commitments (continued)

7.4.3. Capital commitments

	2019 \$'000	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	768	512
Later than 1 year	3	194
	771	706

7.4.4. Other Expenditure commitments

	2019 \$'000	2018 \$'000
The commitments below are inclusive of GST where relevant.		
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	15,997	3,648
Later than 1 year and not later than 5 years	6,350	3,290
	22,347	6,938

Notes to the financial statements for the year ended 30 June 2019

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) Summary of risk and risk management

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.

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. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. 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 2019

8.1 Financial risk management (continued)

(a) Summary of risk and 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(e), 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:

	2019 \$'000	2018 \$'000
Financial assets		
Cash and cash equivalents	977	11,499
Restricted cash and cash equivalents	142,374	114,660
Receivables ^(a)	8,493	5,604
Financial assets at amortised cost ^(a)	-	-
Lease prepayments	3,078	5,496
Loans and advances	21,833	25,270
Amounts receivable for services ^(b)	144,841	126,039
	321,596	288,568
Financial liabilities		
Payables	29,338	19,112
Finance lease	3,393	5,893
Borrowings	17,217	20,815
	49,948	45,820

(a) The amount of Receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(b) 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 2019

8.1 Financial risk management (continued)

(c) Credit risk exposure

The following table details the credit risk exposure on the department's trade receivables using a provision matrix

	Days past due					
	Total \$'000	Current \$'000	<30 days \$'000	31-60 days \$'000	61-90 days \$'000	>91 days \$'000
2019						
Expected credit loss rate		1.81%	2.00%	3.94%	12.09%	47.03%
Estimated total gross carrying amount at default	7,971	5,847	461	703	56	905
Expected credit losses	(575)	(106)	(9)	(28)	(7)	(426)
2018 (Remeasurement)						
Expected credit loss rate		1.90%	1.96%	5.02%	10.26%	29.18%
Estimated total gross carrying amount at default	4,872	3,276	665	511	90	329
Expected credit losses	(206)	(62)	(13)	(26)	(9)	(96)

Notes to the financial statements for the year ended 30 June 2019

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					Maturity dates				
		Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing	Nominal amount	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
2019											
Financial assets											
Cash and cash equivalents	2.08	977	-	839	138	977	977	-	-	-	-
Restricted cash and cash equivalents	2.08	142,374	-	56,452	85,922	142,374	142,374	-	-	-	-
Receivables ^(a)	-	8,493	-	-	8,493	8,493	6,576	767	910	240	-
Lease prepayments	5.09	3,078	3,023	-	55	3,635	228	456	2,052	899	-
Loans and advances	4.64	21,833	21,833	-	-	24,190	-	-	-	22,096	2,094
Amounts receivable for services	-	144,841	-	-	144,841	144,841	-	-	5,846	-	138,995
		321,596	24,856	57,291	239,449	324,510	150,155	1,223	8,808	23,235	141,089
Financial liabilities											
Payables		29,338	-	-	29,338	29,338	13,386	15,570	217	165	-
Finance lease liabilities	-	3,393	3,393	-	-	3,580	228	456	2,052	844	-
WATC borrowings	6.28	17,217	17,217	-	-	18,292	-	-	-	16,198	2,094
	4.68	49,948	20,610	-	29,338	51,210	13,614	16,026	2,269	17,207	2,094

(a) The amount of Receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

Notes to the financial statements for the year ended 30 June 2019

8.1 Financial risk management (continued)

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

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					Maturity dates				
		Carrying amount	Fixed interest rate	Variable interest rate	Non- interest bearing	Nominal amount	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
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	-	54,764	59,896	114,660	114,660	-	-	-	-
Receivables	-	5,604	-	-	5,604	5,604	3,548	511	1,545	-	-
Lease prepayments	5.09	5,496	5,441	-	55	6,446	234	468	2,108	3,636	-
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	56,285	201,572	293,099	129,941	979	15,251	25,786	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 2019

8.1 Financial risk management (continued)

(e) Interest rate sensitivity analysis

The department is exposed to interest rate risk on its restricted cash \$56.0 million in 2018/19 and cash equivalents \$0.8 million in 2018/19 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 \$573,000 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
		\$'000	Surplus	Equity	Surplus
			\$'000	\$'000	\$'000
2019					
Financial Assets					
Cash and cash equivalents		839	(8)	(8)	8
Restricted cash and cash equivalents		56,452	(565)	(565)	565
Total Increase/(Decrease)			(573)	(573)	573

		Interest rate sensitivity analysis			
		Carrying amount	-100 basis points		+100 basis points
		\$'000	Surplus	Equity	Surplus
			\$'000	\$'000	\$'000
2018					
Financial Assets					
Cash and cash equivalents		1,521	(15)	(15)	15
Restricted cash and cash equivalents		54,764	(548)	(548)	548
Total Increase/(Decrease)			(563)	(563)	563

Notes to the financial statements for the year ended 30 June 2019

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 four pending litigation claims that may affect the financial position to the value of \$2,679,497 pertaining to cases related to compensation derived from the application of Biosecurity and Agriculture Management measures. 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 nineteen 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 Act.

Negotiations in progress

There are currently no negotiations in progress.

Notes to the financial statements for the year ended 30 June 2019

8.3 Fair value measurements

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of period \$'000
2019				
Assets held for sale (note 9.11)	-	-	-	-
Land (note 5.1)	-	14,529	87,451	101,980
Buildings (note 5.1)	-	5,019	89,338	94,357
	-	19,548	176,789	196,337
2018				
Assets held for sale (note 9.11)	-	-	-	-
Land (note 5.1)	-	15,011	91,211	106,222
Buildings (note 5.1)	-	5,591	91,543	97,134
	-	20,602	182,754	203,356

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
2019			
Fair value at start of period	-	91,211	91,543
Additions	-	43	1,628
Revaluation increments/(decrements) recognised in Profit and Loss	-	(2,298)	(285)
Transfers (from/(to) Level 2)	-	155	484
Other transfers	-	-	-
Transfers	-	(1,660)	-
Depreciation expense	-	-	(4,032)
Fair value at end of period	-	87,451	89,338

Notes to the financial statements for the year ended 30 June 2019

8.3 Fair value measurements (continued)

	Held for sale \$'000	Land \$'000	Buildings \$'000
2018			
Fair value at start of period	75,156	40,080	98,573
Additions	-	-	-
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)
Fair value at end of period	-	91,211	91,543

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.

Notes to the financial statements for the year ended 30 June 2019

8.3 Fair value measurements (continued)

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.

Notes to the financial statements for the year ended 30 June 2019

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
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
Related parties	9.5
Related bodies	9.6
Affiliated bodies	9.7
Special purpose accounts	9.8
Remuneration of auditors	9.9
Services provided free of charge	9.10
Non-current assets classified as held for sale	9.11
Equity	9.12
Supplementary financial information	9.13
Indian Ocean Territories Service Level Agreement	9.14
Explanatory statement	9.15

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.

Notes to the financial statements for the year ended 30 June 2019

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The department applied AASB 9 prospectively, with an initial application date of 1 July 2018. Although the adoption of AASB 9 has resulted in changes in accounting policies, there are no adjustments to the amounts recognised in the financial statements. The transition to AASB 9 has therefore no impact on the opening balance of retained earnings. In accordance with AASB 9.7.2.15, the department has not restated the comparative information which continues to be reported under AASB 139

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the department. The following are the changes in the classification of the department's financial assets:

- Trade receivables and loans and advances (i.e. other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The department did not designate any financial assets as fair value through P/L.

Notes to the financial statements for the year ended 30 June 2019

9.2 Initial application of Australian Accounting Standards (continued)

AASB 9 Financial instruments (continued)

In summary, upon the adoption of AASB 9, the department had the following reclassifications as at 1 July 2018:

AASB 139 category	\$'000	Amortised costs \$'000	Fair value through OCI \$'000	Fair value through P/L \$'000
Loans and receivables				
Trade receivables	4,247	4,247	-	-
Loans and advances	20,815	20,815	-	-
Amount receivable for services (Holding Account)	126,039	126,039	-	-
		151,101	-	-

(b) Impairment

The adoption of AASB 9 has fundamentally changed the department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the department to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the department has re-calculated its impairment of trade receivables as at 1 July 2018; and no additional impairment is recognised due to immaterial differences between the two approaches.

Notes to the financial statements for the year ended 30 June 2019

9.3 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.

**Operative for
reporting periods
beginning on/after**

AASB 15 *Revenue from Contracts with Customers*

1 Jan 2019

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 contracts with customers. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

The department's income is primarily derived from appropriations which will be measured under AASB 1058 and thus will not be materially affected by this change. However, the department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. 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.

The department will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

Notes to the financial statements for the year ended 30 June 2019

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

**Operative for
reporting periods
beginning on/after**

AASB 16 *Leases*

1 Jan 2019

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.

While the impact of AASB 16 has not yet been quantified, the department currently has commitments for \$56 million worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.

The department will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

Notes to the financial statements for the year ended 30 June 2019

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

**Operative for
reporting periods
beginning on/after**

AASB 1058 *Income of Not-for-Profit Entities*

1 Jan 2019

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 an entity.

AASB 1058 will have no impact on appropriations and recurrent grants received by the department – they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account.

The department will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

Notes to the financial statements for the year ended 30 June 2019

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

		Operative for reporting periods beginning on/after
AASB 1059	<i>Service Concession Arrangements: Grantors</i> This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity 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 mandatory effective date of this Standard is currently 1 January 2020 after being amended by AASB 2018-5. The department does not manage any public private partnership that is within the scope of the Standard.	1 Jan 2019
AASB 2016-8	<i>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 2019

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

		Operative for reporting periods beginning on/after
AASB 2018-4	<p><i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i></p> <p>This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the use of licenses. There is no financial impact as the department does not issue licenses.</p>	1 Jan 2019
AASB 2018-5	<p><i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i></p> <p>This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.</p>	1 Jan 2019
AASB 2018-7	<p><i>Amendments to Australian Accounting Standards – Definition of Material</i></p> <p>This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.</p>	1 Jan 2020
AASB 2018-8	<p><i>Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</i></p> <p>This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.</p> <p>The department will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.</p>	1 Jan 2019

Notes to the financial statements for the year ended 30 June 2019

9.4 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 (\$)	2019	2018
190,001 - 200,000	1	-
200,001 - 210,000	-	1
210,001 - 220,000	1	-
220,001 - 230,000	-	1
250,001 - 260,000	1	-
260,001 - 270,000	-	1
370,001 - 380,000	2	-
380,001 - 390,000	-	1
390,001 - 400,000	-	1

	2019 \$'000	2018 \$'000
Short-term employee benefits	1,133	1,175
Post-employment benefits	142	155
Other long-term benefits	136	137
Termination benefits	-	-
Total compensation of senior officers	1,411	1,467

Notes to the financial statements for the year ended 30 June 2019

9.5 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).

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:
 - Agricultural Produce Commission \$175,680
 - Australian Export Grains Innovation Centre \$1,250,000
 - Department of Communities \$2,783,794
 - Department of Education \$3,425,853
 - Department of Health \$90,000
 - Department of the Premier and Cabinet \$30,585
 - Department of Transport \$50,059
 - Goldfields-Esperance Development Commission \$128,611
 - Great Southern Development Commission \$168,770
 - Katanning Land Conservation District Committee \$70,680
 - Kimberley Development Commission \$27,526
 - MidWest Development Commission \$172,750
 - Peel Development Commission \$172,401
 - Recfishwest \$244,545
 - Surf Life Saving Western Australia \$3,338,011
 - Western Australian Fishing Industry Council \$2,709,442
 - Wheatbelt Development Commission \$247,394

Notes to the financial statements for the year ended 30 June 2019

9.5 Related party transactions (continued)

- Supplies and services (note 3.3) includes:
 - Agricultural Produce Commission \$67,601
 - Australian Export Grains Innovation Centre \$1,417,729
 - Central Regional TAFE \$75,006
 - Department of Finance \$10,808,210
 - Department of Finance State Fleet \$2,351,831
 - Department of Justice \$53,595
 - Department of Mines, Industry Regulation and Safety \$284,713
 - Department of Planning, Lands and Heritage \$234,650
 - Department of Training and Workforce Development \$187,972
 - Department of Transport \$228,034
 - Horizon Power \$118,892
 - Landcorp \$250,056
 - Landgate \$127,056
 - Mid-West Ports Authority \$52,788
 - North Metropolitan TAFE \$83,705
 - Office of the Auditor General \$877,315
 - Recfishwest \$1,259,800
 - RiskCover \$1,801,247
 - South Metropolitan TAFE \$45,288
 - Synergy \$1,269,793
 - Water Corporation \$217,913
- Accommodation lease payments (note 3.3)
- Other expenditures (note 3.3) includes:
 - RiskCover \$992,320
- 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:
 - Rural Business Development Corporation \$476,746
 - Department of Planning, Lands and Heritage \$215,816
 - Australian Export Grains Innovation Centre \$154,497
 - Department of the Premier and Cabinet \$63,636
 - Department of Water and Environmental Regulation \$10,447

Notes to the financial statements for the year ended 30 June 2019

9.5 Related party transactions (continued)

Significant transactions with government-related entities

- Other revenue (note 4.5) includes:
 - Australian Export Grains Innovation Centre \$289,390
 - Department of Biodiversity, Conservation & Attractions \$62,371
 - Department of Communities \$303,124
 - Department of Health \$22,686
 - Department of Jobs, Tourism, Science and Innovation \$2,007,000
 - Department of the Premier and Cabinet \$228,148
 - Department of Transport \$71,275
 - Department of Water and Environmental Regulation \$170,982
 - Forest Products Commission \$177,320
 - Goldfields-Esperance Development Commission \$30,000
 - Great Southern Development Commission \$117,433
 - Insurance Commission \$317,949
 - Landcorp \$63,434
 - RiskCover \$44,135
 - Rural Business Development Corporation \$67,148
 - Wheatbelt Development Commission \$30,000

- Services provided free of charge (note 9.10)

- Capital appropriations (note 9.12)

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 2019

9.6 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 9.8).

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

9.7 Affiliated bodies

The Community Resource Centre Network is an affiliated body that received administrative support through contracts for service for \$9.1 million (\$9.2 million in 2017/18) and grant funding of \$3.5 million (\$2 million in 2017/18) 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 2019

9.8 Special purpose accounts

	2019 \$'000	2018 \$'000
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.		
Balance at start of period	20,605	16,887
Receipts	21,333	27,469
Payments	(23,338)	(23,751)
Balance at end of period	18,600	20,605
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	4,008	3,151
Receipts	4,108	2,370
Payments	(2,096)	(1,513)
Balance at end of period	6,020	4,008
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	3,839	4,552
Receipts	2,337	2,952
Payments	(2,877)	(3,665)
Balance at end of period	3,299	3,839
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	5,548	11,391
Receipts	1,929	1,249
Payments	(908)	(7,092)
Balance at end of period	6,569	5,548

Notes to the financial statements for the year ended 30 June 2019

9.8 Special purpose accounts (continued)

	2019 \$'000	2018 \$'000
Cattle Industry Funded Scheme		
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	5,747	5,578
Receipts	331	358
Payments	(515)	(189)
Balance at end of period	5,563	5,747
Declared Pest Account		
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	2,631	2,794
Receipts	7,650	3,496
Payments	(5,204)	(3,659)
Balance at end of period	5,077	2,631
Land Conservation Districts Fund		
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	78	144
Receipts	99	94
Payments	(97)	(160)
Balance at end of period	80	78

Notes to the financial statements for the year ended 30 June 2019

9.8 Special purpose accounts (continued)

	2019 \$'000	2018 \$'000
Grain, Seeds and Hay Industry Funded Scheme		
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	9,595	9,756
Receipts	4,433	4,052
Payments	(4,517)	(4,213)
Balance at end of period	9,511	9,595
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.		
Balance at start of period	2,014	2,014
Receipts	702	805
Payments	(956)	(805)
Balance at end of period	1,760	2,014

Notes to the financial statements for the year ended 30 June 2019

9.8 Special purpose accounts (continued)

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. 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.

	2019 \$'000	2018 \$'000
Balance at start of period	1,516	1,060
Receipts	-	-
Contribution from Consolidated Account	26,540	39,767
Royalties for Regions	-	410
Fisheries access fees	31,293	29,899
Grants and contributions	1,404	1,022
Other receipts	9,692	6,328
Interest	209	110
Payments	-	-
Contributions to Fisheries WA operations	(70,554)	(77,080)
Balance at end of period	100	1,516

Notes to the financial statements for the year ended 30 June 2019

9.8 Special purpose accounts (continued)

	2019 \$'000	2018 \$'000
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.		
Balance at start of period	2,500	2,500
Receipts		
Contribution from Consolidated Account	9,170	9,340
Recreational fishing licences	8,802	8,463
Payments		
Expenditure on recreational fishing related activities	(17,972)	(17,803)
Balance at end of period	2,500	2,500
Fisheries Adjustment Schemes Trust Account		
The purpose of this account is to hold funds in accordance with section 5 of the <i>Fisheries Adjustment Scheme Act 1987</i> which shall be applied by the Minister for the purposes prescribed by section 6 of that Act.		
Balance at start of period	522	551
Receipts		
Repayments from Industry for Voluntary Fisheries Adjustment Schemes	5,485	6,174
Payments		
Loan repayment, interests and guarantee fees to WATC for Voluntary Fisheries Adjustment Schemes	(5,335)	(6,165)
Unit buy back State Scheme	-	(38)
Balance at end of period	672	522

Notes to the financial statements for the year ended 30 June 2019

9.9 Remuneration of auditor

	2019 \$'000	2018 \$'000
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	597	578
Certifications: Royalties for Regions	-	158
	597	736

9.10 Services provided free of charge

	2019 \$'000	2018 \$'000
Services provided free of charge		
During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the department.		
Gascoyne Development Commission	1,015	900
Goldfields-Esperance Development Commission	1,940	1,466
Great Southern Development Commission	1,260	1,342
Kimberley Development Commission	1,705	1,334
Midwest Development Commission	1,375	1,292
Peel Development Commission	1,265	1,763
Pilbara Development Commission	2,531	2,305
South West Development Commission	2,987	2,721
Wheatbelt Development Commission	1,079	1,195
Agricultural Produce Commission (APC)	66	69
Department of Biodiversity, Conservation and Attractions	53	55
Department of Communities	5	-
Department of Education WA	1	-
Department of Finance	26	2
Department of Fire and Emergency Services	10	4
Department of Health	4	-
Department of Jobs, Tourism, Science and Innovation	-	8
Department of Local Government, Sport and Cultural Industries	1	1
Department of Mines, Industry Regulation and Safety	11	2
Department of Planning, Lands and Heritage	1	2
Department of the Premier and Cabinet	1	-
Department of Training and Workforce Development	1	-

Notes to the financial statements for the year ended 30 June 2019

9.10 Services provided free of charge (continued)

	2019 \$'000	2018 \$'000
Services provided free of charge		
During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the department.		
Department of Transport	5	1
Department of Water and Environmental Regulation	10	9
Forest Products Commission	-	-
Housing Authority	-	1
Landgate	13	2
Main Roads Western Australia	10	2
Office of the Environmental Protection Authority	2	-
Perth Zoological Gardens	63	-
Public Transport Authority of Western Australia	1	-
Water Corporation	-	2
Western Australian Museum	1	1
Western Australia Police	13	-
Western Power	8	-
	15,463	14,479

Notes to the financial statements for the year ended 30 June 2019

9.11 Non-current assets classified as assets held for sale

	2019 \$'000	2018 \$'000
Assets classified as held for distribution to owners		
Land and buildings		
Current	-	-
Non-current	-	-
	-	-
Opening balance	-	-
Contribution from owner	-	75,181
Assets reclassified back to Property, Plant and Equipment	-	(74,420)
Total assets classified as held for distribution to owners	-	761
Less assets distributed	-	(761)
Closing balance	-	-

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.

Notes to the financial statements for the year ended 30 June 2019

9.12 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.

	2019 \$'000	2018 \$'000
Contributed equity		
Balance at start of period	528,727	-
Transfer of net assets from other departments	46	524,282
Contributions by owners		
Capital appropriation	525	1,085
Other contributions by owners		
Royalties for Regions Fund - Regional Community Services Account	7,055	-
Royalties for Regions Fund - Regional Infrastructure and Headworks Account	1,977	4,121
Distributions to owners		
Transfer of assets to other agencies:		
Land for sale transferred to the DPLH net assets transferred to Government	(1,660)	(761)
Balance at end of period	536,670	528,727

(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.

	2019 \$'000	2018 \$'000
Accumulated surplus/(deficit)		
Balance at start of period	(19,791)	-
Result for the period	11,713	(19,791)
Other comprehensive income	-	-
Balance at end of period	(8,078)	(19,791)
Total equity at end of period	528,592	508,936

Notes to the financial statements for the year ended 30 June 2019

9.13 Supplementary financial information

	2019 \$'000	2018 \$'000
(a) Write-offs		
Non-current assets		
During the financial year \$0 was written off the department's asset register under the authority of:		
The accountable authority	-	61
The Minister	-	-
	-	61
Irrecoverable amounts and inventory		
During the financial year \$263,283 was written off in bad debts and inventory under the authority of:		
The accountable authority	93	63
The Minister	170	-
	263	63
(b) Losses through theft, defaults and other causes		
Losses of public moneys and public and other property through theft or default	-	70
Amounts recovered—insurance	-	(64)
	-	6

Notes to the financial statements for the year ended 30 June 2019

9.14 Indian Ocean Territories Service Level Agreement

	2019 \$'000	2018 \$'000
The provision of services to the Indian Ocean territories are recouped from the Commonwealth Government.		
Opening balance	416	91
Receipts	1,236	1,360
Payments	(1,211)	(1,035)
Closing balance	441	416

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement

All variances between estimates and actual results for 2019, and between actual results for 2019 and 2018 are shown below.

