



Department of
**Primary Industries and
Regional Development**

*We're working for
Western Australia.*

Annual Report 2020



Protect Grow Innovate

Statement of compliance

For year ended 30 June 2020

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

and

Hon. Peter Tinley AM 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 annual report of the Department of Primary Industries and Regional Development for the reporting period ended 30 June 2020.

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



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 2020. 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

ABS	Australian Bureau of Statistics
API	Application Program Interface
CI	Confidence Interval
COVID-19	Coronavirus disease 2019
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAIP	Disability Access and Inclusion Plan
DAFWA	Department of Agriculture and Food, Western Australia (former department)
DAWE	Department of Agriculture, Water and the Environment (Commonwealth)
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)
DWER	Department of Water and Environmental Regulation
FTE	full-time equivalent (staff hours)
FRMA	<i>Fish Resources Management Act 1994</i>
GRDC	Grains Research and Development Corporation
GRP	Gross regional product
GVAP	Gross value of agricultural production
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
NOID	Notice of Intention to Drain or Pump
NRM	natural resource management
OBM	Outcome Based Management framework
OSH	occupational safety and health
R&D	research and development
RDC	Regional Development Commission
RfR	Royalties for Regions
RSPCA WA	Royal Society for the Prevention of Cruelty to Animals Western Australia
SEMC	State Emergency Management Committee
SLC Act	<i>Soil and Land Conservation Act 1945</i>
SLCC	Soil and Land Conservation Council
TAC	Total Allowable Catch
TDGDLF	Temperate Demersal Gillnet Demersal Longline Fishery
UWA	The University of Western Australia
WA	Western Australia
WAFIC	WA Fishing Industry Council
WARMS	Western Australian Rangeland Monitoring System
WCDSF	West Coast Demersal Scalefish Fishery

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Overview



Executive summary

Year at a glance

- Extended comprehensive support to primary industries and regional communities to aid recovery from the **COVID-19 pandemic**
- Provided \$909.9m through the **Royalties for Regions** program towards 212 new and continuing initiatives
- Joined with other members of the WA Food Alliance to launch the **Trust in Primary Production** initiative to help retain industry's social licence
- Helped the octopus and sea cucumber fisheries to obtain **Marine Stewardship Council certification** to further demonstrate sustainability of our aquatic resources
- Worked with industry and government to develop a four-year **Primary Industries Plan** to set priorities for growth and diversification
- Invested more than \$7m in 67 projects under round two of the **Regional Economic Development Grants** program
- Led the national research project **Managing Flies for Crop Pollination** to investigate alternative pollinators to honey bees
- Supported the State Government's **shark hazard mitigation strategy** with new warning towers, monitoring technology and signage
- Led the WA component of a research project to develop a **tropical rock oyster industry** in the north of Australia
- Maintained **biosecurity**, including management of Queensland fruit fly and red imported fire ant incidents, to ensure continued access to key international markets
- Worked with stakeholders and partners to finalise the draft **Aquaculture Development Plan**
- Supported reestablishment of the **Soil and Land Conservation Council** to protect WA's soil and land assets for future generations

Director General's report



When summing up the 2019/20 financial year for DPIRD, the best word I can think of is 'unprecedented'.

I am sure this will also be the case for many other government departments, businesses and organisations within WA and across Australia as the country had to collectively brace itself for, and respond to the worldwide COVID-19 pandemic.

The impacts have been felt across every facet of our business, and every part of the primary industries and regions we serve across WA, with our staff and stakeholders having to rapidly adjust to a 'new normal'.

One positive is that it has really brought our department values to the fore, highlighting that we are resilient and responsive and focused on building and strengthening relationships and getting results – both internally and externally.

Staff proved their ability to get on with the job in trying circumstances – and I can't thank them enough for the efforts.

As the threat of the pandemic increased, we transitioned about 75% of our workforce to work from home for eight weeks to minimise the possible spread of coronavirus and protect their health and safety.

This was a major logistical exercise with significant resources directed to ensure staff had the HR, IT and communications support to be able to work effectively, with a particular focus on making sure staff were informed, remained connected and engaged, and stayed healthy and safe.

Similarly, we increased our engagement with industry as we worked to minimise the economic impact of COVID-19. We held virtual stakeholder forums, set up key stakeholder networks, and provided regular website updates to help reduce uncertainty in a rapidly changing environment.

Our efforts were vital in identifying and mitigating key issues. We worked with the WA Fishing Industry Council (WAFIC) on a package to support WA's commercial fishers and the broader industry; we addressed seasonal labour issues with agriculture businesses; and we facilitated agrifood exports to Singapore following air freight shortages.

Our quarantine staff were on the frontline to help enforce State border restrictions, and we also developed an app so travellers could request intrastate travel approvals easier and faster following the introduction of regional travel restrictions.

As the financial year ended, we were working as part of a State Recovery Advisory Group to help guide the development of a State Recovery Plan.

With COVID-19 having such an all-encompassing impact on our lives, it is easy to forget it came directly off the back of a devastating bushfire season, which claimed lives and destroyed homes and livelihoods across Australia.

In January, we supported an interagency emergency response to the bushfires across the State's south-east, including providing safety information to travellers and monitoring animal welfare issues on pastoral properties.

We were also in regular contact with our counterparts over east to offer support, with some of our staff even travelling interstate as volunteer firefighters.

These efforts were on top of a number of other emergency responses to pest and disease incursions across the State, including the red imported fire ant in Fremantle, Queensland fruit fly in Perth's western suburbs, and the successful wrap-up of a response to citrus canker in the State's north.

At the same time, we never lost sight of our key business priorities. We completed the Primary Industry Plan 2020–24, which sets clear priorities for growing and diversifying WA's primary industries, and drafted an Aquaculture Development Plan to help WA's growing aquaculture industry tap into the world's fast-rising demand for seafood.

We also continued to successfully administer the Royalties for Regions program as well as a number of grants programs to support long-term jobs, economic diversity and build regional capacity.

Our research and development efforts were on show through the successful breeding of a black lip rock oyster as part of a project to help develop a tropical rock oyster industry in Australia's north, and we progressed pre-breeding and crop evaluation of new grains varieties to increase yields and profitability.

We continued to support the State Government's shark hazard mitigation strategy, including a 12-month extension of the government's scientific non-lethal SMART drumline trial, and remained committed to improving animal welfare outcomes, including through the release of Standards and Guidelines for the Health and Welfare of Dogs in WA.

Internally, we achieved the key milestone of completing our organisational restructure, which has aligned our business to where we can deliver the most value and provided more clarity and stability and focus for our staff.

Our department culture has grown through the implementation of the DPIRD Length of Service recognition initiative and the launch of our inaugural Reconciliation Action Plan, which aims to improve economic and social outcomes for Aboriginal people within the department and across WA.

Over the next 12 months, we will continue to aid WA's ongoing economic recovery from the pandemic and push on with the work that makes our contribution to the State's primary industries, regions and community so valuable.



Mr David (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. Peter Tinley AM 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 2020

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 with 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, Heather thrives on ensuring the department continues to meet its strategic objectives and is a leader in natural resource management and biosecurity. She is a graduate of the Australian Institute of Company Directors and a recipient of the 2020 Queen's Birthday Public Service Medal for outstanding public service to legislative reform and policy development in WA.

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 WA public sector agencies, including seven

years on the staff of 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

This pillar shapes and delivers high-impact, regional development initiatives that support the economic development of the State's regions. It also identifies new market opportunities to help diversify the economy and facilitate trade and investment opportunities for Western Australian businesses. It manages the Royalties for Regions Fund and associated distribution of funds to projects in the regions and provides support and services to the Rural Business Development Corporation, the Regional Development Commissions, Regional Development Council and the Western Australian Regional Development Trust.

Dr Mark Sweetingham, Managing Director Research and Industry Innovation



Mark has extensive experience at the former Department of Agriculture and Food, Western Australia (DAFWA), particularly 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

Through independent research and development and industry engagement, the directorate delivers timely and relevant knowledge and services for WA agriculture and aquaculture to increase the profitability and sustainability of existing industries and to support the growth of new and emerging industries. The directorate works with industry, universities and across government to build local primary industries' research and innovation capacity, working to ensure a rapid translation to commercial outcomes and economic impact.

**Melissa Murphy, Managing Director
Capability and Performance (to March 2020)**



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, Executive Director
Stakeholder Engagement and Communication**



Karen joined DPIRD in January 2019 and is responsible for building the department's brand, managing internal communications, media relations and integrated marketing communications across all of the department's stakeholders. Karen has a breadth of leadership experience gained within the higher education sector, the insurance industry, a WA member-based organisation, the public sector and retail banking. Karen has a Master of Business Leadership degree and is a Graduate 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.

Carl Binning, Executive Director Strategy and Coordination



Carl Binning joined DPIRD in January 2020 as Executive Director Strategy and Coordination and took on the role of acting Managing Director Capability and Performance in June 2020. He has more than 30 years' experience in the management of natural resources throughout Australia, including most recently as an Executive Director at the Murray Darling Basin Authority. He has held leadership roles across government,

industry, community sector, research and consulting organisations, including at BHP Billiton's Iron Ore Business, Greening Australia and CSIRO Sustainable Ecosystems.

Directorate description

This directorate leads strategic direction and coordination for the department contributing to a culture of innovation and best practice, and ensuring alignment with government priorities.

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

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

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

Minister for Fisheries

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

Performance management framework

The department established its first consolidated Outcome Based Management (OBM) framework in 2018/19. The framework was designed to represent the breadth of our contribution to the Western Australian community and reflects both our strategic intent and alignment to government goals.

DPIRD has seven desired outcomes and 12 key effectiveness indicators, which demonstrate the impact of our services on the delivery of our agency purpose:

To create enduring prosperity for all Western Australians

Our work aligns to seven services and nine key efficiency indicators, which demonstrate how efficiently we are delivering our services to the community.

The relationship between the government goals, desired outcomes, services and key performance indicators is shown in tables 1 and 2.

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

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

Changes to the OBM from last year

In 2019/20, the following amendments were made to our OBM.

- Effectiveness indicators:
 - KPI 1 – change from 'percentage increase in co-investment' to 'percentage of co-investment' and minor wording change.
 - KPI 1.2 and 1.3 – discontinued
 - KPI 3 – change from 'percentage increase in satisfaction' to 'percent satisfied'
 - KPI 4 – change from 'percentage increase in satisfaction' to 'percent satisfied'
 - KPI 7.1a – refined methodology
 - KPI 7.1b – new indicator to replace 'extent of total soil organic matter (carbon) does not decrease (%)'
- Efficiency indicators:
 - KPI 1.2 and 1.3 discontinued
 - KPI 7.2 – revised wording to be consistent with other efficiency indicators
 - KPI 7.3 – discontinued

Table 1 **Outcome-based management framework – Agency level desired outcomes and effectiveness indicators**

Government goal: Future jobs and skills: Grow and diversify the economy, create jobs and support skills development	
Desired outcome	Key effectiveness indicator
1: Regional WA has the investment to grow and create jobs	1: Percentage of co-investment that the department attracts to its industry and community development initiatives
2: Regional WA has the technology to grow and create jobs	2: Percentage increase of client satisfaction with the department's technology initiatives
3: Regional WA has the skills and knowledge to grow and create jobs	3: Percentage of clients satisfied with the department's capability initiatives
4: Regional Western Australia has the social amenity, through recreational fishing to grow and create jobs	4: Percentage of clients satisfied with the department's social amenity initiatives
5: Regional Development Commissions (RDCs) contribute to the economic development of regions	5: Number of Regional Development Commissions supported through business plans
6: WA agriculture and fishing protect their biosecurity advantages and integrity	6.1: Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately 6.2: Percentage of invasive aquatic pests and exotic diseases resolved appropriately
7: WA agriculture and fishing protect the sustainability of the natural resources on which they rely and impact	7.1a: Spatial extent of acid soils does not increase in target landscapes (%) 7.1b: Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health 7.1c: Number of soil health extension workshops held 7.2: Proportion of fish stocks identified as not being at risk or vulnerable through exploitation 7.3: Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved

Table 2 **Outcome-based management framework – Agency level services and efficiency indicators**

Government goal: Future jobs and skills: Grow and diversify the economy, create jobs and support skills development	
Service	Key efficiency indicator
1: Regional industry and community development investment facilitation	1: Value of co-investment in the department-led industry and community development initiatives as a factor of the net cost of this service
2: Regional technical and technological development	2: Net cost of this service as a factor of gross regional product
3: Regional skills and knowledge development	3: Net cost of this service as a factor of gross regional product
4: Regional social amenity development	4: Net cost of this service as a factor of gross regional product
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
6: Agricultural and aquatic biosecurity and integrity	6.1: Agricultural portion of net cost of this service as a factor of gross value of agricultural production 6.2: Fisheries portion of net cost of this service per hour of aquatic biosecurity services
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 7.2: Fisheries portion of net cost of this service per hour of fisheries management services

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.

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 the 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 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, Water and the Environment (DAWE), 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, DAWE, WA Police, port authorities, education and research facilities, and state and local governments to administer the *Animal Welfare Act 2002*, promote livestock stewardship and ensure ethical use of animals for scientific research.

Additionally, we work with state and local livestock 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 Organization 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 manage pests and diseases of economic significance.

We provide state policy leadership and extensive technical expertise in biosecurity and related areas across the State 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 DAWE, 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 State 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 (DAWE, Austrade, AusIndustry and Food Innovation Australia Limited) and industry representatives, we support innovation in value adding across WA's agribusiness and food industries.

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 DPLH, under a shared services model.

Land and water development

DPIRD works with DPLH, DBCA, DPC and the Department of Mines, Industry Regulation and Safety to progress carbon farming with areas of savannah burning in the Kimberley and human induced revegetation in the Southern Rangelands.

We are the lead agency for the Ord stage 2 development working with DWER and DPLH to support the continued development of land, meeting obligations under the Ord development agreement with Kimberley Agricultural Investment.

Local Content Program

Our Local Content Team works in collaboration with the Department of Jobs, Tourism, Science and Innovation (JTISI) 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 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 incorporates 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 2019/20, this included working with funding recipients and partners to develop and implement the Government's regional commitments.

We share responsibility for shaping and driving the regional development agenda with the RDCs, Regional Development Council and Western Australian Regional Development Trust.

The State's nine RDCs are statutory authorities established under the *Regional Development Commissions Act 1993* to provide advice to the Minister for Regional Development and to coordinate and promote 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 RDCs 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 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.

Royalties for Regions

We assist the Minister for Regional Development fulfil their obligations under the *Royalties for Regions Act 2009* to administer the Royalties for Regions Fund to promote and facilitate economic, business and social development in regional WA. We work collaboratively with the Department of Treasury and across government, providing advice on funds management strategies, budgeting, funds disbursement and reporting to maximise the effectiveness of the Fund.

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 reported 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.

In 2019/20, we supported the shark hazard mitigation strategy through the installation of three warning towers and two shark monitoring network receivers at Esperance beaches and beach emergency numbers signs at access points from Geraldton to Mandurah. We also extended the shark personal deterrent rebate scheme and continued the rollout of the SharkSmart WA App, with more than 25,000 downloads.

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 DAWE), Food Innovation Australia Limited and industry representatives to facilitate and support trade development and grow export market outcomes.

Agency performance



Report on operations

Key achievements

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

We are also 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 mounted an extensive eradication program for red imported fire ant (RIFA) after the invasive pest was detected at two adjoining tenanted properties at Fremantle Ports in November 2019. Treatment and surveillance activities, including more than 2500 inspections of 1353 commercial and residential properties, were undertaken and a Quarantine Area Notice was put in place.
- We continued to support wild dog control measures to help protect WA's \$1.6b sheep industry. In May 2020, we secured \$750,000 in continued funding for eight full-time equivalent licensed pest management technicians to control wild dogs inside the State Barrier Fence and adjacent buffer zone.
- We put strong control measures in place to help manage the spread of Queensland fruit fly (Qfly) following an outbreak in Dalkeith and surrounding Perth suburbs in early 2020. The response included establishing a quarantine area, a surveillance program with more than 300 lure traps and advising local residents to remove materials conducive to Qfly breeding.
- We continued our European wasp eradication program, which saw 118 nests detected and destroyed in the Perth metropolitan area – a significant 29% decline from the previous year's detections. This contributed to WA maintaining its status as the world's only jurisdiction where European wasp has not established.
- We released the Stable Fly Management Plan 2019, which reflects six years of department research into improvements in management and treatment requirements for the serious livestock pest. Compliance with the plan is expected to curtail stable fly breeding and lower the use of chemicals.
- We helped justify WA's area freedom from many pests and diseases found in other states by maintaining strict interstate quarantine processes and procedures delivered by our Quarantine WA service. In 2019/20, we intercepted 37,948kg of quarantine risk material, and carried out inspection or certification on 104,786 vehicles, 447,006 airline passengers and 134,175 lines of produce and seed.

In focus

Quick and comprehensive response protects citrus industry

DPIRD claimed victory in protecting Western Australia's \$30m citrus industry after the State was officially declared free of citrus canker on 22 November 2019.

This followed an 18-month nationally coordinated response to eradicate the disease from WA after it was detected in May 2018 in citrus plants imported from a nursery in the Northern Territory to several businesses in the Ord River Irrigation Area and Wyndham.

The timely and coordinated efforts involved government, community, industry and local contractors and was cost-shared under the Emergency Plant Pest Response Deed.

Left unchecked, citrus canker decreases fruit quality and yield via defoliation, twig dieback, blemished fruit, premature drop and, in some circumstances, tree death.

It also has significant impacts on the trade of citrus trees and products, with interstate and international trade from WA restricted until area freedom was regained.

As part of the successful surveillance, tracing and destruction campaign to eradicate the disease, DPIRD personnel visited 13,764 properties and removed more than 1500 plants in the Kimberley and Pilbara and from 51 properties in the restricted area.

This was followed by a six-month period where citrus could not be regrown.

Surveillance activities were supported by a broad public awareness campaign using targeted social media and face-to-face engagement with the community.

The surveillance campaign detected no further incidence of citrus canker.

Quarantine restrictions were subsequently lifted, though restrictions on citrus imports from the Northern Territory have remained to protect against further incursion.



A DPIRD employee performs a citrus canker biosecurity procedure during the 2019 response

Priority 2: Sustainability

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

- We supported the reestablishment of the Soil and Land Conservation Council (SLCC) in October 2019 following a 16-year hiatus to help protect WA's soil and land assets for future generations. DPIRD has formal representation on the SLCC, whose first task has been driving WA's inaugural State Soil Health Strategy to underpin sustainable agricultural production and economic and employment growth.
- We mounted a comprehensive response to dry seasonal conditions in the State's rangelands. This includes facilitating \$150,000 in new State Government funding towards large feral animal control and \$160,000 in free financial counselling services to small businesses.
- We worked with Recfishwest, the Tourism Council WA and Marine Tourism Association WA to trial new rules for selected charter vessels to boost sustainable rock lobster fishing tourism and support local jobs. The three-year trial commenced in November 2019 and is being managed to ensure new arrangements do not result in conflict around popular lobster fishing locations.
- We progressed the State's Renewable Hydrogen Strategy by managing grant funding under the \$10m Renewable Hydrogen Fund. In January 2020, we helped determine the recipients of the inaugural allocation of \$1.68m for feasibility studies.
- We helped facilitate the State Government's decision to allow carbon farming on pastoral lands for the first time in Western Australian history. The decision allows pastoralists to earn carbon credits from sequestering carbon on pastoral lands and is expected to generate at least \$70m over 25 years from the Federal Government's Emissions Reduction Fund.
- We managed the State's fisheries to ensure their continued sustainability, with 98% of our fish stocks being assessed as not being at risk or vulnerable through exploitation.
- We continued to play a significant role in maintaining the sustainability of our aquatic resources, and industry adherence to animal welfare and livestock traceability requirements. In June 2020, the biggest ever penalties related to a fisheries offence were handed down, with fines, penalties and court costs amounting to \$302,498.
- We consulted with landholders and advanced engineering solutions for recycling tail water from two major farms in Ord stage 1 to reduce nutrient flow into the Keep river.
- We worked with Kimberley Agricultural Investment to redesign and repair the levy system following Cyclone Esther in February 2020.

In focus

Below-the-surface work drives fisheries sustainability

Western Australia's status as a world leader in fisheries sustainability was further boosted in 2019/20.

DPIRD played a key role in attaining Marine Stewardship Council (MSC) certification for two more of the State's fisheries following a long period of consultation with commercial and recreational fishers and the aquaculture sector.

The MSC recognised the sustainable management credentials of the State's octopus fishery in November 2019 and its sea cucumber fishery in December of the same year, which together have a gross value of production in excess of \$5m.

These became the ninth and 10th of WA's fisheries to receive MSC certification, helping the State maintain its status as the most certified in Australia.

WA's sea cucumber fishery is the only one in the world to be MSC-certified and its octopus fishery is the larger of two to carry the MSC certification.

The certifications represented the culmination of a two-phase process lasting about five years and involving a team of five DPIRD Aquatic Science and Assessment staff.

A two-year pre-assessment phase saw each fishery assigned a likely MSC score and subject to an assessment report and external review.

A three-year full assessment phase saw industry formally nominate and collaborate more substantially with the department in helping to meet more than 40 criteria and facilitate peer-reviewed workshops and site visits by MSC assessors.

DPIRD officers also perform annual surveillance and audits of the fisheries to ensure continued compliance with certification requirements.

MSC certification is the highest level of sustainability a fishery can achieve and provides consumers worldwide with assurance the seafood is traceable to a sustainable fishery.



Western Australian octopus fisherman in action

Priority 3: International competitiveness

Growing internationally competitive industries and businesses

- We organised round two of the State Government's Value Add Agribusiness Investment Attraction Fund, which provides matching grants to support regional agribusiness and processing businesses to invest, expand and create jobs. The round was open from 31 January to 9 March 2020 and received 89 applications. A total of \$4.2m was awarded to 24 successful applicants in July 2020.
- We helped connect WA agribusiness with new trade opportunities by facilitating inbound delegations from South-East Asian countries. This included an October 2019 visit by Thailand's Charoen Pokphand Foods, which was the State's first buyers' mission specifically for a single company and generated lessons that could be applied to similar future delegations.
- We launched the \$300,000 Partnering for Customer Value initiative in November 2019 to help WA agrifood businesses secure export growth and maintain a competitive edge. The project provides agrifood businesses with insight via online resources and studies of 11 international success stories from Australia, the United Kingdom, Belgium and New Zealand.
- We developed the State Government's Investor Ready Grant Program to help WA agrifood businesses land investment and raise capital for expansion. Round one of the program opened between November and December 2019 and provided \$320,000 in total funding, with up to \$20,000 available to individual recipients on a dollar-for-dollar matching fund basis.
- We designed the State Government rescue package for WA's \$400m-a-year western rock lobster industry following a major downturn in its economic fortunes in light of the COVID-19 outbreak. We began drafting legislative amendments after extensive talks between government and industry led to proposed reforms in March 2020. These included a mechanism to boost local supply and make lobster more accessible to the WA community.

In focus

Creating clear skies for air freight to weather COVID-19 storm



DPIRD Agribusiness, Food and Trade Executive Director Liam O'Connell with a plane set to fly WA produce to Singapore during the COVID-19 outbreak

A rapid and collaborative response in April 2020 saw DPIRD support air freight options for WA agriculture and food exports curtailed by COVID-19.

WA exported about \$800m worth of fresh seafood, red meat and horticulture products in 2018/19, however trade was severely impacted in early 2020 due to the pandemic.

There was a major reduction in air freight capacity caused by a drastic downturn in flights from Perth to key Asian export destinations.

The department supported the continuation of trade by developing a short-term air-freighted export pilot solution (based on 70% fresh pork and up to 30% from other fresh produce) to the key market of Singapore.

The pilot was delivered between 22 April and 23 May with a State Government investment of \$686,400.

A total of 464 tonnes of cargo was flown to Singapore via chartered flights, 88% of which was chilled pork, 8.3% beef and lamb and 3.7% horticultural and other products.

These flights were designed to fill a gap in a key strategic market for WA food exporters while the Commonwealth Government's International Air Freight Mechanism (IAFM) was being set up and implemented.

The success of the pilot hinged on DPIRD partnering with JTSI's WA Government Office in Singapore, the RDCs and Austrade's Trade Start Program to make sure exporters and importers were aware of available flights.

As part of a longer-term response, DPIRD also worked alongside WA freight forwarders and exporters and continues to engage with Austrade and IAFM to ensure WA exporters can continue to access air freight support.

Priority 4: Regional opportunities

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

- We opened round two of the State Government's Digital Farm Grants Program (valued at \$2m), accepting applications between September and December 2019. We also worked with successful funding recipients under the \$5m first round of the initiative to help implement their projects. The program works to expand digital connectivity in regional WA to create jobs and economic growth.
- We helped fast-track plans for the Geraldton finfish nursery to stimulate investment in the \$7m Mid West Aquaculture Zone, to help boost regional employment and economic recovery from the COVID-19 downturn. The plans incorporated accelerated processes for the design, fit-out and construction of the state-of-the-art facility.
- We contributed to the development of the State Government's Pastoral Lands Reform package unveiled in November 2019. The package is expected to enhance land management, improve security of tenure and encourage development and diversification of pastoral properties, including allowing pastoralists to increase their lease term to 50 years subject to the *Native Title Act 1993*.
- We have continued to help proponents for the Ord stage 2 development, engaging with stakeholders on opportunities such as cotton for further investment in the Ord River Irrigation Area.
- We worked with the State Government and Buy West Eat Best program to extend the Good Choice WA Campaign in December 2019. The program encourages people to shop local as part of a coordinated approach to support WA producers, farmers and other food and beverage industry businesses. It will be extended to 2021 following a successful initial one-year campaign.
- We continued facilitating major investments in the aquaculture shellfish sector, including through the State Government-established Albany Shellfish Hatchery. The reliable provision of seed stocks allowed for expansion of commercial operations, including numerous oyster growout trials throughout the year.
- We continued working with the State's RDCs to support long-term job sustainability and economic growth in regional WA by delivering the Regional Economic Development (RED) Grants program, which provides up to \$250,000 to suitable projects. Almost \$13.5m has been allocated from the \$28.8m State Government commitment over five years under the Royalties for Regions program.
- We continue to work in support of the Southern Forests Irrigation cooperative preparing the first draft of the environmental review report which was submitted to the Environmental Protection Authority.

In focus

Shearing camps connect Aboriginal needs to industry opportunities

DPIRD unveiled an innovative effort in early 2020 to simultaneously meet the employment needs of young Aboriginal people in regional WA and the labour requirements of the State's shearing industry.

The department's Aboriginal Economic Development team mustered industry and community support to organise two pilot shearing training camps for Aboriginal young people over two weeks at farms near Northampton and Brookton, in January and March respectively.

Twenty participants aged 13 to 29 worked alongside mentors and accredited trainers before graduating. Eleven of the graduates have since been formally connected with industry to obtain further employment and all participants have received follow-up refresher training.

Before the onset of COVID-19, plans were underway for further camps in the Great Southern, Mid West, Wheatbelt and Esperance regions.

The possibility of establishing permanent regional shearing training hubs in targeted areas is being investigated to meet industry employment needs.

DPIRD is partnering with Australian Wool Innovation, the WA Shearing Industry Association and local businesses and community groups, including Aboriginal organisations such as Mhunga Whalla Incorporated, to organise the events.

As well as providing employment skills, the initiative is also responding to rising demand for shearers to assist replacement of their ageing workforce and dependence on skilled shearers from overseas.

DPIRD's commitment to the program supports the aspirations launched in its inaugural Reconciliation Action Plan (RAP) during 2019/20.

The RAP was the product of many months of consultation and represents the department's commitment to improving economic and social outcomes for Aboriginal and Torres Strait Islander people within the department and across WA.



Graduates of the Aboriginal-focused shearing camp in Brookton with event organisers, including DPIRD's project manager Ashley Talbot (back centre)

Priority 5: Research, development and innovation

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

- We completed a 15-month trial of non-lethal SMART drumlines off Gracetown to assess the effectiveness of the technology in shark hazard mitigation. We then facilitated a 12-month extension of the trial to May 2021 after WA's Chief Scientist Peter Klinken advised more data was required to enable a proper science-based assessment.
- We helped to secure industry accreditation of the Pilot Malting Australia facility in Joondalup, which is helping to advance the development and marketing of new Australian malt barley varieties used to make beer. The accreditation, by Barley Australia, followed 188 malting batches and more than eight years of commissioning, calibration and rigorous testing at the DPIRD co-owned facility.
- We took the WA lead on a research project to help develop a tropical rock oyster industry in the north of Australia. In November 2019, we received \$570,000 to lead the WA component of the Cooperative Research Centre for Developing Northern Agriculture project. In May 2020, we announced the first project milestone of the successful breeding of a black lip rock oyster.
- We launched new technologies and tools to help improve grower decision making. These included the iLime app developed with Grains Research and Development Corporation (GRDC) co-investment and released in August 2019, which aids identification of profitable liming strategies. Another was the Yield Loss to Disease Model, which also attracted GRDC co-funding and assists in selection of wheat variety and management strategies to optimise yield potential and profitability.
- We conducted research over six seasons ending in 2019 that confirmed crop species and sowing dates were the greatest drivers of yield in frost-prone areas. The research was presented at the GRDC Grains Research Updates in Perth in February 2020. We also presented results of trials of canopy management in frost-prone areas of the central and southern Wheatbelt.
- We partnered with the Southern Dirt grower group in August 2019 for the two-day TECHSPO showcase of ag-tech innovations, equipment and networks. Attendees of the event in Wagin and Katanning were also able to hear from leading researchers and product providers from across Australia.

In focus

Promising fly pollinator results generate buzz

Crop pollination by native flies showed promising results during 2019/20 trials, giving hope to the search for alternative pollinators to honey bees.

The DPIRD-led national research project 'Managing Flies for Crop Pollination' is investigating the effectiveness of specific fly species in pollinating avocado, berry, hybrid carrot seed and brassica seed crops.

It is a \$5.75m project funded by Horticulture Innovation, with WA contributing \$1.5m that includes a cash contribution leveraged by DPIRD.

The experienced research team led by Dr David Cook has engaged in a highly collaborative process of knowledge sharing and innovation for the benefit of industry.

Collaborators include the University of New England, Western Sydney University, the University of WA, SeedPurity Pty Ltd and local companies.

The first trials taking place in WA have seen two species of fly (one endemic to the South West and the other to mainland Australia) released into netted enclosures on a South West avocado orchard and blueberry bushes at a Gingin farm.

There have already been very encouraging results from the blueberry trial in particular, with both fly species increasing yield dramatically. Total crop yields nearly doubled and the berries were much bigger relative to the smaller, self-pollinated berries the plants can produce.

The positive results are welcome in the context of declining health and populations of honey bees.

About 80% of the world's crops currently depend on honey bees for pollination, including Australian horticultural output, which is worth about \$6 billion per annum.

Even crops that can self-pollinate to a large degree (such as blueberries) perform better with the addition of pollinators.



DPIRD entomologist David Cook, Jaspa Farms agronomist Jacinta Foly and Hort Innovation R&D General manager Dr Alison Anderson with a fly-proof enclosure for avocado trees

Priority 6: Enabling environment

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

External

- We worked with industry and government to develop a four-year Primary Industries Plan to set priorities for growing and diversifying WA's primary industries. The plan complements the State Government's Diversify WA blueprint and sets clear priorities to build on the State's position of strength in clean, safe and premium primary production, underpinned by an effective response to climate change, biosecurity and protection of natural resources, including soil health.
- We prepared the Standards and Guidelines for the Health and Welfare of Dogs in Western Australia released in May 2020. The document establishes minimum requirements and practices to protect and promote the welfare of dogs. It was prepared in consultation with experts in dog health and welfare.
- We helped Perth secure the right to host the 2021 AgriFutures Australia evokeAG conference, which has since been postponed to 2022 due to the impact of COVID-19. We will partner with JTSI and Business Events Australia to host the event, which will bring together more than 1000 delegates and attendees from more than 20 countries to discuss future possibilities of agrifood technology and investment.
- We progressed an amendment to the *Aquatic Resource Management Act 2016* (the Aquatic Resource Management Amendment Bill 2020), which passed the WA Legislative Assembly in June 2020. The legislation aims to ensure the ecologically sustainable development of WA's aquatic resources and includes a structured approach to the provision of fishing access rights.
- We completed a Draft Veterinary Practice Bill 2020, which was released by the State Government for public comment in May 2020. The Bill is designed to update regulation of the professional standards and registration of veterinarians, veterinary nurses and veterinary premises and repeal the *Veterinary Surgeons Act 1960*.
- We helped shape and will contribute to implementing the State Government update of WA's Buy Local Policy scheduled for release in July 2020. Changes to the policy were designed to ensure State Government agencies prioritise local businesses based in the regional locations where contracted work or services are being delivered.

Internal

- We completed the department's organisational restructure in November 2019, which aligned our people to best service our diverse industry and stakeholder groups. The new structure maintains our strong presence in the regions, featuring a slight increase in regional workforce to about 36% of positions.
- We established a DPIRD length of service recognition initiative to acknowledge employees' loyalty and dedication to help build a unified DPIRD culture. The initiative recognises staff who have achieved 10, 20, 30, 40 and 50 years of continuous service with the department, our predecessor agencies and the WA public sector. About 380 staff received certificates and badges during the financial year.
- We continued to undertake internal improvement and integration activities, including:
 - launching our DPIRD 2020 IT Strategy and progressing the consolidation of our department's network and core business systems
 - implementing new policies and procedures to provide staff with the knowledge and guidance required to ensure high levels of performance, accountability and good governance.
- We effectively maintained service delivery during the COVID-19 pandemic, which involved about 75% of our workforce across the State transitioning to working from home. This required:
 - network adjustments and security improvements to ensure staff could access required systems
 - developing occupational safety and health (OSH) resources and tools to support staff
 - increasing the frequency of communications to keep staff and external stakeholders up to date on the department's response.

