

Part 10

Minister for Regional Development; Agriculture and Food

Minister for Fisheries

Summary of Portfolio Appropriations

Agency	2016-17 Budget \$'000	2016-17 Estimated Actual '000	2017-18 Budget Estimate '000
Primary Industries and Regional Development			
– Delivery of Services	171,767	172,356	186,631
– Administered Grants, Subsidies and Other Transfer Payments	1,600	1,600	1,600
– Capital Appropriation	1,306	2,606	1,085
Total	174,673	176,562	189,316
GRAND TOTAL			
– Delivery of Services	171,767	172,356	186,631
– Administered Grants, Subsidies and Other Transfer Payments	1,600	1,600	1,600
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Total.....	174,673	176,562	189,316

Division 16 Primary Industries and Regional Development

Part 10 Minister for Regional Development; Agriculture and Food

Minister for Fisheries

Appropriations, Expenses and Cash Assets ^(a)

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 24 Net amount appropriated to deliver services ^(b)	173,014	167,350	167,230	179,776	176,711	168,338	163,049
Amount Authorised by Other Statutes							
- Biosecurity and Agriculture Management Act 2007.....	1,235	1,235	1,944	3,673	4,304	4,388	2,765
- Salaries and Allowances Act 1975.....	3,116	3,182	3,182	3,182	3,182	3,182	3,182
Total appropriations provided to deliver services.....	177,365	171,767	172,356	186,631	184,197	175,908	168,996
ADMINISTERED TRANSACTIONS							
Item 25 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	1,600	1,600	1,600	1,600	-	-	-
CAPITAL							
Item 98 Capital Appropriation	5,087	1,306	2,606	1,085	85	85	85
TOTAL APPROPRIATIONS	184,052	174,673	176,562	189,316	184,282	175,993	169,081
EXPENSES							
Total Cost of Services.....	613,573	446,591	501,720	528,413	456,944	385,598	335,976
Net Cost of Services ^(c)	501,281	355,568	404,445	423,483	366,808	298,961	255,473
CASH ASSETS ^(d)	124,671	75,023	87,144	81,197	72,200	78,228	83,006

- (a) The 2015-16 Actual, 2016-17 Budget and 2016-17 Estimated Actual financial data has been recast for comparative purposes due to Machinery of Government changes to amalgamate the Departments of Agriculture and Food, Fisheries and Regional Development and the nine Regional Development Commissions on 1 July 2017.
- (b) The Department's net amount appropriated to deliver services from the 2016-17 Estimated Actual onwards includes the transfer of appropriation for staff reallocated from the Department of Finance to various agencies in response to changes to government procurement policy.
- (c) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since the publication of the 2016-17 Pre-election Financial Projections Statement on 9 February 2017, are outlined below:

	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
Election Commitments					
Albany Renewable Energy Project.....	-	1,000	6,160	6,170	6,170
Balingup Town Hall.....	-	200	-	-	-
Capel Town Centre Revitalisation.....	-	1,300	1,000	(2,249)	-
Collie River Revitalisation.....	-	125	125	-	-

	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
Donnybrook Town Centre Revitalisation.....	-	-	200	1,800	-
Eaton-Australind Waterfront Historic Walk Trail	-	500	-	-	-
Fishability Western Australia ^(a)	-	25	26	27	27
Fishing Safety Strategy ^(a)	-	25	26	27	27
Goldfields Major Solar Feasibility	-	250	250	-	-
Goldfields-Esperance Arts and Culture Trail	-	-	100	100	100
Halifax Business Park	-	-	1,500	1,500	-
Local Projects Local Jobs.....	8,571	1,429	-	-	-
Mandurah Eastern Foreshore Redevelopment	-	-	5,000	5,000	-
Natural Resource Management Program	-	-	2,213	6,200	6,200
Oyster Reef Habitat Restoration.....	-	250	250	250	250
Peel Harvey Estuary - Grants.....	-	500	500	500	-
Peel Harvey Estuary - One Full Time Equivalent	-	113	115	117	-
Riverview Residence - Upgrade to Over 55's Estate in Collie	-	-	-	2,000	-
Shark Deterrent Rebate Scheme ^(a)	-	200	200	-	-
Stockton Lake.....	-	250	-	-	-
Other					
2017-18 Tariff, Fees and Charges.....	(437)	(868)	(742)	(778)	(851)
Commonwealth Funding - Indian Ocean Territories.....	-	519	-	-	-
Falcon Beach Enclosure	-	200	-	-	-
Fisheries Structural Adjustment.....	4,083	4,345	3,038	1,842	511
Freeze Salaries and Allowances Tribunal Determined Salaries	-	(48)	(96)	(145)	(203)
Loans (Co-operative Companies).....	(236)	183	202	272	187
Pest Animal and Weed Management in Drought Affected Areas.....	-	500	-	-	-
Red Imported Fire Ant Eradication Program	151	2,094	2,146	2,199	2,253
Regional Development Leverage Unit	-	5,000	5,000	5,000	5,000
Revision to Indexation for Non-Salary Expenses	-	(837)	(1,655)	(2,222)	(2,303)
Shark Hazard Mitigation - Changes to Serious Threat Guidelines.....	-	(250)	(250)	(250)	(250)
Surf Life Saving Western Australia Patrols	-	3,338	3,389	-	-
Sustainable Development of the Abrolhos Islands	-	-	-	5,000	5,000
Western Australian Regional Film Project.....	-	4,000	3,000	3,000	-
Wild Dogs Action Plan.....	1,133	633	500	-	-

(a) Existing agency spending has been reprioritised to meet some or all of the costs of this commitment.

Significant Issues Impacting the Agency

- Ongoing structural changes to the Western Australian economy reinforce the importance of driving growth and development in our regions. The Government will focus future investment on programs that create long-term jobs, diversify the economy and build the capacity of regional people. To support this, there will be a focus on digital connectivity, agribusiness, Aboriginal development, economic infrastructure and energy futures.
- A comprehensive review of the Royalties for Regions (RfR) program has been undertaken to prioritise the delivery of regional election commitments and to support ongoing sustainability of regional programs. Over the forward estimates, there is a strengthened emphasis on health, including mental health, education, transport, tourism and economic development.
- The Government will maximise the impact of investment through a renewed focus on local content and the active targeting of leverage funding. Regional local content officers in each of the nine regions will support local suppliers, businesses and contractors to secure more government work and connect businesses to private sector projects.
- The regions have significant opportunities for growth, over the long-term, driven primarily by productivity, population and economic growth in global markets, particularly in Asia. These opportunities were highlighted in a 2017 survey of agriculture and food businesses, which found that three-quarters of respondents were more positive about their future than they were five years ago. This optimism translated into over half of the respondents highlighting their intention to increase their business over the next three years, and capitalise on (among other things) current high produce prices, strong demand for products and their overall confidence in the future of the industry. These results reinforce the growth potential for the State's agricultural sector.
- Western Australia's reputation as a producer of high quality, clean produce is one of our greatest competitive advantages, along with our proximity and supply to key and emerging markets. The Government is reprioritising its investment in the State's agriculture and food sectors towards high value produce and quality processing. Investment in biosecurity will be increased to protect our access to markets.