Narratives are provided for key major variances, which are generally greater than:

- 5% and \$9.5 million for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$12.0 million for the Statement of Financial Position.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Statement of comprehensive income	Variance note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Cost of service						
Expenses						
Employee benefits expense	1, A	196,393	187,968	205,019	(8,425)	(17,051)
Supplies and services	2	125,591	110,321	103,215	(15,270)	7,106
Depreciation and amortisation expense		22,180	14,943	16,394	(7,237)	(1,451)
Share of loss in joint venture entities using the equity method		-	2,465	2,047	2,465	418
Finance costs		1,211	1,484	1,892	273	(408)
Accommodation expenses		14,139	8,652	8,109	(5,487)	543
Other expenses	B	18,559	20,718	50,755	2,159	(30,037)
Grants and subsidies paid	3	135,247	92,952	85,125	(42,295)	7,827
Loss on disposal of non-current assets		227	-	87	(227)	(87)
Total cost of service		513,547	439,503	472,643	(74,044)	(33,140)
Income						
Revenue						
User charges and fees		56,245	54,125	50,603	(2,120)	3,522
Commonwealth grants and contributions		2,768	3,434	5,933	666	(2,499)
Non-government grants and subsidies received		26,331	27,407	25,486	1,076	1,921
Gain on disposal of non-current assets		-	127	-	127	127
Other revenue	4	11,001	42,877	38,106	31,876	4,771
Total revenue		96,345	127,970	120,128	31,625	7,842
Total income other than income from State Government		96,345	127,970	120,128	31,625	7,842
Net cost of service		417,202	311,533	352,515	(105,669)	(40,982)
Income from State Government						
Service appropriations	5, C	172,701	160,860	192,955	(11,841)	(32,095)
Services received free of charge		2,162	2,784	1,782	622	1,002
Royalties for Regions Fund	6, D	227,965	159,026	137,344	(68,939)	21,682
Other income from State Government		-	576	643	576	(67)
Total Income from State Government		402,828	323,246	332,724	(79,582)	(9,478)
Surplus/(Deficit) for the period		(14,374)	11,713	(19,791)	26,087	31,504
Other comprehensive income						
Items not subsequently reclassified to net cost of service						
Changes in asset revaluation surplus		-	-	-	-	-
Gains/(losses) recognised directly in equity		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		(14,374)	11,713	(19,791)	26,087	31,504

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Statement of financial position	Variance note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Current assets						
Cash and cash equivalents	7, E	3,162	977	11,499	(2,185)	(10,522)
Restricted cash and cash equivalents	8, F	63,897	141,328	113,615	77,431	27,713
Biological assets		1,151	946	864	(205)	82
Inventories		633	875	1,288	242	(413)
Receivables		7,106	17,716	14,817	10,610	2,899
Amounts receivable for services		4,270	5,846	4,897	1,576	949
Assets classified as held for distribution to owners	9	59,711	-	-	(59,711)	-
Other current assets		14,566	7,725	7,489	(6,841)	236
Total current assets		154,496	175,413	154,469	20,917	20,944
Non-current assets						
Restricted cash and cash equivalents		1,540	1,046	1,045	(494)	1
Amounts receivable for services	G	142,447	138,995	121,142	(3,452)	17,853
Receivables		10,235	11,251	14,217	1,016	(2,966)
Other non-current assets	10	47,615	7,319	9,879	(40,296)	(2,560)
Investments accounted for using equity method		11,669	12,643	12,621	974	22
Property plant and equipment	11	229,365	267,368	274,730	38,003	(7,362)
Intangible assets		16,240	12,072	14,149	(4,168)	(2,077)
Total non-current assets		459,111	450,694	447,783	(8,417)	2,911
Total assets		613,607	626,107	602,252	12,500	23,855
Current liabilities						
Payables	12	6,336	29,338	19,112	23,002	10,226
Provisions		38,829	39,259	38,036	430	1,223
Borrowings		8,515	8,524	9,098	9	(574)
Other current liabilities		8,537	389	1,106	(8,148)	(717)
Total current liabilities		62,217	77,510	67,352	15,293	10,158
Non-current liabilities						
Provisions		8,607	7,919	8,354	(688)	(435)
Borrowings		8,206	12,086	17,610	3,880	(5,524)
Total non-current liabilities		16,813	20,005	25,964	3,192	(5,959)
Total liabilities		79,030	97,515	93,316	18,485	4,199
Net assets		534,577	528,592	508,936	(5,985)	19,656
Equity						
Contributed equity		345,623	536,670	528,727	191,047	7,943
Reserves	13	257,462	-	-	(257,462)	-
Accumulated deficit		(68,508)	(8,078)	(19,791)	60,430	11,713
Total equity		534,577	528,592	508,936	(5,985)	19,656

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Statement of cash flows	Variance note				Variance	Variance
		Estimate 2019	Actual 2019	Actual 2018	between estimate and actual	between actual results for 2019 and 2018
		\$'000	\$'000	\$'000	\$'000	\$'000
Statement of cash flows						
Cash flow from State Government						
Service appropriation	14, H	149,008	137,161	168,783	(11,847)	(31,622)
Capital contributions		285	9,557	5,206	9,272	4,351
Holding account drawdown		4,897	4,897	5,743	-	(846)
Royalties for Regions Fund	15, I	236,873	159,026	137,344	(77,847)	21,682
Other income from State Government		-	576	643	576	(67)
Net cash provided by State Government		391,063	311,217	317,719	(79,846)	(6,502)
Utilised as follows:						
Cash flows from operating activities						
Payments						
Employee benefits	16, J	(196,262)	(185,193)	(206,957)	11,069	21,764
Supplies and services	17, K	(115,001)	(103,546)	(93,134)	11,455	(10,412)
Accommodation		(13,965)	(8,652)	(7,725)	5,313	(927)
Finance costs		(1,252)	(1,484)	(1,551)	(232)	67
GST payments on purchases		(21,485)	(20,344)	(20,550)	1,141	206
GST payments to taxation authority		(5,659)	-	-	5,659	-
Other payments		(22,053)	(14,723)	(23,130)	7,330	8,407
Grants and subsidies	18, L	(139,096)	(92,952)	(84,978)	46,144	(7,974)
Receipts						
User charges and fees	19	59,735	49,930	49,635	(9,805)	295
Commonwealth grants and contributions		2,768	3,434	5,258	666	(1,824)
Interest received		2,625	1,760	2,202	(865)	(442)
GST receipts on sales		5,704	4,900	5,358	(804)	(458)
GST receipts from taxation authority		21,396	15,444	15,008	(5,952)	436
Non-government grants and subsidies		26,331	27,407	25,271	1,076	2,136
Other receipts	20	3,709	42,367	36,563	38,658	5,804
Net cash used in operating activities		(392,505)	(281,652)	(298,730)	110,853	17,078

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

		Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Cash flows from investing activities	Variance note					
Payments						
Investment in joint ventures		-	(2,487)	(3,000)	(2,487)	513
Purchase of non-current assets	21	(40,517)	(10,254)	(12,330)	30,263	2,076
Receipts						
Proceeds from sale of non-current physical assets		152	218	228	66	(10)
Net cash used in investing activities		(40,365)	(12,523)	(15,102)	27,842	2,579
Cash flows from financing activities						
Payments						
Repayment of borrowings		(6,598)	(3,598)	(4,790)	3,000	1,192
Receipts						
Proceeds from industry		4,790	3,748	4,790	(1,042)	(1,042)
Net cash from/(used by) financing activities		(1,808)	150	-	1,958	150
Net increase/(decrease) in cash held		(43,615)	17,192	3,887	60,807	13,305
Cash and cash equivalents at the beginning of the reporting period		112,216	126,159	122,272	13,943	3,887
Cash and cash equivalents at the end of the reporting period		68,601	143,351	126,159	74,750	17,192

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Major variance narratives

Statement of comprehensive income

Variances between estimate and actual

- 1) Employee benefits: \$8.4 million, 4% below the original budget estimate.

This reflects vacancies in the department's organisational structure during 2018/19 post machinery of government changes. With the approval of the 2019/20 budget, the department has certainty over its salary cap across the forward estimates period resulting in the restructure being finalised and implemented in the 2019/20 financial year.

- 2) Supplies and services: \$15.3 million, 12% below the original budget estimate.

This reduction primarily reflects underspends across the department's Royalties for Regions (RfR) and externally funded projects, following the re-cashflow of project expenditure from 2017/18 and 2018/19 into the out-years, and changes in project scopes approved as part of the Government's Mid-year Review and Budget processes. In addition, underspends in the Consolidated Account also contributed to the overall underspend.

- 3) Grants and subsidies paid: \$42.3 million, 31% 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 2018/19 into the out-years, and changes in project scopes approved as part of the Government's Mid-year Review and Budget processes.

- 4) Other revenue: \$31.9 million, 290% above the original budget estimate.

The increase includes the return of unused grants (\$9.6 million) and receipt of monies from the Regional Reform Fund (\$16.1 million) which was reflected as administered income in the original budget.

- 5) Service appropriations: \$11.8 million, 7% below the original budget estimate

During the 2019/20 budget process, \$14 million of service appropriation was re-cashflowed from 2018/19 into the out-years for the replacement of core business systems

- 6) Royalties for Regions Fund: \$69.0 million, 30% below the original budget estimate.

This reduction is in line with the underspends across the department's RfR-funded projects, following approval through the 2018/19 mid-year review process to re-cashflow project expenditure underspends from 2017/18 into the out-years, and changes in project scopes.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Major variance narratives

Statement of comprehensive income

Variances between 2019 and 2018

A) Employee benefits: \$17.1 million, 8.3% below 2018.

The decrease reflects vacancies in the department's organisational structure during 2018/19 post machinery of government changes, and 2018 also reflects severance payments made relating to the WA State voluntary targeted severance scheme.

B) Other expenses: \$30.0 million, 59% below 2018.

The decrease from 2017/18 reflects the reduced revaluation decrement recorded in 2018/19 (\$24 million lower).

C) Service appropriations: \$32.1 million, 17% below 2018.

The reduction reflects \$14 million of service appropriation re-cashflowed from 2018/19 and into the out-years for the replacement of core business systems. In addition, 2017/18 funding included \$9.8 million for the payment of the voluntary targeted severance scheme. The balance of the variance relates to an overall reduction because of previous government policy decisions.

D) Royalties for Regions Fund: \$21.7 million, 16% above 2017/18.

This increase primarily reflects the department's approved RfR-funded projects.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Major variance narratives

Statement of financial position

Variances between estimate and actual

- 7) Cash and cash equivalents: \$2.2 million, 69% below the original budget estimate.
The cash balance is lower than budget estimates as a result of the timing of payments and the mix of different funding sources of revenue and expenditure.
- 8) Restricted cash and cash equivalents: \$77.4 million, 121% above the original budget estimate.
The increase in unspent Royalties for Regions funding primarily reflects underspends across the department's RfR-funded projects, following the re-cashflow of project expenditure from 2017/18 and 2018/19 into the out-years, and changes in project scopes as approved as part of the government's Mid-year Review and Budget processes.
- 9) Assets classified as held for sale: \$59.7 million, 100% below the original budget estimate.
It is no longer expected that the property classified as held for sale in the budget is to be sold. Therefore, the property remains within property, plant and equipment.
- 10) Other non-current assets: \$40.3 million, 85% below the original budget estimate.
Other non-current assets in the original budget estimates included \$15.7 million of assets held for sale, and \$27.2 million which should have been included in property, plant and equipment. The \$15.7 million of assets held for sale has subsequently been reclassified into property, plant and equipment.
- 11) Property, plant and equipment: \$38.0 million, 17% above the original budget estimate.
Items of property, plant and equipment were classified as other non-current assets in the original budget estimate, \$15.7 million of assets held for sale and \$27.2 million of other assets. These have subsequently been reclassified into property, plant and equipment.
- 12) Payables: \$23.0 million, 363% above the original budget estimate.
The budget was understated as it had not included accrued salaries and accrued expense, which amounted to \$10.6 million in the current year. Furthermore, with 30 June falling on a Sunday for the current financial year, payments such as the NAB corporate card account were only made in the new financial year resulting in payables being higher than expected.
- 13) Reserves: \$257.5 million, 100% below the original budget estimate
When the department was formed following the amalgamation of three individual agencies, the reserves of the amalgamated agencies were not carried over, which is in line with the Australian Accounting Standards. The reserves were nil this year as there was no increment from the revaluation of land and buildings. The classification of revaluation reserve at the date of amalgamation has been corrected in the 2019/20 budget estimates.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Major variance narratives

Statement of financial position

Variances between 2019 and 2018

E) Cash and cash equivalents: \$10.5 million, 92% below 2018.

The cash balance is lower than 2018 as a result of the timing of payments and the mix of different funding sources of revenue and expenditure.

F) Restricted cash and cash equivalents: \$27.7 million, 24% above 2018

The increase in the unspent Royalties for Regions Fund largely reflects the re-cashflow of project spending from 2017/18 into 2018/19 and the out-years.

G) Amounts receivable for services: \$17.9 million, 15% above 2018.

The increase in the amounts receivable for services reflects depreciation for the year, offset by amounts expected to be drawn down from the holding account in 2019/20, which is classified as current.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

Major variance narratives

Statement of cash flows

Variances between estimate and actual

14) Service appropriations: \$11.8 million, 8% below the original budget estimate.

The reduction reflects \$14 million of service appropriation re-cashflowed from 2018/19 and into the out-years for the replacement of core business systems.

15) Royalties for Regions Fund: \$77.8 million, 33% 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 2018/19 and into the out-years, and changes in project scopes approved as part of the Government's Mid-year Review and Budget processes

16) Employee benefits: \$11.0 million, 6% below the original budget estimate.

This reflects vacancies in the department's organisational structure post machinery of government changes. With the approval of the 2019-20 budget, the department has more certainty over its salary cap across the forward estimates period resulting in the restructure being finalised and implemented in the 2019/20 financial year.

17) Supplies and services: \$11.5 million, 10% 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 2018/19 into the out-years, and changes in project scopes approved as part of the Government's Mid-year Review and Budget processes. In addition, underspends in Externally Funded projects also contributed to the overall underspend.

18) Grants and subsidies paid: \$46.1 million, 33% 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 2018/19 into the out-years, and changes in project scopes approved as part of the Government's Mid-year Review and Budget processes. In addition, underspends in Externally Funded projects also contributed to the overall underspend.

19) User charges and fees: \$9.8 million, 16.4% below the original budget estimate.

User Charges and fees received are below budget due to the estimated timing of receipts, with receivables relating to user charges and fees increasing in 2018/19.

Notes to the financial statements for the year ended 30 June 2019

9.15 Explanatory statement (continued)

20) Other receipts: \$38.7 million, 1,042% above the original budget estimate.

This primarily reflects the return of unspent funds from Royalties for Regions programs, and receipt of monies from the Regional Reform Fund.

21) Purchase of non-current assets: \$30.2 million, 75% below the original budget estimate.

Primarily due to the re-forecast of capital expenditure due to delays in identifying suitable capital projects for the Royalties for Regions North West Aboriginal Housing Initiative and the associated reallocation of funding to the East Kimberley Transitional Housing project. In addition, capital expenditure relating to the commencement of the Information Management System Upgrade project has been deferred to 2019/20.

Variances between 2019 and 2018

H) Service appropriations: \$31.6 million, 19% below 2018.

The reduction reflects \$14 million of service appropriation re-cashflowed from 2018/19 and into the out-years for the replacement of core business systems. In addition, 2018 funding included \$9.8 million for the payment of the voluntary targeted severance scheme. The balance of the variance relates to an overall reduction because of previous government policy decisions.

I) Royalties for Regions Fund: \$21.7 million, 16% above 2018.

The increase in the Royalties for Regions Fund largely reflects the increase in the department's approved RfR-funded projects.

J) Employee benefits: \$21.8 million, 11% below 2018

The decrease reflects vacancies in the department's organisational structure during 2018/19 following post machinery of government changes. In addition, 2018 also included severance payments relating to the WA State voluntary targeted severance scheme.

K) Supplies and services: \$10.4 million, 11% above 2018

The increase in supplies and services primarily relates to Royalties for Regions and externally funded projects.

L) Grants and subsidies paid: \$8.0 million, 9% above 2018

The increase mainly reflects increase in grant payments relating to the Regional Reform Fund in 2019.

Notes to the financial statements for the year ended 30 June 2019

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	10.1
Explanatory statement for administered items	10.2
Administered assets and liabilities	10.3
Special purpose accounts	10.4

Notes to the financial statements for the year ended 30 June 2019

10.1 Disclosure of administered income and expenses by service

	Co-operative loans		Commonwealth grants		State NRM program		Regional Reform Fund		Infringements		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Items												
Income												
Interest revenue	1,389	1,357	12	35	-	-	-	-	-	-	1,401	1,392
Other revenue	-	-	-	-	50	66	-	-	-	-	50	66
Royalties for Regions	-	-	-	-	6,668	6,207	-	-	-	-	6,668	6,207
Regional Reform Fund	-	-	-	-	-	-	-	-	-	-	-	-
Service appropriation	-	-	-	-	1,550	1,600	-	-	-	-	1,550	1,600
Regulatory fees and charges	-	-	-	-	-	-	-	-	-	279	-	279
Total administered income	1,389	1,357	12	35	8,268	7,873	-	-	-	279	9,669	9,544
Expenses												
Employee benefits expense	-	-	-	-	-	-	-	-	-	-	-	-
Grants & subsidies	-	-	-	2,167	5,744	7,870	16,095	3,660	-	-	21,839	13,697
Interest payments	897	1,033	-	-	-	-	-	-	-	-	897	1,033
Supplies and services	452	365	-	-	240	625	-	-	-	-	692	990
Transfer payments ^(a)	-	-	-	-	-	-	-	-	-	259	-	259
Total administered expenses	1,349	1,398	-	2,167	5,984	8,495	16,095	3,660	-	259	23,428	15,979

(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 2019

10.2 Explanatory statement for administered items

All variances between estimates and actual results for 2019, and between actual results for 2019 and 2018 are shown below.

Narratives are provided for key major variances, which are generally greater than:

- 5% and \$1.0 million

	Variance note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance estimate and actual \$000	Variance actual 2019 and 2018 \$000
Administered Items						
Income						
Interest revenue		1,173	1,401	1,392	228	9
Other revenue		-	50	66	50	(16)
Royalties for Regions	1	11,219	6,668	6,207	(4,551)	461
Revenue from Regional and Statewide Initiatives	2	(70,667)	-	-	70,667	-
Service appropriation		1,550	1,550	1,600	-	(50)
Regulatory fees and charges			-	279	-	(279)
Total administered income		(56,725)	9,669	9,544	66,394	125
Expenses						
Grants and subsidies	3,A	69,644	21,839	13,697	(47,805)	8,142
Interest payments		862	897	1,033	35	(136)
Supplies and services		1,218	692	990	(526)	(298)
Transfer payments		-	-	259	-	(259)
Royalties for Regions Program Underspend Provision	4	(54,110)	-	-	54,110	-
Total administered expenses		17,614	23,428	15,979	5,814	7,449

Notes to the financial statements for the year ended 30 June 2019

10.2 Explanatory statement for administered items

Variances between estimate and actual

- 1) Royalties for Regions: \$4.6 million variance, 41% below the original budget.

The budget included Regional Reinvestment Initiative (Unallocated) as administered income, but it was allocated to Controlled Royalties for Regions Fund in 2018/19.

- 2) Revenue from Regional and Statewide initiatives: \$70.7 million variance, 100% variance to the original budget.

This is a budget adjustment applied by Treasury to take into account the expected underspend in the entire Royalties for Regions Fund.

- 3) Grants and subsidies: \$47.8 million variance, 68% below the original budget.

This is primarily due to underspend within the Royalties for Regions projects: Essential and Municipal Services Improvement in Remote Aboriginal Communities, North West Aboriginal Housing and Kimberley Schools Project.

- 4) Royalties for Regions Program Underspend Provision: \$54.1 million variance, 100% variance to the original budget.

This is a budget adjustment applied by Treasury to take into account the expected underspend in the entire Royalties for Regions Fund.

Variances between 2019 and 2018

- A) Grants and subsidies: \$8.1 million variance, 59% above 2018.

This increase is mainly due to higher grant payment from the Regional Reform Fund for approved RfR projects.

Notes to the financial statements for the year ended 30 June 2019

10.3 Administered assets and liabilities

	Total	
	2019	2018
	\$'000	\$'000
Current assets		
Cash and cash equivalents	8,205	5,866
Restricted cash and cash equivalents	80,075	96,188
Receivables	7,346	6,165
Total administered current assets	95,626	108,219
Non-current assets		
Loan	22,036	28,862
Total administered non-current assets	22,036	28,862
Total administered assets	117,662	137,081
Current liabilities		
Payables	44	59
Borrowings	7,282	6,103
Total administered current liabilities	7,326	6,162
Non-current liabilities		
Borrowings	22,036	28,862
Total administered non-current liabilities	22,036	28,862
Total administered liabilities	29,362	35,024

Notes to the financial statements for the year ended 30 June 2019

10.4 Special purpose accounts

Regional Reform Fund Special Purpose Account

The purpose of this account is to hold capital and recurrent funds for expenditure on approved Regional Reform Fund projects as authorised by the Treasurer and the Minister, pursuant to section 9(1)(a), (b) and (c) of the *Royalties for Regions Act 2009* to be charged to the Royalties for Regions Act Fund and credited to the account.

	Total	
	2019	2018
	\$'000	\$'000
Balance at start of period	96,170	99,830
Receipts	-	-
Payments	(16,095)	(3,660)
Balance at end of period	80,075	96,170

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 2019.

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a horizontal line extending to the right.

Dr Mark Sweetingham
Acting Accountable Authority
18 September 2019

This section contains our report against the key performance indicator (KPI) targets of the new DPIRD outcome-based management framework that was presented in the 2018/19 State Budget. This section is audited by the Auditor General.

Key effectiveness indicators 2018/19

Desired outcome 1: Regional WA has the investment to grow and create jobs

This outcome links to the department's strategic priorities regarding building international competitiveness and an enabling environment.

Regional WA industries require significant development funding to realise their growth potential. DPIRD leverages resources and funding to deliver against our priorities.

Results are provided in Table 5 on page 166.

KPI 1.1: Percentage increase of co-investment that the department attracts to its industry and community development initiatives

This KPI focuses on the department's role in encouraging industry and others to invest alongside the State Government in developing and promoting WA's primary industries and regions.

DPIRD uses multiple mechanisms to leverage its funding, such as attracting external contributions into the department, and awarding grants to external parties.

This KPI defines 'co-investment attracted' as *only* the external financial contributions that DPIRD attracts that is both:

- recorded in DPIRD's financial statements
- attributed to the Industry and Economic Development pillar of the department, which leads DPIRD's industry and community development initiatives.

This KPI measures the percentage change in this form of co-investment between the current and previous financial year. As per the definition for this KPI, there was a 7.7% decrease which did not meet the target. This was a new effectiveness indicator for 2018/19. The target was based on an incorrect assumption regarding the timing of co-investment opportunities. The methodology is being revised to more accurately capture co-investment received by DPIRD and leveraged against DPIRD grant funding.

This KPI *does not* capture the impact of other forms of leveraging, such as the DPIRD administered grant programs which attract significant investment into regional WA. For example, in 2018/19:

- DPIRD commenced the Regional Economic Development grants program. The program focuses on promoting sustainable jobs, partnerships, productivity, skills and capability, as well as stimulating new investment in industry diversification. Round one investment totaled \$6.38 million in 70 projects for initiatives across the nine regions. The grants saw significant co-contributions committed by the Commonwealth Government (\$1.84 million) and other private, non-government organisations (NGOs) and local government organisations (\$16.2 million)

- DPIRD's Digital Farm Project provided funding to support the widespread adoption of digital farm technologies to help drive better digital connectivity for agricultural and pastoral businesses in regional WA. \$4.8 million of grants were provided with \$5.99 million of co-contributions committed from private industry, local government and NGOs
- the Regional Telecommunications Project contributed Royalties for Regions funding of \$4.73 million for Round 4 of the Commonwealth Mobile Black Spot Program and base station capacity upgrades, to capture industry and Commonwealth co-investment of \$12.05 million to improve mobile voice and data coverage across regional WA
- DPIRD established the Value Add Agribusiness Investment Attraction Fund (VAAIAF) to support value-added processors to invest in new and expanded facilities to meet growth opportunities in domestic and export markets, and create jobs. Agribusiness recipients from a range of sectors within the agrifood industries in regional WA were awarded a total of \$3.1 million to support planned private sector investment of more than \$12.5 million.