In focus

Alliance with industry restores trust in food production



Members of the Food Alliance WA at the Trust in Primary Production masterclass held in December 2019

As Western Australians become more conscious about how their food is sourced from environmental and ethical perspectives, it is vital primary producers maintain community support to secure a long-term future for their industry.

With this in mind, DPIRD collaborated with industry associations in 2019 to launch the Trust in Primary Production initiative, which is focused on understanding community and consumer expectations and retaining social licence for WA food production.

The project was developed by the Food Alliance WA working group of DPIRD, Wines WA, Vegies WA, KPCA, The Sheep Collective, Agricultural Produce Commission, Grower Group Alliance, Grains Industry WA, WA Farmers Federation and WA Fishing Industry Council.

DPIRD provided financial and administrative support to industry organisations and entrusted them and their members to respond to rising public concern around chemical use, animal welfare, responses to climate change and other issues.

The initiative has helped primary producers identify and understand that the community values the production of safe, high-quality food from sustainable ethical production systems.

Major 2019/20 activities included a desktop review of state, national and international best practices for building trust in primary production and conducting market research surveys.

Survey findings included that three quarters of Perth households highly trusted WA fishing and farming to produce their food but only 11% felt informed about the food, farming and fishing industry and over 70% wanted their families to learn more.

These efforts helped establish a benchmark dataset against which trust-building measures could be assessed, to help guide future activities and benefit for the WA consumer.

The initiative has also worked alongside existing state and national initiatives to strengthen the primary industry sector's social licence to operate.

Financial targets and results

Table 3 Financial targets 2019-20

	2020 Target ¹ (\$'000)	2020 Actual ² (\$'000)	Variation (\$'000)	Explanation of variation ³
Total cost of services (expense limit) (details from Statement of comprehensive income)	483,243	450,702	32,541	Total cost of services is lower than budget estimates (the 2020 target) by \$33m, mainly as a result of the underspends across the Department's RfR-funded projects, following the re-cashflow of project expenditure from 2018-19 and 2019-20 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 and Externally Funded projects also contributed to the overall underspend with a number of projects placed on hold due to COVID-19 restrictions.
Net cost of services (details from Statement of comprehensive income)	380,032	347,633	32,399	This variance of \$30m in the net cost of services includes: <ul style="list-style-type: none"> the above-mentioned reductions in total cost of services. Slight variations in revenue against target as follows: <ul style="list-style-type: none"> Sale of goods and services, regulatory fees and fines and grants and subsidies received are below budget by about \$9m due to the estimated timing of receipts, and delays relating to COVID-19. Other Revenue is above budget due to the return of unused grant funds (\$4.4 million) and recoup of expenditure (\$4.8 million)

Table 3 Financial targets 2019/20 (continued)

	2020 Target ¹ (\$'000)	2020 Actual ² (\$'000)	Variation (\$'000)	Explanation of variation ³
Total equity (details from Statement of financial position)	557,190	549,385	7,805	The reduction in equity mainly reflects the impact of variances in the opening balances, where the estimated outturn for 2018-19 differed to the actuals.
Net increase/ (decrease) in cash held (details from Statement of cash flows)	(41,612)	(9,967)	(31,645)	This increase in cash held of \$32m is related to the underspends in the asset investment program due to delays in identifying suitable capital projects for the Royalties for Regions North West Aboriginal Housing Initiative and the delay of the capital expenditure relating to the commencement of the Core Business Systems project which was delayed through COVID 19.
Approved salary expense level	169,175	159,838	9,337	This variance reflects an increased expenditure in employee benefits due to the payment of voluntary severances and the payment of staff who became registerable as a result of the Departments organisational redesign. It is important to note that this budget was increased through a supplementary funding request to the ERC in May 2020. In addition an annual leave expense of \$17m has been removed from the salary cap line item as this is not included in this expense limit calculation.
Agreed Borrowing Limit	11,249	14,910	3,661	Increase in borrowing limit to support extension of loan repayments for the Fisheries Adjustment Scheme due to delays caused by the COVID 19 pandemic.

¹ As specified in the 2019/20 DPIRD Budget Statements, this includes the financial targets of the department and the nine Regional Development Commissions (RDCs).

² To enable comparison against the 2019/20 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 2019/20 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 9.14 of the financial statements.

Table 4 **Working cash targets**

	2020 Agreed Limit ¹ \$'000	2020 Target / Actual ² \$'000	Variation \$'000	Explanation of variation ³
Agreed working cash limit (at Budget)	23,080	23,080	NA	NA
Agreed working cash limit (at Actuals)	23,955	20,921	(3,034)	This variation is due to the savings generated by the underspends outlined in Table 2a above. Reduced payments in 2019-20 results in a reduced volume of payments which is the key driver in this formula.

¹ As specified in the 2019/20 DPIRD Budget Statements, this includes the financial targets of the department and the nine RDCs.

² To enable comparison against the 2019/20 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 2019/20 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 in 2019/20. Detailed explanations of the results are provided in the 'Additional key performance indicator information' section that has been audited by the Auditor General.

Table 5 **Key effectiveness indicator targets, results and variations**

Key effectiveness indicator	2019/20 Target	2019/20 Actual	Variation	Comment
Desired outcome 1: Regional WA has the investment to grow and create jobs				
Key effectiveness indicator 1: Percentage of co-investment that the department attracts to its industry and community development initiatives	9%	10.4%	+1.4%	
Desired outcome 2: Regional WA has the technology to grow and create jobs				
Key effectiveness indicator 2: Percentage increase of client satisfaction with the department's technology initiatives	+15%	-9%	-24%	<ul style="list-style-type: none"> • Satisfaction in the first (baseline) survey conducted in October 2019 was 95%. • Satisfaction in the second survey conducted in June 2020 was 86%. • The target of 15% improvement in client satisfaction was unachievable due to the high levels of satisfaction in the baseline survey.

Table 5 Key effectiveness indicator targets, results and variations (continued)

Key effectiveness indicator	2019/20 Target	2019/20 Actual	Variation	Comment
Desired outcome 3: Regional WA has the skills and knowledge to grow and create jobs				
Key effectiveness indicator 3: Percentage of clients satisfied with the department's capability initiatives	70%	75%	+5%	
Desired outcome 4: Regional Western Australia has the social amenity, through recreational fishing to grow and create jobs				
Key effectiveness indicator 4: Percentage of clients satisfied with the department's social amenity initiatives	85%	90%	+5%	
Desired outcome 5: Regional Development Commissions (RDCs) contribute to the economic development of regions				
Key effectiveness indicator 5: 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				
Key effectiveness indicator 6.1: Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately	60%	50%	-10%	While all incidents have been managed to date, two exotic terrestrial weed, pest and disease threats are still subject to ongoing surveillance and or response and will carry over into 2020/21. As they were not resolved in the current financial year, this shows as a 10% shortfall against the target.
Key effectiveness indicator 6.2: Percentage of invasive aquatic pests and exotic diseases resolved appropriately	60%	100%	+40%	DPIRD dealt with only one aquatic exotic disease incident during 2019/20, which was resolved appropriately.

Table 5 Key effectiveness indicator targets, results and variations (continued)

Key effectiveness indicator	2019/20 Target	2019/20 Actual	Variation	Comment
Desired outcome 7: WA agriculture and fishing protect the sustainability of the natural resources on which they rely and impact				
Key effectiveness indicator 7.1a: Spatial extent of acid soils does not increase in target landscapes (%)	NA	NA	NA	COVID-19 exemption granted by Treasury.
Key effectiveness indicator 7.1b: Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health	>0%	-0.4%	-0.4%	The area of the southwest cropping region with sufficient ground cover in autumn 2019 (exceeding the 40% threshold) covers 95.1% of arable land (Table 15). This area represents slightly less than the KPI target (-0.4%) but it is an improvement over 2018 (-2.5%). All seasons in 2019/20 had less ground cover than the 10-year median.
Key effectiveness indicator 7.1c: Number of soil health extension workshops held	30	46	+16	
Key effectiveness indicator 7.2: Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	97%	98%	+1%	
Key effectiveness indicator 7.3: Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved	90%	91%	+1%	

Table 6 Key efficiency indicator targets, results and variations

Key efficiency indicator	2019/20 Target	2019/20 Actual	Variation	Comment
Service 1: Regional industry and community development investment facilitation				
Key efficiency indicator 1: Value of co-investment in the department-led industry and community development initiatives as a factor of the net cost of this service	0%	1.12%	+1.12%	
Service 2: Regional technical and technological development				
Key efficiency indicator 2: Net cost of this service as a factor of gross regional product	0.08%	0.04%	-0.04%	
Service 3: Regional skills and knowledge development				
Key efficiency indicator 3: Net cost of this services as a factor of gross regional product	0.02%	0.01%	-0.01%	
Service 4: Regional social amenity development				
Key efficiency indicator 4: Net cost of this services as a factor of gross regional product	0.01%	0.02%	+0.01%	
Service 5: Corporate and business development services provided by the department to support Regional Development Commissions				
Key efficiency indicator 5: Net cost of this service as a factor of RDC support	\$134.94/hr	\$181.15/hr	+34.24%	Limited integration of core systems and reporting resulted in discrepancies of target versus actuals data.

Table 6 **Key efficiency indicator targets, results and variations (continued)**

Key efficiency indicator	2019/20 Target	2019/20 Actual	Variation	Comment
Service 6: Agricultural and aquatic biosecurity and integrity				
Key efficiency indicator 6.1: Agricultural portion of net cost of this service as a factor of gross value of agricultural production	0.7%	0.65%	-0.05%	
Key efficiency indicator 6.2: Fisheries portion of net cost of this service per hour of aquatic biosecurity services	\$136.98/hr	\$111.28/hr	-18.76%	Limited integration of core systems and reporting resulted in discrepancies of target versus actuals data.
Service 7: Agricultural and fisheries natural resource management				
Key efficiency indicator 7.1: Agricultural portion of net cost of this service as a factor of gross value of agricultural production	0.09%	0.11%	+0.02%	
Key efficiency indicator 7.2: Fisheries portion of net cost of this service per hour of fisheries management services	\$31.07/hr	\$81.09/hr	+161%	Limited integration of core systems and reporting resulted in discrepancies of target versus actuals data.

Significant issues impacting the agency



COVID-19

The COVID-19 pandemic has caused unprecedented disruption for WA's primary industries and regional communities. This includes interruption of supply chains, restrictions on the movement of people and reduced domestic and international demand for goods and services. In the longer term, the pandemic will likely amplify trends, including diversification of international markets and the focus on ensuring food security and self-reliance of production inputs.

The department is working with stakeholders to respond to the challenges and opportunities alike, to create an environment in which primary industries and regional businesses maintain and grow their contribution to the State's prosperity.

Regional growth and job creation

Regional Western Australia and primary industries are key drivers of the State's economy; second only to the resources sector. There are significant prospects for growth owing to international demand, the State's strong reputation for dependable, high-quality food and the significant untapped potential to increase value-add and expand markets, food and tourism in both the agriculture and fisheries sectors.

The State Government is also 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, the department established the Local Content Adviser Network (LCAN), 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.

Biosecurity

Strong biosecurity and traceability underpins WA's reputation as a world-class producer of food and our access to markets. Multiple factors, including growth in national and international trade, passenger movements and both the frequency and severity of biosecurity incidents, will place further pressure on the department's biosecurity functions.

The department will continue to work closely with industry, the community and relevant authorities to ensure it efficiently and effectively prevents, prepares for and responds to biosecurity threats to protect WA's market access, environment and lifestyles.

Research, development and innovation

Access to world-leading research, development and innovation is essential for the international competitiveness of the State's primary industries. Through a \$48m scientific research partnership with the GRDC, the department will continue to deliver world-leading grains research and development, driving Western Australian grains jobs, productivity and exports.

Climate change and variability

Climate change and climate variability continues to be a significant challenge for natural resource management and primary industry production. The department will support primary industries in responding to this challenge. This will include continued monitoring and review of aquatic resources, given their vulnerability to environmental change, as well as providing planning information and decision-making tools to support agricultural producers and land managers.

The department will also work with Natural Resource Management groups and grower organisations to explore the science and best practice in regenerative agriculture.

Export opportunities

WA is an export-dependent state and future growth will need to be driven by leveraging export markets. Realising the sector's full potential will require the State Government's support in working with industry to build on export readiness and working with the Commonwealth Government to ensure our priorities are included in free trade agreement negotiations.

The 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 and aquatic produce.

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, consultations 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.

The 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/service efficiency

The department will continue to ensure its service delivery model supports the State's primary industries and regions to capitalise on their growth potential. In 2019/20, the department finalised its organisational design, so that its people and activities are focused on targeted actions that will accelerate or protect that growth potential.

We will also continue to deliver on the government's and the public's expectations regarding efficiency improvements by integrating its core corporate business systems and streamlining its internal business practices, so that it delivers better value for the Western Australian community.

Changing consumer expectations

Changing consumer expectations, both domestically and internationally, around animal welfare has the potential to significantly impact our livestock industries and the support they receive from the community.

The department will continue to strengthen the animal welfare framework for the State by modernising legislation, regulating agreed standards for animal welfare, and undertaking appropriate compliance activities to provide our livestock industries with regulatory certainty and clarity, as well as helping them demonstrate their welfare credentials.

Aquaculture industry growth

The United Nations Food and Agriculture Organization has estimated overall aquaculture production for human consumption will grow by more than 30% by 2030 due to the world's fast rising demand for seafood.

The government commitment to develop a State Aquaculture Strategy is being fulfilled through the creation of an Aquaculture Development Plan for WA. The purpose of the plan is to provide realistic, achievable and ongoing targets that will build stability and growth, including by creating regional jobs and increasing investment in WA.

In focus

RED Grants a vital leg-up for regional WA



Capogreco Farms in Waroona was one of the recipients of funding under round one of the RED grants

Investing in community-driven projects that support long-term job sustainability and economic growth in regional Western Australia is now more important than ever.

DPIRD and the State's Regional Development Commissions are supporting this by delivering the State Government's Regional Economic Development (RED) Grants program, which provides up to \$250,000 to suitable projects.

Round three of the program, which opened in May 2020, emphasised projects that could contribute to sustainable jobs, diversify industry and maximise recovery from COVID-19 impacts.

It followed the allocation of over \$7m to more than 67 approved projects under round two.

Combined with round one funding, almost \$13.5m has now been allocated from the \$28.8m total State Government commitment over five years under the Royalties for Regions program.

Successful applicants have come from a range of sectors, including agriculture, mining, manufacturing, construction, tourism and professional skills development.

The depth and breadth of applications received in the first two rounds highlighted the diversity of each regional economy.

For example, Capogreco Farms in Waroona received a \$210,000 co-investment under round one to install a state-of-the-art rapid cooling system to prolong the shelf life and quality of fruit for Japanese customers as well as employ four new full-time staff.

Under round two, Southern Sardines in Esperance is receiving \$149,328 to develop new wild catch fish products and modify its current processing facility for expansion into the local seafood markets.

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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Primary Industries and Regional Development for the year ended 30 June 2020 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 Responsibility 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.

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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 Department 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 entity'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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Qualified 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, 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 2020.

Basis for Qualified Opinion

The Department did not have an effective process in place to regularly monitor restricted cash balances. Such controls are of heightened importance during periods where there may be an operating cash shortfall, which the Department experienced during 2019-20. Our audit did not identify any material errors at 30 June 2020, however, controls over these restricted funds, including monitoring of their use, were inadequate to ensure that restricted funds were solely used for their approved purpose during the entire reporting period.

In addition, we identified significant weaknesses in general computer controls implemented by the Department of Primary Industries and Regional Development. These weaknesses could result in unauthorised access to sensitive information and increased risk of information loss. The combined weaknesses expose the Department to vulnerabilities which can undermine the integrity of information in the Department's finance, human resources and other business systems.

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 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 qualified 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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

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 entity'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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
13 October 2020

Financial statements

Certification of financial statements

For the reporting period ended 30 June 2020

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 2020 and the financial position as at 30 June 2020.

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
8 October 2020



Mr David (Ralph) Addis
Accountable Authority
8 October 2020

Statement of comprehensive income for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1.1	196,384	187,968
Supplies and services	3.3	114,054	110,321
Depreciation and amortisation expense	5.1.1, 5.2.1, 5.3.1	18,245	14,943
Share of loss in joint venture entities using the equity method	6.6.1	2,462	2,465
Finance cost	7.3	1,225	1,484
Accommodation expenses	3.3	9,855	8,652
Other expenses	3.3	22,591	20,718
Grants and subsidies paid	3.2	80,588	76,857
Total cost of services		445,404	423,408
Revenue and Income			
User charges and fees	4.2	51,493	54,125
Commonwealth grants and contributions	4.3	4,053	3,434
Non-government grants and subsidies received	4.4	27,177	27,407
Other revenue	4.5	19,706	26,782
Total revenue		102,429	111,748
Gains			
Gain on disposal of non-current assets	4.6	195	127
Total gains		195	127
Total income other than income from State Government		102,624	111,875
NET COST OF SERVICES		342,780	311,533
Income from State Government			
Service appropriations	4.1	194,177	160,860
Services received free of charge	4.1	2,346	2,784
Royalties for Regions Fund	4.1	129,874	159,026
Other income from State Government	4.1	279	576
Total income from State Government		326,676	323,246
SURPLUS/(DEFICIT) FOR THE PERIOD		(16,104)	11,713
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to net cost of services			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(16,104)	11,713

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

Statement of financial position as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7.4.1	19,281	977
Restricted cash and cash equivalents	7.4.2	105,079	141,328
Biological assets	6.5	864	946
Inventories	6.4	1,499	875
Receivables	6.1	21,549	17,716
Amounts receivable for services	6.2	5,846	5,846
Other current assets	6.3	3,767	7,725
Total Current Assets		157,885	175,413
Non-Current Assets			
Restricted cash and cash equivalents	7.4.2	1,678	1,046
Amounts receivable for services	6.2	160,160	138,995
Receivables	6.1	5,950	11,251
Other non-current assets	6.3	5,898	7,319
Investments accounted for using the equity method	6.6.1	12,181	12,643
Infrastructure, property, plant and equipment	5.1	264,109	267,368
Right-of-use assets	5.2	9,256	-
Intangible assets	5.3	9,912	12,072
Total Non-Current Assets		469,144	450,694
TOTAL ASSETS		627,029	626,107
LIABILITIES			
Current Liabilities			
Payables	6.7	25,739	29,338
Contract liabilities	6.8	5,290	-
Provisions	3.1.2	43,112	39,259
Borrowings	7.1	8,960	5,966
Lease liabilities	7.2	3,420	2,558
Other current liabilities	6.9	305	389
Total Current Liabilities		86,826	77,510
Non-Current Liabilities			
Contract liabilities	6.8	792	-
Provisions	3.1.2	8,948	7,919
Borrowings	7.1	5,950	11,251
Lease liabilities	7.2	3,606	835
Total Non-Current Liabilities		19,296	20,005
TOTAL LIABILITIES		106,122	97,515

Statement of financial position as at 30 June 2020 (continued)

	Notes	2020 \$'000	2019 \$'000
NET ASSETS		520,907	528,592
EQUITY			
Contributed equity	9.11	546,006	536,670
Accumulated deficit	9.11	(25,099)	(8,078)
TOTAL EQUITY		520,907	528,592

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

Statement of changes in equity for the year ended 30 June 2020

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/(deficit) \$'000	Total equity \$'000
Balance at 1 July 2018		528,727	-	(19,791)	508,936
Surplus/(deficit)		-	-	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	9.11	9,557	-	-	9,557
Other contributions from owners	9.11	46	-	-	46
Distributions to owners	9.11	(1,660)	-	-	(1,660)
Total		7,943	-	-	7,943
Balance at 30 June 2019		536,670	-	(8,078)	528,592
Balance at 1 July 2019		536,670	-	(8,078)	528,592
Initial Application of AASB 16		-	-	-	-
Initial Application of AASB 15/1058	9.2	-	-	(917)	(917)
Restated balance at 1 July 2019		536,670	-	(8,995)	527,675
Surplus/(deficit)		-	-	(16,104)	(16,104)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(16,104)	(16,104)
Transactions with owners in their capacity as owners:					
Capital appropriations	9.11	9,336	-	-	9,336
Other contributions from owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		9,336	-	-	9,336
Balance at 30 June 2020		546,006	-	(25,099)	520,907

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 2020

	Notes	2020 \$'000	2019 \$'000
CASH FLOW FROM STATE GOVERNMENT			
Service appropriations		167,166	137,161
Capital contributions		9,336	9,557
Holding account drawdown		5,846	4,897
Royalties for Regions Fund		129,874	159,026
Other income from State Government		279	576
Net cash provided by State Government		312,501	311,217
Utilised as Follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(193,153)	(185,193)
Supplies and services		(115,197)	(103,546)
Accommodation		(9,855)	(8,652)
Finance costs		(1,309)	(1,484)
GST payments on purchases		(22,637)	(20,344)
GST payments to taxation authority		-	-
Other payments		(18,649)	(14,723)
Grants and subsidies		(80,588)	(76,857)
Receipts			
User charges and fees		49,887	49,930
Commonwealth grants and contributions		4,053	3,434
Interest received		2,188	1,760
GST receipts on sales		4,296	4,900
GST receipts from taxation authority		18,341	15,444
Non-government grants and subsidies		27,177	27,407
Other receipts		24,161	26,272
Net cash used in operating activities	7.4.3	(311,285)	(281,652)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Investment in joint ventures		(2,000)	(2,487)
Purchase of non-current assets		(13,028)	(10,254)
Receipts			
Proceeds from sale of non-current physical assets		242	218
Net cash used in investing activities		(14,786)	(12,523)

Statement of cash flows for the year ended 30 June 2020 (continued)

	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease (2019 - finance lease)		(3,743)	-
Repayment of borrowings		(2,307)	(3,598)
Receipts			
Proceeds from industry		2,307	3,748
Net cash provided by financing activities		(3,743)	150
Net (decrease)/increase In cash and cash equivalents		(17,313)	17,192
Cash and cash equivalents at the beginning of the reporting period		143,351	126,159
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.4.3	126,038	143,351

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 2020

	2020 Budget Estimate \$'000	2020 Supplementary Funding \$'000	2020 Revised Budget \$'000	2020 Actual \$'000	2020 Variance \$'000
Delivery of Services					
Item 44 Net amount appropriated to deliver services	163,598	26,638	190,236	190,236	-
Amount authorised by Other Statutes					
- <i>Biosecurity and Agriculture Management Act 2007</i>	5,375	(2,419)	2,956	2,956	-
- <i>Salaries & Allowances Act 1975</i>	3,182	-	3,182	985	2,197
Total appropriations provided to deliver services	172,155	24,219	196,374	194,177	2,197
Capital					
Item 122 Capital appropriations	16,496	(11,394)	5,102	5,102	-
Administered Transactions					
Item 45 Administered grants, subsidies and other transfer payments	1,550	-	1,550	1,550	-
Total administered transactions	1,550	-	1,550	1,550	-
GRAND TOTAL	190,201	12,825	203,026	200,829	2,197

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Notes to the financial statements for the year ended 30 June 2020

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 8 October 2020.

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).

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.

Joint research activities

The department participates in a number of joint research activities, such as Cooperative Research Centres. The department recognises within its financial statements: the assets that it controls, the liabilities and expenses that it incurs and its share of the income that it earns from the joint research activities.

Notes to the financial statements for the year ended 30 June 2020

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 2020

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
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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 2020

2.2 Schedule of income and expenses by service for the year ended 30 June 2020

	Regional Industry and Community Development Investment Facilitation		Regional Technical and Technological Development		Regional Skills and Knowledge Development		Regional Social Amenity Development	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	40,458	44,894	32,214	31,355	7,569	7,557	14,152	12,014
Supplies and services	33,471	36,502	20,106	17,905	6,092	5,212	4,933	3,066
Depreciation and amortisation expense	3,974	5,465	1,890	2,348	581	663	1,082	574
Share of loss in joint venture entities using the equity method	2,462	2,465	-	-	-	-	-	-
Finance Cost	47	442	22	195	7	54	13	47
Accommodation expenses	2,713	2,483	1,059	1,016	276	287	721	542
Other expenses	12,967	15,565	2,903	3,936	1,220	624	235	278
Grants and subsidies paid	41,390	42,768	7,165	14,862	3,648	5,826	16,271	992
Total cost of services	137,482	150,584	65,359	71,617	19,393	20,223	37,407	17,513
Income								
User charges and fees	960	1,163	1,570	1,885	934	946	8,448	8,841
Commonwealth grants and contributions	466	188	33	88	235	51	253	226
Non-government grants and subsidies received	1,446	1,386	18,792	17,136	2,118	2,564	5	-
Gain on disposal of non-current assets	59	60	32	29	8	7	18	6
Other revenue	5,837	12,941	4,274	4,275	201	1,300	323	303
Total income other than income from State Government	8,768	15,738	24,701	23,413	3,496	4,868	9,047	9,376
NET COST OF SERVICES	128,714	134,846	40,658	48,204	15,897	15,355	28,360	8,137
INCOME FROM STATE GOVERNMENT								
Service appropriations	59,189	59,001	28,087	25,323	9,221	8,769	15,900	6,192
Services received free of charge	724	928	344	399	102	113	197	98
Royalties for Regions Fund	45,629	86,266	19,363	34,493	16,066	7,770	8,107	538
Other income from State Government	-	119	-	47	-	13	-	13
Total income from State Government	105,542	146,314	47,794	60,262	25,389	16,665	24,204	6,841
SURPLUS / (DEFICIT) FOR THE PERIOD	(23,172)	11,468	7,136	12,058	9,492	1,310	(4,156)	(1,296)

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

Notes to the financial statements for the year ended 30 June 2020

2.2 Schedule of income and expenses by service for the year ended 30 June 2020 (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	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	13,858	13,397	46,426	43,008	41,707	35,743	196,384	187,968
Supplies and services	5,072	4,621	21,671	22,368	22,709	20,647	114,054	110,321
Depreciation and amortisation expense	2,935	730	2,575	2,525	5,208	2,638	18,245	14,943
Share of loss in joint venture entities using the equity method	-	-	-	-	-	-	2,462	2,465
Finance Cost	198	370	29	205	909	171	1,225	1,484
Accommodation expenses	2,039	1,850	1,551	1,141	1,496	1,333	9,855	8,652
Other expenses	(228)	125	5,034	929	460	(739)	22,591	20,718
Grants and subsidies paid	1,822	1,179	8,937	6,834	1,355	4,396	80,588	76,857
Total cost of services	25,696	22,272	86,223	77,010	73,844	64,189	445,404	423,408
Income								
User charges and fees	9	29	8,362	8,233	31,210	33,028	51,493	54,125
Commonwealth grants and contributions	23	-	2,081	1,903	962	978	4,053	3,434
Non-government grants and subsidies received	-	18	3,919	5,810	897	493	27,177	27,407
Gain on disposal of non-current assets	11	8	37	28	30	(11)	195	127
Other revenue	312	264	5,519	6,471	3,240	1,228	19,706	26,782
Total income other than income from State Government	355	319	19,918	22,445	36,339	35,716	102,624	111,875
NET COST OF SERVICES	25,341	21,953	66,305	54,565	37,505	28,473	342,780	311,533
INCOME FROM STATE GOVERNMENT								
Service appropriations	10,493	7,875	39,122	31,006	32,165	22,695	194,177	160,860
Services received free of charge	135	124	454	429	389	693	2,346	2,784
Royalties for Regions Fund	24,501	16,980	7,162	7,554	9,046	5,424	129,874	159,026
Other income from State Government	-	15	148	182	131	186	279	576
Total income from State Government	35,129	24,994	46,886	39,171	41,731	28,998	326,676	323,246
SURPLUS / (DEFICIT) FOR THE PERIOD	9,788	3,041	(19,419)	(15,394)	4,226	525	(16,104)	11,713

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

Notes to the financial statements for the year ended 30 June 2020

2.3 Schedule of assets and liabilities by service as at 30 June 2020

	Regional Industry and Community Development Investment Facilitation		Regional Technical and Technological Development		Regional Skills and Knowledge Development		Regional Social Amenity Development	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Current assets	48,944	66,525	23,683	28,585	6,315	8,071	12,631	6,990
Non-current assets	145,435	170,924	70,372	73,443	18,766	20,738	37,532	17,959
Total assets	194,379	237,449	94,055	102,028	25,081	28,809	50,163	24,949
Liabilities								
Current liabilities	26,916	29,395	13,024	12,631	3,473	3,566	6,946	3,089
Non-current liabilities	5,982	7,587	2,894	3,260	772	920	1,544	797
Total liabilities	32,898	36,982	15,918	15,891	4,245	4,486	8,490	3,886
NET ASSETS	161,481	200,467	78,137	86,137	20,836	24,323	41,673	21,063

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

Notes to the financial statements for the year ended 30 June 2020

2.3 Schedule of assets and liabilities by service as at 30 June 2020 (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	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Current assets	9,474	8,889	29,998	30,735	26,840	25,618	157,885	175,413
Non-current assets	28,148	22,840	89,137	78,970	79,754	65,821	469,144	450,694
Total assets	37,622	31,729	119,135	109,705	106,594	91,439	627,029	626,107
Liabilities								
Current liabilities	5,210	3,928	16,497	13,581	14,760	11,320	86,826	77,510
Non-current liabilities	1,158	1,014	3,666	3,505	3,280	2,922	19,296	20,005
Total liabilities	6,368	4,942	20,163	17,086	18,040	14,242	106,122	97,515
NET ASSETS	31,254	26,787	98,972	92,619	88,554	77,197	520,907	528,592

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

Notes to the financial statements for the year ended 30 June 2020

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	2020 \$'000	2019 \$'000
Employee benefits expenses	3.1.1	196,384	187,968
Employee benefits provisions	3.1.2	52,060	47,178
Grants and subsidies paid	3.2	80,588	76,857
Supplies and services	3.3	114,054	110,321
Accommodation expenses	3.3	9,855	8,652
Other expenditure	3.3	22,591	20,718

3.1.1 Employee benefits expense

	2020 \$'000	2019 \$'000
Employee benefits expense		
Wages and salaries ^(a)	153,868	148,459
Termination benefits	4,491	2,442
Superannuation-defined contribution plans ^(b)	16,448	16,085
Long service leave	5,443	2,924
Annual leave	12,374	11,134
Other related expenses ^(c)	3,760	6,924
Total employee benefits expenses	196,384	187,968
Add: AASB 16 Non-monetary benefits	1,312	-
Less: Employee Contribution	(1,102)	-
Net employee benefits	196,594	187,968

(a) Includes the value of the fringe benefit to the employee plus the fringe benefit tax component and leave entitlements.

(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 \$16.3 million (\$15.9 million in 2018/19) and other eligible funds.

(c) The department paid \$2.1 million (\$1.4 million in 2018/19) 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 2020

3.1.1 Employee benefits expense (continued)

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

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.

Other related expenses: Other related expenses include costs associated with the reimbursement of employee entitlements, GROH housing leases, staff training and development and advertising for the recruitment of employees.

AASB 16 Non-Monetary Benefits: Employee benefits in the form of non-monetary benefits, such as the provisions of motor vehicles or housing, are measured at the costs.

Notes to the financial statements for the year ended 30 June 2020

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.

	2020 \$'000	2019 \$'000
Current		
Employee benefits provisions		
Annual leave ^(a)	19,463	16,860
Deferred and purchased leave ^(b)	389	422
Long service leave ^(c)	22,684	21,452
	42,536	38,734
Other provisions		
Employee on-costs ^(d)	576	525
Total current employee related provisions	43,112	39,259
Non-current		
Employee benefits provisions		
Long service leave ^(c)	8,829	7,813
Total non-current employee benefits provision	8,829	7,813
Other provisions		
Employee on-costs ^(d)	119	106
Total non-current employee benefits provision	8,948	7,919
Total employee related provisions	52,060	47,178

Notes to the financial statements for the year ended 30 June 2020

3.1.2 Employee benefits provision (continued)

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

	2020 \$'000	2019 \$'000
Within 12 months of the end of the reporting period	12,385	11,394
More than 12 months after the end of the reporting period	7,078	5,466
	19,463	16,860

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

- (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:

	2020 \$'000	2019 \$'000
Within 12 months of the end of the reporting period	389	422
More than 12 months after the end of the reporting period	-	-
	389	422

- (c) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the 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:

	2020 \$'000	2019 \$'000
Within 12 months of the end of the reporting period	8,301	7,919
More than 12 months after the end of the reporting period	23,212	21,346
	31,513	29,265

Notes to the financial statements for the year ended 30 June 2020

3.1.2 Employee benefits provision (continued)

The provision for long service leave are calculated at present value as the department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected present future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 apart from the unwinding of the discount (finance cost))' and are not included as part of the department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Movements in other provisions

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

	2020 \$'000	2019 \$'000
Employment on-cost provision		
Carrying amount at start of period	631	622
Additional provisions recognised	64	9
Carrying amount at end of period	695	631

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 2020

3.2 Grants and subsidies paid

	2020 \$'000	2019 \$'000
Recurrent		
Other grant payments	22,081	17,659
Regional Community Services Fund	49,215	40,537
Regional Infrastructure and Headworks Fund	9,292	18,661
Total grants and subsidies	80,588	76,857

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 2020

3.3 Other expenditure

Supplies and services

	2020 \$'000	2019 \$'000
Professional services	58,808	50,600
Travel	4,318	5,378
Communications	4,767	3,841
Consumables	10,571	10,828
Lease, rent and hire costs ^(a)	1,926	5,791
Consultancies expense	706	680
Utilities, rates and charges	3,574	3,598
Insurance	2,179	1,454
Licences, fees and registration	2,818	3,348
Advertising	1,071	1,032
Minor equipment and maintenance	12,481	11,685
Services purchased from non-government agencies	9,029	8,917
General administration costs	1,806	3,169
Total supplies and services expenses	114,054	110,321

Notes to the financial statements for the year ended 30 June 2020

3.3 Other expenditure (continued)

Accommodation expenses

	2020	2019
	\$'000	\$'000
Lease rentals ^(b)	7,108	6,153
Repairs and maintenance	2,747	2,499
Total accommodation expenses	9,855	8,652

Other expenses

Doubtful debts expense	(271)	370
Donations and sponsorships	1,383	676
Employment on-costs	215	1,074
Return of unused grants	12,346	14,864
Miscellaneous other	3,487	893
Fisheries adjustment scheme buybacks	1,489	-
Revaluation decrement	3,942	2,841
Total other expenses	22,591	20,718
Total other expenditure	146,500	139,691

(a) Included within leases, rent and hire costs are variable lease payments and low level leases up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to note 5.2 for variable lease payments and low value leases expenses.