- Machinery of Government changes acknowledge the importance of agriculture and food, fisheries and regional development in building strong and resilient regions across the State. The Department brings together key agencies focused on identifying the best opportunities for transformational growth in our agribusiness sectors and regional economies, without compromising the quality of our natural resources.
- The Government is committed to rebuilding the State's agricultural science, research and development capabilities. The plan to double the value of the State's agricultural sector by 2025 must be underpinned by the right research structures and close collaboration with and between Western Australia's universities and industry. In building capacity, the Department aims to also gain a fairer share of national research and development funding.
- Many grain-belt communities and agribusinesses face a tough year as a result of low rainfall at the start of the 2017 growing season. The Department is providing planning information and decision-making tools to growers to best help manage their livestock and cropping programs, and is gearing up to adjust the level and types of support offered.
- The importance of biosecurity surveillance and emergency response was highlighted by the recent emergence of two exotic species: *Dickeya Dianthicola* - a disease-causing bacterium of potatoes; and Tomato Potato Psyllid - an invasive insect of vegetable crops such as tomato, eggplant, capsicum and sweet potato. The Department will continue to work with industry and government counterparts to manage these incidents. Learnings from these two incidents will inform the improvement of the Department's emergency response procedures and decision-making support to ensure Western Australia has the capability to deal with future incidents.
- The Department's work in agriculture and food will be heavily influenced by the recent, inaugural forum of the Premier's Agribusiness Industry Engagement Consortium. Held on 1 June 2017, the forum saw leading agrifood businesses, the Premier and relevant Ministers discuss the factors that limit the sector's future prospects. The work program will seek to address these factors, with a focus on digital connectivity, increasing food processing and strengthening the State's research and development capabilities.
- The *Aquatic Resources Management Act 2016* (the ARMA) received royal assent in November 2016. The ARMA is due to commence on 1 January 2019 and will replace the *Fish Resources Management Act 1994* and the *Pearling Act 1990*. The ARMA provides significant opportunity to enhance fisheries management arrangements in Western Australia for long-term sustainability, including a focus on risk-based resource management and strengthening of access rights for the commercial and recreational sectors. The new legislation will also provide enhanced capacity for aquaculture and biosecurity management.
- Western Australia has a significant opportunity to develop a major aquaculture industry, based on large-scale production of marine finfish and shellfish. Critical infrastructure to support aquaculture includes the development of a state-of-the-art fish health laboratory. The development of aquaculture zones in the Kimberley and Mid West regions, and a planned zone in the Southern region, continues to be a key focus. The construction of a shellfish hatchery near Albany to provide spat (juvenile shellfish) for commercial farms is a major infrastructure initiative to support industry growth.
- The assessment of the State's commercial fisheries under the world leading Marine Stewardship Council (MSC) sustainable fishing standard continues to be an important component of Western Australia's fisheries management program. To date, some six fisheries have been certified, joining the iconic Western Rock Lobster Fishery as MSC-certified fisheries in Western Australia. The MSC program provides a transparent, independent and science-based approach to assess and demonstrate the ongoing sustainability of the State's fisheries.
- A significant challenge for fisheries management is dealing with the environmental fluctuations and major climatic events that can affect Western Australia's aquatic resources, including those related to climate change. For example, it has taken six years for the crab and scallop stocks in Shark Bay to recover following the 'marine heatwave' in early 2011. A level of recovery has also been observed in other affected fisheries. The management of nearshore resources, given their vulnerability to environmental change and their value to multiple stakeholders, continues to be a focus.
- There is a strong focus on effective measures and initiatives aimed at providing additional protection for those most at risk from shark attacks, including surfers and divers. These measures include a trial rebate for independently verified personal shark deterrents, funding for a Beach Emergency Numbering system, the use of drones to support helicopter and beach patrols and extending the Shark Monitoring Network to Esperance. A suite of other initiatives such as a public notification system, helicopter and beach patrols, education and awareness and beach enclosures continue as important elements of the Government's overall shark hazard mitigation program.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister for Regional Development; Agriculture and Food, Minister for Fisheries, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

The relationship of Ministers to services is shown below.

Responsible Minister	Services
Minister for Fisheries	<ol style="list-style-type: none"> 1. Fisheries Management 2. Enforcement and Education 3. Research and Assessment
Minister for Regional Development; Agriculture and Food	<ol style="list-style-type: none"> 4. Market Development, Investment and Market Access 5. Productivity Improvement and Innovation 6. Business Development and Promotion 7. Productive Natural Resources 8. Biosecurity and Product Integrity 9. A Business Environment for Growth 10. Regional Investment 11. Regional Policy 12. Regional Development

Outcomes, Services and Key Performance Information

The Outcomes, Services and Key Performance Information reflect the amalgamation of the Departments of Agriculture, Fisheries and Regional Development and the nine Regional Development Commissions due to Machinery of Government changes on 1 July 2017. Where practical, the 2015-16 Actual, 2016-17 Budget and 2016-17 Estimated Actual has been recast for comparative purposes.

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Conservation and sustainable development of the State's fish resources.	<ol style="list-style-type: none"> 1. Fisheries Management 2. Enforcement and Education 3. Research and Assessment
	A profitable, innovative and sustainable agrifood sector that benefits Western Australia.	<ol style="list-style-type: none"> 4. Market Development, Investment and Market Access 5. Productivity Improvement and Innovation 6. Business Development and Promotion 7. Productive Natural Resources 8. Biosecurity and Product Integrity 9. A Business Environment for Growth
	Increased capacity of regional communities to develop economic growth and social well-being.	<ol style="list-style-type: none"> 10. Regional Investment 11. Regional Policy
	The sustainable economic and social development of the State's remote and regional areas.	<ol style="list-style-type: none"> 12. Regional Development

Service Summary

Expense	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Fisheries Management	27,677	21,686	27,896	28,628	28,111	26,488	26,317
2. Enforcement and Education	39,671	40,912	39,984	41,034	40,292	37,966	37,721
3. Research and Assessment	24,910	24,867	25,106	25,765	25,300	23,839	23,685
4. Market Development, Investment and Market Access	23,389	26,469	29,079	27,691	23,665	20,886	16,849
5. Productivity Improvement and Innovation	38,722	38,735	42,555	35,243	30,120	26,582	21,445
6. Business Development and Promotion	16,396	20,772	22,820	20,139	17,211	15,190	12,254
7. Productive Natural Resources	33,141	26,254	28,843	32,726	27,968	24,684	19,913
8. Biosecurity and Product Integrity	58,104	66,208	72,737	83,072	70,996	62,658	50,550
9. A Business Environment for Growth	38,432	40,595	44,598	52,864	45,179	39,874	32,167
10. Regional Investment	145,237	54,382	64,018	66,003	58,932	38,210	35,764
11. Regional Policy	105,171	39,381	46,358	60,926	54,398	35,271	33,012
12. Regional Development	62,723	46,330	57,726	54,322	34,772	33,950	26,299
Total Cost of Services	613,573	446,591	501,720	528,413	456,944	385,598	335,976

