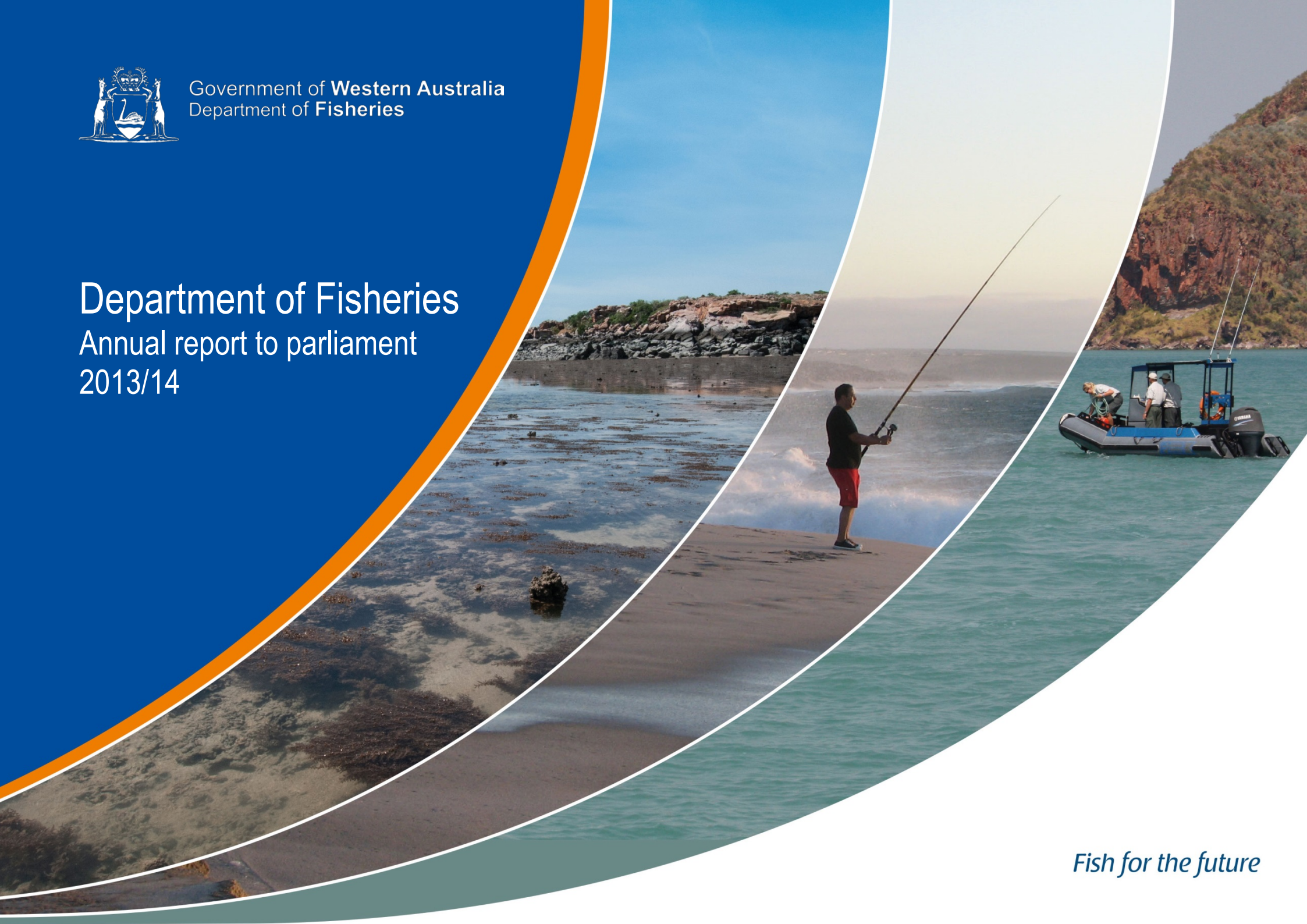




Government of Western Australia
Department of Fisheries

Department of Fisheries

Annual report to parliament
2013/14



Fish for the future

About this annual report

This annual report provides an overview of the Department and its operations for the financial year ended 30 June 2014. It has been prepared in accordance with the requirements of the *Financial Management Act 2006*, the *Fish Resources Management Act 1994* and the *Public Sector Commission's Annual reporting framework – 2013/14 reporting year*.