(b) The department paid \$5.5 million (\$5.3 million in 2018/19) 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.

Lease, rent and hire costs

Lease, rent and hire costs include:

- i) Short-term leases with a lease term of 12 months or less;
- ii) Low-value leases with an underlying value of \$5,000 or less; and
- iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements for the year ended 30 June 2020

3.3 Other expenditure (continued)

Accommodation expenses

Accommodation 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.

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 2020

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	2020 \$'000	2019 \$'000
Income from State Government	4.1	326,676	323,246
User charges and fees	4.2	51,493	54,125
Commonwealth grants and contributions	4.3	4,053	3,434
Non-Government grants and subsidies received	4.4	27,177	27,407
Other revenue	4.5	19,706	26,782
Gain/(loss) on disposal of non-current assets	4.6	195	127

Notes to the financial statements for the year ended 30 June 2020

4.1 Income from State Government

	2020 \$'000	2019 \$'000
Appropriations received during the period:		
Service appropriations	194,177	160,860
	194,177	160,860
Resources received free of charge from other State government agencies during the period:		
Landgate	84	162
State Solicitor's Office	1,544	1,584
Department of Finance	702	690
Department of Transport	13	336
Department of Water and Environmental Regulation	2	12
Department of Planning, Lands and Heritage	1	-
Total services received	2,346	2,784
Other income from State Government:		
Department of Transport	5	-
Department of Water and Environmental Regulation	-	297
Australian Institute of Marine Science	-	124
Fremantle Ports Authority	22	20
Kimberley Ports Authority	18	18
Pilbara Ports Authority	69	52
Southern Ports Authority	34	35
Mid West ports	20	21
Western Australian Land Authority	111	-
Other income from State Government	-	9
Total other income from State Government	279	576

Notes to the financial statements for the year ended 30 June 2020

4.1 Income from State Government (continued)

	2020 \$'000	2019 \$'000
Regional Infrastructure and Headwork Account	6,520	31,190
Regional Community Services Account	63,877	91,273
Regional and Statewide Initiatives	59,477	36,563
Total Royalties for Regions Fund	129,874	159,026
Total income from State Government	326,676	323,246

Service appropriations are recognised as income at fair value of consideration received in the period in which the Agency 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 \$194.177 million in 2019/20 (\$160.86 million in 2018/19) comprises the following:

Cash component

Service appropriations \$163,225,000

Biosecurity and Agriculture Management Act 2007 \$2,956,000

Salaries and Allowances Act 1975 \$985,000

A receivable (asset) \$27,011,000

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

Resources received free of charge relates to services received free of charge from other State Government agencies. Income is recognised in accordance with AASB 1058 at the fair value of services when they are received.

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 has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB15 as they do not meet the 'sufficiently specific' criterion.

The department received \$129,874 under Royalties for Regions funds in 2019/20 (\$159,026 in 2018/19).

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

Notes to the financial statements for the year ended 30 June 2020

4.2 User charges and fees

	2020 \$'000	2019 \$'000
Access Fees	29,477	31,293
Recreational licence fees	8,418	8,802
Fees for services provided under service level agreements	-	216
Sale of Goods	1,298	-
Other user charges and fees	11,929	13,233
Memorandum of understanding—services provided		
Agricultural Produce Commission	151	98
Rural Business Development Corporation	220	483
Total user charges and fees	51,493	54,125

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the department transfers control of the services to customers.

Revenue is recognised for the major business activities as follows:

Sale of Goods

Up to 30 June 2019, revenue was recognised from the sale of goods when the significant risks and rewards of ownership transferred to the purchaser and can be measured reliably.

From 1 July, revenue is recognised at the transaction price when the department transfers control of the goods to the customer.

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 2019/20 Budget Statements, the department retained \$130.1 million in 2019/20 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 2020

4.3 Commonwealth grants and contributions

	2020 \$'000	2019 \$'000
Commonwealth National Partnership Agreements	688	1,011
University of Western Australia	-	45
Director National Park	345	226
Department of Agriculture and Water Resources	-	563
Fisheries Research and Development Corporation	207	333
Other grants from the Commonwealth	1,640	285
Indian Ocean Territories	1,173	971
Total Commonwealth grants and contributions	4,053	3,434

Until 30 June 2019

Income from Commonwealth grants was recognised at fair value when the grant was receivable.

From 1 July 2019

Where an enforceable agreement exists between the department and the Government to transfer sufficiently specific goods or services to a customer, the department recognises grant revenue as and when goods and services are transferred. Revenue is recognised based on the department's input (cost) to the satisfaction of a performance obligation over the total expected input.

When the department has not yet met the performance obligations, amounts received are treated as contract liability in the Statement of Financial Position.

Where there is no identified enforceable agreement or performance obligation is not sufficiently specific, revenue is recognised:

- where the grant does not relate to capital funding, immediately when the department has the contractual right to receive the grant.
- where the grant is to acquire or construct a non-financial asset, over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred to-date because the costs of construction are the best measure of the stage of completion of the building.

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 2020

4.4 Non-government grants and subsidies received

	2020 \$'000	2019 \$'000
Meat and Livestock Australia	992	1,941
Grains Research and Development Corporation	11,762	15,681
Rural Industry Research and Development Corporation	720	548
Murdoch University	651	-
Cooperative Research Centres research grants	200	201
Commercial grants	4,093	4,715
Horticulture industry	4,161	3,322
Shire of Esperance	956	-
Broadspectrum	28	28
Citic Pacific Mining Management Pty Ltd	18	18
University of Western Australia	1,010	-
Rio Tinto	18	18
WA Fishing Industry Council	-	250
Future Green Solution Pty Ltd	325	48
Fisheries Research and Development Corporation	378	404
Other grants and subsidies	1,865	233
Total non-government grants and subsidies received	27,177	27,407

Consultancy and contract research

Research grants that are considered within the scope of AASB 15 due to the existence of an enforceable agreement and the promise to transfer goods or services to the customer (or on behalf of the customer) are sufficiently specific as the department has the obligation to provide:

- A refund if the goods or services are not provided
- Comprehensive academic paper with the results of the research after completion
- Intellectual property
- Perpetual and royalty-free licence to the developed intellectual property

Depending on the nature of the promise, the department either recognises revenue over time as the services are performed or at a point in time when the obligation is delivered.

Notes to the financial statements for the year ended 30 June 2020

4.5 Other revenue

	2020	2019
	\$'000	\$'000
Levies and rates	4,386	5,158
Return of grant allocations	4,378	9,622
Royalties	2,200	1,798
Rents and leases	2,229	2,478
Interest revenue	1,627	2,191
Other	4,886	5,535
Total other revenue	19,706	26,782

Levies and rates relate to levies and rates received under the *Biosecurity and Agriculture Management Act 2007* Industry Funded Scheme. Revenue is recognised upon entitlement usually being when cash is received.

Return of grant allocations relate to return of unspent Royalties for Regions funds provided to grants' recipients in previous years. Revenue is recognised upon entitlement usually being when cash is received.

Royalties relates to royalties collected from third parties who bought the rights to sell and produce products that the department developed such as apples and other horticultural products. The revenue is recognised at the point in time when a product is sold by the licensee in accordance with AASB 15.

Other relates to miscellaneous recoups and cost recoveries from Departments operation. The revenue is recognised upon entitlement usually being when cash is received.

Notes to the financial statements for the year ended 30 June 2020

4.6 Gains/(Loss) on disposal of non-current assets

	2020 \$'000	2019 \$'000
Net Proceeds from disposal of non-current assets		
Vehicles and buses	188	165
Plant and machinery	22	25
Marine vessels	32	29
	242	219
Carrying amount of non-current assets disposed		
Vehicles and buses	22	34
Plant and machinery	25	58
	47	92
Net gain	195	127

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 2020

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	2020 \$'000	2019 \$'000
Infrastructure, property, plant and equipment	5.1	264,109	267,368
Right-of-use assets	5.2	9,256	-
Intangibles	5.3	9,912	12,072
Total key assets		283,277	279,440

5.1 Infrastructure, property, plant and equipment

	Land	Buildings	Leasehold improvements	Computer and communications 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
Year ended 30 June 2019											
1 July 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 end of period	106,222	97,134	4,183	1,052	2,277	19,448	6,560	752	33,100	4,002	274,730
Additions	43	1,628	-	290	260	2,198	453	306	61	4,083	9,322
Disposals	-	-	-	-	-	(58)	-	(34)	-	-	(92)
Transfers ^(a)	(1,660)	-	(2)	(2)	9	2,728	(22)	(1)	265	(3,004)	(1,689)
Revaluations increments/(decrements)	(2,625)	(216)	-	-	-	-	-	-	-	-	(2,841)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(4,189)	(1,858)	(648)	(566)	(2,487)	(792)	(231)	(1,291)	-	(12,062)
Carrying amount at 30 June 2019	101,980	94,357	2,323	692	1,980	21,829	6,199	792	32,135	5,081	267,368

(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 2020

5.1 Infrastructure, property, plant and equipment (continued)

	Land	Buildings	Leasehold improvements	Computer and communications equipment	Office and other equipment	Plant and machinery	Marine vessels	Vehicles and buses	Infrastructure	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2020											
At 30 June 2019											
Open net carrying amount	101,980	94,357	2,323	692	1,980	21,829	6,199	792	32,135	5,081	267,368
Adjustment for change in accounting policy - AASB 16 (a)	-	-	(2,323)	-	-	-	-	-	-	-	(2,323)
Restated Opening Carrying Balance	101,980	94,357	-	692	1,980	21,829	6,199	792	32,135	5,081	265,045
1 July 2019											
Gross carrying amount	101,980	98,546	-	15,048	6,882	55,472	18,960	12,097	40,304	5,081	354,370
Accumulated depreciation	-	(4,189)	-	(14,356)	(4,902)	(33,643)	(12,761)	(11,305)	(8,169)	-	(89,325)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at start of period	101,980	94,357	-	692	1,980	21,829	6,199	792	32,135	5,081	265,045
Additions	-	850	-	65	710	1,391	144	146	3,845	5,631	12,782
Transfers ^(b)	-	4,104	-	-	300	39	487	-	1,387	(6,317)	-
Disposals	-	-	-	-	-	(25)	-	(22)	-	-	(47)
Revaluations increments/(decrements)	(3,658)	(284)	-	-	-	-	-	-	-	-	(3,942)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(4,436)	-	(382)	(507)	(2,113)	(699)	(206)	(1,386)	-	(9,729)
Carrying amount at 30 June 2020	98,322	94,591	-	375	2,483	21,121	6,131	710	35,981	4,395	264,109
Gross carrying amount	98,322	94,591	-	15,113	7,892	56,211	19,591	12,049	45,536	4,395	353,700
Accumulated depreciation	-	-	-	(14,738)	(5,409)	(35,090)	(13,460)	(11,339)	(9,555)	-	(89,591)

(a) The application of AASB 16 has resulted in the reclassification of finance lease assets to right-of-use assets.

(b) 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 2020

5.1 Infrastructure, property, plant and equipment (continued)

Initial recognition

Items of infrastructure, property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of infrastructure, property, plant and equipment costings 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.

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.

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 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the valuation, fair value was determined by reference to market values for land \$14.5 million (\$14.15 million in 2018/19) and buildings \$4.8 million (\$5.0 million in 2018/19). 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).

As at the 8 October 2020, there was insufficient market evidence to quantify the impact of the COVID-19 pandemic. It can only be concluded that there was significant uncertainty of fair value accuracy of land and buildings at the reporting period.

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.

Notes to the financial statements for the year ended 30 June 2020

5.1 Infrastructure, property, plant and equipment (continued)

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 2020

5.1.1 Depreciation and impairment

	2020 \$'000	2019 \$'000
Charge for the period		
Depreciation		
Buildings	4,436	4,189
Computer and communications equipment	382	648
Office and other equipment	507	566
Plant and machinery	2,113	2,487
Lease improvements	-	1,858
Marine vessels	699	792
Infrastructure	1,386	1,291
Vehicles and buses	206	231
Total depreciation for the period	9,729	12,062

As at 30 June 2020, there were no indications of impairment to property, plant and equipment or infrastructure. All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written-off.

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. The exceptions to this rule include land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over the estimated useful life. Typical estimated useful lives for different asset classes for current and prior years are included in the table below:

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 2020

5.1.1 Depreciation and impairment (continued)

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.

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential is not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of plant and equipment, are tested for any indication of impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Where previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through the other comprehensive income.

As the department is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

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.

Notes to the financial statements for the year ended 30 June 2020

5.2 Right-of-use assets

	Employee housing \$'000	Vehicles \$'000	Other ^(a) \$'000	Total \$'000
Year ended 30 June 2020				
1 July 2019				
Gross carrying amount	-	-	14,868	14,868
Accumulated amortisation	-	-	(12,545)	(12,545)
Carrying amount at start of period	-	-	2,323	2,323
Recognition of right-of-use asset on initial application of AASB 16	766	5,529	3,809	10,104
Adjusted balance at 1 July 2019	766	5,529	6,132	12,427
Additions	1,382	1,552	132	3,066
Disposals	(81)	(45)	-	(126)
Depreciation	(1,249)	(2,498)	(2,364)	(6,111)
Carrying amount at 30 June 2020	818	4,538	3,900	9,256

(a) The other right-of-use assets relate to \$3.05 million for the Indian Oceans Marine Research Centre, \$0.465 million for the coral bay worker's accommodation facility and \$0.385 million for other commercial leases.

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

The department has elected not to recognise right-of-use assets and lease liabilities for short-term lease (with a lease of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Notes to the financial statements for the year ended 30 June 2020

5.2 Right-of-use assets (continued)

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at the cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight –line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested of impairment when an indication of impairment is identified. The policy in connection with testing for impairment of outlined in note 5.1.1.

5.2.1 Depreciation charge of right-of-use assets

The following amounts relating to leases have been recognised in the statement of comprehensive income.

	2020 \$'000	2019 \$'000
Employee housing	1,249	-
Vehicles	2,498	-
Other	2,364	-
Total right-of-use depreciation	6,111	-
Lease interest expense (included in Finance Cost)	341	-

The total cash outflow for leases in 2020 was \$3,907,924.

The department's leasing activities for and how these are accounted for:

The department has leases for residential accommodations, vehicles and other.

Notes to the financial statements for the year ended 30 June 2020

5.2.1 Depreciation charge of right-of-use assets (continued)

The department has also entered in a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the Leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense incurred.

Up to the 30 June 2019, the department classified lease as either finance leases or operating leases, From the 1 July 2019, the department recognised leases as right-of-assets and associated leases liabilities in the Statement of Financial Position.

The corresponding leases liabilities in relation to these right-of-use assets have been disclosed in note 7.2.

5.3 Intangible assets

	Computer Software \$'000	Capital works in Progress \$'000	Total \$'000
Year ended 30 June 2019			
1 July 2018			
Gross Carrying amount	31,887	2,153	34,040
Accumulated amortisation	(19,891)	-	(19,891)
Carrying amount at start of period	11,996	2,153	14,149
Additions	-	933	933
Transfer from capital works in progress	2,665	(2,794)	(129)
Amortisation expense	(2,881)	-	(2,881)
Carrying amount at 30 June 2019	11,780	292	12,072
Year ended 30 June 2020			
1 July 2019			
Gross Carrying amount	34,552	292	34,844
Accumulated amortisation	(22,772)	-	(22,772)
Carrying amount start of period	11,780	292	12,072
Additions	-	239	239
Transfer from capital works in progress	6	-	6
Amortisation expense	(2,405)	-	(2,405)
Carrying amount at 30 June 2020	9,381	531	9,912

Notes to the financial statements for the year ended 30 June 2020

5.3 Intangible assets (continued)

Initial recognition

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

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to profit or loss in the Statement of Comprehensive Income.

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.

5.3.1 Amortisation and impairment

	2020 \$'000	2019 \$'000
Charge for the period		
Amortisation		
Intangible assets	2,405	2,881
Total amortisation for the period	2,405	2,881

Notes to the financial statements for the year ended 30 June 2020

5.3.1 Amortisation and impairment (continued)

As at 30 June 2020 there was no impairment to intangible assets.

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 2020

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	2020 \$'000	2019 \$'000
Receivables	6.1	27,499	28,967
Amounts receivable for services (holding account)	6.2	166,006	144,841
Other assets	6.3	9,665	15,044
Inventories	6.4	1,499	875
Biological assets	6.5	864	946
Joint arrangements	6.6.1	12,181	12,643
Investments accounted for using the equity method	6.6.1	2,462	2,465
Jointly controlled assets	6.6.2	12,132	12,760
Payables	6.7	25,739	29,338
Contract liabilities	6.8	6,082	-
Other current liabilities	6.9	305	389

Notes to the financial statements for the year ended 30 June 2020

6.1 Receivables

	2020 \$'000	2019 \$'000
Current		
Trade receivables	5,623	8,442
Allowance for impairment of trade receivables	(305)	(576)
Accrued revenue	4,166	12
GST receivable	3,051	3,257
Interest receivable	54	615
Other debtors	8,960	5,966
Total current	21,549	17,716
Non-current		
Other debtors	5,950	11,251
Total non-current	5,950	11,251
Total receivables	27,499	28,967

Trade 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.

6.1.1 Movement in the allowance for impairment of trade receivables

	2020 \$'000	2019 \$'000
Reconciliation of changes in the allowances for impairment of trade receivables:		
Balance at the start of period	576	206
Doubtful debt expense	(242)	370
Amounts written off during the period	(29)	-
Balance at end of period	305	576

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.

Notes to the financial statements for the year ended 30 June 2020

6.2 Amounts receivable for services (Holding Account)

	2020 \$'000	2019 \$'000
Current	5,846	5,846
Non-current	160,160	138,995
Balance at end of period	166,006	144,841

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 2020

6.3 Other assets

	2020 \$'000	2019 \$'000
Current		
Prepaid goods and services	2,083	209
Doppler radar maintenance ^(a)	530	1,483
Lease prepayments ^(b)	605	2,418
Licences and rentals	-	3,615
Contract Asset	549	-
Total current assets	3,767	7,725
Non-current		
Doppler radar maintenance ^(a)	5,305	6,659
Available for sale financial assets		
Unlisted shares	51	55
Lease prepayments ^(b)	-	605
Contract Asset	542	-
Total non-current assets	5,898	7,319
Balance at end of period	9,665	15,044

(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.

Other non-financial assets include prepaid goods and services which represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covers a term extending beyond that period.

Notes to the financial statements for the year ended 30 June 2020

6.4 Inventories

	2020	2019
	\$'000	\$'000
Inventories held for resale		
Agricultural produce	213	162
Raw materials and stores	1,286	713
Balance at end of period	1,499	875

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

	2020	2019
	\$'000	\$'000
Livestock	699	693
Field crops	165	253
Balance at end of period	864	946
Balance at 1 July	946	864
Purchases	6	122
Sales of livestock	(88)	(40)
Balance at 30 June	864	946

Biological assets 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 2020

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

	2020	2019
	\$'000	\$'000
Share of loss in joint venture entity using the equity method	2,462	2,465
	2,462	2,465

Notes to the financial statements for the year ended 30 June 2020

6.6.1 Investments accounted for using the equity method (continued)

	2020 \$'000	2019 \$'000
Investments in joint ventures at initial cost of investment	39,123	37,123
Share of profit/(loss) using the equity method	(33,689)	(31,524)
Recognition of gain on dilution	2,428	2,428
	7,862	8,027
Loan to InterGrain Pty Ltd	4,319	4,616
	12,181	12,643

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 2020, 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 2020, 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 2020

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:

	2020 \$'000 InterGrain	2019 \$'000 InterGrain	2020 \$'000 AEGIC	2019 \$'000 AEGIC
Current assets	23,493	21,742	3,267	7,434
Non-current assets	7,470	3,452	1,309	1,168
Total assets	30,963	25,194	4,576	8,602
Current liabilities	8,106	8,194	1,564	1,798
Non-current liabilities	12,550	9,499	-	-
Total liabilities	20,656	17,693	1,564	1,798
Net assets	10,307	7,501	3,012	6,804
Revenue	25,138	22,230	2,272	2,320
Expenses	(22,246)	(19,502)	(9,812)	(11,173)
Net gain/(loss)	2,892	2,728	(7,540)	(8,853)

Notes to the financial statements for the year ended 30 June 2020

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:

	2020 \$'000	2019 \$'000
Non-current assets		
Land	10,230	10,805
Building	1,902	1,955
Balance at end of period	12,132	12,760

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) The department owns 100% of the land at Forrestfield. 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 2019/20 (\$8.6 million in 2018/19).
- (b) 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 2019/20 at \$3.6 million (land \$1.7 million and buildings \$1.9 million), (\$3.6 million in 2018/19; land \$1.6 million and buildings \$2.0 million).

Notes to the financial statements for the year ended 30 June 2020

6.7 Payables

	2020 \$'000	2019 \$'000
Current		
Trade payables	12,414	17,155
Accrued expenses	9,316	6,664
Accrued salaries	2,121	3,978
Other payables	1,888	1,541
Balance at end of period	25,739	29,338

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 7.4.2 '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 Contract liabilities

	2020 \$'000	2019 \$'000
Current	5,290	-
Non-current	792	-
Total Contract liabilities	6,082	-

The department's contract liabilities mainly relate to research contracts yet to be performed at the end of the reporting period.

6.8.1 Movement in contract liabilities

	2020 \$'000	2019 \$'000
Reconciliation of changes in contract liabilities		
Opening balance	-	-
Additions	7,723	-
Revenue recognised in the reporting period	(1,641)	-
Balance at end of period	6,082	-

The department expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

Notes to the financial statements for the year ended 30 June 2020

6.9 Other current liabilities

	2020 \$'000	2019 \$'000
Accrued West Australian Treasury Corporation charges	305	389
Total current liabilities	305	389

Notes to the financial statements for the year ended 30 June 2020

7 Financing

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

	Notes	2020 \$'000	2019 \$'000
Borrowings	7.1	14,910	17,217
Lease liabilities	7.2	7,026	3,393
Finance costs	7.3	1,225	1,484
Reconciliation of cash	7.4.1	19,281	977
Restricted cash and cash equivalents	7.4.2	106,757	142,374
Capital commitments	7.5	6,696	771

Notes to the financial statements for the year ended 30 June 2020

7.1 Borrowings

	2020 \$'000	2019 \$'000
Current		
Borrowings from Western Australian Treasury Corporation ^(a)	8,960	5,966
	8,960	5,966
Non-current		
Borrowings from Western Australian Treasury Corporation ^(a)	5,950	11,251
	5,950	11,251
Balance at end of period	14,910	17,217

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

Notes to the financial statements for the year ended 30 June 2020

7.2 Lease liabilities

	2020 \$'000	2019 \$'000
Current	3,420	2,558
Non-Current	3,606	835
Total lease liabilities	7,026	3,393

The department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the department uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the department as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the department exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the department if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the department in profit or loss in the period in which the condition that triggers those payments occurs

This section should be read in conjunction with note 5.2.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Notes to the financial statements for the year ended 30 June 2020

7.3 Finance costs

	2020	2019
	\$'000	\$'000
Finance costs		
WATC Borrowing Charges	884	1,168
Lease interest expense	341	316
Finance costs expensed	1,225	1,484

'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 lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

7.4 Cash and cash equivalents

7.4.1 Reconciliation of cash

	2020	2019
	\$'000	\$'000
Cash and cash equivalents		
Reconciliation of cash		
Cash advances	21	28
Cash at bank	19,260	949
Total cash and cash equivalents	19,281	977

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

Notes to the financial statements for the year ended 30 June 2020

7.4.2 Restricted cash and cash equivalents

	2020 \$'000	2019 \$'000
Current		
Restricted cash and cash equivalents		
Royalties for Regions fund ^(a)	37,904	78,308
Funds for capital purposes ^(b)	5,087	2,197
Colocation Fund	77	77
Recurrent grants	425	485
Trust Account	468	510
Special purpose accounts ^(c)		
Agriculture Research Grants Account No. 1 (non-interest bearing)	20,426	18,600
Agriculture Research Grants Account No. 2	9,868	6,020
Commonwealth Agriculture Activity Grants (non-interest bearing)	2,109	3,299
Plant Research and Development	3,532	6,569
Cattle Industry Funded Scheme	5,551	5,563
Declared Pest Account	2,424	5,077
Land Conservation Districts Fund	86	80
Grain, Seeds and Hay Industry Funded Scheme	7,543	9,511
Sheep and Goats Industry Funded Scheme	1,513	1,760
Fisheries Research and Development	5,541	100
Recreational Fishing Account	1,960	2,500
Fisheries Adjustment Schemes Trust Account	565	672
Total current	105,079	141,328
Non-current		
Accrued salaries suspense account ^(d)	1,678	1,046
Total non-current	1,678	1,046
Total restricted cash and cash equivalents	106,757	142,374

(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 2020

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

	2020 \$'000	2019 \$'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 7.4.1)	19,281	977
Restricted cash and cash equivalents: current (note 7.4.2)	105,079	141,328
Restricted cash and cash equivalents: non-current (note 7.4.2)	1,678	1,046
	126,038	143,351
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(342,780)	(311,533)
Non-cash items		
Net (gain)/loss on sale of assets (note 4.6 'Net gain/(loss) on disposal of non-current assets')	(195)	(127)
Depreciation and amortisation expense (note 5.1.1 'Depreciation expense'; note 5.2.1 Depreciation Right-of-use assets note 5.3.1 'Amortisation expense')	18,245	14,943
Doubtful debts expense (note 3.3 'Other expenditure')	(271)	351
Revaluation decrement expense (note 3.3 'Other expenditure')	3,942	2,841
Resources received free of charge (note 4.1 'Income from State Government')	2,346	2,784
Other non-cash items	(917)	(2,797)
Share of net (profit)/loss in joint ventures using equity method (note 6.6.1 'Investments accounted for using the equity method')	2,462	2,465
(Increase)/decrease in assets		
Biological assets	82	(82)
Inventories	(624)	413
Receivables	(568)	(3,531)
Other assets	(289)	2,324
Increase/(decrease) in liabilities		
Payables	(3,599)	10,226
Contract Liabilities	6,082	-
Provisions	4,882	788
Other liabilities	(83)	(717)
Net cash used in operating activities	(311,285)	(281,652)

Notes to the financial statements for the year ended 30 June 2020

7.5 Capital commitments

The commitments below are inclusive of GST where relevant.

	2020 \$'000	2019 \$'000
Within 1 year	4,483	768
Later than 1 year	2,213	3
Total capital commitments	6,696	771

Notes to the financial statements for the year ended 30 June 2020

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

Notes to the financial statements for the year ended 30 June 2020

8.1 Financial risk management

Financial instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, 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.

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).

Notes to the financial statements for the year ended 30 June 2020

8.1 Financial risk management (continued)

(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:

	2020 \$'000	2019 \$'000
Financial assets		
Cash and cash equivalents	19,281	977
Restricted cash and cash equivalents	106,757	142,374
Receivables ^(a)	9,538	8,493
Lease prepayments	605	3,023
Available for sale financial assets	51	55
Loans and advances	19,229	21,833
Amounts receivable for services ^(b)	166,006	144,841
Total financial assets	321,467	321,596
Financial liabilities		
Payables	25,739	29,338
Lease liabilities	7,026	3,393
Borrowings	14,910	17,217
Total financial liability	47,675	49,948

- (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 2020

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
30 June 2020						
Expected credit loss rate		1.58%	2.58%	5.20%	10.12%	33.91%
Estimated total gross carrying amount at default	4,644	2,842	619	269	336	578
Expected credit losses	(305)	(45)	(16)	(14)	(34)	(196)
30 June 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	904
Expected credit losses	(576)	(106)	(9)	(28)	(7)	(426)

Notes to the financial statements for the year ended 30 June 2020

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	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
			%	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
2020											
Financial assets											
Cash and cash equivalents	-	19,281	-	-	19,281	19,281	19,281	-	-	-	-
Restricted cash and cash equivalents	0.92	106,757	-	59,009	47,748	106,757	106,757	-	-	-	-
Receivables ^(a)	-	9,538	-	54	9,484	9,538	5,372	-	4,166	-	-
Lease prepayments	5.09	605	605	-	-	605	101	202	302	-	-
Available for sale financial assets	-	51	-	-	51	51	-	-	-	51	-
Loans and advances	3.50	19,229	5,950	13,279	-	20,704	-	-	9,300	10,400	1,004
Amounts receivable for services	-	166,006	-	-	166,006	166,006	-	-	5,846	-	160,160
		321,467	6,555	72,342	242,570	322,942	131,511	202	19,614	10,451	161,164
Financial liabilities											
Payables	-	25,739	-	-	25,739	25,739	24,139	280	1,318	2	-
Lease liabilities ^(b)	3.05	7,026	-	-	7,026	7,312	818	825	2,356	3,283	30
WATC borrowings	3.30	14,910	5,950	8,960	-	15,552	-	-	9,300	5,248	1,004
		47,675	5,950	8,960	32,765	48,603	24,957	1,105	12,974	8,533	1,034

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

(b) The amount of lease liabilities includes \$4.981 million from leased vehicles, \$0.835 million from the Coral Bay worker's accommodation lease (2019: \$3.393 million), \$0.821 million from residential accommodation leases, and \$0.389 from other commercial leases.

Notes to the financial statements for the year ended 30 June 2020

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	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	3,023	3,023	-	-	3,580	228	456	2,052	844	-
Available for sale financial assets	-	55	-	-	55	55	-	-	-	55	-
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 2020

8.1 Financial risk management (continued)

(e) Interest rate sensitivity analysis

The department is exposed to interest rate risk on its restricted cash \$59 million in 2019/20 which 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 \$590,000 depending upon whether interest rates increased/decreased. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Interest rate sensitivity analysis				
	Carrying amount	-100 basis points		+100 basis points	
	Surplus	Equity	Surplus	Equity	
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Restricted cash and cash equivalents	59,009	(590)	(590)	590	590
Total Increase/(Decrease)		(590)	(590)	590	590
2019					
Financial Assets					
Cash and cash equivalents	839	(8)	(8)	8	8
Restricted cash and cash equivalents	56,452	(565)	(565)	565	565
Total Increase/(Decrease)		(573)	(573)	573	573

Notes to the financial statements for the year ended 30 June 2020

8.2 Contingent assets and liabilities

Contingent asset and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

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

8.2.1 Contingent assets

Litigation in progress

The department has pending litigation in progress that if successful the department may be entitled to recover approximately \$300,000 in legal costs from the other party. Currently this is with the State Solicitors Office and it is uncertain when the case will be finalised.

8.2.2 Contingent liabilities

Litigation in progress

The department has pending litigation in progress. If the department is unsuccessful in the litigation the department will likely be ordered to pay the other party's legal costs of approximately \$600,000. Currently this is with the State Solicitor's Office and it is uncertain when the case will be finalised.

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, DWER classifies these sites on the basis of the risk to human health, the environment and environment values. Where sites are classified as *contaminated – remediation required or possibly contaminated – investigation required*, the department may have a liability in respect of investigation or remediation purposes.

The department currently has twenty three sites registered with DWER as possibly contaminated and one site registered contaminated. These have yet to be classified. The department is unable to assess the likely outcome of the classification process, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the department may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation cost that may be required.

Negotiations in progress

There are currently no negotiations in progress.

Notes to the financial statements for the year ended 30 June 2020

8.3 Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
2020	\$'000	\$'000	\$'000	\$'000
Land (note 5.1)	-	14,529	83,793	98,322
Buildings (note 5.1)	-	4,773	89,818	94,591
	-	19,302	173,611	192,913
Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
2019	\$'000	\$'000	\$'000	\$'000
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

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:

	Land	Buildings
	\$'000	\$'000
2020		
Fair value at start of period	87,451	89,338
Additions	-	4,922
Revaluation increments/(decrements) recognised in Other comprehensive income	(3,658)	(252)
Depreciation expense	-	(4,190)
Fair value at end of period	83,793	89,818

Notes to the financial statements for the year ended 30 June 2020

8.3 Fair value measurements (continued)

	Land \$'000	Buildings \$'000
2019		
Fair value at start of period	91,211	91,543
Additions	43	1,628
Revaluation increments/(decrements) recognised in Other comprehensive income	(2,298)	(285)
Transfers (from/(to) Level 2)	155	484
Disposals	(1,660)	-
Depreciation expense	-	(4,032)
Fair value at end of period	87,451	89,338

Valuation processes

There were no changes in valuation techniques during the period. However, the valuation processes have been significantly impacted by the COVID-19 pandemic.

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 the Western Australian Land Information Authority (Valuations and Property Analytics) 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 2020

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. current replacement cost. 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, adjusted for obsolescence. Obsolescence encompasses the physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation of using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). 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 2020

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
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Notes to the financial statements for the year ended 30 June 2020

9.1 Events occurring after the end of the reporting period

The department's facilities in Kensington have reach a point where the agency cannot reasonably guarantee reliable operations, including functions which underpin the State Biosecurity system, market access, and economic development for primary industries.

Occupational health and safety issues include unsafe building materials, building code non-compliance, services which are beyond their design life, and issues with accessibility.

Options are now being assessed for new long term accommodation arrangements.