Outcomes and Key Effectiveness Indicators ^(a)

	2015-16	2016-17	2016-17	2017-18	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Conservation and sustainable development of the State's fish resources:					
The proportion of fish stocks identified as not being at risk or vulnerable through exploitation	95%	97%	95%	97%	
The proportion of commercial fisheries where catches or effort levels are acceptable	90%	95%	93%	95%	
The proportion of recreational fisheries where catches or effort levels are acceptable	100%	85%	100%	85%	
The volume (tonnes) of State commercial fisheries (including aquaculture) production	20,814	21,000	21,229	21,500	
The participation rate in recreational fishing	31%	30%	28%	30%	
Satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department is achieving aquatic resources management objectives:					
Community	86%	85%	86%	85%	1
Stakeholders	n/a	75%	80%	n/a	
Outcome: A profitable, innovative and sustainable agrifood sector that benefits Western Australia:					
Proportion of co-investment in Department-led initiatives	25%	25%	23%	25%	
Proportion of businesses that consider the Department has positively influenced the profitability of the sector	38%	40%	42%	42%	
Proportion of businesses that consider the Department has fostered innovation in the sector	38%	40%	44%	44%	
Proportion of businesses and key stakeholders that consider the Department has positively influenced the sustainability of the sector	40%	43%	48%	48%	
Outcome: Increased capacity of regional communities to develop economic growth and social well-being:					
Client satisfaction with regional development services	86%	85%	87%	85%	

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Outcome: The sustainable economic and social development of the State's remote and regional areas:					
Gascoyne Region:					
The Commission is effective and makes a positive contribution to the economic and social development of the Gascoyne region.....	79%	93%	89%	93%	
Goldfields-Esperance Region:					
Client satisfaction with the provision of an environment conducive to the balanced economic and social development of the Goldfields-Esperance region.....	81.5%	75%	84%	84%	
Great Southern Region					
Favourable responses from a minimum of 75% of clients from the client survey.....	83%	83%	81%	80%	
Kimberley Region					
Delivers effective activities in assisting economic and social development.....	93%	90%	91%	91%	
Makes a positive contribution to economic and social development in the Kimberley	93%	90%	91%	91%	
Provides a reliable source of information and advice.....	93%	90%	92%	92%	
Is an accessible source of information and advice	92%	90%	92%	92%	
Mid West Region					
Clients agreeing that the Commission reduced obstacles to economic growth and employment.....	44%	42%	47%	44%	
Clients agreeing that the Commission contributed to the development of a new business opportunity.....	57%	63%	63%	62%	
Clients agreeing that the Commission contributed to more trade activity	28%	30%	33%	32%	
Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities.....	30%	28%	34%	33%	
Peel Region					
Client satisfaction with contribution to the region's economic base.....	89%	90%	87%	85%	
Pilbara Region					
Customers satisfied that the Commission is effective in meeting its service objectives	95%	90%	95%	95%	
South West Region					
Customer satisfaction survey.....	90%	85%	90%	90%	
Wheatbelt Region					
Satisfaction survey that the Commission is achieving its outcome - Sample size	130	130	130	130	
Strongly Agree	31%	32%	30%	32%	
Agree	63%	60%	58%	62%	
Neither Agree or Disagree.....	3%	1%	1%	1%	
Disagree	1%	1%	1%	1%	
Strongly Disagree.....	0%	1%	1%	1%	
Don't Know	2%	5%	9%	3%	

(a) Further detail in support of the key effectiveness indicators are provided in the agencies' Annual Reports.

Explanation of Significant Movements

(Notes)

1. The survey of main stakeholders is only conducted every two years so the next survey is due in 2018-19.

Services and Key Efficiency Indicators

1. Fisheries Management

Fisheries Management includes the development of policy and procedural frameworks for the management of the State's fisheries, aquaculture and the aquatic environment including legislation and management plans, consultation with fishing industry stakeholders and the community.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 27,677	\$'000 21,686	\$'000 27,896	\$'000 28,628	1
Less Income.....	11,081	10,511	10,569	11,875	2
Net Cost of Service.....	16,596	11,175	17,327	16,753	
Employees (Full Time Equivalents).....	92	85	88	87	
Efficiency Indicator					
Average Cost per Hour of Management (Excluding Grants and Fisheries Adjustments).....	\$174	\$179	\$165	\$159	

Explanation of Significant Movements

(Notes)

- The increase in Total Cost of Service from the 2016-17 Budget to the 2016-17 Estimated Actual of \$6.2 million (28.6%) is due to a change in calculation methodology, after publication of the 2016-17 Budget, which led to a redistribution of costs between the Fisheries Management, Enforcement and Education and Research and Assessment services.
- The increase in income from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$1.3 million (12.4%) is primarily due to the increase in commercial and recreational license fees.

2. Enforcement and Education

Through the Enforcement and Education service, the Department raises community awareness and understanding of fisheries and aquatic management issues and the need to adhere to the rules governing these activities. This service enforces fishing rules and also plans and instigates investigations and enforcement strategies.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 39,671	\$'000 40,912	\$'000 39,984	\$'000 41,034	
Less Income.....	15,882	18,040	17,735	18,815	
Net Cost of Service.....	23,789	22,872	22,249	22,219	
Employees (Full Time Equivalents).....	203	189	196	194	
Efficiency Indicator					
Average Cost per Hour of Enforcement and Education.....	\$140	\$159	\$145	\$146	

3. Research and Assessment

The Research and Assessment service provides scientific knowledge for the sustainable management of the State's fisheries and aquatic resources and the associated environment.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 24,910	\$'000 24,867	\$'000 25,106	\$'000 25,765	
Less Income.....	9,972	6,653	11,000	12,360	1
Net Cost of Service.....	14,938	18,214	14,106	13,405	2
Employees (Full Time Equivalents).....	193	179	183	180	
Efficiency Indicator					
Average Cost per Hour of Research and Assessment.....	\$104	\$116	\$110	\$111	

Explanation of Significant Movements

(Notes)

1. The increase in income from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$1.3 million (12.4%) is primarily due to the increase in commercial and recreational license fees.
2. The reduction in Net Cost of Service from 2016-17 Budget to 2016-17 Estimated Actual of \$4.1 million (-22.6%) is due to a change in calculation methodology, after publication of the 2016-17 Budget, which led to a redistribution of costs/income between services.

4. Market Development, Investment and Market Access

The service supports Western Australian agriculture and food businesses to increase their access to domestic and international markets. It aims to support current and prospective industries to develop the marketing and business arrangements they need to remain globally competitive. It focuses on the development of coordinated growth initiatives, collaborative processes and networks that help the State's agriculture and food sector increase its contribution to the Western Australian economy.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 23,389	\$'000 26,469	\$'000 29,079	\$'000 27,691	
Less Income.....	6,206	3,528	6,277	6,419	
Net Cost of Service.....	17,183	22,941	22,802	21,272	
Employees (Full Time Equivalents).....	110	111	111	110	
Efficiency Indicators					
Net Service Cost as a Factor of Gross Value of Agricultural Production (GVAP).....	0.3%	0.3%	0.3%	0.3%	1
Public and Private Sector Co-investment in Department-led Market Development Initiatives as a Factor of the Net Cost of this Service.....	20%	15%	12%	13%	

Explanation of Significant Movements

(Notes)

1. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.