This KPI has been replaced in the 2019/20 DPIRD Outcome Based Management framework (OBM) with an annual measure of co-investment attracted into DPIRD's industry and community development initiatives.

KPI 1.2: Percentage increase of co-investment that DPIRD attracts to its Aboriginal business development initiatives

This KPI captures a subset of Effectiveness KPI 1.1: the co-investment into Aboriginal business development initiatives.

The intent of this KPI was to measure the percentage change in co-investment between the current and previous financial year. A 2018/19 target was not set as no baseline data was identified at the time of target setting. No co-investment, as per the definition used for this KPI, has been received during 2017/18 and 2018/19 and therefore the actual is 0.

However, this KPI only measures external funding DPIRD receives directly. It *does not* capture the impact of other forms of leveraging such as funding leveraged by grant recipients or through work undertaken by DPIRD's Aboriginal Economic Development unit. The unit works closely with clients to identify, prioritise, develop, source funding for and implement projects.

In addition, in 2018/19 DPIRD was recognised in a Department of Finance Aboriginal Procurement Policy progress report as one of the top three State Government agencies for awarding contracts to Aboriginal businesses. For example, DPIRD awarded almost \$5 million of State Government contracts to Aboriginal businesses and community groups, mainly to replace, repair and maintain the State Barrier Fence. This KPI has been discontinued for the 2019/20 DPIRD OBM.

KPI 1.3: Percentage increase of co-investment that DPIRD attracts to its aquaculture development initiatives

This KPI captures a subset of Effectiveness KPI 1.1: the co-investment into aquaculture development initiatives.

The intent of this KPI was to measure the percentage change in co-investment between the current and previous financial year. A 2018/19 target was not set as no baseline data was identified to at the time of target setting. No co-investment, as per the definition used for this KPI, was attracted in 2017/18. 2018/19 saw DPIRD-led aquaculture development initiatives attract \$404,371 in external funds.

However, this KPI only measures external funding DPIRD receives directly. It *does not* capture the impact of other forms of leveraging. DPIRD's aquaculture development function works with aquaculture businesses to develop the industry. For example in 2018/19, after commercial negotiations, DPIRD granted Huon Aquaculture Pty Ltd (Huon) an aquaculture license and the Minister for Fisheries granted the corresponding aquaculture lease of 2200 hectares in the Mid-West Aquaculture Development Zone. Huon plan to establish a fish farm for yellowtail kingfish.

In addition, in 2018/19 DPIRD awarded grants of \$475,000 to aquaculture and seafood sector applicants and projects for value-added activities, with an expected co-contribution of over \$8.3 million.

This KPI has been discontinued for the 2019/20 DPIRD OBM.

Table 5 KPI 1.1, 1.2 and 1.3 results

	2018/19 Target (%)	2018/19 Actual (%)	Variation
1.1 Percentage increase of co-investment that DPIRD attracts to its industry and community development initiatives	1.5	-7.7	-9.2
1.2 Percentage increase of co-investment that DPIRD attracts to its Aboriginal business development initiatives	NA ¹	0	NA
1.3 Percentage increase of co-investment that DPIRD attracts to its aquaculture development initiatives	NA ¹	See below ²	NA

¹ The 2018/19 target was not set as no baseline data was identified at the time of target setting. Accordingly NA has been reported.

² No co-investment, as per the definition of this KPI, was received in 2017/18. In 2018/19, \$404,371 was attracted.

Desired outcome 2: Regional WA has the technology to grow and create jobs

This outcome links to DPIRD's strategic priorities regarding international competitiveness and research and development.

Technological change drives long-term economic growth and improvement in living standards. Historically, this process has led to net job creation by creating more new job opportunities than the low-skilled jobs it displaces.

KPI 2: Percentage increase of client satisfaction with DPIRD's technology initiatives

This key performance indicator focuses on DPIRD's role and effectiveness in developing and extending the technical and technological capabilities that regional industries and communities need to grow and create jobs.

This KPI was established for 2018/19 to measure the percentage change in client satisfaction with DPIRD's technology initiatives from one year to the next. Survey information was not available for 2017/18 and 2018/19 and consequently, a percentage increase has not been measured. The 2019/20 annual report will include an actual for this KPI.

Table 6 **KPI 2 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage increase of client satisfaction with DPIRD's technology initiatives	8.5	NA ¹	NA

¹ This was a new KPI for 2018/19. DPIRD did not have survey information for 2017/18 and 2018/19. Accordingly NA was reported.

Desired outcome 3: Regional WA has the skills and knowledge to grow and create jobs

This outcome links to DPIRD's strategic priorities regarding regional opportunities, research and development, and an enabling environment.

Developing skills and knowledge across industries, communities and government is critical to the resilience and further development of regional WA.

KPI 3: Percentage increase of client satisfaction with DPIRD's capability initiatives

This KPI focuses on DPIRD's role and effectiveness in developing and extending the skills, knowledge and qualities that regional industries and communities need to grow and create jobs.

This KPI is designed to measure the change in client satisfaction of DPIRD's capability initiatives over time.

No 2017/18 baseline data was available for this indicator. As a result, there was no 2018/19 target increase set for this KPI, and only the 2018/19 level of client satisfaction is reported here.

209 individuals were contacted from the following representative bodies:

- grower groups
- Agricultural Produce Commission committees
- WA Farmers Federation
- Noongar Land Enterprises Group
- Aquaculture Council of WA

- Aboriginal and other businesses taking part in training provided by DPIRD.

The survey was completed by 124 clients. The response rate was 59% (standard error 4%). Of those who responded, 72.6% (95% CI [64%, 80%]) were either very satisfied or satisfied with the DPIRD's efforts in building the capability of regionally significant industries and communities during the 2018/19 financial year.

This KPI has been discontinued for the 2019/20 DPIRD OBM and replaced with an annual measure of client satisfaction.

Table 7 **KPI 3 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage increase of client satisfaction with DPIRD's capability initiatives	NA ¹	NA ²	NA

¹ Target was NA because at the time the target was set, a survey had not been conducted and there was no baseline data from which to forecast a result.

² 2018/19 was the first year of reporting this new KPI and as 2017/18 data was not available, a percentage increase cannot be measured. 2018/19 satisfaction rating was 72.6%.

Desired outcome 4: Regional WA has the social amenity, through recreational fisheries, to grow and create jobs

This outcome links to DPIRD's strategic priorities regarding regional opportunities and an enabling environment.

KPI 4: Percentage increase of client satisfaction with DPIRD's social amenity initiatives

In order to assess this indicator, client satisfaction is measured as the department's role and effectiveness in facilitating the development of the social amenities that regional communities and industries need to grow and create jobs.

Specifically, it focuses on the department's recreational fishing management activities. Recreational fisheries 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 information used to assess our performance against this effectiveness indicator is derived from an annual telephone-based community survey. These surveys are conducted to:

- assess the understanding and satisfaction of the WA community and fisheries clients of our management strategies
- 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 2019 community survey in late March/April 2019. Survey respondents were asked about their experiences and views for the 12-month period prior to their interview date. Of a total of 3616 in-scope respondents (WA residents aged 18 years and older), 726 interviews were completed representing a response rate of 20%. The 726 interviews comprised:

- 578 respondents from major cities
- 63 respondents from inner regional areas
- 85 respondents from outer regional/remote/very remote areas or who were migratory residents.

This sample was weighted to reflect the population based on March 2019 Estimated Residential Population data from the Australian Bureau of Statistics, with the survey providing estimates for the 2018/19 financial year.

The level of participation in recreational fishing is a measure of the use of this community resource and influences the estimation of satisfaction through the level of community knowledge of resource management issues. The estimate of participation rate is similar to that of last year (Figure 2). However, 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 June 2019 (Australian Bureau of Statistics 2019), the estimated number of people in WA who participated in recreational fishing at least once in the previous 12-month period was approximately 619,000 (95% CI [542,000, 696,000]).

As part of the community surveys, respondents were asked to rate the department in its management. Rating options included 'very poor', 'poor', 'good' or 'very good'. It must be noted DPIRD had been recently formed from the amalgamation of several government departments, including the Department of Fisheries, during this survey period. Thus only respondents who were aware of DPIRD or the Department of Fisheries or that 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.

Satisfaction rates are calculated as the proportion of respondents who ranked our management of that particular area as 'good' or 'very good'. Note that responses of 'can't say' and 'neither' were excluded from the calculation of the satisfaction rates.

Based on survey data, the department was given a satisfaction rate of 85.5% (95% CI [81.2%, 89.8%]) by the WA community on managing recreational fishing activities in 2018/19 (Table 8). This rate was similar (i.e. not significantly different) to those reported for recent years (Figure 3).

The KPI calculation is (2018/19 satisfaction minus 2017/18 satisfaction) divided by 2017/18 satisfaction, multiplied by 100.

The department's 2018/19 target percentage increase satisfaction rating by the broader community is 1% compared to an Actual of -4.8%. Since there was no percentage increase in the satisfaction rate, the department considers it has not met this performance indicator. Given the high level of satisfaction achieved over recent years, ongoing annual increases are difficult to attain.

Therefore, this KPI has been discontinued for the 2019/20 DPIRD OBM and replaced with an annual measure of client satisfaction.

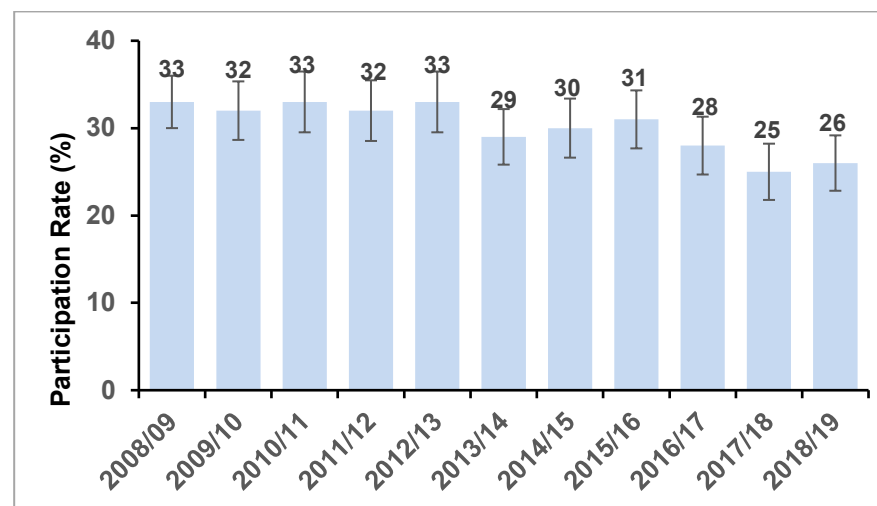


Figure 2 Estimated (with \pm 95% CI) participation rate of recreational fishers in WA

Table 8 KPI 4 result: Percentage increase in satisfaction rating of department's recreational fishing management activities by the WA community and departmental clients

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage increase of client satisfaction with DPIRD's social amenity initiatives	1	-4.8	-5.8

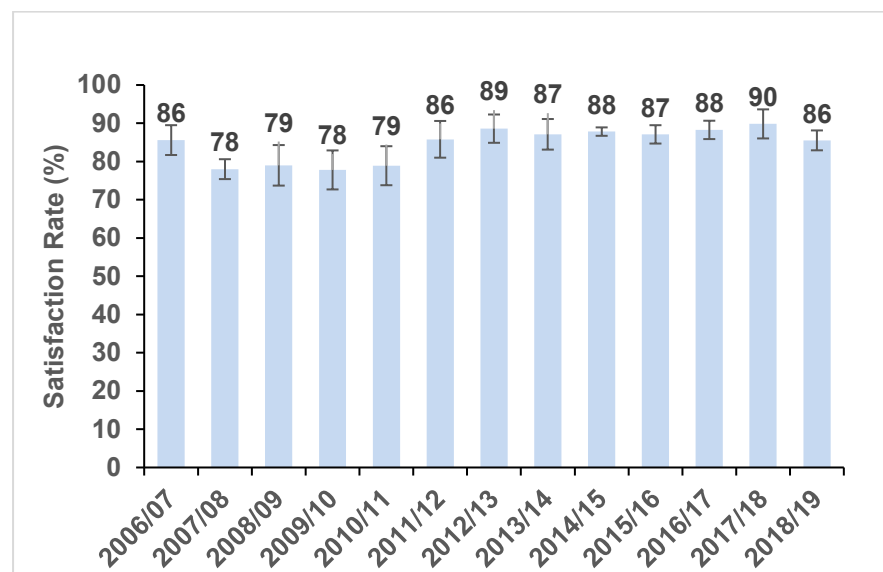


Figure 3 Estimated (with $\pm 95\%$ CI) satisfaction rating of department's recreational fishing management activities by the WA community and departmental clients

Desired outcome 5: Regional Development Commissions (RDCs) contribute to the economic development of regions

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 economic development in the regions. In 2017, under Machinery of Government changes, RDC staff were transferred to DPIRD.

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

KPI 5: Number of RDCs supported through business plans

This KPI focuses on DPIRD's role in supporting the State's nine RDCs to contribute to the economic development of regions. DPIRD supports each RDC to develop an annual business plan that outlines the services that DPIRD will provide to the RDC. This KPI measures whether an agreed business plan is in place with each RDC. The 2018/19 target and 2018/19 actual were both nine, meaning this KPI has been met.

Table 9 **KPI 5 result**

	2018/19 Target	2018/19 Actual	Variation
Number of Regional Development Commissions supported through business plans	9	9	0

Desired outcome 6: WA agriculture and fishing protect their biosecurity advantages and integrity

This outcome links to DPIRD's strategic priorities regarding biosecurity, research and development, and enabling environments. DPIRD has a role in ensuring the appropriate management of biosecurity threats.

Biosecurity management is complex. DPIRD is required to respond according to local, national and international biosecurity responsibilities. We all have a shared responsibility in protecting the economy, environment and community from the negative impacts of pests and diseases, weeds and contaminants.

Not all threats can be resolved within the space of a year (or less depending on time of detection) and many threats require ongoing or seasonal surveillance before a resolution is declared.

KPI 6.1: Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately

This KPI will help stakeholders understand DPIRD's role and effectiveness in ensuring the appropriate management of biosecurity threats that may impact WA agriculture, or other environments as directed by Government.

The key performance indicator is a measure of the percentage of exotic terrestrial weed, pest and disease approved incidents, declared incidents and emergencies that were resolved during the financial year: i.e. number resolved divided by total number opened in current year and carried over from prior year, multiplied by 100.

It is a key indicator demonstrating the extent to which DPIRD ensures that WA complies with state or nationally agreed policies and agreements.

Effective biosecurity needs to be managed across the entire biosecurity continuum.

In 2018/19, we met the target.

During the financial year, eight exotic terrestrial weed, pest and disease incidents, declared incidents or emergencies occurred or were carried over from 2017/18. Not all threats can be resolved within the space of a year (or less depending on time of detection) and three remain unresolved. The incidents were at a local/regional, state or national level.

Action taken regarding future incursions will be dependent on the level of risk of the incursion.

Table 10 **KPI 6.1 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately	60	62.5	2.5

KPI 6.2: Percentage of invasive aquatic pests and exotic diseases resolved appropriately

This KPI will help stakeholders understand DPIRD's role and effectiveness in ensuring the appropriate management of biosecurity threats (an incursion or incident of pests and diseases that DPIRD is required to respond to according to local, national and international biosecurity responsibilities) that may impact commercial or recreational fishing in WA.

The key performance indicator is a measure of the percentage of aquatic pests and exotic diseases approved incidents, declared incidents and emergencies that were resolved during the financial year: i.e. number resolved divided by total number opened in current year and carried over from prior year, multiplied by 100. It is an indicator of the extent to which DPIRD ensures that WA complies with state or nationally agreed policies and agreements.

WA has an extensive, sparsely populated coastline that is exposed to sea lanes, and a variety of environments that can support vigorous plant growth and harbour many animals. Effective biosecurity needs to be managed across the entire biosecurity continuum, and action taken regarding future incursions will be dependent on the level of risk of the incursion.

In late June 2019, an aquatic pests and exotic diseases incident was declared but not resolved by 30 June 2019. As this was the only incident open in 2018/19, it resulted in an actual of 0% and meant that we did not meet the 2018/19 target.

Not all threats can be resolved within the space of a year (or less depending on time of detection) and many threats require ongoing or seasonal surveillance before a resolution is declared.

Table 11 **KPI 6.2 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage of invasive aquatic pests and exotic diseases resolved appropriately	75	0	-75

Desired outcome 7: WA agriculture and fishing protect the sustainability of the natural resources on which they rely and impact

This outcome links to DPIRD's Strategic Priorities regarding sustainability, research and development, and an enabling environment.

Sustainable resource management and use is essential to protect and grow WA's primary industries.

KPI 7.1a Extent of soil acidity does not increase

Soil acidity is a significant constraint to agricultural productivity and sustainability for many soil-types in WA. Department research and development in this area aims to provide growers with the necessary knowledge that will enable them to correct existing acidity and address ongoing acidification. Soil pH is the measure of acidity in the soil and a change in the proportion of soil tests meeting the department's targets is an indication of grower management.

It must be noted that growers who prioritise soil health and obtain samples to a depth of 30cm for pH are more likely to adopt appropriate management practices. The available data therefore represents 'a best-case scenario'.

The KPI uses summary data from the thousands of soil profiles (to 30cm depth) completed by a commercial soil sampling company (Precision SoilTech) for growers across the WA grainbelt.

The proportion of profiles in both 2017/18 and 2018/19 that met DPIRD targets in all three layers of pH ≥ 5.5 in the 0–10 cm layer and ≥ 4.8 in both the 10–20cm and 20–30cm layers in each year were calculated by the following formula: number of profiles meeting target divided by total number of sites, multiplied by 100.

The percentage change KPI was calculated by the following formula: (proportion meeting target 2018/19 minus proportion meeting target 2017/18) divided by proportion meeting target 2017/18, multiplied by 100.

The KPI target of 0% represents the extent of soil acidity not deteriorating. As the measure was positive for 2018/19, this indicates that this aspect of soil condition had improved and therefore the KPI has been met.

Table 12 KPI 7.1.a result

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Extent of soil acidity does not increase	0	2.9	2.9

Note: A comparison of topsoil (0–10cm) pH data from Precision SoilTech and CSBP Soil and Plant Analysis Laboratory (a WA company) for 2018 and 2019 indicated that the proportion of Precision SoilTech topsoil samples meeting the target was approximately 10% higher than for CSBP, confirming that the soil pH profile data available and used to measure this KPI represents a best-case assessment.

KPI 7.1b: Extent of total soil organic matter (carbon) does not decrease

The total soil organic matter (carbon) content of soil is an indicator of soil health and resilience, which underpin the productive capacity of agricultural soils. KPI 7.1b was established as an effectiveness indicator for the 2018/19 financial year to measure the change in soil organic matter (carbon) over time, with the target being that it did not decrease.

In line with Treasurer's Instruction 904, the Under Treasurer has granted an exemption to DPIRD, allowing the department to not report on this KPI in 2018/19 as there is inadequate data available in the public or private sector to meaningfully measure the change across WA agricultural region. DPIRD's effectiveness in achieving Desired outcome 7 is adequately measured in 2018/19 through the four other KPIs related to this outcome. This KPI is not included in the 2019/20 DPIRD OBM.

KPI 7.1c: Number of soil health extension workshops held

A healthy soil represents a complex and intrinsic balance of a soil's physical, chemical and biological condition. This KPI, the delivery of soil health extension workshops by DPIRD, promotes the Western Australian Government's role and effectiveness in ensuring the long-term sustainability of the land, soil and water resources on which WA agriculture relies.

Healthy soil is vital to WA's economic prosperity, with soil currently generating more than \$8 billion worth of agricultural production each year, boosting regional and local economies across the State.

The delivery of soil health education through community extension events and workshops assists participants (rural and city-based community, across all ages) to understand and adopt recent soil science research and development outcomes. While presenting over a number of soil science topics, the primary goal is to encourage the sustainable use of the natural resource asset to build or grow soil resilience.

Workshops in this KPI include interactive educational and awareness-raising seminars, presentations, events and formal workshops that are supported and/or sponsored by DPIRD. In 2018/19 they addressed a range of topics, including soil constraints, nutrient management, soil testing and land management practices. In some instances, DPIRD partnered with other government agencies, industry or Natural Resource Management (NRM) groups to deliver the soil health information, but remained a major workshop sponsor.

In 2018/19, 31 soil health extension events were delivered or sponsored by DPIRD. The actual compared to the target of 30 demonstrates that the department has met the target for the number of soil health extension events delivered through the year.

Table 13 **KPI 7.1c result**

	2018/19 Target	2018/19 Actual	Variation
Number of soil health extension workshops held	30	31	1

KPI 7.2: 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 2018/19*).

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 2018/19 target for the proportion of fish stocks not at risk from fishing is 95%.

For the 2018/19 performance review, 47 resource and fishery combinations were reviewed. For the 47 reviewed, breeding stock assessments are available for 46 (98%) of these fisheries. For one fishery, northern shark, there is insufficient data to make an assessment on the resource due to the fishery having not operated since 2009.

Within the group of 46 assessed, 38 were considered to have adequate breeding stock levels and a further three fisheries

(West Coast Demersal Scalefish Fishery [WCDSF], the Temperate Demersal Gillnet Demersal Longline Fishery [TDGDLF], and the Herring Management Fishery) had breeding stocks considered to be recovering at acceptable rates. The WCDSF and TDGDLF target relatively long-lived species so recovery is expected to take decades to complete.

Of the five remaining fisheries, the Cockburn Sound Crab Managed Fishery, the West Coast Beach Bait Fishery, the Greenlip Abalone Managed Fishery and South Coast Estuarine Managed Fishery continue to be environmentally limited with stocks recovering from the 2010/11 marine heat wave. Therefore, only one fishery has a single stock that is considered inadequate as a result of exploitation (pink snapper in Gascoyne Demersal Scalefish Fishery) with management actions implemented (2018) to assist stock recovery.

Consequently, for the 2018/19 reporting period, the proportion of the 46 assessed groups identified as not being at risk or vulnerable through exploitation is 98%, which is above the target level (tables 14 and 15). The department considers it has met this performance indicator.

Table 14 **KPI 7.2 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	95	98	3

Table 15 **Historic data on the proportion of fish stocks identified as not being at risk or vulnerable through exploitation**

Year	Target (%)	Actual (%)
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
2018/19	95	98

KPI 7.3: Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved

The department is continuing to implement an Ecosystem Based Fisheries Management (EBFM) 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 reallocation of fish resources) are determined and implemented within a total sustainable catch for each fishery or fished stock.