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards

The department has adopted the following new Australian Accounting Standards in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

(a) AASB 15 Revenue from contracts with Customers and AASB 1058 Income of Not for Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the department.

The department adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the agency recognises 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 (1 July 2019).

As the department is applying the modified retrospective approach, the department did apply the practical expedient described in AASB15.C5 (c), for contracts that were modified before the beginning of the earliest period presented. In accordance with this practical expedient, the department is not required to disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the entity expects to recognise that amount as revenue for the reporting period ended 30 June 2019.

The department did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, it reflected the aggregate effect of all of the modifications that occurred before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

Refer to Note 4 for the revenue and income accounting policies adopted from 1 July 2019.

Impact of change on 1 July 2019 opening balances

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Adjustments	
	(a)	1 July 2019
	\$'000	\$'000
Assets		
Current Assets	-	3,685
Non-current Assets	-	-
Total Assets	-	3,685
Liabilities		
Current Liabilities	-	4,243
Non-current Liabilities	-	359
Total Liabilities	-	4,602
Total adjustment to retained earnings	-	(917)

The net adjustment of \$0.9 million reflects the balance of revenue received in advance for contracts that were not completed at the date of initial application, based on their respective performance obligations.

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

Impact of change for the year ended 30 June 2020

Set out below are the amounts by which the financial performance and financial position are affected for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058. Only those line items impacted by the change are presented below. The adoption of these Accounting Standards did not have a material impact on the department's cash flows.

Income Statement Year ended 30 June 2020	AASB 15/1058 \$'000	Previous AASB \$'000	Movement \$'000
Income			
Revenue			
User charges and fees	51,493	51,493	-
Commonwealth grants and contributions	4,053	5,102	(1,049)
Non-government grants and subsidies received	27,177	29,845	(2,668)
Gain on disposal of non-current assets	195	195	
Other revenue	19,706	19,817	(111)
Total revenue	102,624	106,452	(3,828)
Total income other than income from State Government	102,624	106,452	(3,828)
Net cost of services	(102,624)	(106,452)	3,828
Deficit for the period	(102,624)	(106,452)	3,828
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	(102,624)	(106,452)	3,828

The nature of the adjustments in the Income Statement for the year ended 30 June 2020 are described below:

(a) Impact on financial performance

Under the previous accounting policy, revenue relating to non-reciprocal grants, income was recognised when the grant became receivable at its fair value as and when its fair value could be reliably measured. Contributions of services were only recognised when a fair value could be reliably determined and the services would have been purchased if not donated.

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

Revenue relating to reciprocal grants was recognised when the department has satisfied its performance obligations under the terms of the grant. Research grants were therefore recognised as revenue when the department obtained control over the asset comprising the contributions. When the department did not have control of the contribution, did not have the right to receive the contribution or, in the case of reciprocal grants, had not fulfilled grant conditions, the grant contribution was treated as deferred income as a liability in the Statement of Financial Position.

In accordance with AASB 15, revenue is recognised when the department has an enforceable agreement with a customer that contains sufficiently specific performance obligations and when such performance obligations have been met. When the department has not met the performance obligations, amounts received are treated as contract liabilities in the Statement of Financial Position.

Where an enforceable agreement with a customer does not exist, or where the agreement does not contain sufficiently specific performance obligations, income relating to such agreements is recognised when the department has a right to receive the grant.

On initial recognition of the asset (i.e. cash received or amounts receivable), the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

The requirements of AASB 15/AASB 1058 were only applied to contracts where the department's performance obligations have not been fully satisfied as at 1 July 2019.

(b) Contract assets

Revenue receivable where services or goods have been delivered and consideration has not yet been received as at the reporting date.

(c) Contract liabilities

The differences reflect the amounts received to deliver the department's future obligations for research outputs and services as at 30 June 2020.

(b) AASB 16 Leases

From 1 July 2019, AASB 16 *Leases* supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The main changes introduced by the new Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as a right-of-use asset and lease liability, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (valued less than \$5,000) where the lessor is not a WA State Government agency. The operating lease and finance lease distinction for lessees no longer exists.

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

The department has applied the modified retrospective approach on initial adoption. As permitted under the specific transition provisions in the standard, comparatives have not been restated. Lease liabilities recognised are measured at present value of the remaining lease payments, discounted using the incremental borrowing rate. Upon initial application, the value of leased right-of-use assets are equal to the recognised leased liabilities.

The department is permitted on a lease-by-lease basis to apply the following practical expedients.

- (a) A single discount rate may be applied to a portfolio of leases with reasonably similar characteristics.
- (b) Department relies on its assessment of whether leases are onerous applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before 1 July 2019 as an alternative to performing an impairment review, the department shall adjust the right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application.
- (c) Exclusion of initial direct costs from the measurement of right-of-use asset at the date of initial application.
- (d) Use of hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

AASB 16 takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) Right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019.
- (b) Depreciation of right-of-use assets and interest on lease liabilities in the statement of comprehensive income.
- (c) The total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the statement of cash flows.

Notes to the financial statements for the year ended 30 June 2020

9.2 Initial application of Australian Accounting Standards (continued)

Measurement of lease liabilities:

	\$'000
Operating Lease Commitments disclosed as at 30 June 2019 ¹	6,945
Discounted using incremental borrowing rate at date of initial application ²	6,854
Add: Finance lease liabilities recognised as at 30 June 2019	3,393
(Less): Short-term leases not recognised as liability	-
(Less): Low-value leases not recognised as liability	-
(Less): Operating leases not recognised by AASB 16	-
Lease liability recognised at 1 July 2019	10,247
Current lease liabilities	3,787
Non-current lease liabilities	6,460

1 Exclude commitments for Government office accommodation properties (GOA). The lease arrangements for GOA properties are out of scope of AASB 16.

2 The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

Notes to the financial statements for the year ended 30 June 2020

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
<i>AASB 1059</i>	<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. <i>The department does not manage any public private partnership that is within the scope of the Standard.</i>	1 Jan 2020
<i>AASB 2018-7</i>	<i>Amendments to Australian Accounting Standards – Definition of Material</i> 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.	1 Jan 2020
<i>AASB 2019-1</i>	<i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i> This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the conceptual Framework for Financial Reporting (Conceptual Framework) by AASB. There is no financial Impact.	1 Jan 2020

Notes to the financial statements for the year ended 30 June 2020

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

	Operative for reporting periods beginning on/after
<i>AASB 2019-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 Jan 2022
<p>This Standard Amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>There is no financial Impact.</p>	

Notes to the financial statements for the year ended 30 June 2020

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.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for seniors of the department for the reporting period are presented within the following bands:

Compensation band (\$)	2020	2019
50,001 - 60,000	1	-
130,001 - 140,000	1	-
190,001 - 200,000	-	1
200,001 - 210,000	1	-
210,001 - 220,000	-	1
250,001 - 260,000	1	1
370,001 - 380,000	1	2
410,001 - 420,000	1	-

	2020 \$'000	2019 \$'000
Short-term employee benefits	1,122	1,133
Post-employment benefits	162	142
Other long-term benefits	142	136
Termination benefits	24	-
Total compensation of senior officers	1,450	1,411

Total compensation includes the superannuation expense incurred by the department in respect to senior officers.

Notes to the financial statements for the year ended 30 June 2020

9.5 Related party transactions

The department is a wholly owned and controlled entity of the State of Western Australia.

Related parties of the department include:

- all cabinet 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

In conducting its activities, the department is required to transact with the State and entities related to the State. These transactions are generally based on the standards terms and conditions that apply to all agencies, such transactions include:

- 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:

Botanic Gardens & Parks Authority \$110,000
Department of Biodiversity, Conservation and Attractions \$100,000
Department of Communities \$5,903,600
Department of Education \$2,973,388
Department of Industry \$31,030
Katanning Land Conservation District Committee \$70,698
Mid West Development Commission \$16,000
West Kimberley Land Conservation District Committee \$15,758
Western Australian Museum \$1,823,430

Notes to the financial statements for the year ended 30 June 2020

9.5 Related party transactions (continued)

- Supplies and services (note 3.3) includes:

Australian Fisheries Management Authority \$108,633
Carnarvon Rangelands Biosecurity Association Inc \$746,500
Central Wheatbelt Biosecurity Association \$264,271
CSIRO \$282,328.
Department of Biodiversity, Conservation and Attractions \$173,314
Department of Education \$2,249,412
Department of Finance \$2,838,136
Department of Justice \$68,791
Department of Transport \$95,938
Eastern Wheatbelt Biosecurity Group Inc \$286,000
Fisheries Research and Development Corporation \$2,125,471
Gascoyne Development Commission \$20,000
Horizon Power \$97,251
Kimberley Port Authority \$49,917
Mid West Development Commission \$154,120
Mid West Ports Authority \$44,762
Office of The Auditor General \$897,127
Pilbara Development Commission \$282,729
RiskCover \$4,708,548
Small Business Development Corporation \$19,800
Western Australian Land Authority \$495,000

- Accommodation lease payments (note 3.3)
- Other expenditures (note 3.3) includes:

RiskCover \$600,044

- Service appropriation (note 4.1)
- Resources received free of charge (note 4.1)

Notes to the financial statements for the year ended 30 June 2020

9.5 Related party transactions (continued)

- Royalties for Regions Fund (note 4.1)
- User charges and fees (note 4.2) includes:
 - Agriculture Produce Commission \$157,100
 - Australian Export Grains Innovation Centre \$157,253
 - Rural Business Development Corporation \$448,508
 - State Natural Resource Management Office \$578,083
- Other revenue (note 4.5) includes:
 - Agricultural Produce Commission \$32,500
 - Department of Biodiversity, Conservation and Attractions \$56,188
 - Department of Infrastructure, Transport, Cities and Regional Development \$172,004
 - Department of Water and Environmental Regulation \$104,866
 - Department of Jobs, Tourism, Science and Innovation \$20,000
 - Forest Products Commission \$91,513
 - Kimberley Development Commission \$12,100
 - Pilbara Development Commission \$44,578
 - Rural Business Development Corporation \$66,425
- Services provided free of charge (note 9.10)
- Capital appropriations (note 9.11)

Material transactions with other related parties

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 2020

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 7.4.2) 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 million (\$9.1 million in 2018/19) and grant funding of \$3 million (\$3.5 million in 2018/19) from the department. The Community Resource Centres are not subject to operational control by the department.

The Grower Group Alliance is an affiliated body that received \$0.561 million in support from department in 2019/20. The Grower Group Alliance is not subject to operational control by the department.

Notes to the financial statements for the year ended 30 June 2020

9.8 Special purpose accounts

	2020 \$'000	2019 \$'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	18,600	20,605
Receipts	19,620	21,333
Payments	(17,794)	(23,338)
Balance at end of period	20,426	18,600
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	6,020	4,008
Receipts	8,092	4,108
Payments	(4,244)	(2,096)
Balance at end of period	9,868	6,020
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	3,299	3,839
Receipts	1,153	2,337
Payments	(2,343)	(2,877)
Balance at end of period	2,109	3,299
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	6,569	5,548
Receipts	354	1,929
Payments	(3,391)	(908)
Balance at end of period	3,532	6,569

Notes to the financial statements for the year ended 30 June 2020

9.8 Special purpose accounts (continued)

	2020 \$'000	2019 \$'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	5,563	5,747
Receipts	287	331
Payments	(299)	(515)
Balance at end of period	5,551	5,563
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	5,077	2,631
Receipts	5,123	7,650
Payments	(7,776)	(5,204)
Balance at end of period	2,424	5,077
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	80	78
Receipts	84	99
Payments	(78)	(97)
Balance at end of period	86	80

Notes to the financial statements for the year ended 30 June 2020

9.8 Special purpose accounts (continued)

	2020 \$'000	2019 \$'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	9,511	9,595
Receipts	3,369	4,433
Payments	(5,337)	(4,517)
Balance at end of period	7,543	9,511
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	1,760	2,014
Receipts	905	702
Payments	(1,152)	(956)
Balance at end of period	1,513	1,760

Notes to the financial statements for the year ended 30 June 2020

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.

	2020 \$'000	2019 \$'000
Balance at start of period	100	1,516
Receipts		
Contribution from Consolidated Account	39,341	26,540
Fisheries Access Fees	30,367	31,293
Grants and Contributions	1,214	1,404
Other Receipts	3,578	9,692
Interest	80	209
Payments		
Contributions to Fisheries WA operations	(69,139)	(70,554)
Balance at end of period	5,541	100

Notes to the financial statements for the year ended 30 June 2020

9.8 Special purpose accounts (continued)

	2020 \$'000	2019 \$'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	7,613	9,170
Recreational Fishing Licences	8,418	8,802
Payments		
Expenditure on recreational fishing related activities	(16,571)	(17,972)
Balance at end of period	1,960	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	672	522
Receipts		
Repayments from Industry for Voluntary Fisheries Adjustment Schemes	4,654	5,485
Payments		
Loan repayment, Interests and guarantee fees to WATC for Voluntary Fisheries Adjustment Schemes	(3,272)	(5,335)
Unit buy back State Scheme	(1,489)	-
Balance at end of period	565	672

Notes to the financial statements for the year ended 30 June 2020

9.9 Remuneration of auditor

	2020 \$'000	2019 \$'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	597

9.10 Services provided free of charge

	2020 \$'000	2019 \$'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	1,273	1,015
Goldfields-Esperance Development Commission	1,452	1,940
Great Southern Development Commission	1,386	1,260
Kimberley Development Commission	1,933	1,705
Midwest Development Commission	1,091	1,375
Peel Development Commission	1,438	1,265
Pilbara Development Commission	2,760	2,531
South West Development Commission	3,202	2,987
Wheatbelt Development Commission	1,037	1,079
Agricultural Produce Commission (APC)	67	66
Department of Biodiversity, Conservation and Attractions	53	53
Department of Communities	19	5
Department of Education WA	34	1
Department of Finance	79	26
Department of Fire and Emergency Services	22	10
Department of Health	-	4
Department of Local Government, Sport and Cultural Industries	-	1
Department of Mines, Industry Regulation and Safety	27	11
Department of Planning, Lands and Heritage	13	1
Department of the Premier and Cabinet	16	1
Department of Training and Workforce Development	-	1

Notes to the financial statements for the year ended 30 June 2020

9.10 Services provided free of charge (continued)

	2020 \$'000	2019 \$'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	11	5
Department of Water and Environmental Regulation	48	10
Forest Products Commission, Western Australia	1	-
Landgate	25	13
Legal Aid Western Australia	1	-
Lotteries Commission of Western Australia	2	-
Main Roads of Western Australia	1	10
Ministry of Internal Affairs	4	-
Office Of The Digital Government	1	-
Office Of The Environmental Protection Authority	2	2
Parliamentary Services Department	6	-
Perth Zoological Gardens	-	63
Public Transport Authority of Western Australia	9	1
Racing and Wagering Western Australia	2	-
Western Australian Museum	5	1
Western Australia Police	21	13
Western Power	-	8
WorkCover	4	-
	16,045	15,463

Notes to the financial statements for the year ended 30 June 2020

9.12 Supplementary financial information

	2020 \$'000	2019 \$'000
(a) Write-offs		
Irrecoverable amounts and inventory		
During the financial year \$52,299 (2019: \$263,283) was written off in bad debts and inventory under the authority of:		
The accountable authority	52	93
The Minister	-	170
	52	263
(b) Losses through theft, defaults and other causes		
Losses of public moneys and public and other property through theft or default		
	3	-
Amounts recovered—insurance	(3)	-
	-	-

(c) Gifts of public property

There were no gifts of public property provided by the department during the financial year.

Notes to the financial statements for the year ended 30 June 2020

9.13 Indian Ocean Territories Service Level Agreement

	2020 \$'000	2019 \$'000
The provision of services to the Indian Ocean territories are recouped from the Commonwealth Government.		
Opening balance	441	416
Adjustment to prior year closing balance	68	-
Receipts	1,174	1,236
Payments	(1,013)	(1,211)
Closing balance	670	441

Notes to the financial statements for the year ended 30 June 2020

9.14 Explanatory statement

All variances between annual estimates (original budget) and actuals results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows and the Statement of Financial Position.

Notes to the financial statements for the year ended 30 June 2020

9.14.1 Statement of Comprehensive Income Variances

Statement of comprehensive income	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Cost of service						
Expenses						
Employee benefits expense		188,526	196,384	187,968	7,858	8,416
Supplies and services		113,372	114,054	110,321	682	3,733
Depreciation and amortisation expense	1, A	31,571	18,245	14,943	(13,326)	3,302
Share of loss in joint venture entities using the equity method	2	-	2,462	2,465	2,462	(3)
Finance Cost	3	3,368	1,225	1,484	(2,143)	(259)
Accommodation Expenses	4, B	7,875	9,855	8,652	1,980	1,203
Other expenses	5	19,012	22,591	20,718	3,579	1,873
Grants and subsidies paid	6	117,062	80,588	76,857	(36,474)	3,731
Total cost of service		480,786	445,404	423,408	(35,382)	21,996
Income						
Revenue						
User charges and fees	7	57,814	51,493	54,125	(6,321)	(2,632)
Commonwealth grants and contributions	8	1,766	4,053	3,434	2,287	619
Non-government grants and subsidies received	9	33,164	27,177	27,407	(5,987)	(230)
Gain on disposal of non-current assets		-	195	127	195	68
Other revenue	10, C	10,467	19,706	26,782	9,239	(7,076)
Total revenue		103,211	102,624	111,875	(587)	(9,251)
Total income other than income from State Government		103,211	102,624	111,875	(587)	(9,251)
NET COST OF SERVICES		377,575	342,780	311,533	(34,795)	31,247
Income from State Government						
Service appropriations	11, D	169,957	194,177	160,860	24,220	33,317
Services received free of charge		2,166	2,346	2,784	180	(438)
Royalties for Regions Fund	12, E	182,591	129,874	159,026	(52,717)	(29,152)
Other income from State Government		-	279	576	279	(297)
Total Income from State Government		354,714	326,676	323,246	(28,038)	3,430
SURPLUS/(DEFICIT) FOR THE PERIOD		(22,861)	(16,104)	11,713	6,757	(27,817)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to net cost of service						
Changes in asset revaluation surplus		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(22,861)	(16,104)	11,713	6,757	(27,817)

Notes to the financial statements for the year ended 30 June 2020

9.14.1 Statement of Comprehensive Income Variances (continued)

Major Estimate and Actual (2020) Variance Narratives

- 1) Depreciation and amortisation expense decreased by \$13.3 million (42%) as a result of delays in capital expenditure programs due to COVID-19 which delayed the commencement of depreciation and amortisation; and a change in the application of AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use assets and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
- 2) Share of loss in joint venture entities is not included in the budget estimates as this represents a non-cashflow item. This therefore reflects an increase of \$2.5 million on budget.
- 3) Finance cost expense decreased by \$2.1 million (64%) on budget mainly as a result of a change in the application of AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
- 4) Accommodation expenses reflect an increase of \$2.0 million (25%) on budget, mainly as a result of budget for lease property maintenance is included in the supplies and services budget.
- 5) Other expenses exceed budget by \$3.6 million (19%) as a result of the asset revaluation decrement of \$3.9 million which was not reflected in the budget.
- 6) Grants and subsidies paid are \$36.5 million (31%) below budget, essentially as a result of delays in Royalties for Regions funded programs such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.
- 7) User charges and fees were \$6.3 million (11%) below budget, mainly as a result of a budget error relating to regulatory fees which overstated income received to the declared pest account of \$2.4 million; a \$1.5 million reduction in recreational fishing licence fees as a result of the impact of COVID-19 and the restriction on travel; and other revenue items of \$2.8 million have been included in other revenue in the Actuals, but are included in user charges and fees in the budget (refer note 10 below).
- 8) Commonwealth grants and contributions exceed the budget by \$2.3 million (130%) as a result of additional Commonwealth funding approved during the year - \$1 million for the extension of the State Barrier Fence, \$0.4 million relating to National Browsing Ant Western Australia Eradication Program, \$0.4 million for the Southern Forest Irrigation Scheme. The remaining difference results from the budget for Commonwealth grants being included in the grants and subsidies received line item.

Notes to the financial statements for the year ended 30 June 2020

9.14.1 Statement of Comprehensive Income Variances (continued)

Major Estimate and Actual (2020) Variance Narratives

- 9) Non-government grants and subsidies received were \$6 million (18%) below budget, mainly due to delays in externally funded projects resulting from COVID-19 which restricted intrastate travel. Furthermore, the implementation of AASB15 resulted in a downward adjustment to grants and subsidies of \$2.7 million (refer Note 9.2).
- 10) Other revenue reflects a \$9.2 million (88%) increase on budget mainly relating to the return of grant allocations of \$4.4 million and recoups of expenditure of \$4.9 million, as well as \$2.8 million which was included in the budget for User charges and fees (refer note 7 above). This is offset by lower interest receipts, mainly as a result of the reduction in interest rates.
- 11) Service appropriations was \$24.2 million (14%) higher than budget as a result of additional funding received of \$27.7 million for Broome Chinatown revitalisation (\$5.5 million), voluntary severance scheme following the organisational redesign (\$8.2 million), \$3.7 million for registerable employees, \$6 million recoup for incident response expenditure, \$4.9 million for the expected reduction in fees and charges as a result of COVID-19, and other minor adjustments, offset by an adjustment to the declared pest account of \$2.4 million.
- 12) Royalties for Regions Fund is \$52.7 million (29%) below budget, essentially as a result of delays in Royalties for Regions funded programs such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.

Major Actual (2020) and Comparatives (2019) Variance Narratives

- A) Depreciation and amortisation expense increased by \$3.3 million (22%) following the implementation of the new lease accounting standard, AASB 16, which requires the recognition of a right of use assets and liability, depreciation and interest expense, thereby increasing the deprecation expense in 2019-20 by 6.1 million, offset by a decrease in depreciation as leasehold improvements are fully depreciated (\$1.9 million in 2018-19) and a general downward trend in depreciation charge reflecting the age of the department's assets.
- B) Accommodation expense is \$1.2 million (14%) higher than the previous year due to increased maintenance expenditure relating mainly to the Kensington site.
- C) Other revenue is \$7.1 million (26%) below the previous year, as the prior year included \$9.6 million unspent grants with only \$4.4 million returned in 2019-20, with the remainder relating to lower interest receipts as a result of lower interest rates, and other minor differences (refer note 4.5 for further detail).

Notes to the financial statements for the year ended 30 June 2020

9.14.1 Statement of Comprehensive Income Variances (continued)

Major Actual (2020) and Comparatives (2019) Variance Narratives

- D) Service appropriations was \$33.3 million (21%) higher than budget as a result of additional funding received in 2019-20 of \$27.7 million for Broome Chinatown revitalisation (\$5.5 million), voluntary severance scheme following the organisational redesign (\$8.2 million), \$3.7 million for registerable employees, \$6 million recoup for incident response expenditure, \$4.9 million for the expected reduction in fees and charges as a result of COVID-19, and other minor adjustments, offset by an adjustment to the declared pest account of \$2.4 million.
- E) Royalties for Regions Fund was \$29 million (18%) less than the prior year as a result of delays in Royalties for Regions funded programs such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.

Notes to the financial statements for the year ended 30 June 2020

9.14.2 Statement of Financial Position Variances (continued)

Statement of financial position	Variance note	Estimate 2020 \$'000	Actual 2020 \$'000	Actual 2019 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2020 and 2019 \$'000
Current assets						
Cash and cash equivalents		18,238	19,281	977	1,043	18,304
Restricted cash and cash equivalents		56,351	105,079	141,328	48,728	(36,249)
Biological assets		864	864	946	-	(82)
Inventories		1,288	1,499	875	211	624
Receivables		7,581	21,549	17,716	13,968	3,833
Amounts receivable for services	13	4,386	5,846	5,846	1,460	-
Other current assets	14, F	16,875	3,767	7,725	(13,108)	(3,958)
Total current assets		105,583	157,885	175,413	52,302	(17,528)
Non-current assets						
Restricted cash and cash equivalents		2,072	1,678	1,046	(394)	632
Amounts receivable for services	G	166,295	160,160	138,995	(6,135)	21,165
Receivables		2,570	5,950	11,251	3,380	(5,301)
Other non-current assets	15, H	4,716	5,898	7,319	1,182	(1,421)
Investments accounted for using equity method		12,621	12,181	12,643	(440)	(462)
Infrastructure, property plant and equipment		282,842	264,109	267,368	(18,733)	(3,259)
Right-of-use assets	16, I	47,581	9,256	-	(38,325)	9,256
Intangible assets	17, J	25,407	9,912	12,072	(15,495)	(2,160)
Total non-current assets		544,104	469,144	450,694	(74,960)	18,450
TOTAL ASSETS		649,687	627,029	626,107	(22,658)	922
Current liabilities						
Payables		8,267	25,739	29,338	17,472	(3,599)
Contract liabilities	18, K	-	5,290	-	5,290	5,290
Provisions		39,825	43,112	39,259	3,287	3,853
Borrowings	19, L	6,301	8,960	5,966	2,659	2,994
Lease liabilities	20	8,373	3,420	2,558	(4,953)	862
Other current liabilities	21	10,269	305	389	(9,964)	(84)
Total current liabilities		73,035	86,826	77,510	13,791	9,316
Non-current liabilities						
Contract liabilities		-	792	-	792	792
Provisions	M	8,345	8,948	7,919	603	1,029
Borrowings	22, N	4,948	5,950	11,251	1,002	(5,301)
Lease liabilities	23, O	42,817	3,606	835	(39,211)	2,771
Other non-current liabilities		-	-	-	-	-
Total non-current liabilities		56,110	19,296	20,005	(36,814)	(709)
TOTAL LIABILITIES		129,145	106,122	97,515	(23,023)	8,607
NET ASSETS		520,542	520,907	528,592	365	(7,685)

Notes to the financial statements for the year ended 30 June 2020

9.14.2 Statement of Financial Position Variances (continued)

Statement of financial position	Variance note	Estimate 2020	Actual 2020	Actual 2019	Variance	Variance
		\$'000	\$'000	\$'000	between estimate and actual \$'000	between actual results for 2020 and 2019 \$'000
EQUITY						
Contributed equity		582,157	546,006	536,670	(36,151)	9,336
Reserves		583	-	-	(583)	-
Accumulated deficit		(62,198)	(25,099)	(8,078)	37,099	(17,021)
TOTAL EQUITY		520,542	520,907	528,592	365	(7,685)

Major Estimate and Actual (2020) Variance Narratives

13. Amount receivable for services is above budget by \$1.5 million (33%) as a result of the introduction of the new leases accounting standard AASB16 in 2019-20.
14. Other current assets is below budget by \$13.1 million (78%) as a result of Other Investments of \$8.9 million and Other Receivables of \$4.3 million being reported under Receivables.
15. Other Non-current assets is above budget by \$1.2 million (25%) as a result of higher non-current prepayments than budgeted.
16. Right-of-use assets is below budget by \$38.3 million (81%) as a result of a change in the application of the new leases accounting standard AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
17. Intangible asset is below the budget by \$15.5 million (61%) as a result of the delay in contracting for the Core Systems upgrade (Financial Management Information System, Human Resource Management System, and Electronic Document Record Management System) and Digital Foundation project.
18. Contract Liabilities is above budget by \$5.3 million as a result of the introduction of the new revenue accounting standard AASB15 where the department has not met performance obligations but consideration has been received according to the contract milestone as at balance date.

Notes to the financial statements for the year ended 30 June 2020

9.14.2 Statement of Financial Position Variances (continued)

19. Borrowings is above budget by \$2.7 million (42%) as a result of an increase in borrowing limit to support extension of loan repayments for the Shark Bay Prawn Managed Fishery and the Abrolhos Islands.
20. Lease Liabilities is below budget by \$5 million (59%) as a result of a change in the application of the new leases accounting standard AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
21. Other Current Liabilities is above budget by \$10 million (97%) as a result of other accruals of \$9.2 million being reported under Payables.
22. Borrowings is above budget by \$1 million (20%) as a result of an increase in borrowing limit to support extension of loan repayments for the Abrolhos Islands.
23. Lease Liabilities is below budget by \$39.2 million (92%) as a result of a change in the application the new leases accounting standard of AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.

Major Actual (2020) and Comparatives (2019) Variance Narratives

- F. Other current assets is below 2019 by \$4 million (51%) as a result of lower prepayments in 2020.
- G. Amount receivable for services is above 2019 by \$21.2 million (15%) as a result of depreciation for the year.
- H. Other non-current assets is below 2019 by \$1.4 million (19%) as a result of lower non-current prepayments than previous financial year.
- I. Right-of-use assets are above 2019 by \$9 million (100%) as a result of the introduction of the new leases accounting standard AASB16 in 2019-20.
- J. Intangible assets is below 2019 by \$2.2 million (18%) as a result of depreciation.
- K. Contract liabilities is above 2019 by \$5.3 million (100%) as a result of the introduction of the new revenue accounting standard AASB15 where the department has not met its performance obligations however consideration has been received according to the contract milestone as at balance date.

Notes to the financial statements for the year ended 30 June 2020

9.14.2 Statement of Financial Position Variances (continued)

- L. Borrowings is above 2019 by \$3 million (50%) as a result of an increase in the borrowing limit to support extension of loan repayments for the Shark Bay Prawn Managed Fishery and the Abrolhos Islands.
- M. Provisions is above 2019 by \$1 million (13%) as a result of increase in non-current Long Service Leave provisions.
- N. Borrowings is below 2019 by \$5.3 million (47%) as a result of Fisheries Adjustment Scheme borrowing due to be paid within one financial year and becomes Current.
- O. Lease liabilities is above 2019 by \$2.8 million (332%) as a result of the introduction of the new leases accounting standard AASB16 in 2019-20.

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances

		Estimate	Actual 2020	Actual 2019	Variance	Variance
		2020	2020	2019	between	between
		\$'000	\$'000	\$'000	estimate and	actual results
					actual	for 2020 and
					\$'000	2019
						\$'000
Statement of cash flows						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations	24, P	138,271	167,166	137,161	28,895	30,005
Capital contributions	25	16,496	9,336	9,557	(7,160)	(221)
Holding account drawdown		5,846	5,846	4,897	-	949
Royalties for Regions Fund	26, Q	194,422	129,874	159,026	(64,548)	(29,152)
Other income from State Government		-	279	576	279	(297)
Net cash provided by State Government		355,035	312,501	311,217	(42,534)	1,284
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(188,571)	(193,153)	(185,193)	(4,582)	(7,960)
Supplies and services	R	(108,965)	(115,197)	(103,546)	(6,232)	(11,651)
Accommodation	27, S	(7,944)	(9,855)	(8,652)	(1,911)	(1,203)
Finance Costs	28	(3,190)	(1,309)	(1,484)	1,881	175
GST payments on purchases	29, T	(16,233)	(22,637)	(20,344)	(6,404)	(2,293)
Other payments	U	(19,650)	(18,649)	(14,723)	1,001	(3,926)
Grants and subsidies	30	(117,057)	(80,588)	(76,857)	36,469	(3,731)
Receipts						
User charges and fees	31	61,304	49,887	49,930	(11,417)	(43)
Commonwealth grants and contributions	32	1,766	4,053	3,434	2,287	619
Interest received		2,257	2,188	1,760	(69)	428
GST receipts on sales	33	5,704	4,296	4,900	(1,408)	(604)
GST receipts from taxation authority	34, V	10,556	18,341	15,444	7,785	2,897
Non-government grants and subsidies	35	33,164	27,177	27,407	(5,987)	(230)
Other receipts	36	3,441	24,161	26,272	20,720	(2,111)
NET CASH PROVIDED BY/(USED) IN OPERATING ACTIVITIES		(343,418)	(311,285)	(281,652)	32,133	(29,633)

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances (continued)

		Estimate	Actual 2020	Actual 2019	Variance	Variance
		2020	Actual 2020	Actual 2019	between	between
		\$'000	\$'000	\$'000	estimate and	actual
					actual	results for
					\$'000	2020 and
						2019
						\$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Investment in joint ventures	37	-	(2,000)	(2,487)	(2,000)	487
Purchase of non-current assets	38, W	(45,527)	(13,028)	(10,254)	32,499	(2,774)
Receipts						
Proceeds from sale of non-current physical assets		362	242	218	(120)	24
Net cash used in investing activities		(45,165)	(14,786)	(12,523)	30,379	(2,263)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease (2019 - finance lease)	39, X	(5,966)	(3,743)	-	2,223	(3,743)
Repayment of borrowings	40, Y	(8,136)	(2,307)	(3,598)	5,829	1,291
Receipts						
Proceeds from industry	41, Z	5,966	2,307	3,748	(3,659)	(1,441)
Net cash from/(used by) financing activities		(8,136)	(3,743)	150	4,393	(3,893)
Net increase/(decrease) in cash held		(41,684)	(17,313)	17,192	24,371	(34,505)
Cash and cash equivalents at the beginning of the reporting period		101,440	143,351	126,159	41,911	17,192
Net cash transferred to/from other agencies		16,905	-	-	(16,905)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD		76,661	126,038	143,351	49,377	(17,313)

Major Estimate and Actual (2020) Variance Narratives

24) Service appropriations was \$28.9 million (21%) higher than budget as a result of \$27.7 million additional funding received relating to Broome Chinatown revitalisation (\$5.5 million), voluntary severance scheme following the organisational redesign (\$8.2 million), \$3.7 million for registerable employees, \$6 million recoup for incident response expenditure, \$4.9 million for the expected reduction in fees and charges as a result of COVID-19, and other minor adjustments, offset by an adjustment to the declared pest account of \$2.4 million.