5. Productivity Improvement and Innovation

This service supports businesses to optimise the technical side of their enterprise by increasing the volume and cost effectiveness of their products. It applies to all elements of the supply chain and to the key systems and processes required for an internationally competitive sector. This focus is particularly important in the current economic environment where businesses are being challenged by rapid technical changes, increasing climate variability and evolving capital and financing arrangements. The Department provides a range of tools to foster innovation in target industries, and is constantly developing new tools in response to emerging trends and opportunities.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 38,722	\$'000 38,735	\$'000 42,555	\$'000 35,243	
Less Income.....	10,275	15,448	9,186	8,170	
Net Cost of Service.....	28,447	23,287	33,369	27,073	1
Employees (Full Time Equivalents).....	152	154	154	150	
Efficiency Indicators					
Net Service Cost as a Factor of GVAP.....	0.4%	0.3%	0.3%	0.3%	2
Public and Private Sector Co-investment in Department-led Productivity Improvement and Innovation Initiatives as a Factor of the Net Cost of this Service.....	60%	45%	70%	57%	3

Explanation of Significant Movements

(Notes)

1. The decrease in Net Cost of Service from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$6.3 million (-18.9%) is due to a delay in commencement of externally funded projects as a result of the need to reprioritise work commitments to meet high priority emerging issues such as biosecurity incidents.
2. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.
3. Variations between the 2016-17 Budget and the 2016-17 Estimated Actual figures stem primarily from difficulties in estimating third-party and in-kind co-investment patterns for each new service on the basis of those of the three former services. The 2017-18 Budget Target has been developed on the basis of 2016-17 investment patterns.

6. Business Development and Promotion

This service relates to the Department's focus on the commercial components needed for business success. It involves working with industry to facilitate the development of investment-ready supply chains: helping business owners align their corporate skills and knowledge with global best practices and developing decision-aiding tools that support business success. It aims to help growing businesses in their efforts to increase the quality and marketability of their existing and emerging products; and in managing their business risks.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
Total Cost of Service.....	\$'000 16,396	\$'000 20,772	\$'000 22,820	\$'000 20,139	
Less Income.....	4,351	5,401	4,926	4,669	
Net Cost of Service.....	12,045	15,371	17,894	15,470	1
Employees (Full Time Equivalents).....	73	74	74	73	
Efficiency Indicators					
Net Service Cost as a Factor of GVAP.....	0.2%	0.2%	0.2%	0.2%	2
Public and Private Sector Co-investment in Department-led Business Development and Promotion Initiatives as a Factor of the Net Cost of this Service.....	30%	25%	22%	23%	

Explanation of Significant Movements

(Notes)

1. The decrease in Net Cost of Service from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$2.4 million (-13.5%) is due to a delay in RfR funded project timeframes as a result of the need to reprioritise work commitments to meet high priority emerging issues such as biosecurity incidents.
2. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.

7. Productive Natural Resources

This service supports the productive capacity of the natural resources; land, water, native vegetation and biodiversity, that underpin the sector. This is essential both to the viability of the sector and to maintaining the physical environment and amenity that all Western Australians value and enjoy. This work involves partnerships with industry and a wide range of government agencies to fulfil shared responsibilities.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	33,141	26,254	28,843	32,726	
Less Income.....	8,794	9,160	6,226	7,586	
Net Cost of Service.....	24,347	17,094	22,617	25,140	1
Employees (Full Time Equivalents).....	118	119	119	119	
Efficiency Indicators					
Net Service Cost as a Factor of GVAP	0.4%	0.2%	0.1%	0.1%	2
Public and Private Sector Co-investment in Department-led Productive Resource Management Initiatives as a Factor of the Net Cost of this Service	35%	35%	100%	65%	3

Explanation of Significant Movements

(Notes)

1. The increase in Net Cost of Service from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$2.5 million (11.2%) is due to increases in industry funding schemes.
2. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.
3. Variations between the 2016-17 Budget and the 2016-17 Estimated Actual figures stem primarily from difficulties in estimating third-party and in-kind co-investment patterns for each new service on the basis of those of the three former services. The 2017-18 Budget Target has been developed on the basis of 2016-17 investment patterns.

8. Biosecurity and Product Integrity

This service protects the productivity, marketing, environmental and social advantages that all Western Australians enjoy from being free of the world's most serious weed, pest and disease threats. While the Australian Quarantine and Inspection Service offers the front line of defence against biosecurity threats arriving from overseas, all other biosecurity management responsibilities rest with the states, including keeping out a number of significant threats endemic to the Eastern States but not Western Australia. The world's premium food markets are increasingly demanding that their suppliers have highly-sophisticated biosecurity management capabilities at local to international levels to build and demonstrate that capability.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	58,104	66,208	72,737	83,072	
Less Income.....	16,028	14,091	16,349	19,288	
Net Cost of Service.....	42,076	52,117	56,388	63,784	1,2
Employees (Full Time Equivalents).....	355	359	359	379	
Efficiency Indicators					
Net Service Cost as a Factor of GVAP	0.7%	0.8%	0.6%	0.7%	3
Public and Private Sector Co-investment in Department-led Biosecurity and Product Integrity Initiatives as a Factor of the Net Cost of this Service	30%	25%	11%	18%	4

Explanation of Significant Movements

(Notes)

1. The increase in Net Cost of Service from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$7.4 million (13.1%) primarily relates to the delivery of 19 recommendations as detailed in the Animal Welfare Review Report, contribution to a national cost-shared funding program to deliver the Red Imported Fire Ant Eradication Program, as well as the reallocation of internal resources towards biosecurity incidents.
2. The increase in Net Cost of Service from the 2016-17 Budget to the 2016-17 Estimated Actual of \$4.3 million (8.2%) is due to an increase in expenditure related to the management of a number of unbudgeted biosecurity incidents in 2016-17.
3. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.
4. Variations between the 2016-17 Budget and the 2016-17 Estimated Actual figures stem primarily from difficulties in estimating third-party and in-kind co-investment patterns for each new service on the basis of those of the three former services. The 2017-18 Budget Target has been developed on the basis of 2016-17 investment patterns.

9. A Business Environment for Growth

This service optimises policy settings and relationships across government, industry and related organisations. It reflects the leadership the Department provides in partnering with stakeholders in terms of the regulatory, policy and planning settings that affect the agrifood sector. It involves building the combined ability of governments, industry and the broader community to develop the agriculture and food sector while dealing with biosecurity and natural resource risks. An increasingly complex and changing world requires a collaborative approach that allows the agrifood sector to develop in the most efficient and effective manner possible.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	38,432	40,595	44,598	52,864	
Less Income.....	10,198	4,502	9,628	12,255	
Net Cost of Service.....	28,234	36,093	34,970	40,609	1
Employees (Full Time Equivalents).....	179	180	180	205	
Efficiency Indicators					
Net Service Cost as a Factor of GVAP.....	0.5%	0.5%	0.5%	0.5%	2
Public and Private Sector Co-investment in Department-led Growth Initiatives as a Factor of the Net Cost of this Service.....	10%	10%	8%	9%	

Explanation of Significant Movements

(Notes)

1. The increase in Net Cost of Service from the 2016-17 Estimated Actual to the 2017-18 Budget Target of \$5.6 million (16.1%) primarily relates to additional RfR and other externally funded activities.
2. Based on the Australian Bureau of Statistics' GVAP five year rolling average of \$7.8 billion.