A copy of this document is available from the Department of Fisheries website at www.fish.wa.gov.au

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Annual reports for previous years may also be found on the website.

This annual report can also be made available in other formats to assist people with sight impairment in accordance with *The State Government Access Guidelines for Information, Services and Facilities*.

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To the Hon Ken Baston MLC Minister for Fisheries

Sir,

In accordance with section 61 of the *Financial Management Act 2006* and section 263 of the *Fish Resources Management Act 1994* (FRMA), I submit for your information and presentation to Parliament, the Annual Report of the Department of Fisheries for the financial year ending 30 June 2014.

The Department also produces the companion *Status Reports of the Fisheries and Aquatic Resources of Western Australia*, as required by section 263 of the FRMA. This annual report includes a table on stock status and catch ranges for major commercial fisheries, derived from the *Status Reports of the Fisheries and Aquatic Resources of Western Australia 2013/14*.



Stuart Smith

Director General

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From the Director General

The foresight and vision of successive State governments over many decades has resulted in world-class outcomes from fisheries management and in the protection of the aquatic environment in Western Australia.

Today, as a result of our commitment to high-quality fisheries management, 97 per cent of the fish stocks that support commercial and recreational fisheries are sustainable. For the remaining stocks, which have been largely impacted by environmental factors, comprehensive rebuilding strategies are in place.

Effectively all of the State's marine waters are protected under fisheries legislation to a standard equivalent of a 'marine protected area' according to the International Union for the Conservation of Nature's (IUCN) classification criteria. More protection of our aquatic resources is provided through marine management areas, marine parks and marine nature reserves established under the *Conservation and Land Management Act 1984*. These comprise 19 per cent of State waters, and other marine protected areas, including fish habitat protection areas established under the *Fish Resources Management Act 1994*, cover another 2.6 per cent of State waters.

The fisheries and aquatic ecosystem management strategies support commercial and recreational fishing sectors that, combined, contribute \$1.4 billion to the Gross State Product,

and provide a range of world-class recreational opportunities including fishing, diving and snorkeling, and aquatic tourism activities for residents and visitors to the State.

Together, these outcomes achieve an enviable balance of environmental, economic and social aspirations that continue to elude many jurisdictions worldwide.

The Department worked throughout 2013/14 to build on these outcomes against a backdrop of rapid population growth, more efficient and readily accessible fishing technology, higher recreational boat ownership, strong industrial development, increased international shipping and unusual environmental conditions.

Independent Marine Stewardship Council (MSC) assessments are being undertaken for all of the State's commercial fisheries to demonstrate each fishery is sustainable in relation to its impact on the fished resource and the aquatic ecosystem. Fisheries that meet MSC sustainability criteria may display the prestigious MSC logo on their products on condition of undergoing ongoing periodic reassessments. Management strategies for some fisheries may need to be adjusted over time in order to retain MSC certification, ensuring they are seen to be adhering to the highest international benchmark of aquatic sustainability.

New quota management arrangements for the [West Coast rock lobster fishery](#), the State's largest fishery in both volume and value, are proving successful with all quota being landed by the end of the season and with record prices for rock lobster being

achieved during the year. There was also welcome news that juvenile rock lobster levels are back to normal after four years of record low settlement. This situation led the State Government to restrict lobster catches to 5,500 tonnes in 2009 (roughly half of the long-term average catch) and to introduce quota management to the fishery.

The aim of this strategy was to improve juvenile recruitment to the fishery (addition of lobsters to the adult population) by leaving more lobsters in the fishery to increase egg production. The Department remains hopeful that future juvenile rock lobster data will show a sustained return to historic settlement levels.

A long-term harvest strategy for the fishery was also finalised, which will guide the setting of the annual quota for the fishery. New regulations designed to reduce entanglements of whales and other threatened or migratory species in rock lobster pot ropes were also introduced.