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances (continued)

- 25) Capital contributions are \$7.2 million (43%) below budget as a result of the carryover of RFR projects to 2020-21 following the impact of the COVID-19 pandemic, mainly relating to the Wild Dog Action Plan (\$2.5 million), Building Grains (\$1 million) and the Geraldton Finfish nursery (\$1.8 million). In addition, there were carryovers for many of the consolidated account funded capital projects as a result of COVID-19, amounting to \$1.2 million.
- 26) The Royalties for Region funding received was \$64.6 million (33%) below budget, mainly as a result of cash carryovers on Royalties for Regions funded projects from 2018-19 to 2019-20 and as a result of delays in Royalties for Regions funded programs in 2019-20, such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.
- 27) Accommodation expenses reflect an increase of \$2.0 million (24%) on budget as the budget for lease property maintenance is included in the supplies and services budget line item.
- 28) Finance cost expense decreased by \$1.9 million (59%) on budget mainly as a result of a change in the application of AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
- 29) GST payments on purchases is \$6.4 million (39%) higher than budgeted as the budget calculation understated the value of GST payments. However, this is offset by GST receipts from taxation authority.
- 30) Grants and subsidies paid are \$36.5 million (31%) below budget, essentially as a result of delays in Royalties for Regions funded programs such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.
- 31) User charges and fees were \$11.4 million (19%) below budget, mainly as a result of a budget error relating to regulatory fees which overstated income received to the declared pest account of \$2.4 million; a \$1.5 million reduction in recreational fishing licence fees as a result of the impact of COVID-19 and the restriction on travel; and other receipts items of \$2.8 million have been included in other receipts in the Actuals, but are included in user charges and fees in the budget. Furthermore, the actual timing of receipts differs to the estimated timing per the budget.

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances (continued)

- 32) Commonwealth grants and contributions exceed the budget by \$2.3 million (130%) as a result of additional Commonwealth funding approved during the year - \$1 million for the extension of the State Barrier Fence, \$0.4 million relating to National Browsing Ant Western Australia Eradication Program, \$0.4 million for the Southern Forest Irrigation Scheme. The remaining difference results from the budget for Commonwealth grants being included in the grants and subsidies received line item.
- 33) GST receipts on sales is \$1.4 million (25%) lower than budgeted as a result of the \$11.4 million reduction in receipt of user charges and fees – refer note 31 above.
- 34) GST receipts from taxation authority are \$7.7 million (73%) above budget as the budget calculation understated the value of GST payments, which has a flow on impact on GST receipts from taxation authority. Refer note 29.
- 35) Non-government grants and subsidies received were \$6 million (18%) below budget, mainly due to delays in externally funded projects resulting from COVID-19 which restricted intrastate travel. Furthermore, the implementation of AASB15 resulted in a downward adjustment to grants and subsidies of \$2.7 million (refer Note 9.2).
- 36) Other receipts reflect a \$20.7 million (602%) increase on budget mainly relating to the return of grant allocations of \$4.4 million and recoups of expenditure of \$4.9 million, as well as \$2.8 million which was included in the budget for User charges and fees.
- 37) Investment in joint ventures is reflected in the grants and subsidies line in the budget.
- 38) The purchase of non-current assets is \$32.5 million (71%) below budget, mainly as a result of the carryover of asset investment program to 2020-21, particularly the core business systems replacement program, the Kensington laboratories, Geraldton finfish nursery, amongst others.
- 39) Principal elements of lease (2019 – finance lease) is \$2.2 million (37%) below budget as a result of a change in the application the new leases accounting standard of AASB 16 to Government Office Accommodation as a result of a WA State government decision, which in the budget was to be accounted for under AASB16 as a right of use asset and liability, depreciation and interest expense, but which in the actuals is reflected as a lease expense.
- 40) The reduction in the repayment of borrowings of \$5.8 million (72%) relates to the deferral of the Fisheries Adjustment Scheme following the impact of COVID-19, as approved by the Treasurer.
- 41) Proceeds from industry are \$3.7 million (61%) below budget as a result of the deferral of the Fisheries Adjustment Scheme referenced in note 40 above.

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances (continued)

Major Actual (2020) and Comparatives (2019) Variance Narratives

- P) Service appropriations was \$30.0 million (22%) higher than budget as a result of additional funding received in 2019-20 of \$27.7 million for Broome Chinatown revitalisation (\$5.5 million), voluntary severance scheme following the organisational redesign (\$8.2 million), \$3.7 million for registerable employees, \$6 million recoup for incident response expenditure, \$4.9 million for the expected reduction in fees and charges as a result of COVID-19, and other minor adjustments, offset by an adjustment to the declared pest account of \$2.4 million.
- Q) The Royalties for Region funding received was \$29.2 million (18%) below budget, mainly as a result of cash carryovers on Royalties for Regions funded projects from 2018-19 to 2019-20 and as a result of delays in Royalties for Regions funded programs in 2019-20, such as State Agricultural Telecommunication Infrastructure Fund (\$6.9 million), Regional Telecommunication Project (\$4.2 million), Regional Economic Development Scheme (\$4.4 million), Ord expansion (\$3.6 million), Myalup-Wellington Water for Growth (\$5.4 million), amongst others, mainly due to COVID-19 which restricted intrastate travel, limiting the ability to deliver on these programs. Carryovers have been approved to 2020-21 and the outyears in the WA State government budget process.
- R) Supplies and services expense is \$11.7 million (11%) above prior year mainly as a result of the timing of payments and the reduction in payables at the end of the financial year.
- S) Accommodation expense is \$1.2 million (14%) higher than the previous year due to increased maintenance expenditure relating mainly to the Kensington site.
- T) GST payments on purchases is \$2.3 million (11%) higher than the previous year as payments to which the GST relates have increased in the current year.
- U) Other payments are \$3.9 million (27%) higher than the previous year due to the timing of payment of expenditure.
- V) GST receipts from taxation authority is \$2.8 million (18%) higher than the previous year as payments to which the GST relates have increased in the current were lower in the previous year. Refer note T.
- W) The purchase of non-current assets is \$2.8 million (27%) higher than the previous year and reflective of the asset investment program that is approved by the expenditure review committee and as such will be dependent on the relevant approvals of required programs in any particular year.
- X) The principal elements of lease payments is \$3.7 million higher than the previous year as a result of the introduction of the new leases accounting standard AASB16 in 2019-20.

Notes to the financial statements for the year ended 30 June 2020

9.14.3 Statement of Cash Flows Variances (continued)

Major Actual (2020) and Comparatives (2019) Variance Narratives

- Y) The reduction in the repayment of borrowing of \$1.3 million (36%) relates to the deferral of the Fisheries Adjustment Scheme following the impact of COVID-19, as approved by the Treasurer.
- Z) Proceeds from industry are \$1.4 million (38%) below budget as a result of the deferral of the Fisheries Adjustment Scheme referenced in note 40 above.

Notes to the financial statements for the year ended 30 June 2020

10 Administered disclosures

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

	Notes
Disclosure of administered income and expenses by service	10.1
Explanatory statement for administered items	10.2
Administered assets and liabilities	10.3
Special purpose accounts	10.4

Notes to the financial statements for the year ended 30 June 2020

10.1 Disclosure of administered income and expenses by service

	Co-operative loans		Commonwealth grants		State NRM program		Regional Reform Fund		Infringements		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ADMINISTERED ITEMS												
Income												
Interest revenue	1,176	1,389	47	12	106	-	-	-	-	-	1,329	1,401
Other revenue	-	-	-	-	-	50	-	-	-	-	-	50
Royalties for Regions	-	-	-	-	1,704	6,668	-	-	-	-	1,704	6,668
Service appropriations	-	-	-	-	1,550	1,550	-	-	-	-	1,550	1,550
Regulatory fees and charges	-	-	-	-	-	-	-	-	380	-	380	-
Total administered income	1,176	1,389	47	12	3,360	8,268	-	-	380	-	4,963	9,669
Expenses												
Employee benefits expense	-	-	-	-	10	-	-	-	-	-	10	-
Grants & subsidies	-	-	51	-	5,398	5,744	10,652	16,095	-	-	16,101	21,839
Interest payments	994	897	-	-	-	-	-	-	-	-	994	897
Supplies and services	182	452	-	-	487	240	-	-	380	-	1,049	692
Total administered expenses	1,176	1,349	51	-	5,895	5,984	10,652	16,095	380	-	18,154	23,428

(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 2020

10.2 Explanatory statement for administered items

All variances between annual estimates (original budget) and actuals results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million.

	Variance note	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance estimate and actual \$000	Variance actual 2020 and 2019 \$000
ADMINISTERED ITEMS						
Income						
Interest revenue		1,410	1,329	1,401	(81)	(72)
Other revenue		-	-	50	-	(50)
Royalties for Regions	1, A	6,200	1,704	6,668	(4,496)	(4,964)
Revenue from Regional and Statewide Initiatives	2	(76,360)	-	-	76,360	-
Service appropriations		1,550	1,550	1,550	-	-
Regulatory fees and charges		-	380	-	380	380
Total administered income		(67,200)	4,963	9,669	72,163	(4,706)
Expenses						
Employee benefits expense		-	10	-	10	10
Grants & subsidies	3, B	60,717	16,101	21,839	(44,616)	(5,738)
Interest payments		1,042	994	897	(48)	97
Supplies and services		475	1,049	692	574	357
Royalties for Regions Program Underspend Provision	4	(89,109)	-	-	89,109	-
Total administered expenses		(26,875)	18,154	23,428	45,029	(5,274)

Major Estimate and Actual (2020) Variance Narratives

- Royalties for regions is \$4.5 million (73%) below the original budget due to the Royalties for Regions funded program Natural Resource Management being re-cashflowed to the 2020-21 financial year as milestones and accompanying progress reports were not able to be fulfilled by the recipients of this grant.
- Revenue from Regional and Statewide initiatives is \$76.4 million (100%) is the result of a budget adjustment applied by Treasury to take into account the expected underspend in the entire Royalties for Regions fund. The impact is on the budget only.

Notes to the financial statements for the year ended 30 June 2020

10.2 Explanatory statement for administered items (continued)

- 3) Grants and subsidies is \$44.6 million (73%) underspent due to capital grant programs funded through the Regional Reform Program Fund being re-cashflowed to 2020-21 and beyond. Projects impacted are North West Aboriginal Housing, Hedland Transitional Housing Project and Essential and Municipal Services Improvement in Remote Aboriginal Communities.
- 4) Royalties for Regions is \$89.1 million (100%) variance due to a budget adjustment being applied by Treasury to take into account the expected underspend in the entire Royalties for Regions Fund.

Major Actual (2020) and Comparatives (2019) Variance Narratives

- A) Royalties for Regions is \$5 million (74%) lower than previous year due to the Royalties for Regions funded program Natural Resource Management Program being re-cashflowed to 2020-21 financial year as milestones and accompanying progress reports were not able to be fulfilled by the recipients of this grant.
- B) Grants and subsidies is \$5.7 million (26%) below 2019 due to capital grant programs funded through the Regional Reform Program Fund, Essential and Municipal Services Improvement in Remote Aboriginal Communities, being re-cashflowed to 2021-22.

Notes to the financial statements for the year ended 30 June 2020

10.3 Administered assets and liabilities

	Total	
	2020	2019
	\$'000	\$'000
Current assets		
Cash and cash equivalents	5,530	8,205
Restricted cash and cash equivalents	69,528	80,075
Receivables	7,591	7,346
Total administered current assets	82,649	95,626
Non-current assets		
Loan	18,679	22,036
Total administered non-current assets	18,679	22,036
TOTAL ADMINISTERED ASSETS	101,328	117,662
Current liabilities		
Payables	148	44
Borrowings	7,391	7,282
Total administered current liabilities	7,539	7,326
Non-current liabilities		
Borrowings	18,679	22,036
Total administered non-current liabilities	18,679	22,036
TOTAL ADMINISTERED NON-CURRENT LIABILITIES	26,218	29,362

Notes to the financial statements for the year ended 30 June 2020

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	
	2020	2019
	\$'000	\$'000
Balance at start of period	80,075	96,170
Receipts	-	-
Payments	(10,651)	(16,095)
Balance at end of period	69,424	80,075

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 2020.



Mr David (Ralph) Addis
Accountable Authority
8 October 2020

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.

Key effectiveness indicator 1: Percentage of co-investment that the department attracts to its industry and community development initiatives

Description

This KPI helps stakeholders understand DPIRD's effectiveness in facilitating non-Western Australian Government co-investment in regionally significant industries and communities. It is reported as the percentage of non-Western Australian Government co-investment that DPIRD had a demonstrable role in securing.

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 (I&ED) pillar of the department, which leads DPIRD's industry and community development initiatives.

This does not include co-investment into Royalties for Regions projects that DPIRD does not lead.

Calculation

This KPI measures how much co-investment DPIRD's industry and community development initiatives attracted as a percentage of the net cost to government of the I&ED pillar.

Co-investment captures the financial (\$) contribution made by external parties towards DPIRD programs and projects.

External parties includes interstate, Commonwealth and local government agencies, private sector and industry bodies, and not-for-profit sectors.

Results

Table 7 Key effectiveness indicator 1 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
NA ¹	9%	10.4%	NA ¹	+1.4%

¹ This was a new KPI for 2019/20. Accordingly, NA was reported.

Analysis

Within acceptable parameters.

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.

Key effectiveness indicator 2: Percentage increase of client satisfaction with the department's technology initiatives

Description

DPIRD aims to create a progressive, innovative and profitable agriculture and food sector that benefits Western Australia. DPIRD supports the success of our State's agrifood businesses through services and partnerships that help increase industry profitability and sustainability, while safeguarding our State's precious natural resources.

Through research, development and extension activities with partners around Australia and throughout the world, DPIRD strives to harness the best knowledge and technical excellence available. DPIRD is committed to sharing data that is collected by and maintained by DPIRD during these activities.

Client satisfaction with the department's technology initiatives is measured by undertaking an annual perception survey. The survey is designed to collect client feedback in relation to the use of DPIRD's Application Program Interfaces (APIs).

As there was no data collected in 2018/19, DPIRD conducted two surveys in the 2019/20 financial year and reported the increase between the two surveys as the 2019/20 actual result.

Calculation

The first API customer satisfaction survey (baseline survey) was conducted in October 2019 by email only. The sample was 23 out of 63 customers resulting in a response rate of 37%. Overall sampling error at 95% confidence rate was +/-16%.

The second API customer satisfaction survey was conducted online in June 2020 with telephone follow up to maximise the sample achieved. The final sample was 40 out of a possible 73 clients with registered contact details, resulting in a response rate of 55%. Overall sampling error at 95% confidence rate was +/-10%.

Results

Table 8 Key effectiveness indicator 2 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
NA ¹	+15%	-9%	NA ¹	-24%

¹ DPIRD did not have survey information for 2017/18 and 2018/19. Accordingly, NA was reported.

Analysis:

- Having no survey data for 2018/19, a baseline survey was undertaken in October 2019. This resulted in a 95% satisfaction rating. Before the survey was completed, a target had to be set for 2019/20; a 15% increase in satisfaction was chosen, due to expected growth in users. The satisfaction survey undertaken in June 2020 resulted in an 86% satisfaction rating. Achieving the 15% increase from the 95% baseline survey was not mathematically possible.
- Following the baseline survey where email addresses were the only form of contact available, DPIRD began the collection of comprehensive contact details for any new accounts, which has increased the sample from 23 to 40 customers due to easier methods for follow up of survey responses.
- The majority of clients used the API for commercial services.
- This indicator has been refined for 2020/21.

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.

Key effectiveness indicator 3: Percentage of clients satisfied with the department’s capability initiatives

Description

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.

Two hundred and fifty individuals were contacted from the following representative bodies:

- grower groups
- Agricultural Produce Commission committees
- WA Farmers Federation
- Aquaculture Council of WA
- Aboriginal and other businesses taking part in training provided by DPIRD.

The focus of this indicator is regional industries and communities that need to grow and create jobs.

This indicator aligns with the activities of DPIRD’s Industry and Economic Development (I&ED) pillar. The indicator does not include events where DPIRD is a financial sponsor but does not have a role in determining content.

Calculation

The KPI is reported as the percentage of surveyed clients satisfied with DPIRD’s efforts in building the capability of regionally significant industries and communities.

Respondents were selected randomly using Dimensions’ Computer Aided Telephone Interview software. Out of a possible 250 clients selected, 142 responded resulting in a response rate of 57%. Overall sampling error at 95% confidence rate was +/-5.4%.

Results

Table 9 Key effectiveness indicator 3 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
73%	70%	75%	+2%	+5%

Analysis

The survey results indicate that of the 142 clients that completed the telephone survey 75% were satisfied or very satisfied with DPIRD’s capability building initiatives.

This represents +5% against the 2019/20 target and +2% on last financial year’s result.

Desired Outcome 4: Regional Western Australia has the social amenity through recreational fishing to grow and create jobs

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

Key effectiveness indicator 4: Percentage of clients satisfied with the department's social amenity initiatives

Description

This KPI assists stakeholders to understand 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 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 KPI is reported as client satisfaction regarding the department's recreational fishing initiatives and used to monitor, evaluate and improve the effectiveness of the department's programs, activities and functions.

Calculation

The information used to assess our performance against this effectiveness indicator is derived from an annual telephone-based community survey. This survey is conducted to assess the understanding and satisfaction of the WA community on our management strategies and examine the key aspects of fishing and appreciation of the aquatic environment by the WA community.

An external research company contracted by the department conducted the community survey in March 2020. Survey respondents were asked about their experiences and views for the 12-month period prior to their interview date. Of a total of 4312 in-scope respondents (WA residents aged 18 years and older), 720 interviews were completed representing a response rate of 17%. The 720 interviews comprised:

- 574 respondents from major cities
- 58 respondents from inner regional areas
- 88 respondents from outer regional/remote/very remote areas or who were migratory residents.

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'.

Only respondents who were aware of DPIRD or the previous 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.

The KPI calculation is the 2019/20 satisfaction weighted to reflect the estimated resident population based on February 2020 Labour Force Survey estimates from the Australian Bureau of Statistics, with the survey providing estimates for the 2019/20 financial year.

Results

Table 10 **Key effectiveness indicator 4 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
86%	85%	90%	+4%	+5%

Analysis

The level of participation in recreational fishing is a measure of the use of this community resource and is based on the estimated resident population of WA aged five and older at 30 June 2019 (Australian Bureau of Statistics), the estimated number of people in WA who participated in recreational fishing at least once in the previous 12-month period was approximately 630,000 (95% CI [552,000, 708,000]). The estimated participation rate of 26% is similar to other recent years, however this participation rate is consistent with the long-term, slight declining trend observed since the late 1990s where the historical participation rate was 32–33%.

The estimation of satisfaction through the level of community knowledge of resource management issues is based on the community survey data, the department was given a satisfaction rate of 90% (95% CI [86.4%, 93.6%]) by the WA community on managing recreational fishing activities in 2019/20. This rate was similar (i.e. not significantly different) to those reported for recent years, ranging 86–90% since 2011/12. Given the high level of satisfaction achieved over recent years and declining trend in participation, ongoing annual increases are difficult to attain.

The department's 2019/20 target satisfaction rating by the broader community is 85% compared to the actual 90%. The department considers it has met this performance indicator.

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

The State's nine RDCs are independent 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.

Key effectiveness indicator 5: Number of Regional Development Commissions supported through business plans

Description

This KPI assists stakeholders to understand DPIRD's role and effectiveness in supporting the RDCs.

The intent is that DPIRD supports RDCs in line with their business plans.

It is reported as the number of RDCs that DPIRD has supported through business plans.

Calculation

Identify the number of 2020/21 business plans developed by RDCs that are supported by DPIRD.

DPIRD through the Regional Development Partnership team will assist RDCs in developing their business plans to ensure continuity with Industry and Economic Development priorities and budgets.

Note: DPIRD FTEs and resources are committed, by arrangement, to assist and support the RDCs in meeting their statutory obligation in a manner that is consistent with DPIRD's strategic priorities regarding regional opportunities and enabling environments.

Results:

Table 11 Key effectiveness indicator 5 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
9	9	9	0	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 threats and requirements. 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 will be resolved within the space of a year and many threats require ongoing or seasonal surveillance before a resolution is declared. This may take place over a number of years.

Key effectiveness indicator 6.1: Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately

Description

This KPI assists 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 intent is that exotic terrestrial weed, pest and disease threats are resolved appropriately.

This KPI will provide a key indicator of the extent to which DPIRD ensures that WA complies with its most critical local,

national and international biosecurity responsibilities, and the extent to which our industries, communities and environment are protected from significant biosecurity threats.

Calculation

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 closed-out during the financial year.

For pests and diseases that are not considered to be present in Australia, and that are considered to be an emergency pest under the appropriate national deed, resolved means according to national agreement. This may include pests and diseases incidents in other jurisdictions that WA is required to respond to.

For pests and diseases that are not considered to be present in Australia, and that are not considered to be an emergency pest on a national level, resolved means according to State policy.

For pests and diseases that are present in Australia but not considered to be present in WA or parts of WA, resolved means according to State policy.

Appropriate resolution of an incursion or incident does not necessarily imply eradication of the pest or disease.

It may include pests and diseases that are determined to be not technically or economically feasible to eradicate.

Appropriate resolution may include ongoing controls and/or

transition to management if this is in keeping with national or State agreements and policies.

All incidents, declared incidents and emergencies are recorded on DPIRD’s Incident Management Database.

An incident, declared incident or emergency is considered to be approved when a declaration form is completed and signed by an authorised staff member.

An incident, declared incident or emergency is considered resolved when a close-out form is completed and signed by an authorised staff member.

The database is interrogated and the percentage determined annually.

Results

While all incidents have been managed to date, two exotic terrestrial weed, pest and disease threats are still subject to ongoing surveillance and or response and will carry over into 2020/21. As they were not resolved in the current financial year, this shows as a 10% shortfall against the target.

With regards to the comparison to 2018/19 results, these have been amended to reflect two closed incidents which were previously counted as open. As a result the 2018/19 actual increased from 62.5% to 87.5%.

Table 12 **Key effectiveness indicator 6.1 results**

2018/19 actual	2019/20 Target	2019/20 actual	±% from 2018/19	±% from target
87.5%	60%	50%	-37.5%	-10%

Analysis

WA has an extensive, sparsely populated coastline that is exposed to busy operational sea-lanes, as well as a number of formal marine and terrestrial entry points (ports, airports and interstate border crossings). Further to this, Western Australia has a wide variety of biomes and ecosystems, providing conditions conducive to allowing a broad set of pests, weeds and diseases to gain a foothold.

In addition to border and quarantine controls, surveillance and diagnostics, and preparedness activities, implementing an effective incident and emergency response capability is essential to minimising the impacts of biosecurity incidents on industry and the general community.

While the annual KPI has not been met, DPIRD, industry and community must continue to maintain their capability and capacity to meet new biosecurity threats as they arise.

Key effectiveness indicator 6.2: Percentage of invasive aquatic pests and exotic diseases resolved appropriately

Description

This KPI assists stakeholders to understand DPIRD's role and effectiveness in ensuring the appropriate management of biosecurity threats that may impact commercial or recreational fishing, aquaculture and the aquatic environment in Western Australia.

The intent is that aquatic pests and exotic diseases are resolved appropriately.

For pests and diseases that are not considered to be present in Australia, and that are considered to be nationally significant, resolved means according to national and State policy. This may include pests and diseases incidents in other jurisdictions that WA is required to respond to.

For pests and diseases that are not considered to be present in Australia, and that are not considered to be an emergency pest on a national level, resolved means according to State policy.

For pests and diseases that are present in Australia but not considered to be present in WA or parts of WA, resolved means according to State policy.

Appropriate resolution of an incursion or incident does not necessarily imply eradication of the pest or disease.

It may include pests and diseases that are determined to be not technically or economically feasible to eradicate.

Appropriate resolution may include ongoing controls and/or transition to management if this is in keeping with national or state agreements and policies.

This KPI provides a key indicator of the extent to which DPIRD ensures that WA complies with its most critical local, national and international biosecurity responsibilities, and the extent to which our industries, communities and environment are protected from significant biosecurity threats.

Calculation

The key performance indicator is a measure of the percentage of aquatic pest and disease approved incidents, declared incidents and emergencies that were closed out during the financial year.

All incidents, declared incidents and emergencies are recorded on DPIRD's Incident Management Database.

An incident, declared incident or emergency is considered to be approved when a declaration form is completed and signed by an authorised staff member.

An incident, declared incident or emergency is considered resolved when a close-out form is completed and signed by an authorised staff member.

The database is interrogated and the percentage determined annually.

Results

During the 2019/20 financial year only one aquatic incident was resolved. This incident was opened in 2018/19 and completed in 2019/20.

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 13 **Key effectiveness indicator 6.2 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0%	60%	100%	+100%	+40%

Analysis

WA has one of the largest coastlines and marine areas of any state/province level jurisdictions in the world, as well as numerous maritime entry points (ports and harbors). Further to this, Western Australia has a wide variety of marine and aquatic ecosystems, providing conditions conducive to allowing a broad set of pests and exotic diseases to gain a foothold. Further, new aquaculture ventures (both marine, near shore and inland) require additional vigilance to rapidly respond to incursions.

In addition to border and quarantine controls, surveillance and diagnostics, and preparedness activities, implementing an effective incident and emergency response capability is essential to minimising the impacts of biosecurity incidents on industry and the general community.

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.

Key effectiveness indicator 7.1a: Spatial extent of acid soils does not increase in target landscapes (%)

The total spatial extent of acid soils in target landscapes is an indicator of soil health and resilience, which underpins the productive capacity of agricultural soils.

The Under Treasurer approved the removal of this KPI from DPIRD's OBM effective from 2019-20 reporting period onwards.

Key effectiveness indicator 7.1b: Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health

Description

This KPI assists stakeholders to understand DPIRD's role and effectiveness in ensuring the long-term sustainability of the soil resources on which WA agriculture relies.

The intent is for cropping land to maintain adequate groundcover, preventing loss of carbon and other nutrients through soil erosion, and where possible, accumulating organic matter in these agricultural soils.

Calculation

In WA's southwest cropping region, ground cover on arable land is dependent on seasonal weather and land management activities such as grazing, tillage and burning. Low ground cover increases the likelihood of wind and water erosion, which decreases the long-term sustainability of our soils, impacting agricultural productivity and agricultural industry.

The KPI compares the current year's (autumn to autumn) ground cover to typical ground cover conditions in the previous 10 years. Sufficient ground cover is defined as 40% or more of the land surface covered with living or dead vegetation. When ground cover is lower than 40%, erosion hazard is severe. The erosion hazard is highest in autumn, when ground cover is at an annual minimum, the landscape is dry, and strong pre-frontal winds and storms increase in frequency as winter nears. Autumn is the best indicator of year-round cover.

The KPI is measured using satellite imagery obtained from the Joint Remote Sensing Research Project, whereby a time series of representative seasonal (four per year) fractional ground cover products for 2019/20 were compared to the median ground cover from the previous 10 years (2009/10–2018/19).

The KPI (percentage change in area of the cropping region maintaining sufficient ground cover) is calculated using the following formula within each of the four seasons:

% of arable land with sufficient cover in 2019 less the median land with sufficient cover from 2009 to 2018 divided by the median land with sufficient cover from 2009 to 2018. This is multiplied by 100 to give the percentage change.

A value of zero or larger (the KPI target) indicates no change or increasing groundcover.

Comparisons use % of cropping land in the southwest agricultural region per year, rather than absolute area (hectares), because different satellite pixels are excluded from analysis each year due to cloud cover.

Results

The area of the southwest cropping region with sufficient ground cover in autumn 2019 (exceeding the 40% threshold) covers 95.1% of arable land (Table 15). The percentage change in area is slightly less than the KPI target (-0.4%) but it is an improvement over 2018 (-2.5%). All seasons in 2019/20 had less ground cover than the 10-year median.

Table 14 **Key effectiveness indicator 7.1b results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
-2.5%	>0%	-0.4%	+2.1%	-0.4%

Table 15 **Arable land maintaining sufficient ground cover**

Arable land maintaining sufficient ground cover (%)	2009/19 Baseline	2019/20 Actual	Change in area
Autumn 2019	95.5%	95.1%	-0.4%
Winter 2019	99.2%	98.8%	-0.4%
Spring 2019	98.8%	98.0%	-0.8%
Summer 2020	96.5%	95.0%	-1.5%

Analysis

The below target area of arable land maintaining sufficient ground cover in autumn 2019 can be partially attributed to below average rainfall in the previous three years (2017–2019), which led to lower plant biomass production.

Some landscapes did not achieve the target 40% ground cover by the end of the 2018 growing season; grazing and natural decay of plant residue over summer led to further loss of ground cover.

The majority of locations where land cover is below the threshold are within the Northern Agricultural region (Fig. 2). Increased extension of farming practices that reduce erosion risks will be undertaken.

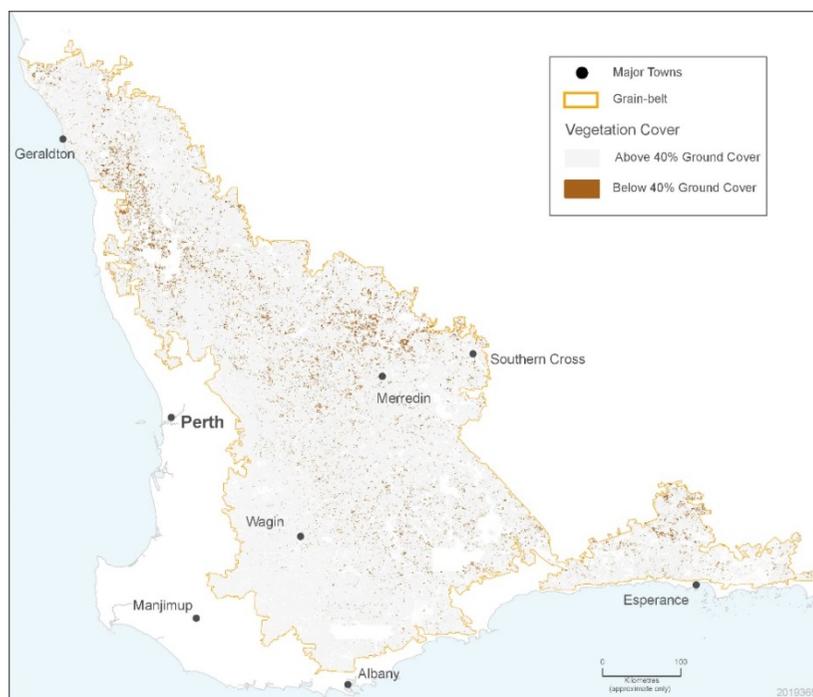


Figure 2 Area of the southwest cropping region with sufficient ground cover in autumn 2019

Key effectiveness indicator 7.1c: Number of soil health extension workshops held

Description

This KPI, the delivery of soil health extension workshops by DPIRD, promotes the WA 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 an annual average of over \$9.5 billion worth of agricultural production per year, boosting regional and local economies across the State. A good understanding of soil health is essential to long-term, sustainable agricultural systems. The intent is that DPIRD supports capability development through soil health workshops, promoting sustainable natural resource use.

Calculation

Soil health extension workshops are supported and/or sponsored by DPIRD to address a range of soil constraints, nutrient management, soil testing and land management practices. 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 some instances, DPIRD may partner with other organisations to deliver the event, but will remain a major sponsor.

Workshop data is collated across DPIRD from any section of the organisation that has delivered a soil health workshop.

Workshop data, including date presented, number of attendees and where delivered is documented.

Results

Table 16 **Key effectiveness indicator 7.1c results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
31	30	46	+15	+16

Analysis

An increase in soil health extension workshops for 2019/20 likely reflects additional external funding, granted to further investigate subsoil soil constraints and nutrient export in rural farming systems over the next three to five years.

Key effectiveness indicator 7.2: Proportion of fish stocks identified as not being at risk or vulnerable through exploitation

Description

This KPI assists stakeholders to understand DPIRD's role and effectiveness in ensuring the long-term sustainability of natural resources on which WA fishing relies and impacts.

The department undertakes annual assessments of fisheries that are subject to management. These assessments have been used to determine the sustainability status of the State's most significant commercial and recreational fisheries.

Calculation

Performance is measured as the proportion of all fisheries (which 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 could be sustained at desirable levels, given effort levels and normal environmental conditions; or
- are recovering from a depleted state at an appropriate rate following management intervention.

The indicator is derived from annual assessments and trends in catch and fishing activity. The calculation of the proportion of fish stocks identified as not being at risk or vulnerable through exploitation is:

[Number of stocks maintained or recovering] divided by [Total number of stocks].

Results

Table 17 **Key effectiveness indicator 7.2 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
98%	97%	98%	+0%	+1%

Analysis

Aquatic resource status assessments are based on all information up to and including the most recent fishing season. Because aquatic resources have various levels of available information, resource status is based on all available data using a risk-based weight-of-evidence assessment approach. Full details of which are in the companion Status Reports on Western Australia's Fisheries and Aquatic Resources 2019/20.

Status updates were undertaken during March–June with 48 resource and fishery combinations reviewed for 2019/20. Of the 48, breeding stock assessments were available for 47 (98%) of these fisheries. For one fishery, northern shark, there were insufficient data to make an assessment on the resource due to the fishery having not operated since 2009.

Of the 47 assessments, 38 were considered to have adequate breeding stock levels and a further five fisheries (the South West Coast Herring Managed Fishery, the South Coast Estuarine Managed Fishery, the West Coast Demersal Scalefish Fishery [WCDSF], the Temperate Demersal Gillnet Demersal Longline Fishery [TDGDLF] and the Gascoyne Demersal Scalefish) 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 four remaining fisheries, the Cockburn Sound Crab Managed Fishery, the West Coast Beach Bait Fishery and Shark Bay Scallop 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 (greenlip abalone in Abalone Managed Fishery), with management actions implemented to assist stock recovery.

The department's 2019/20 target for the proportion of fish stocks not at risk from fishing is 97%. For the 2019/20 reporting period, the proportion of the assessed groups identified as not being at risk or vulnerable through exploitation is 98%, which is above the target level. The department considers it has met this performance indicator.

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

Description

This KPI assists stakeholders to understand DPIRD's role and effectiveness in ensuring the long-term sustainability of natural resources on which WA fishing relies and impacts.

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).

Where management is operating effectively, annual catches by each fishery should vary within an acceptable 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.