This indicator provides an assessment of the success of the department's management plans and regulatory activities in keeping fish catches at appropriate levels (including those in a recovery phase). Recreational and commercial catch values are for the latest year/season available.

An acceptable catch or effort range is being determined for each of the major recreational fisheries by the department since 2013/14. 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.

For quota-managed fisheries, the measure of success of management arrangements is that the majority of the Total Allowable Catch (TAC) 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 TAC, or fails to achieve the TAC 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 TAC has also been incorporated for assessing the performance of quota-managed fisheries.

Where management 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 factors 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 recreational and commercial fisheries. The department's 2018/19 target is 90%.

For the purpose of this indicator, of the 47 resource and fishery combinations, comparisons between actual catches (or effort) with acceptable ranges have been undertaken for 31 commercial fisheries and an additional 16 have been identified as having a 'material' recreational catch share. 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. 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 16 recreational fisheries, only six currently have formal acceptable catch ranges developed and another 10 were assessed based on currently resource sustainability. Of these fisheries, the data from the 2015/16 statewide survey of boat-based recreational fishing had catch estimate levels for 14 that were within acceptable catch ranges and two that exceeded the acceptable catch range. These were Baldchin groper and pink snapper which exceeded the acceptable catch range of the recreational sector within the West Coast Demersal Scalefish Fishery and pink snapper which exceeded the recreational catch range within Inner Shark Bay.

Of the 31 commercial fisheries, 12 were primarily catch-quota managed with 19 subject to effort-control management. Of the 12 individually transferable catch-quota managed fisheries, four operated within their acceptable effort/catch ranges and eight were acceptably below the range. In the 19 effort-controlled fisheries, 12 were within, one acceptably above and six acceptably below their acceptable catch ranges. Catch/effort above or below their acceptable ranges were determined acceptable due to adequate resource sustainability.

In summary, 14 of the 16 recreational fisheries and 31 of the 31 commercial fisheries or overall 45 of the 47 fisheries assessed were considered to have met their performance criteria. Consequently, for the 2018/19 reporting period, the percentage of fisheries where acceptable catches are achieved is 96%, which exceeds the target level (tables 16 and 17). The department considers it has met this performance indicator.

Table 16 **KPI 7.3 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved	90	96	6

Table 17 Historic data on the percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved

Year	Commercial		Recreational		Overall	
	Target (%)	Actual (%)	Target (%)	Actual (%)	Target (%)	Actual (%)
2008/09	85	96				
2009/10	90	93				
2010/11	90	94				
2011/12	94	100				
2012/13	88	97				
2013/14	92	89	80	77		
2014/15	95	89	80	85		
2015/16	95	90	80	100		
2016/17	95	93	85	100		
2017/18	95	93	85	92		
2018/19		100		88	90	96

Key efficiency indicators 2018/19

Note A:

The department continues to develop its financial modelling for the attribution of costs, income and full-time equivalents (FTE) to Services.

The allocation of costs, income and FTE by Service for the 2018/19 targets in the 2018/19 State Budget Papers was done at a high level following Machinery of Government changes and limited integration of core systems and reporting tools.

The allocation of costs and income by Service for the 2018/19 actuals reported in this annual report is on a more detailed project basis where possible.

This has resulted in a large discrepancy between the 2018/19 target and 2018/19 actual net cost of most Services and has impacted on the calculation of the key efficiency indicators.

As such, it is difficult to make meaningful comparisons between the targets and actuals for some of the efficiency indicators.

Service 1: Regional industry and community development investment facilitation

This Service facilitates the development of primary industries and regions. It includes activities such as: de-risking third-party investments by establishing clear investment pipelines and development approvals processes; facilitating cross and inter-government contacts with potential investors and investees; and leveraging government's investment by attracting research provider, industry, community, and non-WA Government co-investment in activities essential to DPIRD's strategic priorities.

Results are provided in Table 18.

KPI 1.1: Value of co-investment in DPIRD-led industry and community development initiatives as a factor of the net cost of Service 1

This KPI will help stakeholders understand the efficiency of DPIRD's Investment Facilitation Service in regard to attracting co-investment from non-WA Government sources, specifically into Service 1 activities. The intent is that the net cost of this Service trends downwards relative to the level of co-investment attracted.

This KPI *only* measures the attracted co-investment which flows through DPIRD's financial statements, into the Industry and Economic Development pillar of the department, *and is attributed to Service 1*. This is in contrast to the co-investment value used to calculate Effectiveness KPI 1.1, which is not limited to Service 1.

The 2018/19 actual for this KPI was 0.89% (Table 18). The department did not meet the target.

The variation arises as a result of the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

The variation also arises as a result of the value of co-investment changing. The value used in the target (over \$23 million) was the best available data given the limited integration of core systems and reporting tools.

Owing to the change in the modelling for the attribution of costs and incomes to Services, only 6% of co-investment attracted during 2018/19 was attributed to Service 1 in the 2018/19 actuals.

However, over 80% of co-investment attracted was attributed to Service 2, reflecting the department's strong ability to attract co-investment to research and development activities, which have flow on benefits for regional industry and community development.

Further, the department's approach for leveraging its funding for industry and community development initiatives is reflective of the department co-investing in initiatives led by other organisations, rather than solely attracting the co-investment into the department. Refer to the report for Effectiveness KPI 1.1 for further information.

KPI 1.2: Value of co-investment in DPIRD-led Aboriginal business initiatives as a factor of the net cost of Service 1

The intent of KPI 1.2 was to report on DPIRD's efficiency in attracting co-investment in DPIRD-led Aboriginal business initiatives: a *subset* of what *Efficiency* KPI 1.1 measured.

Efficiency KPI 1.2 *only* measures the attracted co-investment which flows through DPIRD's financial statements, into the Industry and Economic Development pillar of the department, *and is attributed to Service 1*. This is in contrast to the co-investment value used to calculate Effectiveness KPI 1.2, which is not limited to Service 1.

This was a new KPI for 2018/19 and a target was not set as, at the time of target setting, DPIRD could not forecast co-investment as it was consolidating its approach to Aboriginal engagement and Aboriginal business development.

The 2018/19 actual for this KPI was 0% (Table 18).

The department continues to actively facilitate the growth of Aboriginal businesses, through a variety of initiatives supported by the Aboriginal Economic Development Unit. Refer to the report for Effectiveness KPI 1.2 for further information.

This KPI is not included in DPIRD's 2019/20 OBM.

KPI 1.3: Value of co-investment in DPIRD-led aquaculture business initiatives as a factor of the net cost of Service 1

The intent of KPI 1.3 was to report on DPIRD's efficiency in attracting co-investment in DPIRD-led aquaculture business initiatives: a *subset* of what *Efficiency* KPI 1.1 measured.

Efficiency KPI 1.3 *only* measures the attracted co-investment which flows through DPIRD's financial statements, into the Industry and Economic Development pillar of the department, *and is attributed to Service 1*. This is in contrast to the co-investment value used to calculate Effectiveness KPI 1.3, which is not limited to Service 1.

A 2018/19 target was not set as, at the time of target setting, no co-investment was identified for 2017/18 and none, to very limited, was likely to be attracted in 2018/19 due to the emerging nature of this industry.

The 2018/19 actual for this KPI was 0.01% (Table 18).

Co-investment attraction is not a core component of DPIRD's current approach to facilitating the aquaculture business initiatives.

However the department continues to actively facilitate the growth of the emerging WA aquaculture industry, through a variety of initiatives including research and development and the progression of an Aquaculture Development Plan. Refer to the report for Effectiveness KPI 1.3 for further information.

This KPI is not included in DPIRD's 2019/20 OBM.

Table 18 **Efficiency KPI 1.1 to 1.3 results**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
1.1. Value of co-investment in DPIRD-led industry and community development initiatives as a factor of the net cost of Service 1	26.17	0.89	-25.28
1.2. Value of co-investment in DPIRD-led Aboriginal business initiatives as a factor of the net cost of Service 1	NA ¹	0	NA
1.3. Value of co-investment in DPIRD-led aquaculture business initiatives as a factor of the net cost of Service 1	NA ¹	0.01	NA

¹ Target was NA because at the time the target was set (March 2018) the necessary systems were not yet in place to accurately forecast the results of this indicator.

Service 2: Regional technical and technological development

This Service includes: agronomic and business development activities, including: updating the technologies needed to retain the competitiveness of regionally-significant businesses as they exist today; and, developing new technologies that they need to increase their contribution to WA's economic diversity and jobs.

KPI 2: Net cost of Service 2 as a factor of Gross Regional Product

This indicator measures the efficiency of the department's Regional Technical and Technological Development Service to support regional industries and communities.

Gross Regional Product is a broad-based estimate of regional 'value-add'. It is the best-available estimate of the value of all goods, services and salaries emanated from regional WA, less the imported materials and (non-regional) services that went into their creation.

The intent will be that the net cost of this Service will trend downwards relative to the value of Gross Regional Product. Gross Regional Product is based on Australian Bureau of Statistics census data, with trend line methodology used

between census years. It is calculated by DPIRD and published on the data.wa.gov.au website.

The most current Gross Regional Product figure (\$95.7 billion for 2018) was used to calculate the 2018/19 actual.

The 2018/19 actual for this KPI was 0.05% (Table 19).

The department met the target.

The variation can be attributed to an increase in the Gross Regional Product and a decrease in the net cost of this Service. The net cost of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 19 **Efficiency KPI 2 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Net cost of Service 2 as a factor of Gross Regional Product	0.11	0.05	-0.06

Service 3: Regional skills and knowledge development

This Service aims to develop skills and knowledge in primary industries and regions. It includes: developing, conducting, contracting and/or encouraging training and education programs and workshops; and making information available in a range of user-friendly and integrated formats including websites, presentations, publications and decision-support apps.

KPI 3: Net cost of Service 3 as a factor of Gross Regional Product

This indicator assesses the efficiency of the department's Regional Skills and Knowledge Development Service to support regional industries and communities.

The intent is that the net cost of delivering this Service will trend downwards relative to the value of Gross Regional Product, as defined in Service 2.

The actual for this KPI was 0.02% (Table 20).

The department met the target.

The variation can be attributed to an increase in the Gross Regional Product and a decrease in the net cost of this Service. The net cost of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 20 **Efficiency KPI 3 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Net cost of Service 3 as a factor of Gross Regional Product	0.09	0.02	-0.07

Service 4: Regional social amenity development

This Service focuses on facilitating the development of amenities, in areas such as recreational fishing, education, health and connectivity, to support regional growth and resilience. This involves working collaboratively across governments, industries and communities to identify, define, champion, support and/or fund development initiatives.

KPI 4: Net cost of Service 4 as a factor of Gross Regional Product

This indicator assesses the efficiency of the department's Regional Social Amenity Development Service to support regional industries and communities through recreational fishing.

The net cost of this Service *only* reflects activity related to recreational fishing. The intent is that over time the net cost of delivering this Service will trend downwards relative to the value of Gross Regional Product, as defined in Service 2.

The 2018/19 actual for this KPI was 0.01% (Table 21).

The department met the target.

Table 21 **Efficiency KPI 4 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Net cost of Service 4 as a factor of Gross Regional Product	0.01	0.01	0

Service 5: Corporate and Business Development Services provided by DPIRD to support Regional Development Commissions (RDCs)

This Service focuses on the department supporting each RDC to establish its annual business plan and providing agreed resources to assist and support RDCs in meeting their statutory obligations.

KPI 5: Net cost of Service 5 as a factor of RDC support

This indicator measures the efficiency of the department's Service to the RDCs. The intent is that the net cost of delivering this Service per hour of support provided to the RDCs trends down.

'RDC support' is defined as hours worked by DPIRD staff assigned to provide direct support to the RDCs. It does not include any support provided by DPIRD corporate services staff.

The 2018/19 actual for this KPI was \$166.38 per hour (Table 22). DPIRD did not meet this target, however, the actual is calculated differently to the target and therefore not directly comparable.

The target reflected the fact that the WA State Budget Papers include both the costs of DPIRD supporting the RDCs and the direct expenditure of RDCs (the cost of the boards and their related expenditure) in the net cost of Service 5.

The actual excludes the direct expenditure of the RDCs, as the RDCs are separate statutory authorities and report their direct expenditure in their respective annual reports.

As such, the published target is a higher cost per hour than if the target had been calculated on a department-only basis, in which case, it would have been \$129.42 per hour.

DPIRD has not met the department-only target, with the variation attributed to: (1) the hours used in the target being set on the basis that full staffing levels would be maintained during the financial year and the total hours paid being lower than forecast; and (2) in addition, the net cost of this Service being influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 22 Efficiency KPI 5 result

	2018/19 Target	2018/19 Actual	Variation
Net cost of Service 5 as a factor of RDC support	\$157.62/hr ¹	\$166.38/hr ²	\$8.76/hr

¹ Published target included the direct RDC expenditure.

² Actual excludes the direct RDC expenditure.

Service 6: Agricultural and fisheries biosecurity and integrity

This Service focuses on maintaining and enhancing WA's biosecurity status and meeting WA's national and international biosecurity commitments.

Activities in this Service span a wide range of research, monitoring, analytical, educational, policy activities in both legislated and non-legislated aspects of terrestrial and aquatic biosecurity risk management. It also includes integrity matters such as animal welfare regulatory obligations.

KPI 6.1: Agricultural portion of net cost of Service 6 as a factor of Gross Value of Agricultural Production

This indicator assesses the efficiency of the department's Agricultural and Fisheries Biosecurity and Integrity Service in regard to agriculture.

The intent is that the agriculture portion of the net cost of this Service will trend downwards relative to the Gross Value of Agricultural Production.

Gross Value of Agricultural Production is a value calculated by the Australian Bureau of Statistics. This KPI uses a three-year average to minimise the annual variability that results from seasonal, marketing and other influences: \$8.6 billion for 2015/16 to 2017/18.

Gross Value of Agricultural Production understates the overall economic activity of the agrifood 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 2018/19 actual for this KPI was 0.59% (Table 23).

The department met the target.

The variation can be largely attributed to an increase in the Gross Value of Agricultural Production.

Table 23 **Efficiency KPI 6.1 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Agricultural portion of net cost of Service 6 as a factor of Gross Value of Agricultural Production	0.67	0.59	-0.08

KPI 6.2: Fisheries portion of net cost of Service 6 per hour of aquatic biosecurity services

This indicator measures the efficiency of DPIRD's Agricultural and Fisheries Biosecurity and Integrity Service in regard to commercial and recreational fishing.

The 2018/19 actual for this KPI was \$186.79/hr (Table 24).

The department did not meet the target.

The variation can be attributed to a decrease in the net cost of the fisheries portion of this Service, and the hours used in the target being set on the basis that full staffing levels would be maintained during the year. The total hours paid were lower than forecasted.

The net cost of the fisheries portion of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 24 Efficiency KPI 6.2 result

	2018/19 Target	2018/19 Actual	Variation
Fisheries portion of net cost of Service 6 per hour of aquatic biosecurity services	\$174.40/hr	\$186.79/hr	\$12.39/hr

Service 7: Agricultural and fisheries natural resource management

This Service supports the productive capacity of terrestrial and aquatic natural resources that underpin WA's primary industries. It is also strongly linked to WA's national and international natural resource management commitments.

Activities related to this Service span a wide range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of terrestrial and aquatic natural resource management.

KPI 7.1: Agricultural portion of net cost of Service 7 as a factor of Gross Value of Agricultural Production

This indicator measures the efficiency of the department's Natural Resource Management Service with regard to agriculture.

The intent is that the agriculture portion of the net cost of this Service will trend downwards relative to the Gross Value of Agricultural Production. As noted in Service 6, the three-year average Gross Value of Agricultural Production is used.

The 2018/19 actual for this KPI was 0.09% (Table 25).

The department met the target.

The variation can be attributed to an increase in the Gross Value of Agricultural Production and a decrease in the net cost of the agricultural portion this Service. The net cost of the agricultural portion of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 25 **Efficiency KPI 7.1 result**

	2018/19 Target (%)	2018/19 Actual (%)	Variation
Agricultural portion of net cost of Service 7 as a factor of Gross Value of Agricultural Production	0.15	0.09	-0.06

KPI 7.2: Average cost per hour of fisheries management services

This indicator measures the efficiency of DPIRD's Natural Resource Management Services with regard to fisheries management.

Note that this KPI differs from the KPI in the 2017/18 DPIRD OBM which measured the efficiency of fisheries management.

The cost in this KPI refers to the fisheries portion of the net cost of Service 7.

The 2018/19 actual for this KPI was \$44.31/hr (Table 26).

The department met the target.

The variation can be attributed to a decrease in the net cost of the fisheries portion of this Service, and an increase in the hours attributed to fisheries management as the department refined the allocation of positions to Services for the purpose of KPI calculations.

The net cost of the fisheries portion of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 26 Efficiency KPI 7.2 result

	2018/19 Target	2018/19 Actual	Variation
Average cost per hour of fisheries management services	\$91.38/hr	\$44.31/hr	-\$47.07/hr

7.3: Fisheries portion of net cost of Service 7 per fisheries licence administered

This indicator measures the efficiency of DPIRD's Natural Resource Management Service in regard to commercial and recreational fishing.

The intent will be that the net cost of the fisheries portion of this Service will trend downwards relative to the combined number of licences administered.

The total number of fisheries licences administered includes all recreational fishing licences of varying fishing activities, all commercial authorisations of varying licence types and all aquaculture licences and leases: 161,353 in 2018/19.

The 2018/19 actual for this KPI was \$130.90/licence (Table 27).

The department met the target.

The variation can be attributed predominantly to a decrease in the fisheries portion of the net cost of this Service and a decrease in the number of licences administered. The decrease in the number of licences administered may reflect the increased cost of purchasing of recreational fishing licences.

The net cost of the fisheries portion of this Service has been influenced by the change in the modelling for the attribution of costs and incomes to Services, as described in **Note A** at the start of this report on Efficiency Indicators.

Table 27 Efficiency KPI 7.3 result

	2018/19 Target	2018/19 Actual	Variation
Fisheries portion of net cost of Service 7 per fisheries licence administered	\$237.75/ licence	\$130.90/ licence	-\$106.85/ licence

End of audited 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 2018/19 list of fees and charges was implemented on 1 July 2018.

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 and to complete projects that were commitments of the previous standalone departments. This is outlined in Table 28.

Table 28 **Capital works program 2018/19**

Capital projects	Year of completion	2018/19 Estimated Cost to Complete \$'000	2018/19 Total Cost (Estimated) \$'000	2017/18 Total Cost (Estimated) \$'000	Total Cost Variance \$'000	Explanation of Variances over \$500,000
Projects that remain uncompleted at the end of 2018/19						
Boosting Grains Research and Development	2019/20	1,500	9,936	9,936	-	
Coral Bay Seasonal Staff Accommodation	2019/20	200	387	387	-	
Equipment Replacement Program	Rolling	10,892	39,544	36,891	2,653	Rolling program has been extended into the out-years
Information Management Systems Upgrade	2019/20	2,250	32,219	32,219	-	
Help Grain Growers to Better Manage Risk (E-connected)	2019/20	180	2,829	3,332	-503	Project re-cashflowed during 2019/20 budget process
Regional Natural Resource Management Program	2020/21	4,848	10,170	10,170	-	
Wild Dogs Action Plan	2020/21	6,841	9,708	10,143	-435	Funds transferred to recurrent in 2018 Mid Year Review Process
Abrolhos Islands Airstrips Rolling Program	Rolling	400	1,074	874	200	

Table 28 **Capital works program 2018/19 (continued)**

Capital projects	Year of completion	2018/19 Estimated Cost to Complete \$'000	2018/19 Total Cost (Estimated) \$'000	2017/18 Total Cost (Estimated) \$'000	Total Cost Variance \$'000	Explanation of Variances over \$500,000
Projects that remain uncompleted at the end of 2018/19 (continued)						
Abrolhos Islands General Rolling Program	Rolling	800	2,322	1,922	400	
Fitout Furniture and Office Equipment Rolling Program	Rolling	2,400	6,084	5,184	900	Rolling program has been extended into the out-years
Operational Equipment Rolling Program	Rolling	1,656	5,102	5,329	-227	
Small Boats and Trailers Rolling Program	Rolling	6,244	14,645	11,569	3,076	Rolling program has been extended into the out-years
Computing Hardware and Software Rolling Program	Rolling	600	4,000	3,700	300	
Information System Development Rolling Program	Rolling	1,600	3,592	2,792	800	Rolling program has been extended into the out-years
Shark Monitoring Network	2022/23	300	925	795	130	
Great Kimberley Marine Park	2019/20	325	430	430		
KDC - Refurbishment of Kununurra Office	2019/20	-	100	100	-	

Table 28 **Capital works program 2018/19 (continued)**

Capital projects	Year of completion	2018/19 Estimated Cost to Complete \$'000	2018/19 Total Cost (Estimated) \$'000	2017/18 Total Cost (Estimated) \$'000	Total Cost Variance \$'000	Explanation of Variances over \$500,000
Projects that remain uncompleted at the end of 2018/19 (continued)						
Boosting Biosecurity Defences	2019/20	182	477	\$477	-	
Shark SMART Drumline Trial	2019/20	62	150	-	150	New project in 2018/19
North-West Aboriginal Housing Initiative	2022/23	60,296	60,296	100,000	-39,704	RfR project - Transfer of funds to other agencies or recurrent projects as approved by the Expenditure Review Committee
Projects completed during 2018/19						
2017/18 Equipment Replacement Program	2017/18	-	91	112	-21	Completed
Fish Health Laboratory Watermans Research	2018/19	-	1,000	1,000	-	Completed
Dolphin Discovery Centre	2018/19	-	12,255	12,255	-	Completed
Australian Centre for Applied Research (ACAAR)	2018/19	-	200	-	200	New project in 2018/19

Employment and industrial relations

Table 29 **Staff profile**

Staff profile	2017/18 Average FTE ¹	2018/19 Average FTE ¹
Permanent full time	1,196.0	1,101.34
Permanent part time	154.6	148.12
Temporary full time	240.5	278.19
Temporary part time	73.5	41.11
Total	1,664.6	1,568.76

¹ Full-time equivalent (FTE)

Staff development

Key activities during 2018/19 included:

- continuing review and development of key staffing policies, including conflicts of interest and secondary employment
- building staff preparedness for change through employee forums, support and training in the areas of resilience, resume writing and selection criteria skills, and mental health support, including online training and resources
- developing and implementing a new performance management framework across DPIRD to replace all existing policies, procedures and processes from our former departments

- launching a new Middle Management Development Program, to be rolled out across DPIRD to about 261 middle managers
- initiating a review of approximately 400 fixed-term and casual employees to determine their eligibility for permanent appointment pursuant to 'Commissioner's Instruction No. 23 Conversion and appointment of fixed term contract and casual employees to permanency'.