Management arrangements were finalised for the West Coast Estuarine Managed Fishery and management arrangements for 16 other managed fisheries were reviewed and modified.

The Department worked to improve the regulatory environment for aquaculture to attract investment in WA's significant potential for marine finfish production. The strategic environmental assessment of the Kimberley Aquaculture Development Zone was successfully completed and planning for another zone in the Mid-West region is well underway. Worldwide, aquaculture is playing an increasingly important role in food

production and food security, with wild-caught fisheries production plateauing at about 90 million tonnes a year since the early 2000s. During that time aquaculture production has almost doubled to 63 million tonnes or about 40 per cent of global fish production.

Recreational fishing is a significant community pastime and an iconic Western Australian activity with an estimated 690,000 participants in WA. The sector continues to benefit from the Government's policy of ensuring that all revenue received from recreational fishing licence fees is allocated to programs and measures supporting the sustainability of important recreational species and to provide increased recreational fishing opportunities. In 2013/14, about \$29 million was allocated to recreational fishing programs of direct and indirect benefit to recreational fishing including \$1.8 million through the [Recreational Fishing Initiatives Fund](#) based on recommendations from Recfishwest, the State's peak recreational fishing body.

Protecting the State's aquatic environment from the threat of harmful introduced species remained a priority for the Department, with activities designed to detect and eradicate [freshwater and marine pests](#) being undertaken throughout the year. The importance of vigilance and early detection of introduced marine species cannot be overstated, with overseas experience showing that once established, these organisms can be very costly to control or eradicate.

The Department continued to be responsible for the implementation of some measures as part of the Government's

shark hazard mitigation strategy during the year. The strategy includes measures to reduce the risk of shark attacks at metropolitan and south-west beaches, following an unprecedented number of shark-related fatalities. As well as aerial surveillance, social media alerts, shark tagging and research, and a close collaboration with local government, Surf Life Saving WA and the WA Police, baited drum-lines were deployed between January and April 2014. This deployment involved the Department setting drum-lines off the Perth metropolitan area and contracting a commercial fisher to undertake this task off the south-west coast under the direction of the Department of Premier and Cabinet.

I wish to acknowledge the support and guidance of Fisheries Minister, the Hon Ken Baston MLC, and his staff and also that of the former Minister Hon Troy Buswell MLA. I would also like to thank the Department's Executive and staff for their professional and diligent efforts throughout the year, as we continue our work of ensuring there will be *fish for the future*.



Stuart Smith
Director General

Departmental overview



About us

Our vision

World-class management of fisheries and aquatic ecosystems.

Our mission

To conserve, sustainably develop and share the use of the State's aquatic resources and their ecosystems for the benefit of present and future generations.

Our values

Respect – acting with integrity and courtesy

Innovation – finding new and better ways

Leadership – showing the way

Our objectives

Sustainability – to ensure WA's fisheries and aquatic resources are sustainable, and to provide services based on risk to ensure fish for the future and support the maintenance of healthy aquatic ecosystems.

Community outcomes – to achieve an optimum balance between economic development and social amenity in accordance with a framework to achieve sustainability.

Partnerships – to promote effective strategic alliances and community stewardship.

Agency management – to deliver services on behalf of Government in accordance with the Department's statutory requirements to achieve effective and efficient use of resources that support the delivery of our strategy.

What we do

We are required by the *Fish Resources Management Act 1994* to conserve fish and protect their environment. In doing so, the Act recognises that sustainable fisheries management is inextricably linked to the protection of the rich and diverse ecosystems that support healthy fish stocks, and *fish for the future*.

By agreement with the Commonwealth, our responsibilities extend seaward beyond the three nautical mile limit of the State to the 200 nautical mile limit of the Australian Fishing Zone.

To achieve our objectives and meet our legislative requirements, we undertake:

- fisheries and aquatic ecosystem management;
- fisheries research and assessment, enforcement and education services;
- biosecurity management; and
- licensing.

We also provide services for:

- commercial and recreational fisheries;
- the charter sector;
- customary fishing;
- pearling and aquaculture;
- the fish processing sector; and
- management of fish habitat protection areas and the Houtman Abrolhos Islands.