Calculation

For most fisheries in Western Australia, each management plan seeks to control directly the amount of fishing pressure applied to stocks, with the level of catch taken providing an indication of the effectiveness of the plan. Where the plan is operating effectively, the catch by the fishery should fall within an acceptable range.

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.

Since 2013/14 acceptable levels of catch are being determined for each of the major recreational fisheries by the department.

The KPI shows the percentage of commercial and recreational fisheries achieving acceptable catches or effort levels (i.e. the number of days taken to achieve the catch). The calculation of the proportion of fisheries achieving acceptable catches or effort levels is:

[Number of fisheries achieving acceptable levels] divided by [Total number of fisheries].

Results

Table 18 **Key effectiveness indicator 7.3 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
96%	90%	91%	-5%	+1%

Analysis

Fisheries catch and effort information are provided by commercial and charter fishers through mandatory returns and recreational fisheries through probability-based surveys. Fisheries catch and effort data are dependent on the fishers' accuracy and completeness of data reporting, which is based on the most recent fishing season or most recent survey estimate.

Status updates were undertaken during March–June and for the purpose of this indicator, of the 48 resource and fishery combinations, comparisons between actual catches (or effort) with acceptable ranges have been undertaken for 30 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 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 2017/18 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 30 commercial fisheries, 12 were primarily catch-quota managed, with 18 subject to effort-control management. Of the 12 individually transferable catch-quota managed fisheries, four operated within, seven were acceptably below and one was unacceptably below (greenlip abalone) their effort/catch ranges.

In the 18 effort-controlled fisheries, 10 were within, two were above, five were acceptably below and one was unacceptably below (southern rock lobster in the South Coast Crustacean Managed Fishery) their 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 28 of the 30 commercial fisheries (42 of the 46 fisheries overall) assessed were considered to have met their performance criteria.

The department’s 2019/20 target is 90% for all major recreational and commercial fisheries. For the 2019/20 reporting period, the percentage of fisheries where acceptable catches are achieved is 91%, which exceeds the target level. The department considers it has met this performance indicator.

Key efficiency indicators 2019/20

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 2019/20 targets in the 2019/20 State Budget Papers was done at a high level due to limited integration of core systems and reporting tools.

This has resulted in some discrepancies between the 2019/20 target and 2019/20 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.

Key efficiency indicator 1: Value of co-investment in the department-led industry and community development initiatives as a factor of the net cost of this service

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Investment Facilitation Service. The intent is that the cost to government (Net Cost of Service) of this service trends downwards relative to the level of co-investment attracted.

This KPI seeks to indicate DPIRD's ability to attract investment from other sources.

Calculation

Grants awarded that meet the established criteria (e.g. within timeframe and scope) are identified and the amount of co-investment for each qualifying grant is totalled.

Results

Table 19 Key efficiency indicator 1 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.89%	0%	1.12%	+0.23%	+1.12%

Analysis

The department met the target.

The department seeks to co-invest in initiatives which are supported by leveraged funding from non-government enterprises.

Non-government co-investment in the department for the 2019/20 Budget Target has been allocated principally to Service 2 (Regional Technical and Technological Development), resulting in this efficiency indicator being lower than 1%. Although these projects are allocated to Service 2, they do result in significant investment in the development of regional Western Australia.

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.

Key efficiency indicator 2: Net cost of this service as a factor of gross regional product

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Technical and Technological Development to support regional industries and communities. The intent is that the net cost of this Service will trend downwards relative to the value of gross regional product (GRP)¹. GRP is a broad-based estimate of regional 'value-add' devised from ABS Gross State Product and Census data. 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.

¹ <https://catalogue.data.wa.gov.au/dataset/gross-regional-product>, published by DPIRD.

Calculation

Nominal gross regional product (GRP) is the total value of goods and services produced during a year, calculated by the division of Western Australia's Gross State Product into Regional Development Commission areas.

Nominal GRP is in current prices, and therefore does not take into account the general increase in the price of goods and services over time (inflation).

NB: The data is based on ABS Census data, with trend line methodology used between Census years.

The net cost of service is divided by GRP to give a percentage representing expenditure by DPIRD on regional technical and technological development as a proportion of the value-add of its regional development work.

Results

Table 20 Key efficiency indicator 2 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.05%	0.08%	0.04%	-0.01%	-0.04%

Analysis

The department met the target.

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.

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 applications.

Key efficiency indicator 3: Net cost of this service as a factor of gross regional product

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Skills and Knowledge to support regional industries and communities. The intent is that the net cost of this Service will trend downwards relative to the value of gross regional product (GRP). GRP is a broad-based estimate of regional 'value-add' devised from ABS Gross State Product and Census data. 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

Calculation

Nominal gross regional product (GRP) is the total value of goods and services produced during a year, calculated by the division of Western Australia's Gross State Product into Regional Development Commission areas.

Nominal GRP is in current prices, and therefore does not take into account the general increase in the price of goods and services over time (inflation).

NB: The data is based on ABS Census data, with trend line methodology used between Census years.

The net cost of service is divided by GRP to give a percentage representing expenditure by DPIRD on regional skills and knowledge development as a proportion of the value-add of its regional development work.

Results

Table 21 Key efficiency indicator 3 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.02%	0.02%	0.01%	-0.01%	-0.01%

Analysis

The department met the target.

The variation can be attributed to an increase 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.

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.

Key efficiency indicator 4: Net cost of this service as a factor of gross regional product

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Social Amenity Services to support regional industries and communities. The intent is that the net cost of this Service will trend downwards relative to the value of gross regional product (GRP). GRP is a broad-based estimate of regional 'value-add' devised from ABS Gross State Product and Census data. 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.

Calculation:

Nominal gross regional product (GRP) is the total value of goods and services produced during a year, calculated by the division of Western Australia's Gross State Product into Regional Development Commission areas. Nominal GRP is in current prices, and therefore does not take into account the general increase in the price of goods and services over time (inflation).

NB: The data is based on ABS Census data, with trend line methodology used between Census years.

The net cost of service is divided by GRP to give a percentage representing expenditure by DPIRD on regional social amenity (recreational fishing) as a proportion of the value-add of its regional development work.

Results

Table 22 Key efficiency indicator 4 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.01%	0.01%	0.02%	+0.01%	+0.01%

Analysis

The department has not met the target.

The variation can be attributed to an increase 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.

Service 5: Corporate and Business Development services provided by the department to support Regional Development Commissions

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.

Key efficiency indicator 5: Net cost of this service as a factor of RDC support

Description

This KPI assists stakeholders understand the efficiency of DPIRD's service to RDCs. The intent is that the net cost of this service as a factor of RDC support trends down.

Calculation

Relevant managers identify positions allocated to this service. The payroll system is used to calculate the total paid hours (including ordinary, overtime and additional hours for the reporting period (July–June)).

Results

Table 23 Key efficiency indicator 5 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
\$166.38	\$134.94	\$181.15	+8.88%	+34.24%

Analysis

The department has not met the target.

The variation can be 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. 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.

Service 6: Agricultural and aquatic 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.

Key efficiency indicator 6.1: Agricultural portion of net cost of this service as a factor of gross value of agricultural production

Description

This KPI assists stakeholders understand the efficiency of DPIRD'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 (GVAP). The three-year average GVAP is used for this calculation.

Calculation:

GVAP 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: \$9.5 billion for 2016/17 to 2018/19.

GVAP 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.

Results

Table 24 **Key efficiency indicator 6.1 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.59%	0.70%	0.65%	+0.06%	-0.05%

Analysis

The department met the target.

The variation can be attributed to an increase in the GVAP.

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.

Key efficiency indicator 6.2: Fisheries portion of net cost of this service per hour of aquatic biosecurity services

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Agricultural and Fisheries Biosecurity and Integrity Service in regard to commercial and recreational fishing. The intent is that the fisheries net cost of this service will trend downwards.

Calculation

Relevant managers identify positions allocated to this service. The payroll system is used to calculate the total paid hours (including ordinary, overtime and additional hours for the reporting period (July–June)).

Results

Table 25 Key efficiency indicator 6.2 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
\$186.79	\$136.98	\$111.28	-40.42%	-18.76%

Analysis

The department met the target.

The variation can be attributed to a decrease in the net cost of the fisheries portion of this Service.

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.

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.

Key efficiency indicator 7.1: Agricultural portion of net cost of this service as a factor of gross value of agricultural production

Description

This KPI assists stakeholders understand the efficiency of DPIRD'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 (GVAP). The three-year average GVAP is used for this calculation.

Calculation

GVAP 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: \$9.5 billion for 2016/17 to 2018/19.

Results

Table 26 **Key efficiency indicator 7.1 results**

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
0.09%	0.09%	0.11%	+0.02%	+0.02%

Analysis

The department has not met the target.

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.

Key efficiency indicator 7.2: Fisheries portion of net cost of this service per hour of fisheries management services

Description

This KPI assists stakeholders understand the efficiency of DPIRD's Natural Resource Management Services with regard to fisheries management.

Calculation:

Relevant managers identify positions allocated to this service. The payroll system is used to calculate the total paid hours, including ordinary, overtime and additional hours for the reporting period (July–June).

Results

Table 27 Key efficiency indicator 7.2 results

2018/19 actual	2019/20 target	2019/20 actual	±% from 2018/19	±% from target
\$44.31	\$31.07	\$81.09	+83%	+161%

Analysis

The department has not met the target.

The variation can be attributed to an increase in the net cost of the fisheries portion of this Service, and a decrease 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.

End of audited section.

Other financial disclosures

Employment and industrial relations

Table 28 **Staff profile**

Staff profile	2018/19 Average FTE ¹	2019/20 Average FTE ¹
Permanent full time	1,101.34	1,114.88
Permanent part time	148.12	131.36
Contract full time	278.19	272.31
Contract part time	41.11	39.90
Total	1,568.76	1,558.45

¹ Full-time equivalent (FTE)

Staff development

Our department is committed to the development of its employees and aims to build a highly skilled, professional workforce with the ability to deliver on current and future requirements.

Key activities during 2019/20 included:

- introducing a Middle Management Development Program (MMDP) to support development of leadership skills for middle managers, targeting around 400 staff in metropolitan and regional locations

- delivering a series of webinars during COVID-19 to support staff to develop required skills for working from home and for managing teams remotely
- introducing online learning and support resources for staff wellbeing during COVID-19 via the Employee Assistance Program (EAP)
- establishing a Senior Leadership Development Program to support the senior leadership group in expanding individual and group leadership capabilities
- providing speciality external programs on Australian Rural Leadership and Public Sector Management to staff identified through a merit-based application process
- delivering Recruitment and Selection training to upskill staff with responsibilities to sit on recruitment panels
- making job readiness training available to all staff to assist in developing skills and techniques for job applications and interviews to support career development
- continuing training and development to graduates via the Capability and Performance Graduate Program.

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 2019/20 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.

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

DPIRD paid the following premiums 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.

Table 29 **Premiums paid to indemnify any director**

Description	Value
Mid West Development Commission	\$1,119.02
South West Development Commission	\$4,061.33

Ministerial directives

No ministerial directives were received during the financial year.

Other legal requirements

Act of Grace payments

The department from time to time processes Act of Grace Payments on behalf of the Government. No payments were made in 2019/20.

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 2019/20

Description	Quantity/value
Number of instances the Western Australian Government purchasing card has been used for personal use expenditure	137
Aggregate amount of personal use expenditure	\$10,651.71
Aggregate amount of personal use expenditure settled by due date	\$5,435.67
Aggregate amount of personal use expenditure settled after the period required	\$5,216.04
Aggregate amount of personal use expenditure outstanding at the end of the period	\$67.27
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

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 2019/20 was \$1,270,336.

Table 31 Expenditure on advertising, market research, polling, direct mail and media advertising in 2019/20

Advertising	\$	Media advertising organisations	\$
Key2creative Pty Ltd	1,890	Brookton Telegraph Inc.	90
Keyway Productions	2,885	Carat Australian Media Services Pty Ltd	403,259
Micromedia	7,268	Collie Chamber of Commerce & Industry Inc.	964
Mule Creatives	3,015	Community Spirit Newspaper Inc.	80
Rare Creative Thinking	163,479	Denmark Bulletin	318
Pro Prone Solutions	650	Denmark Chamber of Commerce Inc.	-
Redtail Graphic Design	12,320	Derby Visitor Centre	723
Total	191,507	Facebook	6,718
Market research organisations	\$	Fairfax Media Publications Pty Ltd	340
CL & LC Hanson	780	Initiative Media Australia	21,604
Edith Cowan University	409,009	Media Tonic	13,900
Roy Morgan Research Pty Ltd	30,376	Katanning Regional Business Assoc. Inc.	500
Painted Dog Research Pty Ltd	24,790	Norseman Today Newspaper Inc.	40
Total	464,955	Pingelly Times	60
Polling organisations	\$	State Law Publisher	25,447
Nil	-	The Great Southern Weekender	-
Direct mail organisations	\$	The West Australian	1,089
ABCorp Australasia Pty Ltd	87,286	WA News Advertising	1,401
Createsend.com.au	94	Quairading Community Resource Centre Inc.	50
Mailout Solutions Pty Ltd	512	Poster Passion	492
Quickmail	6,745	Jack In The Box	33,600
Total	94,638	Kwik Kopy	1,542
Media advertising organisations	\$	Total	519,236
ACM Australian Community Media	1,626		
AdCorp Australia Ltd	4,194		
Albany Chamber of Commerce & Industry Inc.	419		
Albany Weekender	780		

Recordkeeping Plan

Evaluation of recordkeeping systems

In accordance with section 19 of the *State Records Act 2000* DPIRD's Recordkeeping Plan was approved in 2018 by the State Records Commission and is valid until 2023. The agency is currently reviewing its recordkeeping program to ensure compliance with the principles and standards governing recordkeeping by State organisations.

Recordkeeping training program

This year, 181 staff attended face-to-face training on recordkeeping systems and practices across metropolitan and regional locations and 162 staff completed the online interactive recordkeeping awareness induction course. The recordkeeping training program integrates best practice standards, core recordkeeping processes, system functionality and workflow management activities.

Evaluation of the recordkeeping training program

DPIRD regularly reviews its recordkeeping training initiatives and materials to ensure compliance with relevant legislation and standards, in addition to ensuring staff are well informed of changes in recordkeeping systems.

Recordkeeping induction program

DPIRD's recordkeeping induction program is delivered to all new staff upon commencement. The records management component of the corporate induction provides guidance and awareness training to ensure staff roles and responsibilities are clear in accordance with the Recordkeeping Plan.

Disability Access and Inclusion Plan outcomes

DPIRD is committed to ensure clients and staff with disability are able to access our information, services and facilities.

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 [Disability Access and Inclusion Plan \(DAIP\) 2018–23](#).

DPIRD continued to fulfil the DAIP strategies, with key achievements highlighted below.

General services

We updated the DPIRD procurement policy and procedures to include essential elements of the DAIP. In addition, a Disability Access and Inclusion Plan Agent and Contractors Guide was developed to ensure all access and inclusion requirements are met when carrying out services on behalf of the department. Finally, our internal procurement induction training course and training documents were updated.

Buildings and facilities

We prepared an Access and Inclusion Audit Checklist to evaluate our existing buildings against a range of accessibility requirements. Over the past 12 months, audits of all DPIRD owned public-facing buildings between Geraldton and Esperance have been completed. Independent of this initiative, a number of building condition reports were also prepared for DPIRD's most significant buildings across the State, which included a high-level assessment of accessibility provisions.

Based on the outcomes of these two initiatives, a schedule of works commenced in March 2020 to address short-term improvements such as disabled access parking and signage. Improvements have also been made to accessibility entrances, including the recently completed upgrade of the Merredin office. Longer-term works will be incorporated into asset planning in line with DPIRD's 10-year Strategic Asset Management Plan.

Information and communication

In early 2020, DPIRD commenced a project to develop a new integrated web presence, consolidating content from our three former agency websites, with a focus on ensuring content is accessible to all visitors. The new website will be hosted on the State Government's DGov platform (WA.gov.au), with content required to adhere to Web Content Accessibility Guidelines version 2.0 (WCAG 2.0) at level AA. The project is scheduled to be completed in 2021.

Quality of service

Our school Education Program has been mindful and supportive of the needs of its participants through its Education Support program. The client experience has been improved through a new booking procedure, which requests information on any adjustments that participants may require. By understanding the needs of clients from the outset, we are able to make any necessary accommodations, changes or adjustments. Our feedback procedure follows up whether the requirements were sufficient and met the expectations of the client. The adjustments that we have accommodated to date are as varied as there are disabilities.

Employment, people and culture

DPIRD continues to review its recruitment processes and practices to ensure it meets the needs of the DAIP and the Public Sector Disability Action Plan. To demonstrate the department's desire to create an inclusive and welcoming culture that provides a safe environment for people from diverse backgrounds, we now include a diversity statement in all our recruitment advertisements that encourages all groups of people to apply.

Compliance with public sector standards and ethical codes

Compliance issues that arose during 2019/20 regarding public sector standards are documented in Table 32.

Table 32 **Compliance issues/breach claims**

Breach claims lodged	2018/19	2019/20
Claims carried over	0	0
New claims received	2	7
Total claims	2	7
Relevant standard	0	0
Employment	1	7
Performance management	0	0
Redeployment	0	0
Termination	0	0
Grievance resolution	1	0
Handling of claims		
Withdrawn in agency	1	0
Resolved in agency	1	3
Still pending in agency	0	1
Referred to Public Sector Commission	1 ¹	3 ¹
Total claims completed	2	6

¹ No claims were upheld by the Public Sector Commission.

During 2019/20, 10 cases of non-compliance with the Commissioner's Instruction No. 7 – Code of Ethics and the DPIRD Code of Conduct were reported. Six cases were not treated as disciplinary (i.e. resulted in improvement action or no action). As at 30 June 2020, four cases had resulted in a disciplinary process being initiated under Part 5 of the *Public Sector Management Act 1994*.

Our department's activities to achieve compliance with public sector standards and ethical codes included:

- the development and implementation of a new policy and procedure for managing risks associated with acceptance of gifts, benefits and hospitality by DPIRD staff
- updating of existing policies and procedures for managing conflicts of interest and secondary employment, to provide clearer and more detailed guidance to 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 Accountable and Ethical Decision Making online training.

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

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 is continuing to amalgamate the policies, procedures and guidelines from our former agencies to consolidate them into a new OSH policy framework that effectively manages OSH risks across the broad range of activities and functions undertaken within DPIRD.

The department has a two-tier OSH committee framework to facilitate consultation with employees on OSH matters. The Strategic OSH Committee provides strategic leadership and oversight of OSH matters and this is supported by 22 workplace OSH committees, which collectively cover all departmental worksites across the State.

In 2019/20, the department coordinated an external assessment of its OSH management system against the requirements of ISO 45001 Occupational Health and Safety. This assessment was completed in June 2020 and an implementation plan for agreed actions will be finalised in 2020/21.

Our department is also commencing preparations for the anticipated passage and implementation of the *Work Health and Safety Bill 2019* in the coming financial year.

Key achievements in 2019/20 included:

- amalgamating the chemical management systems for the former departments into an integrated online system
- developing OSH resources to support the department's COVID-19 response and recovery stages, including fieldwork risk management guidelines, tools to support safe home-based work practices and a process to ensure DPIRD workplaces were modified in line with COVID-19 safety requirements
- collaborating with the DPIRD Diagnostics and Laboratory Services to safely produce hand sanitiser for internal use in response to COVID-19-related supply shortages
- refreshing the membership and operating procedures of the Strategic OSH Committee to support a greater strategic focus
- implementing new OSH procedures relating to roles and responsibilities, issue resolution, incident management and radiation hazards.

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*.

During 2019/20, 22 workers' compensation claims were recorded. This compares with 25 workers' compensation claims recorded in 2018/19.

Performance

Our performance against key indicators for occupational safety, health and injury management is outlined in Table 33.

Table 33 **Occupational safety, health and injury management performance against key indicators**

Measures	Results, targets and commentary for DPIRD				
	Results 2017/18	Results 2018/19	Results 2019/20	Targets	Comments on progress towards targets
Number of fatalities	0	0	0	0	Target achieved
Lost time injury and disease incidence rate	0.54	0.57	0.32	0 or 10% reduction in incidence rate	Target achieved
Lost time injury and disease severity rate	0%	11%	16%	0 or 10% reduction in severity rate	Target not achieved. Result largely attributable to a single claim. There were six lost time injuries with only one not returning to work within 13 weeks.
Percentage of injured workers returned to work (i) within 13 weeks	100%	89%	83%	Greater than or equal to 60%	Target achieved
Percentage of injured workers returned to work (ii) within 26 weeks	NA	100%	100%	Greater than or equal to 80%	Target achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within three years	64%	63%	64%	Greater than or equal to 80%	Target not achieved. Initiatives to improve the completion of OSH training by managers were delayed due to COVID-19. This will be an area of focus in the coming financial year.

Priority Start policy

The department does not manage any contracts in scope of the [Priority Start policy](#), as the Department of Finance is managing all our building construction, civil construction and maintenance contracts valued over \$5 million (including GST) on our behalf.

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 2019/20 was \$153,660.

Table 34 **Animal Ethics Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	Dr B Mullan	Per meeting	Jul-2019	Jun-2020	NA
Member	Dr K Kelman	Per meeting	Jul-2019	Jun-2020	\$2,573
Member	Prof I Robertson	Per meeting	Jul-2019	Jun-2020	\$2,940.00
Member	S Vanstan	Per meeting	Jul-2019	Jun-2020	\$3,307
Member	R Moore	Per meeting	Jul-2019	Jun-2020	\$1,838
Member	S Leitch	Per meeting	Jul-2019	Jun-2020	\$0
Member	G Mabury	Per meeting	Jul-2019	Jun-2020	\$2,940
Member	S Zulsdorf	Per meeting	Oct-2019	Jun-2020	\$2,940
				Total	\$16,538

Table 35 Biosecurity Council of Western Australia

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	S McKirdy	Per fortnight	Jul-2019	Jun-2020	\$27,213
Member	B Adams	Per fortnight	Apr-2020	Jun-2020	\$2,574
Member	M Allen	Per fortnight	Jul-2019	Dec-2019	\$6,986
Member	N Batten	Per fortnight	Jan-2020	Jun-2020	\$6,670
Member	D Bowran	Per fortnight	Jul-2019	Jun-2020	\$13,656
Member	R Flugge	Per fortnight	Jul-2019	Jun-2020	\$13,656
Member	J Mackenzie	Per fortnight	Jul-2019	Jun-2020	\$13,656
Member	K Pearce	Per fortnight	Jan-2020	Jun-2020	\$6,671
Member	T Thorne	Per fortnight	Jul-2019	Dec-2019	\$6,986
Member	C Winfield	Per fortnight	Jul-2019	Jun-2020	\$13,934
				Total	\$112,002

Table 36 Cockburn Sound Crab Managed Fishery and Warnboro Sound Crab Managed Fishery Voluntary Fisheries Adjustment Scheme Committee

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Donald	Per meeting	Oct-2019	Jun-2020	\$1,620
Member	C Bibra	Per meeting	Oct-2019	Jun-2020	\$700
Member	T Thorne	Per meeting	Oct-2019	Apr-2020	\$350
Member	D Carr	Per meeting	Jun-2020	Jun-2020	\$350
Member	N Moore	Per meeting	Oct-2019	Jun-2020	NA
				Total	\$3,020

Note: Remuneration is inclusive of payments made in the 2020/21 financial year from a meeting held at the end of the 2019/20 financial year.

Note: Industry Funding Schemes (IFS) committees are industry funded. Member contributions are collected by industry and these funds are managed by our department.

Table 37 **Cattle Industry Funding Scheme Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	S Meerwald	Per meeting	Jul-2019	Jun-2020	\$2,280
Member	M Allen	Per meeting	Jul-2019	Sep-2019	\$0
Member	L Craig	Per meeting	Jul-2019	Jun-2020	\$960
Member	D Dowden	Per meeting	Jul-2019	Jun-2020	\$1,180
Member	J Giumelli	Per meeting	Nov-2019	Jun-2020	\$220
Member	L McTaggart	Per meeting	Jul-2019	Jun-2020	\$0
Member	M Norton	Per meeting	Jul-2019	Jun-2020	\$1,400
Member	R Paliskis	Per meeting	Jul-2019	Jun-2020	\$0
				Total	\$6,040

Table 38 **Grains, Seed and Hay Industry Funding Scheme Management Committee**

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Day	Per meeting	Jul-2019	Jun-2020	\$1,300
Member	R Birch	Per meeting	Jul-2019	Jun-2020	\$1,350
Member	B Eastough	Per meeting	Jul-2019	Jun-2020	\$960
Member	J Foss	Per meeting	Jul-2019	Jun-2020	\$1,180
Member	D Leake	Per meeting	Jul-2019	Jun-2020	\$1,180
Member	S Tilbrook	Per meeting	Jul-2019	Jun-2020	\$860
Member	A Wilkins	Per meeting	Jul-2019	Jun-2020	\$860
				Total	\$7,690

Table 39 Sheep and Goat Industry Funding Scheme Management Committee

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	C Wass	Per meeting	Jul-2019	Jun-2020	\$2,010
Member	P Boyle	Per meeting	Jul-2019	Jun-2020	\$0
Member	G Bowen	Per meeting	Jul-2019	Jun-2020	\$980
Member	M Donaldson	Per meeting	Jul-2019	Jun-2020	\$1,180
Member	K Pearce	Per meeting	Jul-2019	Jun-2020	\$1,300
Member	K Smith	Per meeting	Jul-2019	Jun-2020	\$1,500
Member	J Sullivan	Per meeting	Jul-2019	Jun-2020	\$1,400
				Total	\$8,370

The following committees did not convene during the year.

Table 40 Industry Funding Scheme Appointments Committee

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	I Longson	Per meeting	Jul-2019	Jun-2020	\$0
Member	C Bowen	Per meeting	Jul-2019	Jun-2020	\$0
Member	E Brennan	Per meeting	Jul-2019	Jun-2020	\$0
Member	A Seabrook	Per meeting	Jul-2019	Jun-2020	\$0
Member	A York	Per meeting	Jul-2019	Jun-2020	\$0
				Total	\$0

Table 41 Industry Funding Scheme Review Panel¹

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	H Cowan	Per meeting	Sep-2019	Jun-2020	\$0
Member	R Gillam	Per meeting	Sep-2019	Jun-2020	\$0
Member	S Woods	Per meeting	Sep-2019	Jun-2020	\$0
				Total	\$0

¹ Amalgamating the three IFS Review Panels into a single panel will deliver administrative efficiencies and is in accord with the Government's review of boards and committees.

Table 42 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-2019	Jun-2020	\$0
Member	K Webber	Per meeting	Jul-2019	Jun-2020	\$0
Member	K Tocas	Per meeting	Jul-2019	Jun-2020	\$0
Member	N Moore	Per meeting	Jul-2019	Jun-2020	NA
				Total	\$0

Table 43 Abalone Managed Fishery (Ocean Reef Marina) Voluntary Fisheries Adjustment Scheme Committee

Position	Name	Type of remuneration	Period of membership		Gross remuneration
			From	To	
Chair	R Donald	Per meeting	Jul-2019	Jun-2020	\$0
Member	K Webber	Per meeting	Jul-2019	Jun-2020	\$0
Member	K Tocas	Per meeting	Jul-2019	Jun-2020	\$0
Member	N Moore	Per meeting	Jul-2019	Jun-2020	NA
				Total	\$0

Appendices



Appendix 1: Statement from the Commissioner of Soil and Land Conservation

A report on the Commissioner's operations for 2019/20 is submitted in accordance with Section 25 F of the *Soil and Land Conservation Act 1945* (the SLC 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 (see references). The Commissioner has continued to assist in implementing the Government response to these audit reports.

DPIRD, in partnership with Department of Planning Lands and Heritage (DPLH), has completed development of a contemporary risk-based *Framework for Sustainable Pastoral Management (2019)*, which has now been formally noted by Government.

It is a key part of the Government's Pastoral Lands Reform Initiative to respond to the Office of the Auditor General (OAG) report on the rangelands.

To implement the framework, a three-year land monitoring and compliance project has begun to:

- develop robust regional land condition standards to explicitly define levels of land condition that separate acceptable from unacceptable performance to enable consistent and objective assessment of the condition status of each pastoral lease
- review contemporary land monitoring techniques and practices (especially the use of satellite and other remote-based techniques) to inform development of cost-effective monitoring approaches for each region and determination of most appropriate systems for annual and periodic inspections.

DPIRD has also acted on key OAG salinity management recommendations. It has:

- supported the re-establishment of the Soil and Land Conservation Council (SLCC) with a mandate to provide advice to the Minister
- commissioned the reassessment of the extent of dryland salinity in the south west agricultural region through a joint research project with CSIRO to be completed in 2021
- increased the effort in monitoring and assessing groundwater levels to enable an updated risk assessment to be undertaken in 2021
- updated the DPIRD website to increase content and make salinity management information more accessible

- partnered with the Gillami Centre and the State NRM-funded project (CSGL18016) 'Regenerative Farming Systems for Saline Lands in WA', to re-establish the Saltland Genie information on the DPIRD website and provide technical expertise at saltland agronomy training workshops
- commenced research into groundwater desalination to provide drought-resilient water supplies for agriculture and make productive use of the elevated water tables that have arisen due to clearing.

Soil and Land Conservation Council

In October 2019, the Government approved the re-establishment of the Soil and Land Conservation Council (SLCC) as prescribed under the *Soil and Land Conservation Act 1945* (SLC Act) (Figure A1). The SLCC advises the Minister for Agriculture and Food and the Commissioner of Soil and Land Conservation on policy, management and conservation of Western Australia's soil and land resources. The SLCC has met four times, receiving updates on the status of soil and land resources across the entire State, including agricultural and pastoral lands, and on Government's responses to the Auditor General reports on rangeland management (2017) and dryland salinity (2018).

Under Ministerial direction SLCC has taken responsibility for delivering a State Soil Health Strategy to be finalised by early December 2020. Using a discussion paper, the SLCC has engaged industry and other stakeholders through focus group sessions, an online survey and direct submissions to inform the draft strategy.

The proposed 10-year strategy will state a vision, principles, objectives and key actions that are inclusive of all interests and clarify responsibilities under the SLC Act. DPIRD, as the operational agency for the SLC Act, will complete an operational plan for strategy implementation. The SLCC suggests that a statewide strategy should provide direction for research, development, extension, and monitoring activities that support ongoing improvements in soil health in terms of soil function and ecosystem services. The proposed strategy should support industry, communities and government to better value soil assets as an essential element of the natural capital of WA.

Membership



Figure A1 Soil and Land Conservation Council October 2019 (left to right): Dr Lynne Johnston, Natarsha Woods, Bob Nixon, Andrew Watson (Commissioner), Dylan Copeland, Dr Hayley Norman (Deputy Chair), Dr Richard George, Kevin Goss (Chair), Adam Maskey, Doug Morgan and Renata Paliskis

Compliance and regulation

Land clearing assessments

Forty-one clearing applications and purpose permit applications were assessed for land degradation, with advice provided to the Department of Water and Environmental Regulation (DWER) for agriculture-purpose clearing or to other agencies for mining-related and infrastructure development.

Compliance

The Commissioner registered and investigated 15 complaints during the year, with 10 related to drainage and five to erosion. At 30 June 2020, three drainage complaints are pending and two erosion matters require further monitoring of compliance with directions given.

Woodchip permits

No woodchip permits were issued.

Agreements to reserve and conservation covenants

During the year, three (3) conservation covenants and one (1) Agreement to Reserve, protecting 16.2ha in perpetuity were negotiated with the memorials registered on the certificates of title. Two (2) Agreements to Reserve and one (1) Conservation Covenant are pending finalisation and lodgement at Landgate. Four (4) memorials were discharged. A total of 1827 instruments under the Act remain registered on certificates of title, protecting 161,539ha of native and planted vegetation.

Soil conservation notices

During the 2019/20 year, two soil conservation notices were issued to pastoral stations and one on a small holding in the south west agricultural region. There was one prosecution for breach of notice. 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 2019/20, eight (8) landholders submitted Notices of Intention to Drain or Pump (NOID) for drainage works. All eight were issued letters of 'no objection' to the proposed works.

Pre-NOID inspections to assist farmers with problem definition and possible treatment options for waterlogging and salinity were carried out on 10 properties in the Great Southern and south-eastern Wheatbelt.

Land Conservation District Committees (LCDCs)

LCDCs are statutory committees created under Part III A of the SLC Act to manage projects and promote practices that mitigate or prevent land degradation. At the year's close, there were 271 gazetted members of 21 LCDCs active in the agricultural and rangeland regions of the State. There are 132 inactive committees.

Land use planning

Local government and DPLH refer 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 type and number of referrals received, which gives some insight into rural industry investment and generalised trends occurring in rural and regional WA.

In 2019/20, the department responded to 249 planning referrals. The most common referrals were local planning schemes, rezoning amendments to local planning schemes and applications to reconfigure or subdivide rural land. The department responded to a wide variety of referrals for rural development including for extractive industries; infrastructure development; intensive livestock proposals such as egg production, piggeries and livestock feedlots; stocking rates for rural small holdings; and irrigated agriculture. The department also provided advice on proposals for land tenure change to the DPLH.

In 2019/20, the department was consulted by the DPLH on the review of WA's water-related State planning policies and was represented on the State agency reference group on planning reform.

The department has 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 Administration 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.

Desalination

Seasonal conditions in 2018 and 2019 saw large parts of the Agricultural area with well below average rainfalls, many decile 1-3, and 12 areas drought declared. The largest number of these were in the south-eastern Wheatbelt.

As a result of low rainfall-runoff, conventional dams, and many with enhanced catchments, failed to derive adequate water. For many, the remaining supplies were of a poor quality and too saline for livestock and cropping use. At least 20 farmers we are aware of have purchased small (<10 kL/day) to medium (up to 100 kL/day) sized reverse osmosis desalinators that have been coupled to bores drilled into weathered zone aquifers on the Yilgarn Block, largely in unproclaimed groundwater areas. These units were supplied from five (5) Perth-based companies.