10. Regional Investment

This service delivers a pipeline of quality initiatives to drive a long-term, high value approach to the RfR program. This is achieved through identifying and assessing projects against regional priorities, needs and solutions including, infrastructure, economic development, job creation and community services.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	145,237	54,382	64,018	66,003	
Less Income.....	10,340	1,977	2,341	1,198	
Net Cost of Service.....	134,897	52,405	61,677	64,805	1
Employees (Full Time Equivalents).....	112	99	74	81	
Efficiency Indicators					
Average Cost per Funded Initiative Administered.....	\$16,998	\$19,564	\$22,157	\$28,837	2
Average Internal Cost per Satellite Site Supported.....	\$4,661	\$4,232	\$4,239	-	3

Explanation of Significant Movements

(Notes)

1. The decrease of \$82.5 million (-61.2%) in Net Cost of Service between the 2015-16 Actual to the 2016-17 Budget is mainly attributable to large grants expenditure on Growing Our South, Goldfields Esperance Revitalisation and Mid West Revitalisation projects in 2015-16. Similarly the increase in Net Cost of Service of \$9.3 million (17.7%) between the 2016-17 Budget to the 2016-17 Estimated Actual is primarily due to the increases in expenditure for various grant initiatives.
2. The increase in Average Cost per Funded Initiative Administered between the 2016-17 Estimated Actual and the 2017-18 Budget Target is mainly attributable to the reallocation of initiatives between services.
3. There is no Average Internal Cost per Satellite Site Supported for the 2017-18 Budget Target. The number of satellite sites supported relates to broadcasting by the Westlink program. As part of the Agency Expenditure Review process, Westlink was identified for closure in 2017-18 due to the diminishing interest in using Westlink as a communication tool in recent years.

11. Regional Policy

This service provides strategic input into policy and strategy directions to support increased regional business development and investment to grow and attract business for the economic and social benefits of regional communities and the State.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	105,171	39,381	46,358	60,926	
Less Income.....	7,487	1,432	1,696	1,725	
Net Cost of Service.....	97,684	37,949	44,662	59,201	1
Employees (Full Time Equivalents).....	51	50	82	75	2
Efficiency Indicator					
Average Cost per Item of Written Advice Requiring Minister's Attention.....	\$5,974	\$12,674	\$11,112	\$11,105	

Explanation of Significant Movements

(Notes)

1. The decrease of \$59.7 million (-61.2%) in Net Cost of Service between the 2015-16 Actual to the 2016-17 Budget is mainly attributable to large grants expenditure on Growing Our South, Goldfields Esperance Revitalisation and Mid West Revitalisation projects in 2015-16. Similarly the increase in Net Cost of Service of \$6.7 million (17.7%) between the 2016-17 Budget to the 2016-17 Estimated Actual is primarily due to the increases in expenditure for various grant initiatives.
2. The increase in Employees (Full Time Equivalents) between the 2016-17 Budget to the 2016-17 Estimated Actual is primarily due to the reallocation of initiatives between services.

12. Regional Development ^(a)

This service works to deliver the economic and social development of the regions in conjunction with the nine Regional Development Commissions. This will be achieved by maximising job creation and broadening the regions' economic base in partnership with other government services and the private sector.

	2015-16 Actual	2016-17 Budget	2016-17 Estimated Actual	2017-18 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	62,723	46,330	57,726	54,322	
Less Income.....	1,678	280	1,342	570	
Net Cost of Service.....	61,045	46,050	56,384	53,752	1
Employees (Full Time Equivalents).....	132	137	137	136	

(a) Due to the Machinery of Government changes, key services for the nine Regional Development Commissions have been rationalised. Accordingly, key efficiency indicators are under review and will be developed in 2017-18. Further detail in support of the key efficiency indicators are provided for in the agencies' Annual Reports.

Explanation of Significant Movements

(Notes)

1. The increase in Net Cost of Service of \$10.3 million (22.4%) between the 2016-17 Budget to the 2016-17 Estimated Actual is primarily due to the increases in grant expenditure related to the Local Projects Local Jobs program.

Asset Investment Program

The Asset Investment Program for the Department provides for the replacement, maintenance, upgrade and expansion of assets that support the delivery of services throughout the State. These assets include, but are not limited to, buildings and infrastructure, progressive replacement of marine vessels, information systems and operational equipment.

As part of the Government's election commitments, a new fish health laboratory will be developed in 2017-18 at the Indian Ocean Marine Research Centre at Watermans Bay to deliver research and investigative services for the State's aquaculture industry

Other projects being undertaken include the:

- Multi Species Mollusc Hatchery at the Albany Aquaculture Park;
- Wild Dog Action plan;
- Dolphin Discovery Centre; and
- Remote Communities North West Housing project.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-17 \$'000	2016-17 Estimated Expenditure \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
WORKS IN PROGRESS							
Abrolhos Islands Program							
Abrolhos Islands Airstrips Rolling Program	874	474	-	100	100	100	100
Abrolhos Islands General Rolling Program	1,922	1,122	36	200	200	200	200
Replacement and Upgrade of Public Jetties at							
East Wallabi and Beacon Islands	1,126	1,108	898	18	-	-	-
Boosting Bio-Security Defences ^(a)	641	487	487	154	-	-	-
Dolphin Discovery Centre ^(a)	12,290	2,403	2,403	3,687	6,200	-	-
Equipment Replacement Program							
Fit-out Furniture and Office Equipment Rolling Program	5,243	2,843	569	600	600	600	600
Operational and Office Equipment Rolling Program	29,303	16,478	615	1,679	2,653	2,793	2,793
Operational Equipment Rolling Program	4,194	2,538	550	414	414	414	414
Small Boats and Trailers Rolling Program	11,569	5,955	650	972	1,520	1,561	1,561
Grains Entity Infrastructure ^(a)	6,836	3,542	2,800	3,294	-	-	-
Help Grain Growers to Better Manage Risk							
(eConnected) ^(a)	3,331	2,501	2,501	830	-	-	-
Information Systems Upgrade							
Computing Hardware and Software Rolling Program	3,800	3,200	150	150	150	150	150
Information Management Systems Upgrade	32,362	26,522	1,414	4,000	1,840	-	-
Information System Development Rolling Program	2,792	1,192	400	400	400	400	400
Shark Monitoring Network	795	495	495	75	75	75	75
Regional Natural Resource Management Program ^(a)	9,983	5,054	750	2,001	1,150	1,778	-
Wild Dogs Action Plan ^(a)	12,571	2,428	2,428	6,780	2,763	600	-
COMPLETED WORKS							
Equipment Replacement Program							
2016-17 Program ^(a)	167	167	167	-	-	-	-
Albany Multi Species Mollusc Hatchery	1,800	1,800	1,800	-	-	-	-
Aquaculture Park Upgrades Rolling Program	502	502	165	-	-	-	-
Great Kimberley Marine Park Vessel	70	70	70	-	-	-	-
Great Kimberley Marine Park ^(a)	425	425	425	-	-	-	-
Headquarters - South Perth site - Accommodation							
Business Case	250	250	98	-	-	-	-
Information and Communications Technology							
Infrastructure from Department of Lands	673	673	350	-	-	-	-
Information Systems Upgrade							
Decommissioning of the Office of Shared Services	5,971	5,971	500	-	-	-	-
Shark Monitoring Network	600	600	351	-	-	-	-
South West Recreational Fishing Enhancement Pilot							
Project ^(a)	23	23	23	-	-	-	-
Transform Peel - Information Technology ^(a)	28	28	28	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-17 \$'000	2016-17 Estimated Expenditure \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
NEW WORKS							
Coral Bay Seasonal Staff Accommodation (a).....	387	-	-	387	-	-	-
Equipment Replacement Program							
2017-18 Program.....	112	-	-	112	-	-	-
2018-19 Program.....	91	-	-	-	91	-	-
2019-20 Program.....	91	-	-	-	-	91	-
Election Commitment - Fish Health Laboratory Watermans Research.....	1,000	-	-	1,000	-	-	-
Essential and Municipal Services Improvement in Remote Aboriginal Communities (a).....	52,000	-	-	2,000	25,000	25,000	-
Royalties for Regions Program (a)							
Asset Investment Underspend Provision (b).....	(84,088)	-	-	(53,853)	(30,235)	-	-
Global Provision.....	121,553	-	-	-	31,992	22,674	66,887
North-West Aboriginal Housing Initiative.....	75,000	-	-	5,000	20,000	20,000	30,000
Total Cost of Asset Investment Program.....	316,287	88,851	21,123	(20,000)	64,913	76,436	103,180
FUNDED BY							
Capital Appropriation			2,606	1,085	85	85	85
Asset Sales.....			107	107	107	107	107
Drawdowns from the Holding Account.....			7,597	4,355	4,897	5,846	5,846
Administered Funds.....			-	(46,853)	46,757	67,674	96,887
Internal Funds and Balances.....			-	214	8,131	91	-
Other			(201)	971	1,023	255	255
Drawdowns from Royalties for Regions Fund (c)			11,014	20,121	3,913	2,378	-
Total Funding.....			21,123	(20,000)	64,913	76,436	103,180

(a) Funded from the RfR Fund.

(b) The asset investment underspend provision ensures the total RfR expenditure, across the entire program, remains under the approved expenditure limit, recognising that not all projects will spend their respective budgets.

(c) Regional Infrastructure and Headworks Fund and Regional Community Services Fund.

Financial Statements

The 2015-16 Actual, 2016-17 Budget and 2016-17 Estimated Actual financial data has been recast for comparative purposes due to Machinery of Government changes to amalgamate the Departments of Agriculture, Fisheries and Regional Development and the nine Regional Development Commissions on 1 July 2017.

Income Statement

Expenses

The increase in supplies and services expenditure of \$7.2 million (6.4%) from the 2016-17 Estimated Actual to the 2017-18 Budget Estimate largely reflects an increase in RfR and externally funded expenditure, including a once-off grant payment for \$3.3 million in 2017-18 to the Surf Life Saving Association of Western Australia.

Income

The increase in regulatory fees and fines of \$5.5 million (13%) from the 2016-17 Estimated Actual to the 2017-18 Budget Estimate is mainly attributable to a \$4.3 million increase from commercial and recreational fishing licence fees.

The increase in grants and subsidies of \$4.5 million (12.9%) from the 2016-17 Estimated Actual to the 2017-18 Budget Estimate relates to the reforecasting of external funds revenue within the Agriculture and Food Division as many projects have been delayed due to the management of several biosecurity incidents in the 2016-17 financial year.

INCOME STATEMENT ^(a)
(Controlled)

	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	203,531	207,115	208,533	216,242	206,096	188,810	180,302
Grants and subsidies ^(c)	245,420	72,261	110,143	126,659	98,197	64,238	50,685
Supplies and services	84,226	109,751	113,401	120,624	93,552	76,633	51,719
Accommodation	15,444	14,025	14,638	14,873	13,905	13,905	13,684
Depreciation and amortisation	31,382	19,678	24,832	25,330	24,517	23,254	21,265
Other expenses.....	33,570	23,761	30,173	24,685	20,677	18,758	18,321
TOTAL COST OF SERVICES	613,573	446,591	501,720	528,413	456,944	385,598	335,976
Income							
Sale of goods and services.....	4,084	5,074	5,074	4,825	4,825	4,825	4,825
Regulatory fees and fines.....	40,010	38,021	42,393	47,887	49,294	49,465	48,069
Grants and subsidies.....	32,568	33,473	34,973	39,493	25,066	22,164	19,571
Other revenue	35,630	14,455	14,835	12,725	10,951	10,183	8,038
Total Income.....	112,292	91,023	97,275	104,930	90,136	86,637	80,503
NET COST OF SERVICES	501,281	355,568	404,445	423,483	366,808	298,961	255,473
INCOME FROM STATE GOVERNMENT							
Service appropriations.....	177,365	171,767	172,356	186,631	184,197	175,908	168,996
Resources received free of charge	2,372	2,167	2,173	2,169	2,162	2,166	1,849
Royalties for Regions Fund:							
Country Local Government Fund	3,333	-	500	-	-	-	-
Regional Community Services Fund	49,365	89,569	92,837	117,902	85,860	66,526	39,460
Regional Infrastructure and Headworks Fund	225,303	31,284	43,793	49,396	37,447	6,868	6,128
Regional and State-wide Initiatives	45,665	45,459	45,084	45,372	46,336	47,431	46,163
TOTAL INCOME FROM STATE GOVERNMENT	503,403	340,246	356,743	401,470	356,002	298,899	262,596
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	2,122	(15,322)	(47,702)	(22,013)	(10,806)	(62)	7,123