We are also responsible for providing fisheries management and education services to the communities at the Cocos (Keeling) Islands and Christmas Island, on behalf of the Commonwealth Government, under Commonwealth legislation that mirrors the *Fish Resources Management Act 1994*.

Our other responsibilities include providing at-sea marine safety compliance services on behalf of the Department of Transport and implementation of the Government's shark hazard mitigation strategy.

Stakeholders

We regard anyone who values Western Australia's extensive and diverse aquatic environments as our stakeholders. Stakeholders have a role to play in ensuring fish stocks and their habitats are protected, now and into the future. We encourage stakeholders to participate in consultation about the management and use of

aquatic resources to ensure sustainable and balanced outcomes.

We identify the following groups as stakeholders with an interest in ensuring there will be *fish for the future*:

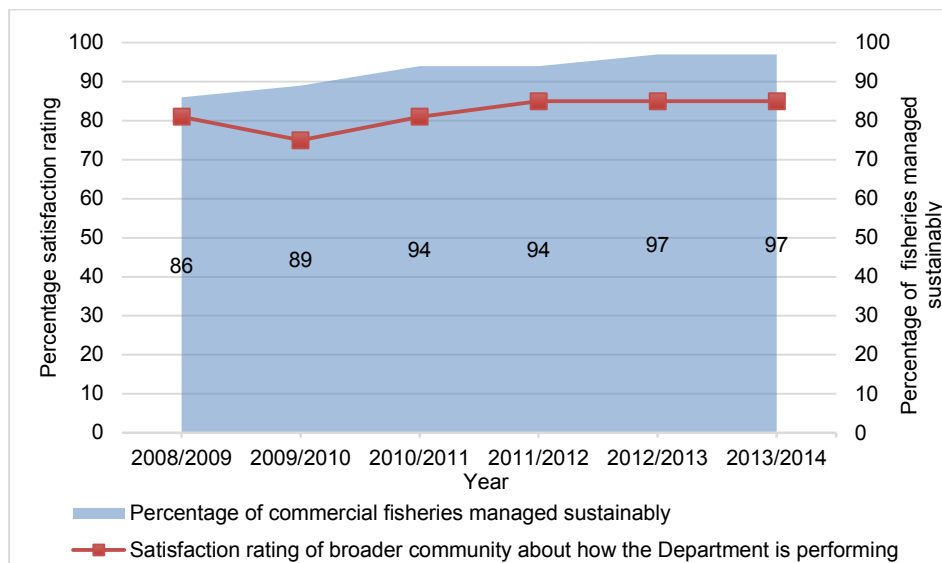
- the community of Western Australia;
- commercial, recreational and customary fishers;
- the pearling and aquaculture industries;
- charter fishing and aquatic eco-tour operators;
- fish processors and others involved in the commercial use of Western Australia's aquatic resources;
- fisheries volunteers;
- environmental groups and passive users;
- businesses and communities directly and indirectly dependent upon fishing and aquaculture activities;
- the offshore oil and gas sector; and
- other state, national and international government agencies and tertiary institutions.

Public consultation

We are committed to consultation with our stakeholders and to ensure efficient and effective decisions are made. We support the State Government's *WA Citizenship Strategy 2004–2009* and closely refer to the guidelines in the *Consulting Citizens: Planning for Success* and *Consulting Citizens: Engaging with Aboriginal Western Australians* in planning specific consultation programs.