In 2019/20, the Commissioner received nine (9) applications of NOIDs for the disposal of saline water from these desalination units. The Commissioner has assessed and given no-objection to six (6) proposals and three (3) are under consideration.

Consideration of the discharge of saline water (at least 50% of that pumped) has created a greater need to assess disposal options, which include a newly promoted option of rejecting brines back to the aquifer, and more standard use of evaporation dams/basins, disposal to saline playas and discharge to ephemeral drainages. The latter have been assessed previously by the Commissioner and DWER when subject of deep open drain NOIDs.

To meet the demands for knowledge of the fate of reject water from desalination plants, DPIRD has commenced four (4) trials at locations near Katanning, Newdegate, Burracoppin and York.

The Commissioner seeks the advice of DWER, the Department of Biodiversity, Conservation and Attractions (DBCA), LCDCs and local governments on proposals to discharge groundwater and will further consult with these authorities to improve the alignment of the DPIRD and DWER assessment process.

DPIRD expects significant growth in the adoption of farm- to small community-scaled desalination in the next three-to-five years across WA.

Regenerative agriculture

Regenerative agriculture is an approach to farming that uses natural systems to increase biological activity, rejuvenate soil health, improve nutrient cycling, restore landscape function and produce food and fibre while maintaining or improving farm profitability. The approach is guided by a series of principles and proponents use a wide range of practices that integrate biological and ecological systems to drive production and restore landscape function. There is growing interest in regenerative agriculture and strong social movements have grown around this approach to farming.

DPIRD is undertaking long-term research to investigate the impact of regenerative agriculture on soil health, farm production and the long-term economic benefits of using this approach. DPIRD is also documenting a series of case studies to share experiences and lessons learnt between farmers and will also monitor long-term trends in soil health on selected case study farms.

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

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 was rated as 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 (GVAP) (Bennett, A. pers. comm., Oct 2015; Peterson, E 2015). In 2019/20, the amount of lime applied in the south west of Western Australia was 688,000 tonnes (Lime WA pers. Comm., July 2020). This is a decrease of 34% compared to the annual average of the previous six years. The figure does not include lime from suppliers who are not Lime WA members or on-farm lime sources used by farmers.

The overall decrease in lime applied may be partly attributed to the impact of COVID-19 restrictions and decreased profitability in 2019 leading to decreased cash flow, but also to an increasing focus by farmers on using some form of tillage (deep ripping to remove compaction or spading/ploughing to manage water repellence) to ameliorate soil constraints. Tillage often has the additional benefit of mixing and incorporation of previously applied lime into the subsurface soil.

Dryland salinity

Dryland salinity occurs as the result of shallow water tables. DPIRD monitors and assesses dryland salinity using satellite (Landsat) remote sensing and groundwater level trends calculated from regular measurements of a network of surveillance bores located across the agricultural area.

When the last assessment of salinity extent was carried out in 1998, more than one million hectares of farmland was classified as salt-affected. An additional 2.8m hectares of land was classified as being low-lying or having a 'valley hazard' with a risk of developing a shallow saline water table in the future if past rising trends in groundwater levels continued.

The economic impact to agriculture for the period 2009–13 was estimated to be \$519m per annum or 7% of GVAP (Bennett, A. 2015), while off-site costs (water, biodiversity, infrastructure) are estimated to be larger.

Analysis of groundwater level trends in 2019/20 has confirmed that rising trends still dominate hydrozones previously (Simons, George and Raper 2013) assessed as having a high risk of further salinity expansion; namely Dandaragan plateau, East Binu sandplain, Arrowsmith (east of the Gingin scarp), Esperance Sandplain and SW Zone of Ancient Drainage.

In the Western and Eastern Darling Range, Warren-Denmark, Northampton Block and parts of the Southern and Northern Zones of Rejuvenated Drainage hydrozones, where decadal trends in reduced annual rainfall have occurred, groundwater levels have commenced falling, or the numbers of bores with stable trends have increased.

In addition to the longer-term trends, episodic events occur and cause perturbation to these trends. In 2017, a sequence of tropical lows delivered 100–200mm of summer rainfall across many hydrozones in the central and southern parts of the Wheatbelt. As a result, we are observing increases in groundwater levels and some landholders have reported an increase in the area of salinity.

In most cases, areas that retain increased groundwater trends are those with a legacy of previous clearing, especially if cleared since the 1960s. Where reduced rainfalls have occurred, especially of 20–30%, and in dissected landscapes, watertables are either stable or falling (McFarlane et al 2020).

The observed rainfall reduction, especially since 2000, is enhancing the localised impact of salinity management treatments (e.g. trees and saltbush) on groundwater levels.

Transient salinity

Transient salinity occurs when soil factors such as sodicity and alkalinity cause dispersion of clays and salt-induced drought in crops. With the support of the GRDC, DPIRD has conducted research in 2019 suggesting that there may be ways of increasing grain yields on soils affected by transient salinity.

The benefits of gypsum at low rates has been observed and is likely to be due to the combination of an ‘electrolyte effect’ allowing water and salt to penetrate further into the soil profile, and a calcium nutritional benefit allowing roots to penetrate deeper into saline soil. The benefits are likely to be greater in dry than wet growing seasons. Research in this area is ongoing.

Soil erosion

Soil erosion occurs when episodic wind and rainfall events impact land where groundcover has been reduced to critical levels of less than 50% cover for wind erosion and 70% for water erosion (Figure A2). Appropriate land management that maintains groundcover above these thresholds is required to prevent erosion during extreme weather. Changing climate also plays a role in increasing erosion hazard. Climate change has increased the frequency of extreme wind and rainfall events.

A decline in rainfall over the traditional break and during the growing season reduces crop and pasture growth in the critical autumn and early winter period of low cover. Interpreting satellite imagery is the primary means by which groundcover is assessed. In 2019/20, the imagery interpreted was changed from MODIS to Landsat. This increased the spatial resolution from 500x500-metre pixels to 25x25-metre pixels. The interpretation was conducted on autumn 2019 and autumn 2020 satellite data to provide a common reference base for the figures reported below.

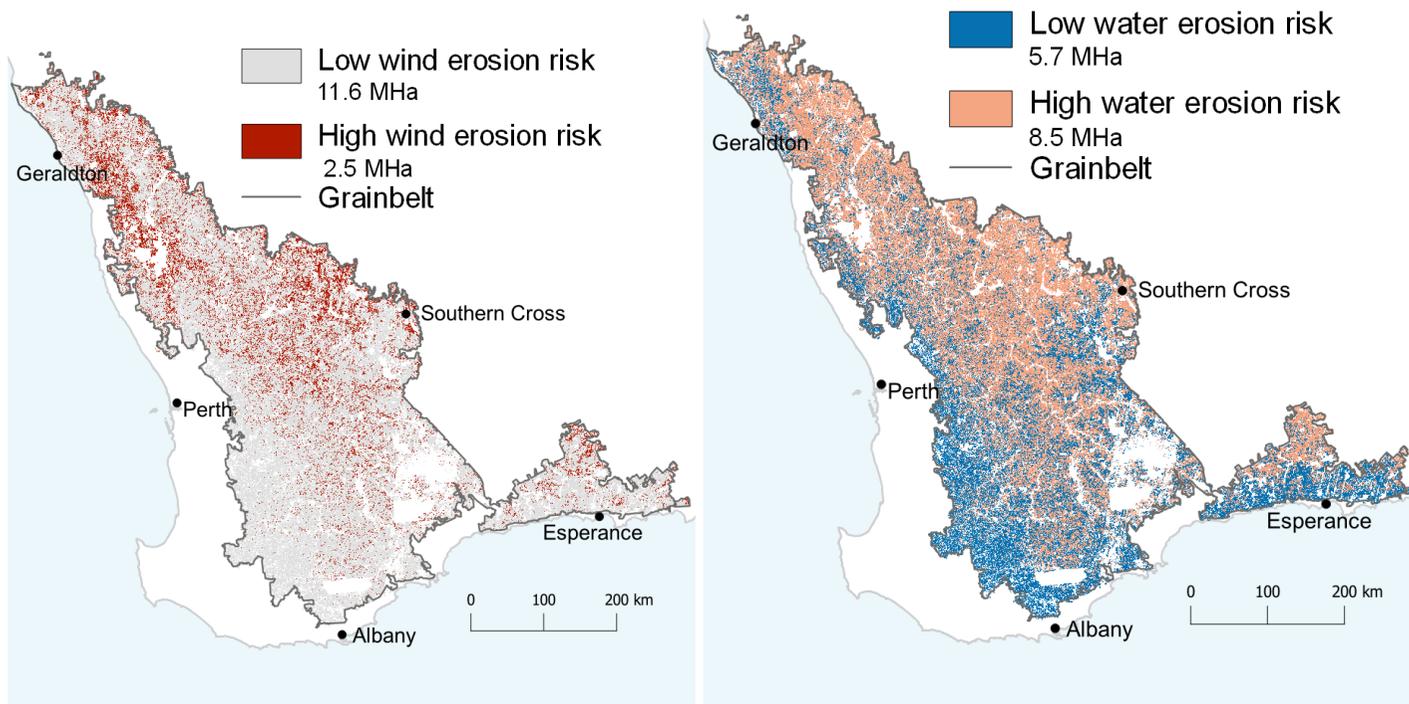


Figure A2 Landsat satellite-derived composite total vegetation cover above and below the critical thresholds of 50% (wind) and 70% (water) for autumn 2020. Masked to southwest agricultural land in WA's grainbelt

Imagery source: AusCover (2020)

Wind erosion

Much of the south-west agricultural area is in the midst of a serious to severe 36-month rainfall deficiency and the autumn seasonal break was ill-defined in 2020. Paddock management techniques that exacerbate erosion hazard have increased in prevalence and include soil inversion, dry seeding and maintaining high stocking rates.

This inappropriate management was not universal; many farmers were able to retain sufficient ground cover to avoid wind erosion. Less stubble burning occurred in 2020 because the fire ban season was extended and stubble density was lower after the dry 2019 season.

Numerous wind erosion events occurred from October 2019 and continued into May 2020, mostly on properties conducting inappropriate management. Severe and widespread wind erosion occurred with the passage of ex-Tropical Cyclone Mangga in late May 2020.

DPIRD assesses the resilience of the farming landscape to wind erosion by analysing groundcover over autumn using satellite imagery. The proportion of farmland at risk increased from 12.2% in 2019 to 17.7% in 2020. This trend is concerning and is far above the DPIRD target of not more than 5% of farmland at risk of wind erosion.

Water erosion

Heavy rainfall events occurred in June 2019 and February 2020. No significant water erosion was documented because routine monitoring does not occur.

However, satellite analysis identified that, by autumn 2020, 60% of the south-west arable land had less than 70% ground cover and would be susceptible to water erosion during rainfall events of extreme intensity and/or duration.

Eutrophication of 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 2019/20, 2442 soil samples were collected from farm paddocks under the Regional Estuaries Initiative and Revitalising Geographe Waterways project in the Peel, Leschenault, Lower Blackwood, Vasse Geographe, Scott River, Oyster Harbour and Wilson Inlet catchments. Of these, 66% of samples had soil phosphorus concentrations in excess of pasture growth requirements and 86% 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 22,100 soil samples have been collected from 934 farms covering 248,000ha.

The cost of unnecessary phosphorus application in the south west agricultural region was estimated at \$400 million per annum (Weaver and Summers 2013).

DPIRD have recently published an article on soil amendment and soil testing as nutrient reduction strategies for the Peel Integrated Water Initiative (Summers et.al. 2020).

Pastoral Rangelands

WA's rangelands cover 87% of the State, with pastoral leases covering about 35% (857,800km²) and Unallocated Crown Lands (UCL) plus land vested for conservation and Indigenous purposes making up the balance. Following the 2015 lease renewal process, there are 435 registered pastoral stations on 490 pastoral leases. There are 152 stations in the northern rangelands with 92 in the Kimberley and 60 in the Pilbara, while 283 stations are located in the southern rangelands (shrublands).

Diversification permits

During 2019/20, DPIRD provided advice to DPLH on one diversification permit and other matters as required.

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.

In 2019/20, 11 Range Condition Assessments (RCA) were undertaken on behalf of the Commissioner. This information was provided to the Pastoral Lands Board (PLB) and DPLH to assist with oversight and management of pastoral leases.

The Western Australian Rangeland Monitoring System (WARMS) was established between 1993 and 1999 to monitor rangeland condition trend at a regional scale. There are 1612 sites – 629 grassland sites and 983 shrubland sites. Grassland sites are assessed on a three-yearly cycle and shrubland sites are assessed every six years.

In 2019, 465 sites were assessed on 124 stations in the Kimberley, Pilbara and shrublands Land Conservation Districts (LCDs).

The assessment indicated that the average frequency of desirable perennial grasses was stable (-1.5%) in the Kimberley (based on 214 sites assessed to date) and decreased by 3% south of the Kimberley (for the 155 sites assessed to date). The largest declines were in the Halls Creek-East Kimberley (-4%), De Grey (-4%) and Roeboune-Port Hedland (-4%) LCDs.

Analysis of the shrubland sites indicates that the density of desirable shrubs decreased 6% since 2010–15. Increases of 5–10% were observed in three LCDs and declines in eight LCDs (with large declines over 25% in Cue, Gascoyne-Wooramel, Murchison and Sandstone LCDs).

In the same period, the average density of undesirable and intermediate shrub species on WARMS sites assessed also increased by 30% and 9% respectively. The increase in undesirable shrub density was most notable in Wiluna and Kalgoorlie LCDs with 126% and 55% respectively.

Since monitoring began in 1994 (for this subset of sites) the density of desirable shrubs has decreased 20%, while undesirable shrubs increased 37% and intermediates 15%. The largest increases in undesirables were observed in the Wiluna (+156%) and Kalgoorlie (+118%) LCDs.

Seasonal conditions

Seasonal quality is an estimate of the effectiveness of the rainfall received at WARMS sites.

The 2019/20 seasonal conditions were generally average or below average in the Kimberley (Table A1). The average summer rainfall was below the long-term average in all LCDs (91% of long term; 503mm), which was slightly higher than the average summer rainfall in 2018/19. Summer rainfall was lowest in the Broome LCD (390mm, long-term average 470mm) and highest in the North Kimberley LCD (686mm, long-term average 792mm).

In the Pilbara, 69% of sites were average or below average. Summer rainfall was variable, ranging from high rainfall in the East Pilbara LCD (280mm, long-term average 196mm) to the lowest in the Ashburton LCD (113mm, long-term average 176mm).

Rainfall in the Pilbara is highly variable and the long-term average summer rainfall is about a third of that received in the Kimberley.

Rainfall in the arid southern shrublands is also highly variable. In 2019, 71% of WARMS sites were below average, following on from 2017 and 2018 when 76% and 60% of sites respectively were below average. In 2016, 94% of WARMS sites were above average or average. In 2019, the average winter rainfall across the region was 78mm (69% of the long-term average of 114mm).

Table A1 **Seasonal quality* by region for WARMS sites in 2019/20**

Region	Above average (%)	Average (%)	Below average (%)
Kimberley	4	82	14
Pilbara	31	42	27
Southern	1	28	71

*Seasonal quality is estimated from the long-term average and seasonality of rainfall received.

In December 2019 the *Status of the Western Australian pastoral rangelands 2019 Condition, trend and risk* report was prepared for the Pastoral Lands Board to satisfy the Commissioner's obligation under section 137 (2) of the *Land Administration Act 1997*.

<https://www.agric.wa.gov.au/rangelands/pastoral-rangeland-condition-and-trend-annual-reports>

In 2020, DPIRD commenced providing fortnightly normalised difference vegetation index (NDVI) graphs at a station scale to enable managers to compare the current season with previous seasons and assist in station management decisions. This information is available through the DPIRD website: <https://www.agric.wa.gov.au/rangelands/pastoral-monitoring-%E2%80%93-lease-level-ndvi-2020>

Remote Sensing Monitoring System for WA pastoral rangelands

DPIRD is developing a monitoring system for tracking landscape condition across WA's pastoral leases. This system will give timely warnings to help land managers prevent land degradation, and trigger state agencies to act when conditions worsen, to help protect WA's natural resources.

This work combines field observations of landscape type and condition with a 30-year time series of Landsat imagery to map changes in vegetation condition (Figure A3 – A). For decades DPIRD has conducted on-ground field inspections to observe and report on land condition, but resources for these activities are becoming increasingly limited, and field inspections have never been adequate to capture changes occurring over the huge areas of pastoral leases in WA.

Coarse-scale remote sensing imagery has been used for regional summaries of vegetation dynamics, and has documented significant environmental degradation in the rangelands; but these regional summaries do not supply sufficient detail of condition within pastoral leases to assist with on-ground decision making or compliance enforcement.

The new system in development will use Landsat satellite imagery to track changes in resource condition over all leases at regular time intervals (Figure A3 – B and C), and at a spatial resolution relevant for compliance and management (25 x 25-metre pixels).

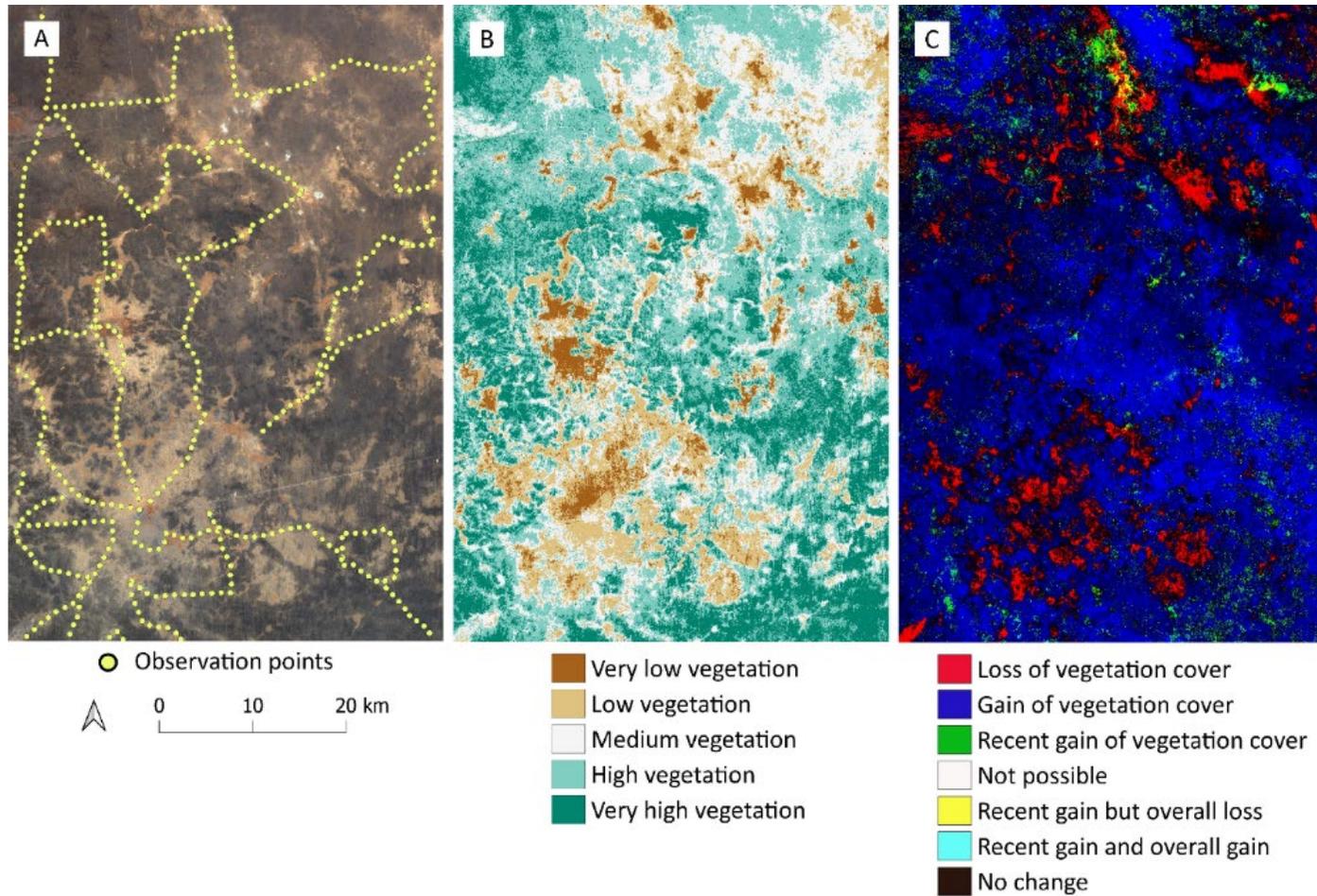


Figure A3 **Monitoring vegetation in the rangelands. A) field observation points overlaid on a Landsat satellite image (25-m pixels, Bands 3,2,1 in Red, Green, Blue); B) Land-Monitor vegetation index for October 2019; C) 15-year time series of October images, showing trends in the vegetation index**

Glen Wheaton
 Deputy Commissioner of Soil and Land Conservation

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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.

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: 490t (TARC)	Commercial: 6400t Recreational: 380-510t	Acceptable Commercial: Catch within TACC plus 1.5% water loss i.e. 6400t 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: 65t (Q) (530–640 days) Recreational: 18–22t Perth metro area	Commercial: 47t (420 days) Recreational: 24–28t 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 above the acceptable range due to larger size of abalone taken, favourable weather conditions and a recovering 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
Statewide Cephalopod	Octopus Interim Managed Fishery	Annual: Level 2	Sustainable: Adequate	Commercial: 200–500t Recreational: Not developed	Commercial: 453t 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: 796t	Acceptable Commercial: Catch within acceptable range. Recruitment in the Abrolhos Islands continued to be more widespread.
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 2019 recruitment and egg production remained 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: 66t (Peel Harvey crab) 121t (Peel Harvey finfish) 35t (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: 253t (Nearshore fisheries, total finfish) Recreational: 49-64t (95% CI, boat only in 17/18, 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.
Statewide Small Pelagic Scalefish (Purse Seine)	West Coast Purse Seine Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 0–5700t (Q) Recreational: NA	Commercial: 527t (all species) Recreational: <1t	Acceptable Commercial: Catch was below 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
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: 270t Recreational: 210–253t (95% CI, private boats in 17/18, top 15 species; 2017/18); charter 51t (2018/19)	Commercial: Acceptable Commercial: Demersal suite catch within range. Recreational: Not acceptable Recreational: Snapper and Baldchin groper catches were above recovery benchmarks. WA dhufish catches were at or above benchmarks.
Gascoyne Coast Bioregion						
Shark Bay Invertebrate	Shark Bay Prawn Managed Fishery (MSC)	Annual: Level 4	Sustainable: Adequate	Commercial: 1350–2150t Recreational: NA	Commercial: 1214t	Acceptable Commercial: Brown tiger and western king prawn catches below the acceptable range due to lower recruitment levels. Additional management measures were implemented within the season to protect breeding 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 Invertebrates	Exmouth Gulf Prawn Managed Fishery (MSC)	Annual: Level 4	Sustainable: Adequate	Commercial: 471–1250t Recreational: NA	Commercial: 821t	Acceptable Commercial: All species were within their acceptable catch ranges.
Shark Bay Invertebrate	Shark Bay Scallop Managed Fishery	Annual: Level 4	Sustainable: Denham Sound: adequate Northern Shark Bay: inadequate	Commercial: Quota 1750t Recreational: NA	Commercial: 657t to end of December	Acceptable Quota season extended to 30 April. Commercial: Catch achieved to end of February from Denham Sound is estimated to be 1370t and that >90% of the total will be achieved. Northern Shark Bay closed to fishing due to recruitment below limit reference level. The reasons for this continues to be investigated.

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: 529t Recreational: 1–2t (95% CI, boat only in 17/18)	Acceptable Commercial: Catch within acceptable range. Spawning and recruitment levels have further increased 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	Sustainable: Adequate	Commercial: 235–335t Recreational: NA	Commercial: 175t	Acceptable Commercial: Catch below the acceptable range due to ongoing low levels of effort.

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: Class A: 154t (Q); Class B: 20t (Q); Class C: 1t (Q); 60,000–105,000 pot lifts Recreational: NA	Commercial: 155.7t Class A: 153t Class B: 2.2t; Class C: 0.2t (86,000 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 33.2t Other demersals 139t Recreational: 82–110t (95% CI, boat only in 17/18, top 10 species)	Snapper: Acceptable Other demersals: Acceptable Snapper spawning biomass was 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: 1t Charter: <1.t EG, 3.8t DS, 2.7t 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, assumed same as in 2018)	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	Commercial: <60t	Acceptable Commercial: Low effort by one boat in 2019.
Northern Invertebrates	Nickol Bay Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 90–300t Recreational: NA	Commercial: 254t	Acceptable Commercial: Catch within acceptable range. Banana prawn catches higher than predicted.

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 2019.
Northern Invertebrates	Kimberley Prawn Managed Fishery	Annual: Level 1	Sustainable: Adequate	Commercial: 240–500t Recreational: NA	Commercial: 100t	Acceptable Commercial: Banana prawn catch well below acceptable and predicted range. Low effort in 2019.
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: 47t (barramundi) 73t (total) Recreational: 15–26t (95% CI, boat only in 17/18, top 10 species)	Acceptable Commercial: Catch is above the acceptable range. The level of catch is lower than previous years, and 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: 1507t (total) 602t (goldband snapper – not including other jobfish) 192t (red emperor) Recreational: 63–88t (95% CI, boat only in 17/18, top 10 species)	Acceptable Commercial: Goldband snapper and red emperor catches are above their catch ranges. Catches will be monitored closely in 2020. 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.

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 Fish Trawl (Interim) Managed Fishery	Annual: Level 2, 3 Periodic: Level 5 – Underway	Sustainable: Adequate	Commercial: Sustainable (catch range review is ongoing as catches continue to increase following recent stock recovery) Recreational: NA	Commercial: 2142t	Acceptable Commercial: Catches are increasing as the demersal scalefish assemblage in the Pilbara region recovers following effort reductions.
Northern Demersal Scalefish	Pilbara Demersal Trap Managed Fishery and Pilbara Line 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: 751t (trap) 148t (line)	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
Statewide Large Pelagic Scalefish	Mackerel Managed Fishery	Annual: Level 2	Sustainable: Adequate	Commercial: 246–410t (Q, Spanish Mackerel) Recreational: Not formal	Commercial: 291t Recreational: 87–121t (95% CI, boat only in 17/18, top 10 species)	Acceptable Commercial: The Spanish mackerel catch is within tolerance range due to increased effort in 2019. Nominal catch rates declined in each area. Recreational: Catch levels are not considered a risk to stocks.
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 694,640 oysters (Q) (14,071–20,551 dive hours) Recreational: NA	Commercial: 611,816 oysters (14,022 dive hours)	Acceptable Commercial: Catch below quota as MOP component was not fully utilised. Catch rates increased from 2018 to 2019. Abundance predicted to increase slightly in 2020.

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 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): 2t Redfish: 5t	Acceptable Commercial: Catches within acceptable ranges. Limited fishing due to due to planned rotational harvest schedule by industry.
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: 23t (southern rock lobster)	Not Acceptable Commercial: Catch below acceptable range. Southern rock lobster stock indicator is below in Zone 3 (Esperance) and above the threshold reference level Zone 4 (Bight). Both indicators are above the limit reference level. 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
Statewide Abalone	Abalone (Greenlip/Brownlip) Managed Fishery (MSC)	Annual: Level 3	Inadequate	Commercial: 62t (Q) (3440–5270 hours) Recreational: Not formal	Commercial: 50t (1970 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 open regions of Area 3. TACC reduced to 54t and spatial closures in Area 3 for the 2020 season (Greenlip abalone TACC at 22% of long-term 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
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: 213t (South Coast estuaries, total fish and crabs) 76t (South Coast nearshore, total fish and crabs) Recreational: finfish 17–35t (95% CI, boat only in 17/18, top 10 species)	NA Commercial: Wilson Inlet Cobbler catch under review. 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: 656t	Acceptable Commercial: Catch below conservatively set quota.
Statewide Small Pelagic Scalefish (Purse Seine)	Bremer Bay and Esperance Purse Seine	Annual: Level 1	Sustainable: Adequate	Commercial: 3000t (Q) Combined Recreational: NA	Commercial: 407t	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
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: 712t (key species only) 838t (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: 224t Recreational: 59–77t (95% CI, boat only in 17/18, top 10 species)	Acceptable Current commercial and recreational catch levels are at acceptable levels.
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: 69t	Acceptable Commercial: Catch is below acceptable level due to reduced effort.

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
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)	66,619 marron (± 4,972se) 89,174 fish (±7751se)	Acceptable Catch within acceptable range since 2003. Review of acceptable catch ranges is required.

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 2020, the following items were recorded on the State Register:

- 152,111 recreational fishing licences of 219,896 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)
- 14 aquaculture leases
- 421 aquaculture licences
- 6005 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	122,559
Rock lobster	50,210
Abalone	15,958
Marron	9,813
Net fishing	13,616
South West freshwater angling	7,740
Total	219,896

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 West 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	12
Nicol Bay Prawn	14
Northern Demersal Scalefish	15
Onslow Prawn	30
Pilbara Crab	1
Pilbara Trap	6
Shark Bay Beach Seine	10
Shark Bay Crab	32
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 Coast Salmon	5
South West Trawl	8
Southern Demersal Gillnet and Demersal Longline	50
Specimen Shell	30
Warnbro Sound Crab	1
West Coast Beach Bait	1
West Coast Deep Sea Crustacean	7
West Coast Estuarine	9
West Coast Purse Seine	12
West Coast Rock Lobster	677
Total	1,426

Table A6 **Other licences**

Licences	Number of licences
Carrier Boat Licence	34
Commercial Fishing Licence	2,228
Fish Processing Licence (land based)	107
Fish Processing Licence (sea based)	84
Fishing Boat Licence	1,284
Fishing Tour Operators Licence	207
Restricted Fishing Tour Licence	21
Permit to Construct a Fish Processing Establishment (land and sea based)	492
Total	4,457

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	481
Notation, removal and variation of a security interest	95
Total	576

Table A8 **State register of exemptions 2019/20**

Note: this register refers to additional schedules, tables and figures that are not provided in this document.

Exemption No.	Expiry	Holder	Purpose
3310	21/07/2021	David Morgan of Murdoch University	Collection, tag and transport of freshwater sawfish (<i>Pristis pristis</i>) from Blina Creek, Liveringa Station and Uralla Creek
3311	30/06/2020	Officers of the Department of Primary Industries and Regional Development	For the purposes of enabling the personnel of the department to undertake research and conservation projects for the sustainable management and development of the State's fish resources and the protection of fish habitats.
3312	30/06/2020	Officers of the Department of Biodiversity, Conservation and Attractions (DBCA)	For the purposes of enabling the personnel of the DBCA to undertake research and monitoring projects to support adaptive management of the State's marine parks and reserves and aquatic environment, and to conserve marine fauna across WA.
3313	31/07/2022	Jennifer Kelley of The University of Western Australia (UWA)	Collection of western rainbowfish (<i>Melanotaenia australis</i>) from various locations throughout the Pilbara, focusing on the Fortescue River catchment, see Table 1, and transport them to UWA
3314	30/09/2019	The nominated master of authorised boat, LFB F222 'Illusion', operating under Managed Fishery License WCLL1501	To be in possession of and to operate one experimental design pot (modified pot) as shown in Attachment 1, in the waters of the West Coast Rock Lobster Managed Fishery Management Plan 2012.
3315	17/07/2019	Mike Van Keulen of Murdoch University	Collection of macroalgae and benthic invertebrates from Ningaloo Marine Park.
3316	1/09/2019	Persons fishing for a recreational purpose	To allow fishing for freshwater fish without holding a current Freshwater Angling Licence.
3317	31/12/2019	Maarten De Brauwer of Curtin University	Collection of seahorses (<i>Hippocampus tuberculatus</i> – cf <i>breviceps</i>) from sites as per Table 1.

Exemption No.	Expiry	Holder	Purpose
3318	20/05/2020	Lilian Mackintosh of Murdoch University	Collection of odonates and larvae from locations as listed in Table 1.
3319	30/12/2019	J Samulkiewicz	To be in possession of, and operate according to written instructions from DPIRD staff, eight rock lobster batten pots without escape gaps, in addition to their unit holdings.
3320	30/07/2020	Stephen Beatty of Murdoch University	Collection of Carter's Freshwater Mussel (<i>Westralunio carteri</i>) from Yule Brook, between Albany Highway and the Canning River.
3321	31/05/2022	Thomas Wernberg of UWA	Collection of algae, seaweed, invertebrates and fish from locations between Esperance and Exmouth, extending out to the Abrolhos Islands, as per Table 2.
3322	30/06/2022	Commercial Fishing Licence Holders as listed in Schedule 1	To take land hermit crabs (<i>Coenobita variabilis</i>) for a commercial purpose.
3323	31/07/2022	Rat Island Coral Aquaculture Pty Ltd	To enable Rat Island Coral Aquaculture Pty Ltd to collect broodstock for aquaculture purposes.
3324	12/02/2020	Cockburn Sound Line and Pot Managed Fishery Licence Holders (Min. 800 units)	Fishing for octopus by way of baited active traps.
3325	30/09/2019	The nominated master of authorised boat, LFB F222 'Illusion', operating under Managed Fishery License WCLL1501 of DPIRD	To be in possession of and to operate five experimental design pots (modified pots) as shown in Attachment 1, and five experimental design pots as shown in Attachment 2, in the waters of the West Coast Rock Lobster Managed Fishery Management Plan 2012.
3326	1/11/2019	Dr Jane Chambers of Murdoch University	Collection of aquatic invertebrates and aquatic fringing vegetation from a variety of urban wetlands in the Perth, Mandurah and Bunbury metropolitan regions.