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 30 **Unauthorised use of credit cards 2018/19**

Description	Quantity/value
Number of instances the Western Australian Government purchasing card has been used for personal use expenditure	105
Aggregate amount of personal use expenditure	\$4,763.46
Aggregate amount of personal use expenditure settled by due date	\$2,750.51
Aggregate amount of personal use expenditure settled after the period required	\$1,998.25
Aggregate amount of personal use expenditure outstanding at the end of the period	\$14.70
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

Act of Grace payments

The department from time to time processes Act of Grace Payments on behalf of the Government. Three payments were made in 2018/19, totalling \$339,143.

Governance disclosures

Shares held by the department

Our department does not hold shares in any subsidiary body as defined by section 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 2018/19 was \$792,016.

Table 31 **Expenditure on advertising, market research, polling, direct mail and media advertising in 2018/19**

Advertising	\$
Campaign Monitor	485
Guru Productions	13,500
Micromedia Advertising-Design	2,143
Prime Creative Media Pty Ltd	1,750
Redtail Graphic Design	7,680
Total	25,558
Market research organisations	\$
Edith Cowan University	33,508
Kathryn Emily Stark	12,000
Mscience Pty Ltd	15,650
Roy Morgan Research Pty Ltd	29,898
Savant Surveys and Strategies	3,406
Total	94,462
Polling organisations	\$
Nil	-
Direct mail organisations	\$
ABCorp Australasia Pty Ltd	441,746
Createsend.com.au	491
Mailout Solutions Pty Ltd	967
Quickmail	15,934
Paper Australia Pty Ltd	55
Total	459,193

Media advertising organisations	\$
AdCorp Australia Ltd	42,822
Albany Chamber of Commerce & Industry Inc	426
Carat Australian Media Services Pty Ltd	92,178
Collie Chamber of Commerce Industry & Inc	364
Denmark Bulletin	436
Denmark Chamber of Commerce Inc	170
Derby Visitor Centre	580
Facebook	4,302
Fairfax Media Publications Pty Ltd	800
Initiative	30,928
Kojonup Community Newspaper	57
Southern Cross Austereo Pty Ltd	1,365
South West Seasons	2,450
State Law Publisher	29,998
The Great Southern Weekender	1,328
The West Australian	4,400
Walpole Community Resource Centre	159
Wyndham Community Information Group Inc	40
Total	212,803

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.

We developed our inaugural [Disability Access and Inclusion Plan \(DAIP\) 2018–23](#) in 2018 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. A DAIP working group was formed from employees, and an internal DAIP Implementation Plan was developed detailing specific actions, timeframes and accountabilities to assist in the implementation of our DAIP strategies.

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.

DPIRD continued to fulfil the DAIP strategies, 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 International Day of People with Disability. Our December 2018 event included a presentation and performance by blind singer Grace King.

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

An audit program of the department's existing facilities has commenced to ascertain the scope of building and infrastructure upgrades to assist with achieving universal access to facilities and services.

Staff training

Our corporate online employee training includes content to raise awareness about our DAIP and equity and diversity in general.

Compliance with public sector standards and ethical codes

Compliance issues that arose during 2018/19 regarding public sector standards are documented in Table 32.

Table 32 **Compliance issues/breach claims**

Breach claims lodged	2017/18 ¹	2018/19
Claims carried over	1	0
New claims received	3	2
Total claims	4	2
Relevant standard		
Employment	2	1
Performance management	0	0
Redeployment	0	0
Termination	0	0
Grievance resolution	2	1
Handling of claims		
Withdrawn in agency	0	1
Resolved in agency	1	0
Still pending in agency	0	0
Referred to Public Sector Commission	3	1 ¹
Total claims completed	4	2

¹ No claims were upheld by the Public Sector Commission.

During 2018/19, six cases of non-compliance with the Code of Ethics/Code of Conduct were reported. Three cases were not treated as disciplinary (i.e. resulted in improvement action or no action). As at 30 June 2019, one case was being considered for treatment as a disciplinary matter and two cases resulted in a disciplinary process being initiated.

Our department's activities to achieve compliance with public sector standards and ethical codes included:

- the development and implementation of new policy and procedures for managing the risks associated with conflicts of interest, secondary employment and receipt of gifts and hospitality by DPIRD staff
- addressing allegations of misconduct in a timely and responsible way
- provision of an Employee Support Network – a group of volunteers assisting colleagues to resolve workplace issues and grievances informally, as well as provide advice on the grievance policy and procedures
- a requirement for all staff to complete corporate online training
- development of a new performance management framework through extensive consultation across the department to ensure it was fit for purpose. Its launch in April 2019 has been supported by in-house training at both metro and regional locations

- development and commencement of a Middle Management Development Program, which aims to provide managers with a clear understanding of their role and responsibilities, including leadership, performance management, building high performance teams and being resilient during times of change
- continued implementation of our Wellbeing and Support Plan through the delivery of:
 - 'Building Resilience' workshops to support our staff during change
 - mental health first aid training for staff in the Employee Support Network and People and Culture teams
- development of a reward and recognition strategy to ensure all employees have access to formal and informal ways of recognising colleagues who have demonstrated our values and desired capabilities, and to embed our '1DPIRD' culture
- development and implementation of DPIRD's inaugural Workforce and Diversity Plan 2019–22 in accordance with Section 145 of the *Equal Opportunity Act 1984* and Public Sector Commissioner's Circular 2017-04, to deliver a high-performing organisation of excellence, supported by an innovative, agile and diverse workforce
- development of a Graduate Program, with the first intake recruited to support the career development and workforce succession planning objectives of the organisation and aligned to the Workforce and Diversity Plan.

Recordkeeping Plan

In 2018/19, 192 staff attended face-to-face training on recordkeeping systems and practices across metropolitan and regional locations and 138 staff completed the interactive recordkeeping awareness induction course. The recordkeeping awareness course provides a structured overview of records management and outlines employee roles and responsibilities, as well as informing staff of DPIRD Recordkeeping Plan requirements. The Core Business Systems Program implementation will see DPIRD's recordkeeping systems and practice training reviewed and updated over the next 12 to 18 months.

DPIRD-only annual estimates 2019/20

The Regional Development Commissions are not funded as a separate Division of the Consolidated Account, as such, the DPIRD annual approved estimates as contained in the WA State Budget papers includes the Regional Development Commissions.

Treasurer's Instruction 953 requires that agency-only approved annual estimates for the following financial year (2019/20) are included in the annual report of the agency in the preceding financial year (2018/19).

Table 33 **Income Statement (DPIRD-only – excludes the Regional Development Commissions)**

	\$'000
COST OF SERVICES	
Expenses	
Employee benefits	188,526
Grants and subsidies	117,062
Supplies and services	113,372
Accommodation	7,875
Depreciation and amortisation	31,571
Finance and interest costs	3,368
Other Expenses	19,012
TOTAL COST OF SERVICES	480,786
Income	
Sale of goods and services	5,325
Regulatory fees and fines	52,489
Grants and subsidies	34,930
Other revenue	10,467
Total Income	103,211
NET COST OF SERVICES	377,575
INCOME FROM STATE GOVERNMENT	
Service appropriations	169,957
Resources received free of charge	2,166
Royalties for Regions Fund	
Country Local Government Fund	4,000
Regional Community Services Fund	126,185
Regional Infrastructure and Headworks Fund	10,306
Regional and Statewide Initiatives	42,100
TOTAL INCOME FROM STATE GOVERNMENT	354,714
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(22,861)

Table 34 Statement of financial position (DPIRD-only – excludes the Regional Development Commissions)

	\$'000
CURRENT ASSETS	
Cash assets	18,238
Restricted cash	56,351
Holding account receivables	4,386
Receivables	7,581
Other	19,027
Total current assets	105,583
NON-CURRENT ASSETS	
Holding account receivables	166,295
Property, plant and equipment	330,423
Intangibles	25,407
Restricted cash	2,072
Other	19,907
Total non-current assets	544,104
TOTAL ASSETS	649,687
CURRENT LIABILITIES	
Employee provisions	39,825
Payables	8,267
Borrowings and leases	14,674
Other	10,269
Total current liabilities	73,035
NON-CURRENT LIABILITIES	
Employee provisions	8,229
Borrowings and leases	47,765
Other	116
Total non-current liabilities	56,110
TOTAL LIABILITIES	129,145
EQUITY	
Contributed equity	582,157
Accumulated surplus/(deficit)	(62,198)
Reserves	583
Total equity	520,542
TOTAL LIABILITIES AND EQUITY	649,687

Table 35 **Statement of cashflows (DPIRD-only – excludes the Regional Development Commissions)**

	\$'000		\$'000
CASHFLOWS FROM STATE GOVERNMENT		CASHFLOWS FROM FINANCING ACTIVITIES	
Service appropriations	138,271	Repayment of borrowings and leases	(14,102)
Capital appropriation	16,496	Other proceeds	5,966
Holding account drawdowns	5,846	Net cash from financing activities	(8,136)
Country Local Government Fund	4,000	NET INCREASE/(DECREASE) IN CASH HELD	(41,684)
Regional Community Services Fund	132,216	Cash assets at the beginning of the reporting period	101,440
Regional Infrastructure and Headworks Fund	14,284	Net cash transferred to/from other agencies	16,905
Regional and State-wide Initiatives	43,922	Cash assets at the end of the reporting period	76,661
Net cash provided by State Government	355,035		
CASHFLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits	(188,571)		
Grants and subsidies	(117,057)		
Supplies and services	(108,965)		
Accommodation	(7,944)		
GST payments	(16,233)		
Finance and interest costs	(3,190)		
Other payments	(19,650)		
Receipts			
Regulatory fees and fines	52,489		
Grants and subsidies	34,930		
Sale of goods and services	8,815		
GST receipts	16,260		
Other receipts	5,698		
Net cash from operating activities	(343,418)		
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets	(45,527)		
Proceeds from sale of non-current assets	362		
Net cash from investing activities	(45,165)		

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 2018/19 included:

- delivering workshops and written information in Vietnamese to grower groups in outer metropolitan food precincts. Our Horticulture team facilitated irrigation system audits in North Wanneroo and Carabooda, with a Vietnamese-speaking officer from Vegetables WA engaging with growers. Farm biosecurity workshops and the Mid West Horticultural Grower Group Inc. annual general meeting at Geraldton were also translated into Vietnamese
- providing printed information in multiple languages to educate fishers about recreational crab fishing rules in the Peel-Harvey Estuary. This has included direct fisher engagement with people from the Philippines, China, South Korea, Thailand and Indonesia
- delivering a program through our Aboriginal Procurement Advisory Services that builds the capacity of regional Aboriginal businesses to take advantage of Federal and State Government procurement opportunities. Outcomes included 40 successful Aboriginal business tenders for \$10.3m and contracting seven Aboriginal business to the Cape Leveque road sealing project for over \$2m in 2019
- including information about substantive equality on our corporate online cultural awareness training includes content to raise awareness.

Occupational safety, health and injury management

Safety commitment

Occupational safety and health (OSH) is, and always will be a top priority for our department. This is reflected in the Director General's OSH Commitment Statement, which was published in 2019 and outlines how DPIRD will ensure the safety, health and wellbeing of staff, contractors, volunteers and visitors.

Safety system

Our department has made significant progress in amalgamating the OSH management systems of the former departments into an integrated system that effectively manages OSH risks across the broad range of activities and functions undertaken within DPIRD.

Key achievements from 2018/19 include:

- development and implementation of a new, two tier OSH committee framework to replace committee structures from the former departments. This comprises a Strategic OSH Committee that is responsible for policy approval, OSH strategy and monitoring OSH performance as well as 23 workplace OSH committees across the State that review incident, hazard and inspection reports and facilitate the resolution of local OSH issues

- development and implementation of a new OSH Management Policy that assigns high-level OSH roles and responsibilities and sets out the key components of our safety management system
- development and implementation of new procedures and forms to ensure all staff have access to a consistent, streamlined process for identifying and resolving OSH incidents and hazards.

Our department is continuing to review the policies, procedures and guidelines from our former agencies to consolidate them into a new OSH policy framework that is clearly understood and consistently applied across DPIRD.

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*.

Performance

Our performance against key indicators for occupational safety, health and injury management is outlined in Table 36.

Table 36 Occupational safety, health and injury management performance against key indicators

RDCs are included in the 2016/17 data in accordance with the Public Sector Commission Annual Reporting Framework 2018/19, to reflect the Machinery of Government change that transitioned staff of the RDCs into DPIRD. RDCs are required to report separately in their respective annual reports.

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	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				
	Department of Regional Development	0				
	Gascoyne Development Commission	0				
	Goldfields-Esperance Development Commission	0				
	Great Southern Development Commission	0				
	Kimberley Development Commission	0				
	Mid West Development Commission	0				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
	Peel Development Commission	0				
	Pilbara Development Commission	0				
	South West Development Commission	0				
	Wheatbelt Development Commission	0				
Lost time injury and disease incidence rate	DAFWA	0.51	0.54	0.57	0 or 10% reduction in incidence rate	Target not achieved. However, this result is still well below the latest published Public Administration and Safety industry average of 1.23 over the three-year period 2014/15 to 2016/17.
	Department of Fisheries	0.15				
	Department of Regional Development	0				
	Gascoyne Development Commission	0				
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	0				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
	Kimberley Development Commission	0				
	Mid West Development Commission	0				
	Peel Development Commission	0				
	Pilbara Development Commission	0				
	South West Development Commission	0				
	Wheatbelt Development Commission	0				
Lost time injury and disease severity rate	DAFWA	20.0	0%	11%	0 or 10% reduction in severity rate	Target not achieved. Result largely attributable to a single claim with complex circumstances.
	Department of Fisheries	0				
	Department of Regional Development	0				
	Gascoyne Development Commission	0				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
	Goldfields-Esperance Development Commission	Information not available in annual reports				
	Great Southern Development Commission	0				
	Kimberley Development Commission	0				
	Mid West Development Commission	0				
	Peel Development Commission	0				
	Pilbara Development Commission	0				
	South West Development Commission	0				
	Wheatbelt Development Commission	0				
Percentage of injured workers returned to work	DAFWA	82%	100%	89%	Greater than or	Target achieved
	Department of Fisheries	100%				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
(i) within 13 weeks	Department of Regional Development	NA			equal to 60%	
	Gascoyne Development Commission	NA				
	Goldfields-Esperance Development Commission	Information not available in annual report				
	Great Southern Development Commission	NA				
	Kimberley Development Commission	NA				
	Mid West Development Commission	NA				
	Peel Development Commission	NA				
	Pilbara Development Commission	NA				
	South West Development Commission	NA				
	Wheatbelt Development Commission	NA				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
Percentage of injured workers returned to work (ii) within 26 weeks	DAFWA	55%	NA	100%	Greater than or equal to 80%	Target achieved
	Department of Fisheries	NA				
	Department of Regional Development	NA				
	Gascoyne Development Commission	NA				
	Goldfields-Esperance Development Commission	Information not available in annual report				
	Great Southern Development Commission	NA				
	Kimberley Development Commission	NA				
	Mid West Development Commission	NA				
	Peel Development Commission	NA				
	Pilbara Development Commission	NA				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
	South West Development Commission	NA				
	Wheatbelt Development Commission	NA				
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	DAFWA	99%	64%	63%	Greater than or equal to 80%	Target not achieved. Initiatives to improve the completion of OSH training by managers will be rolled out in early 2020 once the current organisational design process has been finalised across the department.
	Department of Fisheries	100%				
	Department of Regional Development	70%				
	Gascoyne Development Commission	70%				
	Goldfields-Esperance Development Commission	Information not available in annual report				
	Great Southern Development Commission	50%				
	Kimberley Development Commission	50%				
	Mid West Development Commission	0%				

Measures	Former agencies	Results for former agencies ¹		Results, targets and commentary for DPIRD		
		Results 2016/17	Results 2017/18	Results 2018/19	Targets	Comments on progress towards targets
	Peel Development Commission	66%				
	Pilbara Development Commission	40%				
	South West Development Commission	25%				
	Wheatbelt Development Commission	0%				

¹ 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 \$2m threshold.

Board and committee remuneration

We support 10 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 2018/19 was \$195,123.

Table 37 **West Coast Estuarine Managed Fishery Voluntary Fisheries Adjustment Scheme Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Donald	Per meeting	Jul-2018	Jun-2019	\$2,160
Member	K Webber	Per meeting	Jul-2018	Jun-2019	\$1,400
Member	K Tocas	Per meeting	Jul-2018	Jun-2019	\$1,400
Member	S Brand-Gardiner	Per meeting	Jul-2018	Jun-2019	NA
				Total	\$4,960

Table 38 **Animal Ethics Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	Dr B Mullan	Per meeting	Jul-2018	Jun-2019	NA
Member	Dr K Kelman	Per meeting	Jul-2018	Jun-2019	\$3,308
Member	Prof I Robertson	Per meeting	Jul-2018	Jun-2019	\$2,940
Member	S Vanstan	Per meeting	Jul-2018	Jun-2019	\$3,308
Member	R Moore	Per meeting	Jul-2018	Jun-2019	\$2,940
Member	S Leitch	Per meeting	Jul-2018	Jun-2019	\$1,102
Member	G Mabury	Per meeting	Jul-2018	Jun-2019	\$3,675
Member	S Leitch	Per meeting	Jul-2018	Jun-2019	NA
				Total	\$17,273

Table 39 **Biosecurity Council of Western Australia**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	S McKirdy	Per fortnight	Jul-2018	Jun-2019	\$28,260
Member	M Allen	Per fortnight	Jul-2018	Jun-2019	\$14,181
Member	D Bowran	Per fortnight	Jul-2018	Jun-2019	\$18,751
Member	R Flugge	Per fortnight	Jul-2018	Jun-2019	\$14,181
Member	J Mackenzie	Per fortnight	Jul-2018	Jun-2019	\$14,181
Member	T Thorne	Per fortnight	Jul-2018	Jun-2019	\$14,181
Member	C Winfield	Per fortnight	Jul-2018	Jun-2019	\$18,751
				Total	\$122,486

Note that IFS committees are industry funded. Member contributions are collected by industry and these funds are managed by our department.

Table 40 **Cattle IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	S Meerwald	Per meeting	Jul-2018	Jun-2019	\$1,470
Member	W Brockhurst	Per meeting	Jul-2018	Jun-2019	\$960
Member	D Dowden	Per meeting	Jan-2019	Jun-2019	\$320
Member	J Motter	Per meeting	Jul-2018	Jun-2019	\$960
Member	G Nixon	Per meeting	Jul-2018	Jun-2019	\$960
Member	M Norton	Per meeting	Jul-2018	Jun-2019	\$960
Member	R Paliskis	Per meeting	Jul-2018	Jun-2019	\$0
				Total	\$5,630

Table 41 **Grains, Seed and Hay IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	J Sullivan	Per meeting	Jul-2018	Dec-2018	\$490
Chair/Member ¹	R Day	Per meeting	Jul-2018	Jun-2019	\$1,130
Member	R Birch	Per meeting	Jan-2019	Jun-2019	\$640
Member	R Creagh	Per meeting	Jul-2018	Jun-2019	\$960
Member	A Mutter	Per meeting	Jul-2018	Jun-2019	\$320
Member	A Wilkins	Per meeting	Jan-2019	Jun-2019	\$640
Member	S Woods	Per meeting	Jul-2018	Jun-2019	\$960
				Total	\$5,140

¹ Chair from January to July 2019

Table 42 **Sheep and Goat IFS Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	E Rogister	Per meeting	Jul-2018	Jun-2019	\$1,960
Member	G Bowen	Per meeting	Jul-2018	Jun-2019	\$1,280
Member	J Jensen	Per meeting	Jul-2018	Jun-2019	\$1,280
Member	J Moyes	Per meeting	Jul-2018	Jun-2019	\$1,280
Member	S McGuire	Per meeting	Jul-2018	Jun-2019	\$640
Member	K Pearce	Per meeting	Dec-2018	Jun-2019	\$320
Member	K Smith	Per meeting	Dec-2018	Jun-2019	\$640
				Total	\$7,400

Table 43 **IFS Appointments Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	I Longson	Per meeting	Jul-2018	Jun-2019	\$13,071
Member	C Bowen	Per meeting	Jul-2018	Jun-2019	\$6,444
Member	E Brennan	Per meeting	Jan-2019	Jun-2019	\$12,441
Member	J Jarvis	Per meeting	Jul-2018	Jun-2019	\$278
Member	A Seabrook	Per meeting	Jul-2018	Jun-2019	\$0
Member	A York	Per meeting	Jul-2018	Jun-2019	\$0
				Total	\$32,234

The following committees did not convene during the year.

Table 44 **Cattle Industry Funding Scheme Review Panel**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	H Cowan	Per meeting	Jul-2018	Jun-2019	\$0
Member	A Cleland	Per meeting	Jul-2018	Jun-2019	\$0
Member	C Richardson	Per meeting	Jul-2018	Jun-2019	\$0

Table 45 **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-2018	Jun-2019	\$0
Member	T De Landgraft	Per meeting	Jul-2018	Jun-2019	\$0
Member	R Coole	Per meeting	Jul-2018	Jun-2019	\$0

Table 46 **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-2018	Jun-2019	\$0
Member	D Clauson	Per meeting	Jul-2018	Jun-2019	\$0
Member	D Kelly	Per meeting	Jul-2018	Jun-2019	\$0



Appendices

The image features two abstract graphic elements. The top element consists of a large, dark blue, rounded rectangular shape with a thin green line along its bottom edge. The bottom element consists of a dark blue, rounded rectangular shape with a thin orange line along its top edge. The word "Appendices" is written in a dark blue, sans-serif font, positioned to the right of the green line and above the orange line.

Appendix 1: Statement from the Commissioner of Soil and Land Conservation

A report on the Commissioner's operations for 2018/19 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

The Auditor General tabled performance audit reports for the sustainable management of the State's rangelands and salinity in Parliament in October 2017 and April 2018 respectively. The Commissioner has continued to assist in implementing the Government response to these audit reports as summarised below.

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 (DPLH), 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.

A business case is being prepared for the land monitoring and compliance project, which is an integral component of the Government's Pastoral Lands Reform initiative, currently under development in partnership with DPLH. The three-year project aims to address the longer-term monitoring and compliance requirements that are needed to implement the risk-based management of the pastoral estate.

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.

Working with partner agencies, DPIRD commissioned an independent review of the State's response to dryland salinity to assess effectiveness. Part of this review involved a forum of 35 key stakeholder groups who reviewed the draft independent report and provided feedback to the Government. The report was then opened for a three-month consultation period to allow the wider public to make comment on salinity. These responses are currently being compiled and analysed. DPIRD has also entered into a two-year research agreement with CSIRO to update the extent and trends in dryland salinity as advised by the Auditor General.

Land clearing assessments

Fifty-one 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 14 complaints during the year with eight being soil erosion issues, four related to drainage and two to erosion/eutrophication. At 30 June 2019, one drainage complaint is pending further monitoring of compliance with directions given.

Woodchip permits

No woodchip permits were issued.