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) The Full Time Equivalents for 2015-16 Actual, 2016-17 Estimated Actual and 2017-18 Budget Estimate are 1,792, 1,783 and 1,789 respectively. In some cases the figures for 2015-16 and 2016-17 may differ from previously published figures due to changes in calculation methodology.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Aboriginal Initiatives	206	3,935	2,585	977	101	-	-
Action Agenda Projects.....	859	-	-	-	-	-	-
Agriculture Research Grant Allocations.....	595	3,100	2,607	14,050	17,102	17,155	4,709
Fisheries Research Grant Allocations.....	1,797	1,002	1,002	1,002	1,002	1,002	1,002
Gascoyne Revitalisation Plan.....	9,578	283	563	220	1,920	152	1,128
Goldfields-Esperance Revitalisation Plan	22,396	3,300	13,735	5,517	3,628	-	-
Grant to Recfishwest Snapper Guardians Program.....	-	150	150	150	-	-	-
Grants to Fishers with Disabilities Association Inc.....	-	75	75	75	75	75	75
Growing Our South Plan	104,864	-	-	-	-	-	-
Jawun Indigenous Partnership Program.....	-	-	250	300	300	-	-
Mid West Investment Plan.....	17,343	62	62	-	-	-	-
Other Fisheries Grants.....	-	500	500	950	950	750	750
Other Regional Development Grants.....	1,020	2,500	8,236	6,497	7,820	4,267	-
Pilbara Cities Initiative.....	15,651	6,410	7,201	10,521	6,399	-	-
Potato Marketing Structural Readjustment	-	-	14,000	-	-	-	-
Regional Capital Works Initiatives	2,000	-	-	-	-	-	-
Regional Community Programs and Schemes.....	2,390	6,354	8,810	4,993	3,434	3,014	189
Regional Development Grants	18,127	4,062	15,919	10,095	8,943	9,124	268
Regional Grants Scheme	10,938	9,600	9,605	18,905	1,151	-	-
Regional Infrastructure Projects	-	-	350	2,000	1,400	5,000	5,000
Regional Strategic Projects	-	-	422	7,542	11,775	16,287	30,370
Regional Telecommunications Project.....	9,138	9,800	13,052	18,380	21,500	-	-
Seizing the Opportunity Agriculture	-	12,740	-	-	-	-	-
State Agriculture Telecommunications Infrastructure Improvement Fund.....	-	-	-	15,053	3,503	218	-
Subsidies and Other Agriculture Grants.....	18,518	8,388	11,019	9,432	7,194	7,194	7,194
West Kimberley Revitalisation Plan.....	10,000	-	-	-	-	-	-
TOTAL	245,420	72,261	110,143	126,659	98,197	64,238	50,685

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets	15,107	19,442	15,322	13,479	16,259	20,766	24,973
Restricted cash	109,564	55,179	71,276	66,632	54,355	55,377	55,449
Holding account receivables	5,806	5,279	4,649	4,781	4,511	4,270	4,029
Receivables	22,774	7,729	22,947	22,742	22,993	23,431	23,941
Other	13,425	11,840	13,424	13,670	13,104	15,123	11,029
Assets held for sale	2,749	3,400	2,749	2,749	2,749	2,749	2,749
Total current assets	169,425	102,869	130,367	124,053	113,971	121,716	122,170
NON-CURRENT ASSETS							
Holding account receivables	92,719	106,758	105,057	124,742	143,814	160,611	177,717
Property, plant and equipment	281,107	288,321	277,640	272,930	288,558	293,938	280,830
Intangibles	16,392	20,403	13,785	13,711	11,639	8,828	6,478
Restricted cash	-	546	546	1,086	1,586	2,085	2,584
Other	86,033	88,743	86,253	83,662	79,537	77,685	75,244
Total non-current assets	476,251	504,771	483,281	496,131	525,134	543,147	542,853
TOTAL ASSETS	645,676	607,640	613,648	620,184	639,105	664,863	665,023
CURRENT LIABILITIES							
Employee provisions	45,048	44,872	44,818	44,776	44,926	45,104	45,266
Payables	3,726	7,987	3,103	3,681	3,477	3,510	3,543
Other	14,661	21,611	14,882	16,736	15,943	16,288	9,717
Total current liabilities	63,435	74,470	62,803	65,193	64,346	64,902	58,526
NON-CURRENT LIABILITIES							
Employee provisions	9,068	8,308	8,833	8,760	8,735	8,752	8,752
Borrowings	34,905	26,744	27,687	18,539	10,068	2,886	1,922
Other	120	181	100	80	60	34	34
Total non-current liabilities	44,093	35,233	36,620	27,379	18,863	11,672	10,708
TOTAL LIABILITIES	107,528	109,703	99,423	92,572	83,209	76,574	69,234
EQUITY							
Contributed equity	240,306	262,504	263,793	285,258	324,056	356,219	356,304
Accumulated surplus/(deficit) ^(b)	34,059	(24,838)	(13,643)	(22,013)	(32,819)	(32,881)	(25,758)
Reserves	263,783	260,271	264,075	264,367	264,659	264,951	265,243
Total equity	538,148	497,937	514,225	527,612	555,896	588,289	595,789
TOTAL LIABILITIES AND EQUITY	645,676	607,640	613,648	620,184	639,105	664,863	665,023

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) The Accumulated deficit 2016-17 Estimated Actual of \$13.6 million is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions to the new Department of Primary Industries and Regional Development.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations.....	159,060	152,856	153,578	162,459	160,498	153,506	146,285
Capital appropriation.....	5,087	1,306	2,606	1,085	85	85	85
Holding account drawdowns.....	5,682	5,753	7,597	4,355	4,897	5,846	5,846
Royalties for Regions Fund:							
Country Local Government Fund.....	3,333	-	510	-	-	37	-
Regional Community Services Fund.....	49,306	92,468	95,716	131,948	88,623	67,089	39,460
Regional Infrastructure and Headworks Fund.....	226,531	42,802	51,917	55,471	38,597	8,646	6,128
Regional and State-wide Initiatives.....	45,699	45,460	45,085	45,373	46,337	47,431	46,163
Net cash provided by State Government.....	494,698	340,645	357,009	400,691	339,037	282,640	243,967
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(214,073)	(207,304)	(208,833)	(216,225)	(205,960)	(188,703)	(180,295)
Grants and subsidies.....	(245,768)	(71,253)	(110,135)	(126,679)	(98,217)	(64,264)	(50,685)
Supplies and services.....	(81,505)	(104,145)	(106,471)	(114,168)	(85,157)	(69,068)	(46,087)
Accommodation.....	(15,613)	(14,279)	(14,907)	(14,716)	(13,731)	(13,748)	(13,684)
Other payments.....	(65,415)	(53,042)	(55,510)	(51,873)	(51,178)	(38,909)	(37,712)
Receipts ^(b)							
Regulatory fees and fines.....	36,816	38,021	42,393	47,887	49,294	49,465	48,069
Grants and subsidies.....	32,552	33,473	34,973	39,493	25,066	22,164	19,571
Sale of goods and services.....	6,149	7,151	7,151	7,997	8,315	8,315	8,315
GST receipts.....	30,578	27,322	27,344	26,804	27,100	16,260	15,788
Other receipts.....	33,641	10,671	11,061	9,359	6,284	5,414	3,635
Net cash from operating activities.....	(482,638)	(333,385)	(372,934)	(392,121)	(338,184)	(273,074)	(233,085)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(12,082)	(27,965)	(21,123)	(28,853)	(43,156)	(33,762)	(6,293)
Other payments.....	(5,490)	-	(4,430)	-	-	-	-
Proceeds from sale of non-current assets.....	61	334	107	107	152	362	362
Other receipts.....	665	-	-	-	-	-	-
Net cash from investing activities.....	(16,846)	(27,631)	(25,446)	(28,746)	(43,004)	(33,400)	(5,931)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(4,271)	(4,522)	(4,522)	(4,791)	(6,598)	(5,966)	(6,301)
Proceeds from borrowings.....	963	-	-	-	-	-	-
Other proceeds.....	3,510	4,522	4,522	4,790	4,790	5,966	5,966
Net cash from financing activities.....	202	-	-	(1)	(1,808)	-	(335)
NET INCREASE/(DECREASE) IN CASH HELD.....	(4,584)	(20,371)	(41,371)	(20,177)	(43,959)	(23,834)	4,616
Cash assets at the beginning of the reporting period.....	182,950	95,394	124,671	87,144	81,197	72,200	78,228
Net cash transferred to/from other agencies....	(53,695)	-	3,844	14,230	34,962	29,862	162
Cash assets at the end of the reporting period.....	124,671	75,023	87,144	81,197	72,200	78,228	83,006