Exemption No.	Expiry	Holder	Purpose
3327	31/12/2021	DPIRD (West Coast Purse Seine Managed Fishery Licences as listed in Schedule 1)	To trial nets with smaller mesh size to reduce mortality of incidental bycatch.
3328	30/08/2020	Drew Wassman, while using the licensed fishing boat with the registration LFB G124 of DPIRD	To be in possession of, and set in the waters of the West Coast Deep Sea Crustacean Fishery, according to instructions from Fisheries Science and Resource Assessment staff, from a maximum of 60 modified fish traps, without escape gaps, on up to a maximum of six lines.
3329	31/12/2019	Geraldton Fishermen's Cooperative Limited	To enable the receipt, processing and sale of deep sea crustaceans.
3330	12/02/2020	Persons Fishing Under Authority of OCT 2838, 2840, 2850, 2852 and 2853	Fishing for octopus by way of baited active traps.
3331	7/08/2019	Paul Lavery of Edith Cowan University	Collection of seagrass and epifauna from Mindarie Keys, immediately north and outside of the limits of Marmion Marine Park.
3332	1/05/2021	Alan Cottingham of Murdoch University	Collection of black bream from Peel-Harvey Estuary, as per Table 1 in Condition 4.
3333	30/09/2019	Abrar Essarras of Murdoch University	Collection of acorn barnacles from Rous Head Harbour, North Fremantle.
3334	31/07/2022	Abrolhos Island Oysters Pty Ltd	To allow Abrolhos Island Oysters Pty Ltd to conduct an aquaculture trial on scallops.
3335	30/09/2019	Employees of BMT WA Pty Ltd	To establish a baseline of the benthic habitat and communities.
3336	1/08/2020	Mark Thiele of Murdoch University	Collection of algae from Peel Harvey Estuary, Woodman Point and Fremantle.

Exemption No.	Expiry	Holder	Purpose
3337	30/11/2020	Lynette Hillier of Manea Senior College	Collection of blue swimmer crabs and two spot sand crabs from Koombana Bay, Bunbury and Leschenault Estuary, Australind.
3338	31/12/2020	Trevor Blinco	To allow Mr Blinco to collect marron broodstock and in partnership with Curtin University conduct research and establish a demonstration farm.
3339	31/12/2020	Batavia Coral Farm Pty Ltd	To enable Batavia Coral Farm Pty Ltd to collect aquaculture broodstock.
3340	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3341	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3342	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3343	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3344	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.

Exemption No.	Expiry	Holder	Purpose
3345	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3346	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3347	30/04/2020	DPIRD	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3348	31/05/2022	Thomas Wernberg of UWA	Collection of algae, seaweed, invertebrates and fish from locations between Esperance and Exmouth, extending out to the Abrolhos Islands, as per Table 2.
3349	31/03/2022	Thomas Wernberg of UWA	Collection of seaweed and associated invertebrates from selected locations between Albany and Ningaloo as per Table 1
3350	30/01/2020	Danny Wimpres of DPIRD	To take small tissue samples and tag and release pink snapper (<i>Pagrus auratus</i>) from various locations in Cockburn Sound and Warnbro Sound.
3351	31/08/2022	Samuel Evenhuis	To allow Samuel Evenhuis to collect oyster broodstock for aquaculture purposes.
3352	30/09/2022	Hydrobiology WA	To conduct environmental risk assessment and aquatic fauna survey on behalf of the Water Corporation of WA at Quickup Dam and future follow-up surveys of the wider Denmark River catchment of Denmark WA.

Exemption No.	Expiry	Holder	Purpose
3353	1/10/2022	Neil Loneragan of Murdoch University	Collection of benthic macroinvertebrates from sites in Princess Royal Harbour, including Camp Quaranup, the Princess Royal Yacht Club, and near the Entertainment Centre (see map, Attachment 1).
3354	31/07/2022	Ian McKernan of Murdoch University	Collection of algae, seagrass and plankton from beaches, lakes and estuarine locations from Exmouth to Esperance, including Swan River, Cottesloe, Fremantle, Woodmans Point, Point Peron, Point Walter, Bibra Lake, North Lake, Blue Gum Lake, Booragoon Lake, Jurien Bay, Coral Bay and Princess Royal Harbour.
3355	21/07/2021	David Morgan of Murdoch University	Collection, tag and transport of freshwater sawfish (<i>Pristis pristis</i>) from Blina Creek, Liveringa Station, Uralla Creek and Lennard River.
3356	31/05/2021	Nominated operators of Abalone Managed Fishery Licence Numbers 1210, 1876 and 1878	To permit a nominated operator to: <ul style="list-style-type: none"> a) sell or transfer Roe's abalone taken from area 7 of the Abalone Managed Fishery to retail outlets that are not approved fish processors or holders of an aquaculture licence who are authorised to process or aquaculture Roe's abalone b) fish in area 7, excluding the waters of the west of the State lying between Trigg Island and northern sea wall of Hillarys Boat Harbour, under the Plan for Roe's abalone on a Saturday, Sunday or public holiday between 1 May and 31 October in any year.
3357	15/10/2022	Matilda Murley of UWA	Collection of invertebrates from locations within seven regions along the Western Australian coastline between Beagle Bay (16oS) to Hamelin Bay (34oS) as listed in Table 1.
3358	15/08/2022	Allison Miller of University of Otago	Collection of pouched lamprey (<i>Geotria australis</i>) from locations as listed in Table 1.

Exemption No.	Expiry	Holder	Purpose
3359	18/07/2020	Chenae Tuckett of UWA	Collection of hard corals (Order Scleractinia) from Ningaloo Marine Park, Kalbarri, Houtman Abrolhos Islands, Port Gregory, Jurien Bay, Perth Metropolitan, Marmion Marine Park, Rottnest Island, and Hamelin Bay.
3360	19/09/2019	Glenn Hyndes of Edith Cowan University	Collection of invertebrates from Lower Swan Canning Estuary, North Fremantle and East Fremantle (Leeuwin).
3361	15/08/2021	Thi Thanh Thuy Dao of Curtin University	Collection of juvenile slipper lobsters (Thenus spp.) from Shark Bay.
3362	15/08/2021	Thi Thanh Thuy Dao of Curtin University	Collection of juvenile blue swimmer crabs from Mandurah.
3363	3/11/2019	Greg Cole	To operate 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters off Dongara.
3364	23/10/2019	Ian Ralph	To operate 160 commercial rock lobster pots from adjacent to breeding stock survey grounds in the waters off Kalbarri.
3365	30/10/2019	Matthew Fong	To operate 130 commercial rock lobster pots without escape gaps from 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; Wetlining in the waters of the West Coast Demersal Scalefish Fishery.
3366	30/10/2019	Kjell Stokke	To set, pull and retain rock lobster from 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters off Lancelin.

Exemption No.	Expiry	Holder	Purpose
3367	30/10/2019	Bruce Cockman	To operate 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters of the Abrolhos Islands Groups; Wetlining in the waters of the West Coast Demersal Scalefish Fishery.
3368	23/10/2019	Sam Koncurat	To operate 130 commercial rock lobster pots from adjacent to breeding stock survey grounds in the waters off Jurien, including the closed area specified in Schedule 7.
3369	15/09/2024	Town of Cottesloe	To install and maintain a shark barrier at Cottesloe Beach to improve safety for swimmers.
3370	31/10/2022	Stephen McLeod	To allow Stephen McLeod to collect leafy sea dragons (Phycodurus eques) as aquaculture broodstock.
3371	31/12/2019	Michael Owen Griffiths and Derrick Wingrove of Bluth Enterprises Pty Ltd	To permit Perth Seafoods to process fish onsite at Unit 1, 2a Loch Street Nedlands Western Australia until 31 December 2019 without a fish processing licence.
3372	23/10/2019	Sam Koncurat	To operate 130 commercial rock lobster pots 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.
3373	30/11/2019	Kjell Stokke	To set, pull and retain rock lobster from 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters off Lancelin.
3374	30/11/2019	Greg Cole	To operate 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters off Dongara.

Exemption No.	Expiry	Holder	Purpose
3375	30/11/2019	Bruce Cockman	To operate 160 commercial rock lobster pots without escape gaps from adjacent to breeding stock survey grounds in the waters of the Abrolhos Islands Groups. Wetlining in the waters of the West Coast Demersal Scalefish Fishery.
3376	30/04/2020	The nominated master of authorised boat, LFB F222 'Illusion', operating under Managed Fishery License WCLL1501	To be in possession of and to operate five experimental design pots (modified pots) as shown in Attachment 1, and five experimental design pots as shown in Attachment 2, in the waters of the West Coast Rock Lobster Managed Fishery Management Plan 2012.
3377	17/08/2022	Stephen Beatty and others as listed in Schedule 1	To collect Carter's Freshwater Mussel (<i>Westralunio carteri</i>).
3378	20/10/2021	David Morgan of Murdoch University and others as listed in Schedule 1	To collect and tag sawfish from Ashburton River, Hooleys Creek, Four Mile Creek (Onslow) and mangrove tidal creeks in the Exmouth Gulf and to the north of Onslow.
3379	31/08/2022	Maxima Rock Oyster Company Pty Ltd	<ol style="list-style-type: none"> 1. To collect oyster broodstock of <i>Saccostrea</i> spp. and transport them to the Albany Shellfish Hatchery. 2. To collect oyster spat of <i>Saccostrea</i> spp. and undertake research and development trials of those species at the designated areas.
3380	31/08/2022	Maxima Rock Oyster Company Pty Ltd	To collect oyster spat of <i>Saccostrea</i> spp. and undertake research and development trials of those species at the designated areas.
3381	09/02/2020	Abrar Essarras and Paola Magni of Murdoch University	To collect acorn barnacles from Rous Head Harbour, North Fremantle.
3382	31/12/2022	Commercial Marron Aquaculture Licence Holders	To exempt licence holders from Regulation 69(c) of the Fish Resources Management Regulations 1995.
3383	31/12/2022	Fish processors authorised to process marron	To exempt licence holders from Regulation 66(a) and (b) of the Fish Resources Management Regulations 1995.

Exemption No.	Expiry	Holder	Purpose
3384	31/12/2019	Anthony Santoro of Murdoch University	Collection of snake-necked turtles (<i>Chelodina colliei</i>) from the locations as shown in Table 1.
3385	30/04/2019	Elliot Lee of Curtin University	Collection of sea cucumbers (Holothuroidea) from Houtman Abrolhos Archipelago and Dampier Archipelago.
3386	30/10/2022	Biologic Environmental Survey Pty Ltd	To conduct aquatic fauna surveys for use as baseline indicators for environmental impact assessments.
3387	20/10/2017	Department initiated	To fish recreationally for rock lobster and all freshwater fish (other than crustaceans) and abalone in Zone 3 and to fish by means of a fishing net and to fish from a boat without holding a Recreational Fishing Licence or a Recreational (Boat) Fishing Licence that would otherwise be required to engage in these activities as part of the National Gone Fishing Day to promote healthy outdoor activity.
3388	10/11/2019	Jesse Shakespeare and Ashley Lemmon	The collection of 380 rock oysters (<i>Ostrea angasi</i> and <i>Saccostrea cucullata</i>) and 60 mud whelks to test for petroleum, heavy metals and hydrocarbon contaminants.
3389	1/10/2020	Joseph DiBattista of University of Sydney	Collection of mutant wrasse (<i>Conniella apterygia</i>) from Rowley Shoals.
3391	30/04/2020	Persons operating under the authority of a West Coast Rock Lobster Managed Fishery Licence	To allow those operating in the West Coast Rock Lobster Managed Fishery to catch their quota more efficiently, while also being mindful of the need to militate against interactions with humpback whales.
3392	31/12/2022	DPIRD	To provide an opportunity for the Sawfish response team to collect and relocate sawfish (family <i>Pristidae</i>) and finfish at imminent threat of death due to diminishing water in drying pools as well as collection of research data (morphometrics) and tagging of the sawfish species in Western Australian waters.

Exemption No.	Expiry	Holder	Purpose
3393	30/04/2021	Alan Cottingham of Murdoch University	Collection of blue mussels (<i>Mytilus galloprovincialis</i>) and Black Pygmy Mussels (<i>Xenostrobus securis</i>) from 30 sites in the Swan-Canning Estuary, see attached map (Figure 1) and Table 1.
3394	31/01/2022	Tokea Payton of Murdoch University	Collection of beach litter from Marmion Marine Park, Rottnest Island and Cape Peron, Rockingham.
3395	1/06/2022	Casper Avenant of Edith Cowan University	Collection of ghost crabs, various infaunal macroinvertebrates, red, green and brown algae and seagrasses from Gnaraloo Bay and Bungelup Beach on the Ningaloo coast, Thevenard Island off the Pilbara coast, and Turtle Bay on Dirk Hartog Island.
3396	15/03/2021	Yi-Yang (Alex) Chen of Australian National University	Collection of fish from Maud Recreation Zone, Ningaloo Marine Park.
3397	15/05/2020	Persons operating under the authority of a West Coast Rock Lobster Managed Fishery Licence and others as listed in Schedule 1	An interim mechanism to enhance the supply of rock lobster to the WA community.
3398	31/01/2020	Two Oceans Abalone Pty Ltd	To permit Two Oceans Abalone Pty Ltd to process abalone onsite at Augusta Boat Harbour, Lot 331, Leeuwin Road, Augusta, Western Australia until 31 January 2020 without a fish processing licence or permit.
3399	07/03/2020	Dr Julie Trotter of UWA	Collection of macrofauna from Leeuwin Canyon or Wilson Canyon.
3400	31/10/2022	Jennifer Chaplin of Murdoch University	Collection of invertebrates from inland salt lakes throughout Western Australia and salt lakes on near-shore islands.

Exemption No.	Expiry	Holder	Purpose
3401	01/04/2020	Justin Benson of UWA	Collection of freshwater mussels from Goodga River, Kent River and Deep River, and other catchments in south-western Australia in the area bounded by Gingin Brook in the north to the Kent, Goodga and Waychinicup Rivers in the south, within 100 km of the coast (as highlighted in Attachment 1).
3402	30/11/2022	Nominated masters and person(s) operating under, or on behalf of, the authority of Fishing Tour Operator Licences (FTOL) listed being FTOL 245, 20, 147, 77, 387, 272, 235, 210, 205, 204, 184, 170, 162, 16, 151, 145, 143, 111, 103, 99, 95, 72, 56, 54, 51, 48, 4, 386, 355, 316, 248, 241, 23, 221, 22, 216, 21, 209, 201, 182, 179, 141, 134, 123, 117, 116, 109, 108 and 86	A trial scheme to provide increased tourism opportunities for specified Fishing Tour Operators Licence holders undertaking pot-based rock lobster fishing tours and experiences for local, interstate and international visitors.
3403	30/11/2022	Bruce Cunningham	To allow Bruce Cunningham to collect doughboy scallops for aquaculture broodstock.
3404	15/11/2022	Dr Stephen Beatty of Murdoch University	Collection of fish and macroinvertebrates from Serpentine River from the Lowlands property downstream to the tidal limit of the Peel-Harvey Estuary, see map.
3405	30/06/2020	The master of an authorised vessel in the South Coast Crustacean Fishery	To be in possession of, and set according to the instructions from DPIRD staff, two pots (in addition to their unit holdings), without escape gaps in the waters of the South Coast Crustacean Fishery.

Exemption No.	Expiry	Holder	Purpose
3406	30/11/2022	BMT Western Australia	To conduct aquatic surveillance of flora and fauna to detect presence of IMP.
3407	30/01/2023	Wetland Research & Management Pty Ltd	To conduct aquatic fauna population surveys and conduct habitat and shoreline assessments and in situ water quality measurements.
3408	30/04/2021	Alan Cottingham of Murdoch University	Collection of blue mussels (<i>Mytilus galloprovincialis</i>) and black pygmy mussels (<i>Xenostrobus securis</i>) from 30 sites in the Swan-Canning Estuary, see attached map (Figure 1) and Table 1.
3409	14/01/2020	Holder of WCLL1401, WCLL1615 and WCLL1642 and the master of the fishing boat operating under those licences	To supply up to 450kg of lobsters for the purpose of being provided for the Mission Australia Christmas Lunch on 25 December 2019.
3410	31/12/2022	Brett and Roy Bentley	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3411	31/12/2022	Cammfish Pty Ltd	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3412	31/12/2020	Chapman Valley Capital Pty Ltd	Commercial fishing of sea urchin – to allow the initial resource exploration of a potential commercial sea urchin fishery in WA.
3413	09/03/2020	Nominated operators on authorised West Coast Estuarine Managed Fishery Licences (WCEL 2913, 2915, 2916, 2917, 2918, 2919, 2921 and 2923)	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 the Mandurah Crab Fest.

Exemption No.	Expiry	Holder	Purpose
3414	31/12/2022	Fins Seafood Pty Ltd and Colin Oxwell	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3415	31/12/2022	Paul Merendino	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3416	31/12/2022	West Coast Crabs Pty Ltd	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3417	31/12/2022	Western Wild Fisheries Holdings Pty Ltd	Commercial fishing of octopus – to allow the initial resource exploration of a potential commercial octopus fishery north of the Octopus Interim Managed Fishery in WA.
3418	31/12/2022	Nathan Boothman	Commercial fishing of sea urchin – to allow the initial resource exploration of a potential commercial sea urchin fishery in WA.
3419	31/12/2022	David John Sutcliffe	Commercial fishing of sea urchin – to allow the initial resource exploration of a potential commercial sea urchin fishery in WA.
3420	31/12/2022	Wildsea Fisheries Pty Ltd	Commercial fishing of sea urchin – to allow the initial resource exploration of a potential commercial sea urchin fishery in WA.
3421	30/11/2022	Indian Ocean Sea Vegetables Pty Ltd	The collection of seaweed broodstock and trial of an aquaculture licence.
3422	31/12/2020	Andrew Joseph Basile and Tracey Lee Basile	The collection of coral broodstock and trial of an aquaculture licence.
3423	31/12/2022	Tim Storer of DWER and others as listed in Schedule 1	To collect fish and freshwater crayfish from all rivers in Western Australia, primarily Jurien Bay to Esperance.

Exemption No.	Expiry	Holder	Purpose
3425	30/1/2025	Employees and nominated contractors of Southern Ports Authority	Exemption to allow trawling to remove and dispose of seawrack in the Port of Bunbury.
3426	31/1/2023	Employees of Indo-Pacific Environmental Pty Ltd	To undertake aquatic fauna surveys for a commercial purpose, to determine and monitor biodiversity in freshwater and estuarine waters in the South West of Western Australia.
3427	01/01/2023	Nominated employees of Murdoch University	Research: To collect <i>Drupella cornus</i> , individuals and eggs, <i>Acropora</i> , fish, other molluscs and arthropods from Ningaloo Marine Park and Rottnest Island Marine Reserve.
3428	30/06/2023	Verena Schoepf of University of Amsterdam	Research: Collection of coral from Kimberley (Cygnet Bay) and Ningaloo Reef Marine Park (e.g. Coral Bay, Tantabiddi, Bundegi Reef).
3429	30/04/2020	The nominated master of authorised boat, LFB F222 'Illusion', operating under Managed Fishery License WCLL1501 of DPIRD or the nominated master of authorised boat, LFB G125 'Dalmatinac', operating under Managed Fishery License 1032	Research: To be in possession of and to operate 10 experimental design pots (modified pots) in total (five experimental design pots as shown in Attachment 1 and five experimental design pots as shown in Attachment 2), in the waters of the West Coast Rock Lobster Managed Fishery Management Plan 2012.
3430	31/01/2023	Tasmanian Blue Water Oysters Pty Ltd	To conduct an aquaculture trial on <i>S. cucullata</i> .
3431	31/01/2023	Murdoch University	To allow sampling and monitoring of aquatic fauna in the South West region of Western Australia.

Exemption No.	Expiry	Holder	Purpose
3432	31/08/2020	Various Marron Aquaculture Licence holders	To allow selected marron growers to harvest yabbies from their property and sell them to Nenke for their commercial operation.
3433	11/02/2022	Persons fishing under the authority of an Octopus interim managed fishery permit (min. 60 units)	Trialling the commercial fishing of octopus with baited traps.
3434	11/02/2022	Fremantle Octopus Group Ltd	Trialling the commercial fishing of octopus with baited traps.
3435	11/02/2022	1080 Contracting Pty Ltd	Trialling the commercial fishing of octopus with baited traps.
3436	11/02/2022	West Australian Octopus Pty Ltd	Trialling the commercial fishing of octopus with baited traps.
3438	31/12/2021	James Tweedley, Kurt Krispyn, Brian Poh and Neil Loneragan of Murdoch University	Collection of fish fauna and benthic macroinvertebrates from various estuaries for research.
3439	15/11/2020	Fred Wells, Monique Gagnon, Tom Rose, students and volunteers of Curtin University	Collection of benthic macroinvertebrates form various sites within the Peel-Harvey Inlet for research.
3440	30/04/2021	Anthony Santoro, Vita Summers and Caitlan Davis of Murdoch University and Jake Watsham from DBCA	Collection of trap, tag and relocate turtles from Midland Brickworks Middle Swan claypit and Blackadder Creek.
3441	15/03/2021	Christopher Fulton, Ashleigh Buckley, Rosalie Harris, and Alex Chen of Australian National University	To collect macroalgae from Maud Recreation Zone, Ningaloo Marine Park.

Exemption No.	Expiry	Holder	Purpose
3442	31/01/2023	Tracy Brothers, Nicola Thompson, Duncan Brothers, Sheryn Prior and Albany Shs Marine Sc. Students	Collection of finfish and marine invertebrates to teach marine science.
3443	28/02/2025	Patrick Roy Stubberfield	Commercial take of redfin perch (<i>Perca fluviatilis</i>) from private dams in WA.
3444	30/04/2020	DPIRD	To: <ol style="list-style-type: none"> 1. group scallop quota allocated to SBSC2126, SBSC2127 and SBSC2128 to provide KB Food Company with operational flexibility for the remainder of the 2019/20 Shark Bay Scallop Managed Fishery season 2. enable persons acting on behalf of KB Food Company to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3445	31/12/2022	Leah Beesley, Chris Keogh, Oliver Pratt, Bradley Pusey and Masters students of UWA	Collection of fish from the stream, riverine and floodplain lagoon/wetland habitats throughout the Fitzroy River for research.
3446	02/05/2023	Ryan Crossing, Mark Snell, Beau De Groot, Ian Darby and Peter Hughes of CSIRO	To collect invertebrate zooplankton and vertebrate ichthyoplankton from Rottnest Island National Reference Station 32o 00S, 115o 24.00 E.
3447	31/03/2020	Nominated operators of Abalone Licence Holders authorised to Fish In Zone 7	Provides an opportunity for licence holders to take a small number of Roe's abalone from the development envelope of the ORM, that would otherwise die.
3448	11/02/2022	Persons fishing under the authority of a Cockburn Sound Line and Pot Managed Fishery Licence	Fishing for octopus by way of baited traps in Cockburn Sound Line and Pot Managed Fishery.

Exemption No.	Expiry	Holder	Purpose
3449	30/03/2023	Wetland Research and Management Pty Ltd	To conduct aquatic control and eradication of invasive finfish species within inland metropolitan waters of Western Australia on behalf of local government authorities.
3450	31/12/2021	Persons fishing under the authority of a Northern Demersal Scalefish Managed Fishery Licence	The master of an authorised vessel may have handlines with more than six hooks on board the vessel. The master and crew of an authorised vessel may fish in Area 2 of the Northern Demersal Scalefish Managed Fishery with a handline that has more than six hooks.
3451	31/12/2021	Persons fishing under the authority of a Northern Demersal Scalefish Managed Fishery Licence	When a vessel has fished using traps in Zone C of Area 2 of the Northern Demersal Scalefish Managed Fishery, the class of persons specified in Schedule 1, may not be subject to the formula at Schedule 7 Item 1 of the Northern Demersal Scalefish Fishery Management Plan 2000, otherwise used to determine the extent of fishing that has occurred. This will allow for a revised method of determining the extent of fishing that has been carried out, following a nomination of intention to fish using traps in Zone C of the Northern Demersal Scalefish Managed Fishery.
3452	1/06/2020	Abrolhos Island and Mid West Trawl Managed Fishery Licence holders	Instrument of Exemption to defer payment of the first instalment of licence fees (50% of the total fee) payable on 1 March 2020 to access the Abrolhos Islands and Mid West Trawl Managed Fishery normally to being payable on 1 June 2020.
3453	1/09/2020	Holders of specified Shark Bay Prawn Licences	Instrument of Exemption to defer payment of the first instalment of licence fees (25% of the total fee) payable on or before 2 March 2020 to fish in the Shark Bay Prawn Managed Fishery normally to being payable on 1 September 2020.
3454	1/06/2020	Holders of specified Shark Bay Scallop Licences	Instrument of Exemption to defer payment of the first instalment of licence fees (50% of the total fee) payable on 2 March 2020 until 1 June 2020 to access the Shark Bay Scallop Managed Fishery.

Exemption No.	Expiry	Holder	Purpose
3455	31/12/2020	Cardno (NSW/ACT) Pty Ltd.	Aquatic biosecurity surveillance to detect the presence of introduced marine pests in their larval stage. The data will inform the Australian Sourced Ballast Application Tool within the Department of Agriculture.
3456	5/11/2020	Christopher Peacock, Asma Alotaibi and Calila Santos of UWA	Collection of mud whelk (<i>Velacumantus australis</i>) from locations as per list in Table 1 and as shown on map in Attachment 1.
3457	30/08/2020	Drew Wassman, Leight John Matthews and Aaron Schofield	To be in possession of, and set in the waters of the West Coast Deep Sea Crustacean Fishery, according to instructions from Fisheries Science and Resource Assessment staff, from a maximum of 60 modified fish traps, without escape gaps, on up to a maximum of six lines.
3458	01/02/2023	Various persons as listed in Schedule 1 of UWA	Take a visual census of flora and fauna from Cottesloe, southern groyne to study UWA - Marine Systems - 2nd yr sampling in a marine environment.
3460	31/01/2023	Tracy Brothers, Nicola Thompson, Duncan Brothers, Sheryn Prior and Albany SHS Marine Science students	Collection of finfish and marine invertebrates to teach marine science.
3461	31/03/2020	Kirk Gastrich of Florida International University and Derek Burkholder from NOVA Southeastern University, Florida USA	Collection of, catch and release of tiger sharks and hammerhead sharks with animal borne video cameras to investigate tiger shark habitat use, behaviours and feeding preferences.
3462	12/03/2020	Brady Cotterell and students of Newman College	Collection of brine shrimp from Government House Lake, Rottnest Island for the purposes of teaching.

Exemption No.	Expiry	Holder	Purpose
3463	31/08/2022	Paul Lavery of Edith Cowan University and others listed in Schedule 1	Collection of seagrass from Mindarie Keys and Burns Rocks.
3464	30/03/2020	Peter Stanich, Clinton Moss, Troy Thompson, Bruce Cockman, Robert Glass and Peter Bailey	To be in possession of, and set according to instructions from DPIRD staff, 90 rock lobster batten pots, without escape gaps.
3465	31/12/2020	Nominated operators and nominated divers of particular Abalone Managed Fishery Licences	Provides an opportunity for the translocation of Roe's abalone from the development envelope of Ocean Reef Marina prior to construction beginning.
3466	20/03/2023	Stephen Beatty, David Morgan, Alan Luymbery, Naomi Blondell, Vita Summers, Le Ma, Tom Ryan, and Holly Emery-Butcher	To collect fish and macroinvertebrates from Blackwood River, including tributaries between Sues Bridge and Jalbarragup, as per map in Attachment 1.
3467	31/07/2020	Nils Stokke (operating as Panther Nominees Pty Ltd) and crew using licenced fishing boat 'Just George' Registration LFB F896	For the purpose of undertaking data collection as part of Parks Australia Research Project titled: Long term sustainable use of demersal gillnet and demersal longline in Western Australia's temperate Shark Fishery, A Western Australian Government and WAFIC project, Grant Activity ID 4-BH9DL76.
3468	28/02/2023	Harvest Road Oceans Pty Ltd	To allow Harvest Road to conduct an oyster aquaculture trial.
3469	09/04/2020	Paul Lavery, and Glenn Hyndes of Edith Cowan University and Alan Kendrick of DBCA	Collection of invertebrate fauna from Walpole and Nornalup Inlets Marine Park.

Exemption No.	Expiry	Holder	Purpose
3470	30/04/2022	Adi Zvifler of UWA	Collection of coral fragments for research.
3471	31/03/2022	All persons holding a Recreational Fishing from Boat Licence; or all persons operating under the authority of a Fishing Tour Operator's Licence	Recreational fishing for octopus by the way of trigger traps.
3472	31/05/2020	Tim Langois, Brooke Gibbons, Kye Adams and Ana Giraldo of UWA	Collection of lobster and crab for research.
3473	20/06/2020	Cameron Hugh of CSIRO and staff and students of Warralong Aboriginal Community, Marble Bar Primary School	For the purpose of education.
3474	01/06/2022	Casper Avenant, Daisy Kemode, Ellie Smith, Grant Buller and Rob Czanik of Edith Cowan University	Collection of macroinvertebrates for research.
3475	31/08/2020	Peter Stanich, Clinton Moss, Troy Thompson, Bruce Cockman, Robert Glass and Peter Bailey	West Coast Rock Lobster research.
3476	30/09/2021	Persons fishing under the authority of a fishing boat licence with condition no. 42 imposed	G-trap trial.

Exemption No.	Expiry	Holder	Purpose
3477	30/03/2021	Anthony Santoro of Murdoch University and others as listed in Schedule 1	To study population status of the southwestern snake-necked turtle in Armadale wetlands.
3478	28/02/2023	Sean Atkinson of Murdoch University	Collection of invertebrates and algae for research.
3479	31/12/2022	Persons fishing under the authority of Specified Exmouth Gulf Prawn Managed Fishery Licences	To improve the overall operational efficiency of the Exmouth Gulf Prawn Managed Fishery fleet for commercial purposes through the development of fishing technology.
3480	04/06/2020	Persons fishing under the authority of Shark Bay Prawn Managed Fishery Licence No. 1122 and Shark Bay Scallops Managed Fishery Licence No. 2121	To enable persons fishing under the authority of Shark Bay Prawn Managed Fishery Licence No. 1122 and Shark Bay Scallops Managed Fishery Licence No. 2121 to process prawns and scallops for a commercial purpose.
3481	15/10/2020	Persons fishing under the authority of a West Coast Rock Lobster Managed Fishery Licence, and carrier boat licences carrying west coast rock lobster, and persons dealing with West Coast Rock Lobster	Giving effect to an extended period for the fifth phase of the Local Lobster Program in light of the negative impacts of COVID-19 on fishing and restaurant activity.
3482	30/04/2023	Wildblue Holdings Pty Ltd	Collection of algae broodstock for aquaculture.
3483	30/04/2023	Peter and Karen Armstrong	Collection of green algae, squid and cuttlefish broodstock for aquaculture.

Exemption No.	Expiry	Holder	Purpose
3484	30/06/2020	Master and crew of the licenced fishing boats 'Brampton', 'Libertine' and 'Territory Chief'	Collection of non-lethal (fin clip) tissue samples of sawfish caught as bycatch from authorised boats under the Kimberley Prawn Management Plan 1993 (the plan), from operating in the waters of the Kimberley Prawn Managed Fishery for research.
3485	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3486	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3487	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3488	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.

Exemption No.	Expiry	Holder	Purpose
3489	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3490	30/04/2021	Persons fishing under the authority of Shark Bay Scallop Managed Fishery Licences as specified in Schedule 1	To enable the holder of a Shark Bay Scallop Managed Fishery Licence or persons acting on behalf of a licence holder to fish for commercial purposes in the Shark Bay Scallop Managed Fishery under a quota management framework.
3491	10/05/2023	Stephen Beatty and others as listed in Schedule 1	Assessment of the status of freshwater fish populations in the Whicher region for the purposes of research.
3492	30/04/2023	Peter and Karen Armstrong	Collection of green algae, squid and cuttlefish broodstock for aquaculture.
3493	31/05/2023	Employees of Hydrobiology	To conduct baseline aquatic ecology assessments of the Iron Bridge site located in the Pilbara region of WA.
3494	31/12/2022	Persons fishing with the use of the authorised boat endorsed on Nickol Bay Prawn Managed Fishery Licence No. 1136	To improve the overall operational efficiency of the fishery through the development of fishing technology.
3495	05/12/2020	Evan Byrnes, Adrian Gleiss, Oliver Jewell and Kyler Rowson of Murdoch University and Richard Pillams of CSIRO	To collect sicklefin lemon sharks (<i>Negaprion acutidens</i>) from Mangrove Bay, Ningaloo Marine Park.

Exemption No.	Expiry	Holder	Purpose
3496	30/06/2020	A person submitting a sample of hatchery produced spat for disease testing under regulation 144E(1) of the Regulations	To allow a person to submit a smaller size of hatchery pearl oyster spat for disease testing under regulation 144E(1) of the FRMR and allow an approved fish pathologist to complete appropriate testing on this sample.
3497	30/06/2020	A fish pathologist approved under the Regulations	To allow a person to submit a smaller size of hatchery pearl oyster spat for disease testing under regulation 144E(1) of the FRMR and allow an approved fish pathologist to complete appropriate testing on this sample.
3498	31/05/2023	Bennelongia Environmental Consultants	To conduct freshwater aquatic fauna surveys in major rivers and tributaries of the Pilbara.
3499	11/02/2022	Persons fishing under the authority an Octopus Interim Managed Fishery Permit	Fishing for octopus by the way baited traps.
3500	30/06/2023	Indian Ocean Fresh Australia Pty Ltd (IOFA)	To allow IOFA to hold yellowtail kingfish at a land-based facility in Geraldton.
3501	21/06/2023	Jan Hemmi of UWA and others as listed in Schedule 1	To collect fiddler crabs and other crab species, and river prawns from coastal areas between Mandurah and Derby, excluding marine parks.