Agreements to reserve and conservation covenants

During the year, six conservation covenants protecting 227.5ha in perpetuity were finalised with the memorials registered on the certificates of title. A further five irrevocable conservation covenants in perpetuity that protect 91.7ha of vegetation and three Agreements to Reserve are pending finalisation and lodgement at Landgate. A total of 1828 instruments under the Act remain registered on certificates of title protecting 161,603.4ha of native and planted vegetation.

Soil conservation notices

During the 2018/19 year, no soil conservation notices were issued and no previous notices were discharged.

Land drainage

Farmer interest in constructing deep drains for the management and recovery of salt-affected land remains at a historically low level. During 2018/19, only seven landholders submitted Notices of Intention to Drain (NOI). Of these, six were issued letters of 'no objection' to the proposed works and one was pending at the end of the financial year.

Pre-NOI inspections to assist farmers with problem definition and possible treatment options for waterlogging and salinity were carried out on 15 properties in the Great Southern and south-eastern Wheatbelt. Three of these were for surface water works.

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 242 gazetted members of 21 LCDCs active in the agricultural and rangeland regions of the State. There are 33 committees in recess and 99 have been abolished.

Diversification permits

During 2018/19 year, DPIRD provided advice to DPLH on four diversification permits and other matters as required.

Land use planning

Local government refers rural land use planning and proposed development applications to the department for comment, seeking advice on matters that may address land management risk issues (e.g. the potential for land use conflict with existing and surrounding agriculture enterprises, and/or issues that may cause land degradation through or from the proposed development). The department regularly monitors the number of referrals received and the response content, which gives some insight to rural industry investment and generalised trends occurring in rural and regional WA.

In 2018/19, the department responded to approximately 250 planning referrals. Aside from frequently addressing rural subdivision and rezoning proposals, the dominant agri-industry response was addressing matters relating to land drainage, nutrient export and effluent management for intensive livestock and tourism-type developments. Addressing weed management and land rehabilitation in proposed and existing raw material (gravel, sand and limestone) quarries were also significant responses through the year.

The department, through the Office of the Commissioner for Soil and Land Conservation, continues an active role in agricultural land use planning and policy response, addressing local and State government referral correspondence on planning and development matters as they relate to the *Soil and Land Conservation Act 1945*, the *Biosecurity and Agriculture Management Act 2007*, and the *Lands Act 1997*.

The goal is to provide timely and high quality advice to protect the land resource base for sustainable and profitable agricultural production for WA into the future.

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 affecting 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 for 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 \$1500m per annum or about 20% of Gross Value of Agricultural Production (Bennett, A. pers. comm., Oct 2015; Peterson, E 2015). In 2018/19, farmers applied an estimated 1.3m tonnes of lime (Gazey, C. pers. comm., Jul 2019). This is a slight increase compared to last year.

The current level of lime application is about 52% of the estimated annual requirement to raise soil pH to desirable levels over the next 10 years.

Soil salinity

Soil salinity occurs either as the result of proximity of a shallow watertable (dryland salinity) or as an inherent subsoil constraint in clay rich soils (transient salinity). Dryland salinity is exacerbated in wet seasonal conditions and transient salinity by dry conditions.

Dryland 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 salt affected and more than 2.8m hectares were at risk due to shallow saline water tables. The economic impact for the period 2009–13 was estimated to be \$519m per annum or 7% of Gross Value of Agricultural Production (Bennett, A 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 Binu sandplain, Arrowsmith, east of the Gingin scarp, Esperance Sandplain and SW Zone of Ancient Drainage.

During 2018/19, monitoring effort has increased with a redistribution of departmental resources.

Targeted bore monitoring shows that rising groundwater trends still dominate in the South Western Zone of Ancient Drainage, Dandaragan Plateau, Arrowsmith, east of the Gingin Scarp and the Esperance Sandplain.

In parts of the Eastern Darling Range and Warren-Denmark hydrozones where blue gum plantations have been harvested or removed, some groundwater levels are rising at 0.50m to 1.05m/y. The total area of trees removed is not known and an estimate of the impact on salinity risk cannot be made.

Around Wandering in the Eastern Darling Range hydrozone, landholders are reporting rapid expansion of salinity up incised valleys over the past two years. The winter of 2017 was the wettest since 1955 in the area and groundwater levels have risen by up to 1.45m since March 2017. This is despite much of the hydrozone appearing to approach a new post-clearing equilibrium.

A small number of bores that were previously dry are now rising by up to 0.28 m/y in the South Eastern and South Western Zones of Ancient Drainage and Pallinup hydrozones.

Transient salinity

Transient salinity occurs when soil factors such as sodicity and alkalinity cause dispersion of clays and salt induced drought in crops. Since the onset of lower winter rainfalls, transient salinity has been measured in cereal variety trials across low rainfall wheatbelt areas. Yield reductions of 10–30% have been observed, especially in wheat and peas, with lesser impacts in canola and barley. The extent is unclear but may be as much as one million hectares in very dry years.

DPIRD and the Grains Research and Development Corporation are now conducting research into improving the growth of cereals on soils affected by soil amelioration with combinations of gypsum (to address sodicity) and elemental sulphur (to address alkalinity) and improved leaching (tillage systems and furrows) to more effectively move surface water towards the root-zones of crops.

Soil erosion

The climate is drying; the traditional break of season is becoming less well defined; and much of the South-west agricultural region in the midst of a serious to severe 15-month rainfall deficiency.

New paddock management, including soil inversion and dry seeding, have increased in prevalence and traditional practices of stubble burning and maintaining high stock numbers have continued.

The management and climate drivers combine to increase hazard of land degradation by wind erosion. The hazard has been realised during numerous localised wind erosion events due to inappropriate management in the high-risk period before the break of the season.

This inappropriate management could have been avoided because many farmers were able to retain sufficient cover to avoid wind erosion. The proportion of farmland at risk of wind erosion reduced from 6% in April 2018 to 2.4% in April 2019, as assessed by broad-scale Moderate Resolution Imaging Spectroradiometer (MODIS) satellite analysis.

MODIS has moderate resolution so only identifies large patches of land with inadequate cover to prevent erosion.

No extreme rainfall events occurred and, as such, no significant water erosion occurred. However, analysis of MODIS data identified that, over the 'extreme rainfall' risk period (December–March), 25-30% of the South-west agricultural region had insufficient cover to prevent water erosion, should an erosive event occur.

Rivers and wetlands

Diffuse nutrient pollution from agriculture has serious offsite environmental impacts. It is a long-term land degradation problem of soils draining to the coastal estuary catchments where the level of historically applied phosphorus fertiliser still exceeds current production requirements. Soil phosphorus levels exceed and continue to increase above recommended critical values for optimum pasture requirements.

In 2018/19, 2112 soil samples were collected from farm paddocks under the Regional Estuaries Initiative and Revitalising Geographie Waterways project in the Peel, Leschenault, Lower Blackwood, Vasse Geographie, Scott River, Oyster Harbour and Wilson Inlet catchments. Of these, 67% of samples had soil phosphorus concentrations in excess of pasture growth requirements and 84% had soil acidity problems. The sampling also identified that potassium and sulphur deficiency were reducing productivity, exacerbating phosphorus losses.

Farmers who do not need to apply phosphorus could benefit from diverting traditional spending on this nutrient to reduce other constraints by applying lime, potassium or sulphur where required.

There is a high level of confidence with these findings, confirmed by scrutiny of historical soil testing records. Since 2009, under this program, some 19,600 soil samples have been collected from 934 farms covering 220,000ha.

The cost of unnecessary phosphorus application in the South-west agricultural region was estimated at \$400m per annum (Weaver and Summers 2013).

Pastoral rangelands

WA's rangelands cover 87% of the State, with pastoral leases covering about 35% (857,800km²) and Unallocated Crown Lands 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 and 60 in the Pilbara, while 283 stations are located in the southern rangelands.

DPIRD rangeland officers have been meeting with pastoralists and providing information and stock management options as part of the current dry season response.

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 and Land Conservation District (LCD) scale.

There are 1612 sites – 629 grassland sites and 983 shrubland sites. Grassland sites are assessed on a three-yearly cycle and shrubland sites are assessed every six years.

In 2018, 363 sites were assessed on 101 pastoral stations in the Kimberley, Pilbara and southern rangelands.

Seasonal conditions

Seasonal quality is an estimate of the effectiveness (rainfall amount and seasonal distribution) of the rainfall received at WARMS sites.

The 2018/19 seasonal conditions were generally below average or average in the Kimberley (Table A1). The average summer rainfall was below the long-term average in all LCDs. Summer rainfall was lowest in the Broome LCD (251mm, long-term average 470mm) and highest in the North Kimberley LCD (475mm, long-term average 792mm).

In the Pilbara, 78% of WARMS sites had below average or average seasonal conditions. Rainfall from Tropical Cyclone Veronica resulted in an above-average season for about 46% of WARMS sites in the Roebourne LCD.

Summer rainfall was lowest in the Ashburton LCD (63mm, long-term average 176mm).

In the southern rangelands, 60% of WARMS sites had below-average seasonal conditions, following on from 2017 when 76% of sites were below average. In 2016, 94% of WARMS sites had above-average or average seasonal conditions. In 2018, the average winter rainfall across the region was 70mm (61% of the long-term average of 114mm).

Table A1 **Seasonal quality by region for WARMS sites in 2018/19**

Region	Above average (%)	Average (%)	Below average (%)
Kimberley	0	12	88
Pilbara	22	30	48
Southern	8	32	60

Plant trends

Northern rangelands

In 2018, WARMS assessments were carried out in the Ashburton, Broome, Halls Creek-East Kimberley, Lyndon and North Kimberley LCDs as part of assessment cycle 9.

The assessment 9 data indicate that the average frequency of desirable perennial grasses was stable in the Kimberley (based on 98 sites assessed to date) and decreased by 5% in Pilbara grasslands (based on 100 sites assessed to date).

Southern rangelands

The fifth WARMS assessment cycle commenced in 2016 and by June 30 2019, 553 sites in eight LCDs had been completed.

Analysis of this data set indicates the density of desirable shrubs was stable (+2%) since assessment cycle 4 (2010–15).

Increases of 5–10% were observed in four LCDs and declines in two LCDs (Lyndon, -21% and Upper Gascoyne, -7%). The average density of undesirable and intermediate shrub species also increased by 39% and 11% respectively. The increase in undesirable shrub density was most notable in Wiluna (+141%) and Kalgoorlie (+55%) LCDs.

Since monitoring began in 1994 the density of desirable shrubs has decreased by 11%, while undesirable shrubs increased by 45% and intermediate shrubs by 15%. The largest increases in undesirable shrubs were observed in the Wiluna (+128%) and Kalgoorlie (+118%) 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 \$235,000 per annum per pastoral business (Bennett, A. pers. comm., July 2019). 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, the longer-term rangeland condition trend generally remained stable despite a series of favourable seasonal conditions. A number of LCDs in these regions were, therefore, identified as being at high risk of declining condition from the impacts of the current dry season.

- In the shrublands, variable condition trends were observed, with modest increases in desirable shrubs in four of the eight LCDs assessed. The previously reported increases in undesirable shrubs since WARMS monitoring began in 1994 continue to be observed in 2018/19 and points to declining resource condition.

Glen Wheaton

Deputy Commissioner of Soil and Land Conservation

Reference list

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Schoknecht, N, Bicknell, D, Ruprecht, R, Smith F and Massenbauer A (eds.) 2013, Report card on sustainable natural resource use in agriculture, Department of Agriculture and Food, Western Australia, Perth

Simons, J, George, R and Raper, P 2013, 'Dryland salinity', In: Report card on sustainable natural resource use in agriculture, Department of Agriculture and Food, Western Australia, Perth

Weaver, D and Summers, R 2013, 'Nutrient status (phosphorus)', In: Report card on sustainable natural resource use in agriculture, Department of Agriculture and Food, Western Australia, Perth

Appendix 2: Breeding stock status, catch and effort ranges for Western Australia's major commercial and recreational fisheries

Breeding stock status, catch and effort ranges for WA's major commercial and recreational fisheries. The information underpins the four KPIs 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 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.

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**

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
West Coast Bioregion						
Western Rock Lobster	West Coast Rock Lobster Managed Fishery (MSC)	Annual: Level 5	Sustainable: Adequate	Commercial: 6300t Recreational: 506t (TARC)	Commercial: 6,400t Recreational: 387-557t	Acceptable Commercial: Catch within TACC plus 1.5% water loss i.e. 6400 t Recreational: Catch within acceptable range. Review of estimation methods for recreational catch underway.
Statewide Abalone	Abalone (Roe's) Managed Fishery (MSC)	Annual: Level 4	Sustainable: Adequate	Commercial: 68t (Q) (530–640 days) Recreational: 18–22t Perth Metro area	Commercial: 48t (469 days) Recreational: 21–25t 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 range overlaps with the upper end of the acceptable range due to larger size of abalone taken.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Statewide Cephalopod	Octopus Interim Managed Fishery	Annual: Level 2	Sustainable: Adequate	Commercial: 200–500t Recreational: Not developed	Commercial: 314t Recreational: 1t	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.
South Coast and West Coast Scallop	Abrolhos Islands and Mid-West Trawl Managed Fishery	Annual: Level 4	Sustainable: Adequate	Commercial: 95–1830t Recreational: NA	Commercial: 774t	Acceptable Commercial: Catch within acceptable range. Recruitment in the Abrolhos Islands continued to improve.
West Coast Estuarine, Nearshore and Embayment Scalefish and Invertebrates	Cockburn Sound Crab Managed Fishery	Annual: Level 4	Inadequate	Commercial: Under revision Recreational: Under revision	Commercial: 0t Recreational: 0t	NA Cockburn Sound fishery closed since 2014. In 2018 recruitment and egg production were below limit reference levels. Decline is consistent with an environmentally limited stock.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
West Coast Estuarine, Nearshore and Embayment Scalefish and Invertebrates	West Coast Estuarine Managed Fishery (Area 1 Swan Canning, Area 2 Peel Harvey (MSC), Area 3 Hardy Inlet)	Annual: Levels 1 and 2 Periodic: Level 3 – Sea mullet Underway	Sustainable: Adequate – crabs/ Sea mullet	Commercial: 45–105t (Peel Harvey crab) 46–166t (Peel Harvey finfish) Recreational: Not developed	Commercial: 97t (Peel Harvey crab) 143t (Peel Harvey finfish) 16t (other West Coast estuaries, crabs and finfish) Recreational: NA	Acceptable Commercial: Catch and catch rates within acceptable ranges. Recreational: Catch levels are not considered a risk to stocks.
West Coast Estuarine, Nearshore and Embayment Scalefish and Invertebrates	Cockburn Sound Fish Net Managed Fishery South West Beach Seine South West Coast Herring Managed Fishery	Annual: Levels 1 and 2 Periodic: Level 3 – Herring 2017	Sustainable: Adequate- Whiting/ Salmon/ Tailor Sustainable: Recovering – Herring Inadequate: Whitebait/ Southern Garfish	Commercial: Under revision Recreational: Not developed	Commercial: 272t (Nearshore fisheries, total finfish) Recreational: 58–77t (95% CI, boat only, top 10 species)	NA Metro Zone Garfish fishery closed in 2017. Declines in Garfish and Whitebait consistent with an environmentally limited stock. Review of acceptable catch ranges is required.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Statewide Small Pelagic Scalefish (Purse Seine)	West Coast Purse Seine Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 0–3000t (Q) Recreational: NA	Commercial: 340t (all species)	Acceptable Commercial: Low catch for this year due to damage at fish processing plant.
South Coast and West Coast Demersal Finfish	West Coast Demersal Scalefish Managed Fishery	Annual: Level 1 Periodic: Level 3 – 2017	Sustainable: Recovering	Commercial: <450t Recreational ≥250t	Commercial: 244t Recreational: 193–230t (95% CLs, private boats, top 15 species; 2015/16) 62t (charter 2017/18, top 15 species)	Commercial: Acceptable Commercial: Demersal suite catch within range. Recreational: Not acceptable Recreational: Snapper and Baldchin groper catches were above recovery benchmarks.
Gascoyne Coast Bioregion						
Shark Bay Invertebrate	Shark Bay Prawn Managed Fishery (MSC)	Annual: Level 4	Sustainable: Adequate	Commercial: 1350–2150t Recreational: NA	Commercial: 1091t	Acceptable Commercial: Brown tiger prawn catches within acceptable ranges but western king prawns were below the acceptable range due to low recruitment levels.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Invertebrates	Exmouth Gulf Prawn Managed Fishery (MSC)	Annual: Level 4	Sustainable: Adequate	Commercial: 471–1250t Recreational: NA	Commercial: 880t	Acceptable Commercial: Brown tiger catches within acceptable range and endeavour prawns just above their acceptable range. Western king prawn acceptable range reduced due to negative impact on recruitment of higher water temperatures and catches within revised range.
Shark Bay Invertebrate	Shark Bay Scallop Managed Fishery	Annual: Level 4	Sustainable: adequate	Commercial: Trial quota 1354t Recreational: NA	Commercial: 1197t	Acceptable Commercial: Catch achieved 88% of revised trial quota however most catch from Denham Sound and not northern Shark Bay. Recent surveys identified good recruitment in Denham Sound but below limit reference level for northern Shark Bay and the reasons for this require investigation.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Shark Bay Invertebrate	Shark Bay Crab Managed Fishery	Annual: Level 4	Sustainable: Adequate	Commercial: 550t (Q) Recreational: Not developed	Commercial: 518t	Acceptable Commercial: Catch achieved was below quota due to late season increase in TACC and operational factors rather than insufficient biomass. Spawning and recruitment levels have stabilised under the current environmental conditions and harvest levels. Recreational: Catch levels are not considered a risk to stocks.
Gascoyne Nearshore Scalefish	Shark Bay Beach Seine and Mesh Net Managed Fishery	Annual: Level 2 Periodic: Level 3 Yellowfin whiting – 2014 Sea mullet – Underway	Sustainable: Adequate	Commercial: 235–335t Recreational: NA	Commercial: 176t	Acceptable Commercial: Catch below the acceptable range due to ongoing low levels of effort. Catch rates for Whiting, Sea mullet, Tailor and Yellowfin bream above the 10-year averages.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
South Coast and West Coast Crustacean	West Coast Deep Sea Crustacean Managed Fishery (MSC)	Annual: Level 2	Sustainable: Adequate	Commercial: 154t (Q); 60,000–105,000 pot lifts Recreational: NA	Commercial: 152.8t (81,000 pot lifts)	Acceptable Commercial: TAC achieved with effort within acceptable range. The standardised catch rate of retained legal crabs is within the acceptable range.
Gascoyne Demersal Scalefish	Gascoyne Demersal Scalefish Managed Fishery	Annual: Level 2 Periodic: Level 5 Snapper – 2017	Inadequate	Commercial: Snapper 51.4t (Q) Other demersals 227t (Q) Recreational: Not formal	Commercial: Snapper 45.1t Other demersals 164t Recreational: 87–118t (95% CI, boat only, top 10 species in 2015/16)	Snapper: Acceptable Other demersals: Acceptable Snapper spawning biomass is around the limit level. Additional management action undertaken in 2018 including TACC reduction. Management for other demersals adequate.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Gascoyne Demersal Scalefish	Inner Shark Bay Demersal (Snapper)	Periodic: Level 5 2015	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: 2t Charter: 1.5t EG, 1.7t DS, 1.2t FE Recreational: 2.1t EG (95% CI 0.8–3.4t), 4.6t DS (95% CI 1–3.4–5.9t), 11.5t FE (95% CI 4.3–18.7t) (boat only)	Not Acceptable (recreational) Commercial: Incidental catch. Not considered a risk to stocks Recreational: Catch Not Acceptable in Freycinet.
North Coast Bioregion						
Northern Invertebrates	Onslow Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 60–180t Recreational: NA	Negligible	Acceptable Commercial: Low effort by one boat in 2018.
Northern Invertebrates	Nickol Bay Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 90–300t Recreational: NA	Commercial: 81t	Acceptable Commercial: Catch just below acceptable range. Low catches expected due to low rainfall.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Invertebrates	Broome Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 55–260t Recreational: NA	Negligible	NA Commercial: Minimal fishing occurred in 2018.
Northern Invertebrates	Kimberley Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 240–500t Recreational: NA	Commercial: 332t	Acceptable Commercial: Banana prawn catch within acceptable range.
Northern Estuarine, Nearshore and Embayment Scalefish and Invertebrates	Kimberley Gillnet and Barramundi Managed Fishery	Annual: Level 2	Sustainable: Adequate	Commercial: 33–45t (barramundi) Recreational: Not formal	Commercial: 60t (barramundi) 92t (total) Recreational: 20–35t (95% CI, boat only, top 10 species)	Acceptable Commercial: Catch is above the acceptable range. The level of catch is higher than previous years, but is not considered a risk to stocks as the catch rate remains high. Recreational: Catch levels are not considered a risk to stocks.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Demersal Scalefish	Northern Demersal Scalefish Managed Fishery	Annual: Level 2 Periodic: Level 5 – 2018	Sustainable: Adequate	Commercial: 440–533t (goldband snapper) 121–154t (red emperor) Catch range review in progress Recreational: Not formal	Commercial: 1297t (total) 488t (goldband snapper – not including other jobfish) 147t (red emperor) Recreational: 34–47t (95% CI, boat only, top 10 species)	Acceptable Commercial: Goldband snapper and red emperor catches are within their catch ranges. See below for Pilbara Fish Trawl, and Pilbara Demersal Trap and Line catches. Recreational: Catch levels are not considered a risk to stocks. Recreational catches are combined for Kimberley and Pilbara.
Northern Demersal Scalefish	Pilbara Fish Trawl (Interim) Managed Fishery	Annual: Level 2, 3 Periodic: Level 5 – Underway	Sustainable: Adequate	Commercial: Sustainable (catch range review is in progress following recent stock recovery) Recreational: NA	Commercial: 1,977t	Acceptable Commercial: Catches are increasing as the demersal scalefish assemblage in the Pilbara region recovers following effort reductions.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Demersal Scalefish	Pilbara Demersal Trap Managed Fishery and Pilbara Line Fishery	Annual: Level 2, 3 Periodic: Level 5 – Underway	Sustainable: Adequate	Commercial: 400–600t (trap) 50–115t (line) Sustainable Catch range review is in progress following recent stock recovery Recreational: NA	Commercial: 563t (trap) 93t (line)	Acceptable Commercial: Trap and line fishery catch within acceptable range.
Statewide Large Pelagic Scalefish	Mackerel Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 246–410t (Q, Spanish Mackerel) Recreational: Not formal	Commercial: 214t Recreational: 21–31t (95% CI, boat only, top 10 species)	Acceptable Commercial: The Spanish mackerel catch is below the tolerance range for the first time. A change in operators and environmental conditions may be influencing catch levels. Recreational: Catch levels are not considered a risk to stocks.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Shark	Northern Shark Fishery	No assessment	NA	<20t (sandbar)	0	NA No fishing since 2008/09.
Pearl Oyster (P. maxima)	Pearl Oyster Wildstock Fishery	Annual: Level 4	Sustainable: Adequate	Commercial: 646,000 oysters (Q) (14,071–20,551 dive hours) Recreational: NA	Commercial: 614,002 oysters (15,637 dive hours)	Acceptable Commercial: Catch below quota as MOP component was not fully utilised. Catch rates increased from 2017 to 2018. Abundance predicted to increase slightly in 2019.
Statewide Hand Collection	Western Australian Sea Cucumber Fishery	Annual: Level 2	Sustainable: Adequate	Commercial: Sandfish (Kimberley) 0–100t Sandfish (Pilbara) 0–80t Redfish 0–150t Recreational: NA	Commercial: Sandfish (Kimberley): 0t Sandfish (Pilbara): 36t Redfish: 25t	Acceptable Commercial: Catches within acceptable ranges. 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.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
South Coast Bioregion						
South Coast and West Coast Crustacean	South Coast Crustacean Managed Fishery (includes old Windy Harbour, Augusta Fishery)	Annual: Level 2	Sustainable: Adequate	Commercial: 50–80t (southern rock lobster) Recreational: NA	Commercial: 31t (southern rock lobster)	Acceptable Commercial: Catch below acceptable range. Southern rock lobster stock indicator is above the threshold reference level for Zone 3 (Esperance) and Zone 4 (Bight). Recreational: Catch levels are not considered a risk to stocks.
Statewide Abalone	Abalone (Greenlip/Brownlip) Managed Fishery (MSC)	Annual: Level 3	Inadequate	Commercial: 74t (Q) (3440–5270 hours) Recreational: Not formal	Commercial: 61t (2624 hours) Recreational: 8t	Not Acceptable Commercial: Catch below TACC due to commercial industry decisions. Greenlip abalone stock indicator below threshold reference level for Area 2 and below limit reference level for Area 3. TACC reduced to 62t for the 2019 season with Greenlip abalone TACC at 21% of long-term levels. Spatial closures in Area 3 being considered for 2019 season. Recreational: Catch levels are not considered a risk to stocks.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
South Coast Estuarine, Nearshore and Embayment Scalefish and Invertebrates	South Coast Estuarine Managed Fishery South Coast Salmon Managed Fishery South Coast Nearshore Open Access Net Fishery	Annual: Levels 1 and 2. Periodic: Levels 3 and 4 Salmon – 2017 Cobbler – 2018	Inadequate – Cobbler in Wilson Inlet Sustainable: Adequate – Salmon/ Mullet/ Bream	Commercial: Under revision Recreational: Not developed	Commercial: 182t (South Coast estuaries, total fish and crabs) 68t (South Coast nearshore, total fish and crabs) Recreational: 13–21t (95% CI, boat only, top 10 species)	NA Commercial: Wilson Inlet Cobbler catch under review. Decline is consistent with an environmentally limited stock. Low Salmon catch due to low effort from limited market demand. Recreational: Catch levels are not considered a risk to stocks.
Statewide Small Pelagic Scalefish (Purse Seine)	Albany/King George Sound Purse Seine	Annual: Level 1	Sustainable: Adequate	Commercial: 2683t (Q) Recreational: NA	Commercial: 1242t	Acceptable Commercial: Catch below conservatively set quota.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Statewide Small Pelagic Scalefish (Purse Seine)	Bremer Bay and Esperance Purse Seine	Annual: Level 1	Sustainable: Adequate	Commercial: 3000t (Q) Combined Recreational: NA	Commercial: 926t	Acceptable Commercial: Catch below conservatively set quota.
South Coast and West Coast Demersal Finfish	Temperate Demersal Gillnet and Demersal Longline Joint Authority Southern Demersal Gillnet and Demersal Longline Fishery	Annual: Level 1 Periodic: Gummy and whiskery: Level 5 – 2017 Dusky and sandbar: Level 4 – 2017	Sustainable: Adequate–Gummy and whiskery Sustainable: Recovering–Dusky and sandbar	Commercial: shark 725–1095t Recreational: NA	Commercial: 716t (key species only) 820t (total sharks and rays)	Acceptable Commercial: Catch of the key shark species and the catch of the total shark and ray species is within acceptable catch ranges.
South Coast and West Coast Demersal Finfish	South Coast Demersal Scalefish	Annual: Level 1 Periodic: Level 3 – 2014	Sustainable: Adequate	Commercial: Under development Recreational: Not formal	Commercial: 194t Recreational: 38–51t (95% CI, boat only, top 10 species) Charter: 5t	Acceptable Current commercial and recreational catch levels are at acceptable levels.