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2015-16	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory Fees and Fines							
Regulatory Fees.....	6,430	9,008	9,280	10,431	11,556	11,627	9,931
Grants and Subsidies							
Direct Grants and Subsidies Revenue							
Recurrent.....	28,843	30,305	30,766	36,629	22,298	20,398	17,805
Capital.....	-	350	350	-	-	-	-
Commonwealth - Recurrent.....	1,750	1,846	2,269	1,892	1,796	1,766	1,766
National Partnership Payments							
Managing Established Pest Animals and Weeds.....	1,459	972	972	972	972	-	-
Pest and Disease Preparedness and Response Programs.....	-	-	116	-	-	-	-
Pest Animal and Weed Management in Drought-affected Areas.....	500	-	500	-	-	-	-
Sale of Goods and Services							
Sale of Goods and Services.....	6,149	7,151	7,151	7,997	8,315	8,315	8,315
GST Receipts							
GST Input Credits.....	24,930	21,533	21,526	21,035	21,396	10,556	9,327
GST Receipts on Sales.....	5,648	5,789	5,818	5,769	5,704	5,704	6,461
Other Receipts							
Interest Received - Monies Held in Participating Trust Funds.....	1,042	808	808	858	1,009	1,009	1,058
Other Revenue.....	29,183	5,763	6,153	4,631	1,470	1,463	1,390
Receipts from Service Delivery Agreement...	3,212	2,215	2,215	2,254	2,189	1,862	107
TOTAL.....	109,146	85,740	87,924	92,468	76,705	62,700	56,160

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

DETAILS OF ADMINISTERED TRANSACTIONS

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000	2018-19 Forward Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000
INCOME							
Fines							
Fisheries Infringements.....	313	-	-	-	-	-	-
Other							
Appropriation.....	1,600	1,600	1,600	1,600	-	-	-
Revenue from Regional Infrastructure and Headworks Fund - Recurrent.....	6,330	46,252	6,695	6,022	8,320	6,333	6,000
Revenue from Regional Community Services Fund - Recurrent.....	-	-	-	-	2,624	19,153	6,200
Revenue from Regional and State-wide Initiatives - Recurrent	50,000	-	-	(59,494)	(21,998)	26,005	56,814
Interest Revenue	1,071	1,314	1,429	1,439	1,194	971	791
Other Revenue	98	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME	59,412	49,166	9,724	(50,433)	(9,860)	52,462	69,805
EXPENSES							
Grants to Charitable and Other Public Bodies							
Regional Saleyards Strategy Commonwealth Grants.....	-	3,895	1,397	-	-	-	-
Grants and Subsidies Expenses							
Essential and Municipal Services Improvement in Remote Aboriginal Communities Project	-	-	-	2,000	25,000	25,000	-
State Contribution to Natural Resource Management	6,872	6,900	6,195	3,682	5,732	6,200	6,200
Royalties for Regions Program Global Provision.....	1,975	39,821	6,338	13,483	28,374	49,991	61,041
Other							
Royalties for Regions Program - Underspend Provision.....	-	-	-	(63,143)	(35,828)	-	-
Western Australian Co-operatives Loan Scheme - Interest Expense to Western Australian Treasury Corporation	647	1,022	1,041	1,052	878	719	588
Supplies and Services	2,309	1,787	1,243	1,238	1,106	223	198
TOTAL ADMINISTERED EXPENSES	11,803	53,425	16,214	(41,688)	25,262	82,133	68,027

Agency Special Purpose Account Details

FISHERIES ADJUSTMENT SCHEMES SPECIAL PURPOSE ACCOUNT

Account Purpose: The Fisheries Adjustment Schemes Special Purpose Account was established under the *Fisheries Adjustment Schemes Act 1987* (the Act). The purpose of this account is to hold funds in accordance with section 5 of the Act which shall be applied by the Minister for the purposes prescribed by section 6 of the Act. It is mainly utilised to fund the payment of compensation agreed under the Fisheries Adjustment Scheme.

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000
Opening Balance	1,062	1,462	631	551
Receipts:				
Appropriations.....	-	500	-	-
Other	4,667	4,522	6,117	5,848
	5,729	6,484	6,748	6,399
Payments	5,098	5,022	6,197	5,868
CLOSING BALANCE	631	1,462	551	531

FISHERIES RESEARCH AND DEVELOPMENT SPECIAL PURPOSE ACCOUNT

Account Purpose: The Fisheries Research and Development Special Purpose Account was continued under the *Fish Resources Management Act 1994*. It is utilised to fund the management of commercial, fish and fish habitat protection and pearling and aquaculture activities.

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000
Opening Balance	10,515	2,843	2,472	1,200
Receipts:				
Appropriations.....	33,664	37,820	43,712	39,244
Other	34,631	31,422	29,145	39,822
	78,810	72,085	75,329	80,266
Payments	76,338	71,562	74,129	78,095
CLOSING BALANCE	2,472	523	1,200	2,171

RECREATIONAL FISHING SPECIAL PURPOSE ACCOUNT

Account Purpose: The Recreational Fishing Special Purpose Account was established under the *Fish Resources Management Act 1994* (the Act). The purpose of the account is to hold funds which may be applied by the Minister to any of the purposes prescribed by section 239 of the Act. The funds support activity relating to recreational fishing.

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000
Opening Balance	1,420	282	2,045	2,500
Receipts:				
Appropriations.....	11,111	9,545	8,070	7,564
Other	7,783	7,654	7,687	8,743
	20,314	17,481	17,802	18,807
Payments	18,269	17,071	15,302	16,307
CLOSING BALANCE	2,045	410	2,500	2,500

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

Account Purpose: The account will fund strategic reform initiatives in regional Western Australia designed to support Government's objectives over time.

	2015-16 Actual \$'000	2016-17 Budget \$'000	2016-17 Estimated Actual \$'000	2017-18 Budget Estimate \$'000
Opening Balance	50,000	100,000	100,000	99,830
Receipts:				
Appropriations.....	50,000	-	-	50,000
	100,000	100,000	100,000	149,830
Payments	-	-	170	13,500
CLOSING BALANCE	100,000	100,000	99,830	136,330