Resource	Fishery	Assessment level	Breeding stock assessment	Catch (and effort) range	Catch, effort and catch rate for season reported ^{1,2}	Catch (or effort or catch rate) level acceptable and explanation if needed
Northern Inland Bioregion						
Northern Inland Freshwater Scalefish and Invertebrates	Lake Argyle Silver Cobbler Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 93–180t Recreational: NA	Commercial: 72t	Acceptable Commercial: Catch is below acceptable level due to reduced effort.
Southern Inland Bioregion						
South and West Coast Inland Freshwater Resource	South West Recreational Freshwater Angling Fishery Recreational Marron Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: NA Recreational: 50,000–100,000 (marron) 50,000–120,000 (fish)	59,890 marron (± 4516se) 69,231 fish (±9447se)	Acceptable Catch within acceptable range since 2003.

1. Commercial and recreational catch values supplied for latest year/season available.

2. 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 2019, the following items were recorded on the State Register:

- 153,645 recreational fishing licences of 223,299 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)
- 11 aquaculture leases
- 422 aquaculture licences
- 6068 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	124,260
Rock lobster	51,474
Abalone	15,808
Marron	9,699
Net fishing	14,074
South West freshwater angling	7,984
Total	223,299

The commercial authorisations on the State Register consisted of the following:

Table A4 **Interim managed fishery permits**

Permits	Number of permits
Octopus	34
Pilbara Fish Trawl	11
West Coast Demersal Gillnet and Demersal Longline	17
West Coast Demersal Scalefish	60
Total	122

Table A5 **Managed fishery licences**

Licences	Number of licences
Abalone	51
Abrolhos Island and Mid trawl	10
Broome Prawn	5
Cockburn Sound Crab	12
Cockburn Sound Fish Net	1
Cockburn Sound Line and Pot	13
Cockburn Sound Mussel	1
Exmouth Gulf Prawn	15
Gascoyne Demersal Scalefish	58
Kimberley Crab	3
Kimberley Gillnet and Barramundi	4
Kimberley Prawn	121
Mackerel	52
Marine Aquarium Fish	11
Nickol Bay Prawn	14
Northern Demersal Scalefish	15
Onslow Prawn	30
Pilbara Crab	1
Pilbara Trap	6
Shark Bay Crab	32
Shark Bay Beach Seine	10
Shark Bay Prawn	18

Licences	Number of licences
Shark Bay Scallop	29
South Coast Crustacean	37
South Coast Estuarine	25
South Coast Purse Seine	33
South Coast Salmon	18
South West Salmon	6
South West Trawl	8
Southern Demersal Gillnet and Demersal Longline	52
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	653
West Coast Deep Sea Crustacean	7
Total	1,409

Table A6 **Other licences**

Licences	Number of licences
Commercial Fishing Licence	2,316
Fish Processing Licence (land)	106
Fish Processing Licence (sea)	87
Fishing Boat Licence	1,287
Fishing Tour Operators Licence	207
Restricted Fishing Tour Licence	21
Permit to Construct a Fish Processing Establishment (Land and sea)	481
Carrier Boat Licence	32
Total	4,537

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**

Transactions	Number of transactions
Extracts and searches	590
Notation, removal and variation of a security interest	99
Total	689

Table A8 **State register of exemptions 2018/19**

Note: this register refers to additional schedules, tables and figures that are not provided in this document.

Exemption No.	Expiry	Holder	Purpose
3137	01/07/2021	Anthony Santoro and Stephen Beatty of Murdoch University	For the purposes of research to catch and release freshwater turtles (<i>Chelodina colliei</i>) from Chelodina Wetland, Bibra Lake, North Lake and Melaleuca Swamp for the purposes of research.
3138	01/07/2023	Employees of Tidal Moon Pty Ltd	To allow for Aboriginal organisation Tidal Moon Pty Ltd to commercially fish for sea cucumber in accordance with the Aboriginal Fishing Policy 1993.
3139	01/07/2023	Mr Donald Mckenzie and Mr Troy Dunstan	To allow persons of the Jabirr Jabbir Aboriginal Traditional Owner group to commercially fish for crabs in accordance with the Aboriginal Fishing Policy 1993.
3140	13/07/2020	Roger Merlyn Barnard	To allow Mr Barnard to collect rock oyster broodstock and conduct research.
3141	30/06/2020	Mathew Vanderklift (and others as listed) of CSIRO	To collect finfish, corals and algae, and catch, tag and release fish and sharks from Ningaloo coastal waters.
3142	31/12/2999	Fisheries Marine Officers and persons assisting	To authorise any activity which may reasonably be required to investigate possible breaches of the <i>Fish Resources Management Act 1994</i> and/or the Fish Resources Management Regulations 1995 and/or subsidiary legislation.

Exemption No.	Expiry	Holder	Purpose
3143	30/09/2020	Indian Ocean Sea Vegetables Pty Ltd	<ol style="list-style-type: none"> 1. To collect a maximum of 15 kilograms per algae species listed under Schedule 2.2 to use as broodstock for aquaculture purposes and undertake aquaculture trials. 2. To culture the species below at the area defined under Schedule 3.2 in Geographe Bay: <ul style="list-style-type: none"> • <i>Glacillaria cliftonii</i> • <i>Gracillaria flagelliformis</i> • <i>Glacillaria pressiana</i> • <i>Caulerpa geminata</i> • <i>Ecklonia radiata</i>; and • <i>Porphyra lucasii</i>.
3144	31/07/2021	West Coast Estuarine Managed Fishery Licence No. 2911	The commercial take of blue swimmer crabs (<i>Portunus armatus</i>) from the area described in Schedule 3 of this Exemption, using crab pots as per the dimensions prescribed in Schedule 5 of the West Coast Estuarine Managed Fishery Management Plan 2014.
3145	31/01/2019	Dr Justin Welsh	To allow Dr Welsh to collect oysters for research purposes.
3146	01/08/2019	School of Veterinary and Life Sciences Technicians and students of Murdoch University	To collect algae from Peel Harvey Estuary, Woodman Point and Fremantle for the purposes of teaching.
3147	02/09/2018	Persons fishing for a recreational purpose	To fish for freshwater fish, without holding a current Freshwater Angling Licence in inland waters of Western Australia south of Greenough (29°S) and above tidal influence, including lakes, dams, rivers and their tributaries on 1st and 2nd September 2018.

Exemption No.	Expiry	Holder	Purpose
3148	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, for the purposes of assisting Fisheries Science and Resource Assessment in determining the catchability of western rock lobsters.
3149	30/09/2018	Miles Parsons of Aims (and others as listed in Schedule 1)	To collect commercially important fish species from trap zones as per attached figure (coordinates of the trap zone centres are: -19.8283 117.5427 and -19.6875 117.8306) for the purposes of research.
3150	30/08/2018	Scott R Strachan (and others as listed in Schedule 1, including students of Murdoch University)	To collect aquatic macroinvertebrates from Margaret River and Darch Brook as per Table 1 for the purposes of teaching.
3151	01/01/2020	Matt George Kalazich	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, while using the licensed fishing boat Southern Bounty 4 (registration LFB F470) for the purposes of assisting Fisheries Science and Resource Assessment in determining the catchability of western rock lobsters.
3152	30/10/2018	Kjell and Nils Stokke	<ol style="list-style-type: none"> 1. For the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey. 2. To assist Fisheries Science and Resource Assessment obtain the biological data required to facilitate a fishing mortality based stock assessment.

Exemption No.	Expiry	Holder	Purpose
3153	30/10/2018	Bruce Cockman	To set, pull and retain rock lobster from 160 commercial rock lobster pots without escape gaps, adjacent to breeding stock survey grounds in the waters of the Abrolhos Islands Groups while using the licensed fishing boat Hold Fast (registration LFB D27) for the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey.
3154	03/11/2018	Greg Cole	To set, pull and retain rock lobster from 160 commercial rock lobster pots without escape gaps, adjacent to breeding stock survey grounds in the waters off Dongara while using the licensed fishing boat Mind Games (registration LFB D12) for the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey.
3155	30/10/2018	Matthew Fong	To set, pull and retain rock lobster from 130 commercial rock lobster pots without escape gaps, adjacent to breeding stock survey grounds in the waters of the Abrolhos and Big Bank, including the area described in Schedule 4 of the West Coast Rock Lobster Managed Fishery Management Plan 2012, for the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey.
3156	30/10/2018	Sam Koncurat	To set, pull and retain rock lobster from 160 commercial rock lobster pots without escape gaps, adjacent to breeding stock survey grounds in the waters off the Fremantle and Rottnest area while using the licensed fishing boat Glenley III (registration LFB F620) for the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey.

Exemption No.	Expiry	Holder	Purpose
3157	31/12/2018	Wayne Marshall and Ken Halton	To collect undersize brownlip abalone in cooperation with Fisheries Science and Resource Assessment to assist in the collection of size-at-maturity data. Results will assist the department in reporting against condition 3 of the Marine Stewardship Council (MSC) certification.
3158	31/12/2018	Alan Fraser, Neville Samuels, Nathan Samuels and Samuel Roberts	Fishing for crabs of the family <i>Portunidae</i> for a commercial purpose by means of crab trap in all waters of Western Australia located below the high water mark and to the 150m isobath east of 123°15' east longitude, excluding those waters specified in Condition 23.
3159	31/08/2020	Intertek Group	To permit Intertek Group to take sea urchin for commercial environmental monitoring of effluent discharge.
3160	30/10/2018	Matthew Fong	<ol style="list-style-type: none"> 1. For the purposes of assisting Fisheries Science and Resource Assessment in conducting the annual rock lobster independent breeding stock survey. 2. To assist Fisheries Science and Resource Assessment obtain the biological data required to facilitate a fishing mortality based stock assessment.
3161	19/09/2018	Glenn Hyndes and students of Edith Cowan University	To collect macroinvertebrates from Lower Swan-Canning Estuary: North Fremantle and East Fremantle (<i>Leeuwin</i>) for the purposes of teaching.
3162	31/12/2020	Trevor Blinco	For the purpose of enabling the collection of marron broodstock by use of one single long trap of 10–15 metres.
3163	31/12/2023	Employees of DPIRD	<ol style="list-style-type: none"> 1. To collect those species listed in Schedule 2 as broodstock for aquaculture purposes. 2. To undertake plankton net tows for fertilised pink snapper (<i>Pagrus auratus</i>) eggs and retain samples for later identification.

Exemption No.	Expiry	Holder	Purpose
3164	01/01/2020	Stephen John Small	To operate 80 commercial rock lobster pots while using the licensed fishing boat Platinum II, adjacent to breeding stock survey grounds in the waters off Jurien for the purposes of assisting Fisheries Science and Resource Assessment in determining the catchability of western rock lobsters.
3165	01/06/2023	Ardyaloon Incorporated (employees and/or members of)	To take trochus (<i>Tectus niloticus</i>) for a commercial purpose by hand in the waters of King Sound and the Buccaneer Archipelago within the Bardi Jawi and Mayala native title claim boundaries.
3166	30/11/2022	Fisheries Officers of DPIRD	<ol style="list-style-type: none"> 1. The taking of white shark (<i>Carcharodon carcharias</i>) by means of set drum lines. 2. The taking of whaler sharks (family <i>Carcharhinidae</i>) with an interdorsal fin length of 70 centimetres or greater by means of set drum lines. 3. The possession of a shark described in Item 1 or 2 of this Schedule for such time as is reasonably necessary to land the shark and deliver it pursuant to Item 2 of Schedule 5, or to dispose of the shark at sea in WA waters. 4. The landing of a shark described in Item 1 or 2 to this Schedule.
3167	30/09/2023	Department of Transport	This Exemption is granted only for the purpose of providing safe passage of ships through the Jurien Boat Harbour entrance and to reduce biota die-offs due to deoxygenation of the harbor waters.
3168	30/04/2019	Sean Atkinson and Belinda Robson of Murdoch University	To collect sediments from dry wetlands from 12 of the wetlands listed in Table 1 for the purposes of research.
3169	01/03/2020	Caitlyn O'dea, students, staff and volunteers of Edith Cowan University	To collect seagrass and sediment from Swan-Canning Estuary, Leschenault Estuary and Vasse-Wonnerup Estuary, see attachments for intended sites within each estuary for the purposes of research.

Exemption No.	Expiry	Holder	Purpose
3170	01/11/2018	Jesse Shakespeare and Tim Wiegele	The collection of 380 native rock oysters (<i>Ostrea angasi</i>) and Western rock oyster (<i>Saccostrea cucullata</i>), 60 mud whelks from the locations listed in Schedule 3 below to test for heavy metal and hydrocarbon contaminants.
3171	01/03/2019	A Cottingham, K Krispyn and B Poh of Murdoch University and B Roennfeldt from South Metro TAFE	To collect Black Bream from Peel-Harvey and Swan River estuaries, see Table 1 for sites for the purposes of research.
3172	15/09/2021	J Hehre, J Meeuwig, J Mcelhinney (University of Western Australia); R Mcauley and crew of RV Pangaea Ocean Explorer (Mindaroo)	To collect teleosts and sharks from all Economic Exclusion Zone waters of Western Australia for the purposes of research.
3173	31/12/2021	BMT Western Australia	Exemption to allow the take of sediment for infauna sampling from Six Mile Creek and Paradise Creek located within the Port Hedland solar field.
3174	31/12/2020	Chanelle Webster, students, staff and volunteers of Edith Cowan University	To collect seagrass (<i>Halophila ovalis</i> and <i>R. megacarpa</i>) from Swan-Canning Estuary and Woodman Point, see attached map for sites for the purposes of research.
3175	01/10/2021	Stephen Beatty of Murdoch University and others as listed in Schedule 1	To collect fish from Harvey River within 200m of the sites listed in Table 1 for the purposes of research.
3176	30/01/2019	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 for the purposes of research.

Exemption No.	Expiry	Holder	Purpose
3177	01/01/2020	Sean Michael Akerstrom	To operate 80 commercial rock lobster pots, adjacent to breeding stock survey grounds in the waters off Jurien, while using the licensed fishing boat LFB G149 "Desperate Measures" for the purposes of assisting Fisheries Science and Resource Assessment in determining the catchability of western rock lobsters.
3178	30/09/2021	Wildblue Holdings Pty Ltd	To enable Wildblue Holdings to collect broodstock for aquaculture purposes.
3179	30/09/2021	Harvest Road Export and Dr Justin Welsh	To enable Harvest Road and Justin Welsh to collect broodstock for aquaculture purposes.
3180	14/01/2021	West Coast Rock Lobster Managed Fishery Licence Holders as listed in Schedule 1	To allow West Coast Rock Lobster Managed Fishery Licence holders listed in Schedule 1 to fish when the usual entitlement on their authorisation is less than 300 units.
3181	30/06/2019	South Coast Crustacean Managed Fishery Licence Holders	To allow the master of an authorised boat in the South Coast Crustacean Managed Fishery to fish using rock lobster pots that are not fitted with a Sea Lion Exclusion Device for the period 15 November 2018 to 30 June 2019.
3182	31/12/2021	Persons authorised to operate under the authority of a Specimen Shell Managed Fishery Licence	Exemption to allow remotely operated underwater vehicles to be operated within the Specimen Shell Managed Fishery.
3183	31/08/2021	888 Abalone Pty Ltd	To allow 888 Abalone Pty Ltd to take Greenlip and Brownlip abalone as broodstock for aquaculture purposes.
3184	31/03/2020	Recreational fishing from boat licence holders and fishing tour operator's licence holders	For the purposes of allowing up to a maximum of six octopus trigger traps to be used for recreational fishing for octopus by the holder of a recreational (boat) fishing licence or fishing tour operator's licence.

Exemption No.	Expiry	Holder	Purpose
3185	26/10/2018	David Broun of CSIRO, Kado Muir and staff and students of Leonora District High School	To collect fish and crustaceans from Malcolm Dam, approximately 10km east of Leonora for the purposes of research.
3186	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 for the purposes of research.
3187	01/11/2019	Kimberley Crab Managed Fishery Licence	Exemption from Automatic Location Communicator nomination requirements under the new Kimberley Crab Managed Fishery Management Plan 2018.
3188	30/04/2019	West Coast Rock Lobster Managed Fishery Licence holders	<p>The maximum number of pots that may be operated under the authority of a West Coast Rock Lobster Managed Fishery Licence during the period 1 November 2018–30 April 2019 is:</p> <ul style="list-style-type: none"> a. in Zone A, the sum of: <ul style="list-style-type: none"> i. the current entitlement of Zone A units multiplied by 0.1 ii. the current entitlement of Zone B units multiplied by 0, and iii. the current entitlement of Zone C units multiplied by 0 b. in Zone B, the sum of: <ul style="list-style-type: none"> i. the current entitlement of Zone A units multiplied by 0.056 ii. the current entitlement of Zone B units multiplied by 0.1, and iii. the current entitlement of Zone C units multiplied by 0 c. in Zone C, the sum of - <ul style="list-style-type: none"> i. the current entitlement of Zone A units multiplied by 0, ii. the current entitlement of Zone B units multiplied by 0, and iii. the current entitlement of Zone C units multiplied by 0.1.
3189	26/10/2018	Employees of DPIRD	To conduct and assist with education, communications and promotional activities associated with DPIRD

Exemption No.	Expiry	Holder	Purpose
3190	30/01/2021	Stephen Beatty and others as named in Table 1	To collect catch, tag and release estuarine and freshwater fish from Canning River within a 5km radius of Kent St Weir for the purposes of research.
3191	31/03/2022	Chevron Australia	To collect native rock oysters to test for heavy metal contaminants, and finfish to assess environmental impacts as part of Chevron Australia's environmental compliance monitoring around Barrow Island.
3192	31/10/2021	South Metropolitan TAFE (SMT)	To allow SMT collect <i>M. latisulcatus</i> and conduct a research and development trial.
3193	31/10/2021	Little Rat Coral Farm Pty Ltd (LRCF)	To enable LRCF to collect broodstock for aquaculture purposes.
3194	01/11/2020	Persons fishing from an authorised boat specified on a Pilbara Crab Managed Fishery Licence	To enable the trial of alternative crab trap designs over a two-year period for assessment by the Fisheries Science and Resource Assessment division.
3195	03/10/2020	Nestor E Bosch, staff and students of The University of Western Australia (UWA)	To collect parrotfish from no more than three locations between Ningaloo and Esperance, including – but not limited to – Ningaloo, Port Gregory or Horrocks and Rottnest Island for the purposes of research.
3196	31/12/2019	Ocean Grown Abalone Pty Ltd	To allow Ocean Grown Abalone to conduct a research and development trial.
3197	15/05/2019	Individuals involved in the sale of west coast rock lobster as named in Schedule 1	An interim mechanism to enhance the supply of rock lobster to the WA community.
3198	10/12/2020	John Statton, staff and volunteers of UWA and members of Ozfish unlimited	To collect seagrass fruit and seeds from Cockburn Sound, Owen Anchorage and Shark Bay for the purposes of research.

Exemption No.	Expiry	Holder	Purpose
3199	01/07/2021	Anthony Santoro and Stephen Beatty of Murdoch University	To catch and release freshwater turtles (<i>Chelodina colliei</i>) from Chelodina Wetland, Bibra Lake, North Lake and Melaleuca Swamp for the purposes of research.
3200	23/11/2018	Chastity King, Les Dodd and students of Rockingham Senior High School	To collect plankton, fish and invertebrates from shoreline along Palm Beach, near Mangles Bay for the purposes of teaching.
3201	30/11/2021	Employees of Bunbury Dolphin Discovery Centre Incorporated	The take of fish for the purpose of public display at the Dolphin Discovery Centre.
3202	31/03/2020	Recreational fishing from boat licence holders and persons operating under the authority of a fishing tour operator's licence.	For the purpose of allowing up to a maximum of six octopus trigger traps to be used for recreational fishing for octopus by the holder of a recreational (boat) fishing licence or fishing tour operator's licence.
3203	31/12/2021	V and M Filippou	To enable the holder of Fishing Boat Licence Number 2103 or persons acting on their behalf to use fish traps to take finfish.
3204	30/11/2019	J, H, D & K Yates and N & F Ferguson and masters of vessels named in Schedule 2	<ol style="list-style-type: none"> To take spanner crab (<i>Ranina ranina</i>) for a commercial purpose by means of a 'dillie', from these vessels only: <ol style="list-style-type: none"> Double Eight (UVI 453194); and Sovereign. To undertake the activities in Schedule 2(1) from a boat which does not have a fishing boat licence.
3205	31/12/2021	Andrew and Tracey Basile	To allow Andrew and Tracey Basile to collect coral broodstock for aquaculture.
3206	31/12/2021	Nathan Boothman	To enable Nathan Boothman to collect broodstock for aquaculture purposes.

Exemption No.	Expiry	Holder	Purpose
3207	30/06/2023	Approved Port Authority personnel	To enable Port Authority personnel to undertake surveillance activities at the direction of department officers to protect the State's aquatic resources from introduced marine species.
3208	1/11/2021	Jane Prince, Robert Black and Matilda Murley of UWA (and other volunteers)	Exemption to collect intertidal invertebrates for research from 24 sites at Rottnest Island.
3209	28/2/2019	Henry Carrick, Jane Price and Robert Black of UWA	Exemption to collect coral for research from 10 sites at Rottnest Island.
3210	31/01/2020	Alan Cottingham, James Tweedley, Chris Hallett, Stephen Beatty and Oliver Krumholz of Murdoch University	Exemption to collect blue mussels (<i>Mytilus edulis</i>) from Melville Waters for research.
3211	31/12/2023	South Metropolitan TAFE	Educational programs for training South Metropolitan TAFE students in commercial fishing practices on board 'Maritime Image'.
3212	31/12/2023	South Metropolitan TAFE	Educational programs for training South Metropolitan TAFE students in commercial fishing practices on board 'MV Brockman'.
3213	23/12/2018	Employees of Murdoch University	Exemption to collect and translocate sawfish and other scalefish species.
3214	01/12/2021	Employees of Murdoch University	Exemption to collect fish, freshwater crayfish and invertebrates from the canning river.
3215	31/12/2023	DPIRD – Fisheries (internal)	Enabling boats in excess of 375 boat units to be used in the Exmouth Gulf Prawn, Nickol Bay Prawn, Onslow Prawn and Shark Bay Scallop Managed Fisheries.

Exemption No.	Expiry	Holder	Purpose
3216	1/6/2019	Peter Charles Warrilow	To permit Mr Peter Charles Warrilow to operate in the Southern Demersal Gillnet and Demersal Longline Managed Fishery with 450 Zone 1 units that permit Mr Warrilow to fish for 264 hours by means of 37.8 metres of demersal gillnet, or nine hooks on a demersal longline. This is consistent with a Zone 1 historical unit as previously described in the Joint Authority Southern Demersal Gillnet and Demersal Longline Managed Fishery Management Plan 1992, while the Southern Demersal Gillnet and Demersal Longline Managed Fishery Management Plan 2018 is amended to recognise Zone 1 historical units.
3217	21/12/2021	Stephen Beatty and others as listed in Schedule 1 (of Murdoch University)	To collect Carter's freshwater mussel from Lower Vasse River, within 400m of the Causeway Rd Bridge, Busselton (see Figure 1) and the Vasse Diversion Drain (see figure 2).
3218	15/11/2020	Mathew Vanderklift (and others as listed in Schedule 1 of CSIRO)	To collect Seagrass and Mangroves for the purposes of research.
3219	30/01/2019	Dean Thorburn	To remove marine aquatic species from Koolan Island mine pit prior to draining. The species are to be returned to the sea.
3220	31/12/2020	Persons authorised to fish under the authority of a licensed fishing boat as specified in Schedule 1	To allow the continuation of commercial nearshore net fishing and purse seining in the waters of the West Coast Demersal Scalefish (Interim) Managed Fishery.
3221	31/12/2023	Onslow Prawn Managed Fishery licences	Use of headrope lengths not provided for in the Onslow Prawn Managed Fishery Management Plan 1991 for commercial fishing in the Onslow Prawn Managed Fishery.

Exemption No.	Expiry	Holder	Purpose
3222	31/12/2021	Persons on board an authorised boat of the Northern Demersal Scalefish Managed Fishery and Pilbara Trap Managed Fishery	To mitigate occupational health and safety concerns and monetary concerns associated the prohibition on the use of bait bands on commercial vessels.
3223	14/09/2019	The holder, or master operating under the authority, of West Coast Rock Lobster Managed Fishery Licence WCLL1401.	To supply up to 450kg of lobsters to the Mission Australia Christmas Lunch on 25 December 2018.
3224	30/05/2019	Neptune Geomatics Pty Ltd	To collect baseline environmental information along the proposed Browse Basin to North West Shelf pipeline route.
3225	11/03/2019	Area 2 West Coast Estuarine Managed Fishery licence holders	To allow 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 crabs for Christmas and Mandurah Crab Fest.
3226	19/12/2021	All holders of, and persons operating under the authority of a South Coast Crustacean Managed Fishery Licence and persons who legally purchase or obtain rock lobster from South Coast Crustacean Managed Fishery Licence holders.	An interim mechanism to allow for the take of western rock lobster of 76mm in length or more in the South Coast Crustacean Managed Fishery.
3227	13/03/2019	Abigail Ross Of Aecom Australia Pty Ltd and others as listed in Schedule 1	To collect prawn and sawfish survey data to support environmental assessment for a proposed solar salt Project.

Exemption No.	Expiry	Holder	Purpose
3228	31/01/2020	One Sea Pty Ltd	To allow commercial fishing of scallops using a slightly larger vessel given the lack of compliant vessels available.
3229	30/11/2021	Bunbury Dolphin Discovery Centre (employees of)	The take of fish for the purpose of public display at the Dolphin Discovery Centre.
3230	31/05/2021	North Regional TAFE	For the purpose of enabling the collection of aquaculture broodstock for a commercial purpose.
3231	31/12/2020	Persons authorised to fish under the authority of a licensed fishing boat as specified in Schedule 1	Persons or class of persons specified in Schedule 1 from the West Coast Demersal Scalefish (Interim) Management Plan 2007 and regulation 117 of the Fish Resources Management Regulations 1995 to the extent that it would otherwise prevent those persons from lawfully pursuing the activities specified in Schedule 2, for the period specified in Schedule 3 and subject to the conditions specified in Schedule 4
3232	30/06/2023	Approved Port Authority personnel	Enabling the Port Authority personnel to undertake surveillance activities under the direction of department officers for the protection of the State's aquatic resources from introduced marine species.
3233	31/12/2019	Alan Cottingham, James Tweedley, Chris Hallet and Lauren Peck of Murdoch University	To collect blue mussels for research purposes.
3234	30/04/2019	Fred Wells of Curtin University and Dr Tan Koh Siang from National University of Singapore	To collect <i>Mytilid</i> bivalves from Cottesloe, North Mole, South Mole, Swan River and Cockburn Sound for research purposes.

Exemption No.	Expiry	Holder	Purpose
3235	31/12/2021	James Tweedley, Richard Warwick, Alan Cottingham and Brian Poh of Murdoch University	To collect benthic invertebrates from Swan-Canning Estuary, Peel-Harvey Estuary, Broke Inlet and Wilson Inlet for research purposes.
3236	1/02/2022	Jo Buckee and student volunteers of Murdoch University	To collect coral fragments of dominant staghorn coral for research purposes.
3237	22/02/2020	Mike Van Keulen of Murdoch University	Collection of fish, seagrasses, macroalgae and benthic invertebrates from Shoalwater Islands Marine Park.
3238	15/02/2022	Daniel Gorman of CSIRO	Collection of fish and crustaceans from all waters in Western Australia.
3239	28/02/2020	Alan Cottingham of Murdoch University	Collection of blue mussels (<i>Mytilus edulis</i>) from throughout the lower and basin of the Swan River Estuary from and then seed on 300 jarrah stakes to be deployed in Melville Waters.
3240	31/01/2022	West Coast Rock Lobster Managed Fishery Licence Holders as listed in Schedule 1	To be in possession of, and set according to instructions from DPIRD staff, two modified rock lobster pots (in addition to their unit holdings). One modified to increase its catch of undersize lobsters, and another to increase pot efficiency.
3241	31/07/2019	Ana Giraldo Ospina of UWA	Collection of kelp (<i>Ecklonia radiata</i>) from Rottnest Island.
3242	18/02/2023	Employees of BMT WA Pty Ltd	To establish a baseline of the benthic habitat and communities.
3243	3/10/2020	Nestor E Bosch of UWA	Collection of parrotfish from no more than three locations between Ningaloo and Esperance, including – but not limited to – Ningaloo, Port Gregory or Horrocks and Rottnest Island.

Exemption No.	Expiry	Holder	Purpose
3244	20/05/2021	The State of Western Australia and public service officers as specified in Schedule 1	The take, possession, or relocation of fish taken on baited drumlines in the trial area during the implementation of the State Government's SMART drumline trial.
3245	20/05/2021	The State of Western Australia and others as listed in Schedule 1	The take, possession, or relocation of fish taken on baited drumlines in the Trial Area during the implementation of the State Government's SMART drumline trial.
3246	28/02/2022	Fishing Boat Licence No. 1005, Fishing Boat Licence No. 1292, Fishing Boat Licence No. 1363, Fishing Boat Licence No. 1938, Fishing Boat Licence No. 2348 and Fishing Boat Licence No. 2451	For the commercial take of sea cucumbers (Class <i>Holothuroidea</i>).
3247	01/03/2022	Stephen Beatty of Murdoch University	Collection of fish, crayfish and macroinvertebrates from three sites above and below the rehabilitation site in Lesmurdie Brook, see map (Attachment 1).
3248	22/03/2019	Fred Wells, Marthe Monique Gagnon and students of Curtin University	Collection of marine whelks (<i>Thais orbita</i>) from locations as per Table 1.
3249	19/03/2019	Annaleis Martin, staff and students of John Tonkin College	To permit translocation of up to 20 individual smooth marron from a private farm dam.
3250	31/03/2022	Sinead Allsop, Andrew Heyward and volunteers of Murdoch University	Collection of coral spawn and slick material from algae and cyanobacteria from Coral Bay.

Exemption No.	Expiry	Holder	Purpose
3251	31/03/2022	Wetland Research And Management	To use fish as indicators of mine impacts on the downstream freshwater environments.
3252	9/03/2019	Recreational Abalone Licence holders	To allow current recreational abalone licence holders in the West Coast Zone to fish for abalone on Saturday 9 March 2019.
3253	10/04/2020	Persons fishing under the authority of a South Coast Salmon or a South West Coast Salmon Managed Fishery Licence.	To allow penning of salmon for up to 24 hours.
3254	12/02/2020	Fremantle Octopus Group Ltd	Fishing for octopus by way of baited active traps.
3255	20/03/2019	Anna Frouws of Edith Cowan University	Collection of seagrass from Shark Bay.
3256	21/10/2019	Mike Van Keulen of Murdoch University	Collection of water samples and zooplankton from Bateman Bay and Exmouth Gulf.
3257	22/03/2019	Fred Wells, Marthe Monique Gagnon and students of Curtin University	For the purposes of research.
3258	31/03/2022	Indian Ocean Fresh Australia Pty Ltd (IOFA)	To hold fingerlings of giant grouper (<i>Epinephelus lanceolatus</i>) within IOFA's leased area at Central Regional TAFE's authorised site under Aquaculture Licence Nos 1422 and 1625 and at DPIRD's Fremantle Hatchery site under Aquaculture Licence No. 1651 and undertake aquaculture of <i>E. lanceolatus</i> within IOFA's authorised site under Schedule 2 of Aquaculture Licence No. 1633.
3259	30/06/2024	Fishability Program (registered participants)	To enable registered participants to recreationally fish from a vessel without a recreational boat fishing licence while participating in a Fishability program.

Exemption No.	Expiry	Holder	Purpose
3260	15/04/2019	Paul Merendino	To permit the person to pay the second instalment for the Pilbara Crab Managed Fishery Licence No. 250569319 after 'the due date' specified within the Plan.
3261	1/05/2021	Alan Cottingham of Murdoch University	Collection of Black bream from Peel-Harvey Estuary, as per Table 1 in Condition 4.
3262	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) and Gold Coast Marine Aquaculture to use as broodstock for aquaculture purposes.
3263	1/05/2021	Giovanni Polverino of UWA	Collection of Eastern mosquitofish (<i>Gambusia holbrooki</i>) from artificial and/or natural lakes nearby the UWA campus, including but not limited to Herdsman Lake, Perry Lakes and Jualbup Lake.
3264	31/12/2020	Christy Davies of Charles Darwin University	Collection of Speartooth shark (<i>Glyphis glyphis</i>) from Lower Ord River and estuary.
3265	31/03/2024	DPIRD	To allow DPIRD to collect yellowtail kingfish for aquaculture purposes.
3266	30/04/2022	Biologic Environmental Survey Pty Ltd	To conduct aquatic fauna surveys for use as baseline indicators for environmental impact assessments.
3267	1/05/2021	Giovanni Polverino of UWA	Collection of Eastern mosquitofish (<i>Gambusia holbrooki</i>) from artificial and/or natural lakes nearby the UWA campus, including but not limited to Herdsman Lake, Perry Lakes and Jualbup Lake.
3268	1/01/2021	Bruce Cockman	To operate 100 commercial rock lobster pots with closed escape gaps from in the waters off Mandurah to Kalbarri and the Abrolhos Islands, including the closed area specified in Schedule 7 of the West Coast Rock Lobster managed Fishery Management Plan 2012.
3269	30/04/2022	Peter and Karen Armstrong	To enable the collection of broodstock for aquaculture purposes.

Exemption No.	Expiry	Holder	Purpose
3270	31/12/2019	Department of Biodiversity, Conservation and Attractions	For the take of <i>Rhabdosargus sarba</i> (silver bream), <i>Arripis georgianus</i> (herring), <i>Amniataba caudavittata</i> (yellowtail trumpeter), <i>Acanthopagrus morrisoni</i> (yellowfin bream) and fish of the family <i>Mugilidae</i> (mullet) for the feeding of dolphins in Monkey Mia.
3271	8/4/2022	Sandra Huynh of Curtin University	Collection of aquatic organisms from Perth metropolitan locations listed in Table 1 (see attached map).
3272	31/12/2019	Sophie Teede of Busselton Jetty	Collection of dislodged fragments and corals from the seabed beneath Busselton Jetty, away from Ngari Marine Park boundaries.
3273	30/09/2019	Employees of Neptune Geomatics Pty Ltd	This exemption is granted for the purpose of research and commercial purposes to obtain baseline environmental data in the Browse Basin/North West Shelf.
3274	01/04/2022	Western Australian Museum – persons listed in Schedule 1	Collection of marine fauna and flora from State waters of Western Australia.
3275	1/04/2020	Verena Schoepf of UWA	Collection of coral from the locations as shown in Table 1.
3276	26/04/2019	Abrar Essarras of Murdoch University	Collection of Acorn barnacles from Rous Head Harbour, North Fremantle.
3277	31/07/2019	Tegan Dedman, Shannyn Curd and Dr Jane Chambers of Murdoch University	To collect sediment samples only with no fish from Perth metropolitan wetlands as per those listed in Table 1.
3278	30/11/2019	Rock lobster processors, registered receivers and persons who legally purchase a rock lobster	To enable setose western rock lobsters taken under exemption in the West Coast Rock Lobster Managed Fishery and the South Coast Crustacean Managed Fishery to be held after 31 October 2019 and to allow setose western rock lobsters taken under exemption in the above mentioned fisheries which become tarspot or berried to continue to be held and sold by processors and registered receivers.

Exemption No.	Expiry	Holder	Purpose
3279	30/06/2019	South Coast Crustacean Managed Fishery Licence holders and persons purchasing or obtaining fish from these operators	Taking, possession, consigning or selling setose western rock from the South Coast Crustacean Managed Fishery.
3280	31/10/2019	WCLL Holders, Registered Receivers, personally consigned lobster and persons purchasing rock lobster	Taking, possession, consigning or selling setose western rock from the West Coast Rock Lobster Managed Fishery.
3281	01/11/2019	Glenn Hyndes and Ray Froend of Edith Cowan University	Collection of invertebrates, particularly the amphipod <i>Allorchestes compressa</i> , in beach-cast wrack from Leighton Beach, Two Rocks, and other Perth Metropolitan beaches outside of the Marmion Marine Park.
3282	01/05/2022	Jonathon Evans, Rowan Lymbery, Cameron Duggin and Jessica Hadlow of UWA	Collection of the blue mussel (<i>Mytilus galloprovincialis</i>) from Perth metropolitan locations.
3283	30/09/2019	Abby Mitchell, Harber Phillips Charlotte O'beirne, Makayla Poole and Hannah West	Collection of temperate hard coral species (<i>Goniastrea australensis</i> and <i>Pocillopora damicornis</i>) from Coogee Maritime Trail – western tip of groyne.
3284	30/04/2022	Shark Bay Prawn Managed Fishery Licence holders	To fish for a commercial purpose within the Shark Bay Prawn Managed Fishery while fishing for scallops in the specified area.
3285	16/05/2019	Marellan Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.

Exemption No.	Expiry	Holder	Purpose
3286	16/05/2019	Isle Holdings Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3287	16/05/2019	Far West Scallops Industries Pty Ltd and Laburnum Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3288	16/05/2019	Elmwood Holdings Pty Ltd, Far West Scallops Pty Ltd and Scallop Nominees Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3289	16/05/2019	Csbs Fishing Pty Ltd, Correia Fishing Co (WA) Pty Ltd and Seafresh Holdings Pty Ltd and Fabron Holding Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3290	16/05/2019	API Sub Co 1 Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3291	16/05/2019	Mareterram Fisheries Pty Ltd and Far West Scallops Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.
3292	16/05/2019	Puresea Investments Pty Ltd	To allow persons fishing with the use of the authorised boat endorsed on a Shark Bay Scallop Managed Fishery Licence to fish for commercial purposes in a specified area of the Shark Bay Scallop Managed Fishery under a quota management framework.

Exemption No.	Expiry	Holder	Purpose
3293	30/04/2022	Indian Ocean Fresh Australia Pty Ltd	To allow Indian Ocean Fresh Australia Pty Ltd to collect aquaculture broodstock.
3294	30/04/2022	Indian Ocean Fresh Australia Pty Ltd	To allow Indian Ocean Fresh Australia Pty Ltd to collect aquaculture broodstock.
3295	05/02/2020	Anna Maria Frouws of Edith Cowan University	To study spatial and temporal patterns in genetic diversity of seagrasses and the implications of these patterns for resilience.
3296	31/12/2019	James Tweedley of Murdoch University	Collection of fish and benthic macroinvertebrates as shown in Table 1 from 12 sites in the Hill Inlet (see attached map).
3297	1/05/2022	Paul Mitrovski of Great Southern Grammar School	Collection of aquatic organisms from Johnston's Creek.
3298	5/12/2019	Evan Byrnes of Murdoch University	Collection of sicklefin lemon sharks (<i>Negaprion acutidens</i>) from Mangrove Bay, Ningaloo Marine Park.
3299	31/05/2022	Glen Whisson of Aqua Research and Monitoring Services	Collection of fish from Perth Coast, as per Figure 1, and Ningaloo Coast/Exmouth Gulf, as per Figure 2.
3300	12/02/2020	1080 Contracting Pty Ltd	Fishing for octopus by way of baited active traps.
3301	1/06/2020	Peter Charles Warrilow	To permit Mr Peter Charles Warrilow to operate in the Southern Demersal Gillnet and Demersal Longline Managed Fishery with 450 Zone 1 units that permit Mr Warrilow to fish for 264 hours by means of 37.8 metres of demersal gillnet, or nine hooks on a demersal longline. This is consistent with a Zone 1 historical unit as previously described in the Joint Authority Southern Demersal Gillnet and Demersal Longline Managed Fishery Management Plan 1992, while the Southern Demersal Gillnet and Demersal Longline Managed Fishery Management Plan 2018 is amended to recognise Zone 1 historical units.

Exemption No.	Expiry	Holder	Purpose
3302	31/12/2019	Phil Readhead on behalf of Mt Gibson Iron Pty Ltd	For a commercial purpose to conduct aquatic fauna surveys to collect and relocate fish from seawater inundated mine pits on Koolan Island to the Indian Ocean natural marine environment.
3303	30/04/2020	Kat Dawkins of Edith Cowan University	Collection of fish, freshwater crayfish, freshwater mussels and macroinvertebrates from Gingin Brook and branches, Mungala Brook, lower reaches of Quin Brook and a wetland system associated with them.
3304	30/01/2021	Stephen Beatty of Murdoch University	Collection of catch, tag and release estuarine and freshwater fish from Canning River within a 5km radius of Kent St Weir.
3305	31/12/2019	Steve Mcleary	To operate 80 commercial rock lobster pots with closed escape gaps from adjacent to breeding stock survey grounds in the waters off Jurien, including the closed area specified in Schedule 7 of the West Coast Rock Lobster Managed Fishery Management Plan 2012
3306	31/12/2022	John Leyland Craike and Harold Richard (Bobby) Hoult	To allow the exploration and development of a potential commercial cockle and pipi fishery in Western Australia
3307	18/06/2021	Stephen Beatty of Murdoch University	Collection of catch, tag and release native fish from Lower Helena River within 2000m of the Helena Reservoir.
3308	31/12/2019	Andrew and Tracey Basile	To enable Andrew and Tracey Basile to collect broodstock for aquaculture purposes.
3309	30/06/2024	Surf Lifesaving WA	To utilise jet skis for lifesaving patrols and rescue within any fish habitat protection area. The patrols will be conducted to both prevent and respond to incidents.