Fish bytes – key information and statistics about fisheries management in Western Australia

Percentage of commercial fisheries managed sustainably and public perception



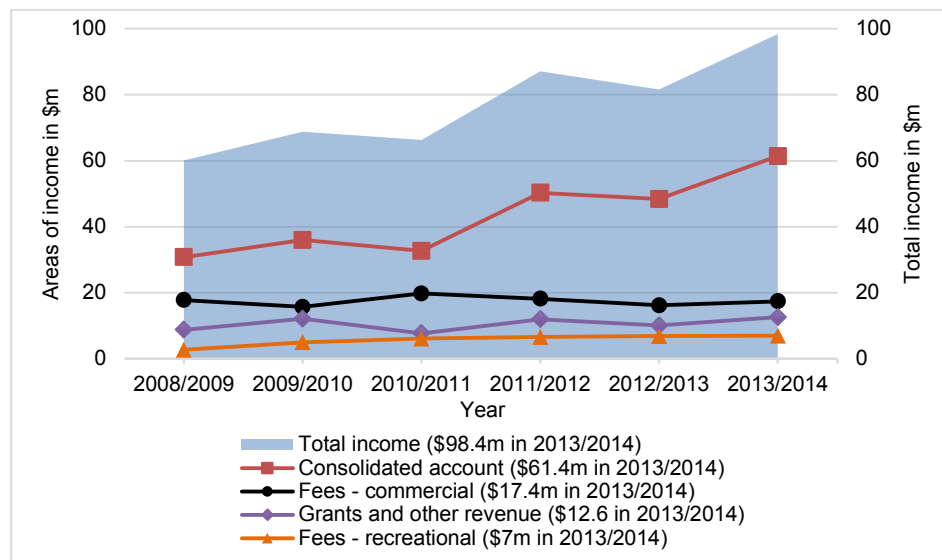
Ninety-seven per cent of the State’s commercial fisheries are managed at levels that are ensuring resource sustainability. The other three per cent are largely affected by environmental factors with management responses in place.

We are in the process of facilitating independent Marine Stewardship Council (MSC) assessments for all WA’s commercial fisheries in consultation with the WA Fishing Industry Council.

While the community continues to have a high level of satisfaction (85 per cent) that we are achieving sustainable fisheries management objectives, the MSC program should provide further confidence in our management of fisheries and aquatic ecosystems.

The MSC is the world’s gold standard for sustainably managed fisheries and ecosystems. More than 300 fisheries in the world now have the right to display the prestigious blue MSC logo on their fish products.

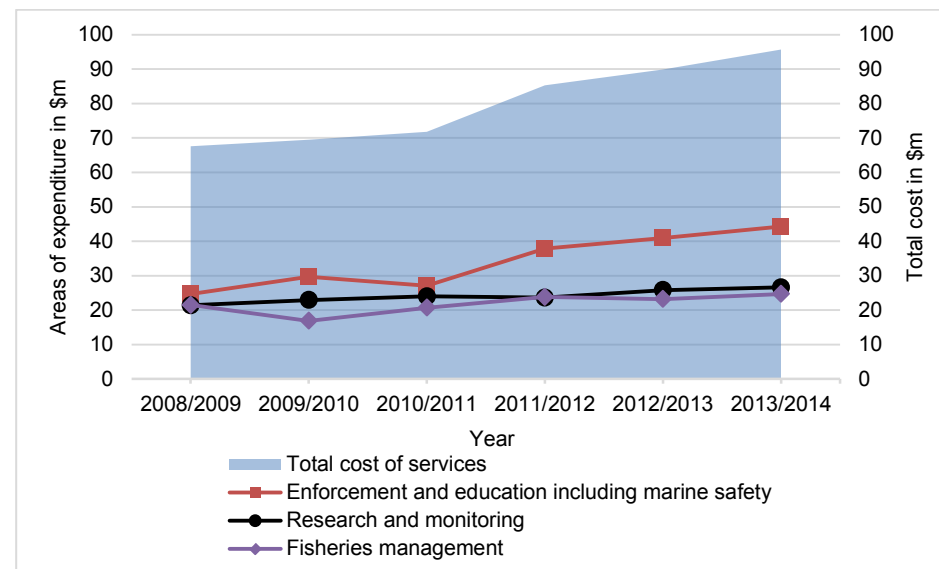
Sources of income



Growth in funding to the Department in recent years through the Consolidated Account reflects funding allocations by Government to:

- marine biosecurity;
- marine park management;
- Marine Stewardship Council (MSC) assessments;
- recreational fishing mobile patrols;
- shark hazard mitigation; and
- roll-out from the Office of Shared Services.

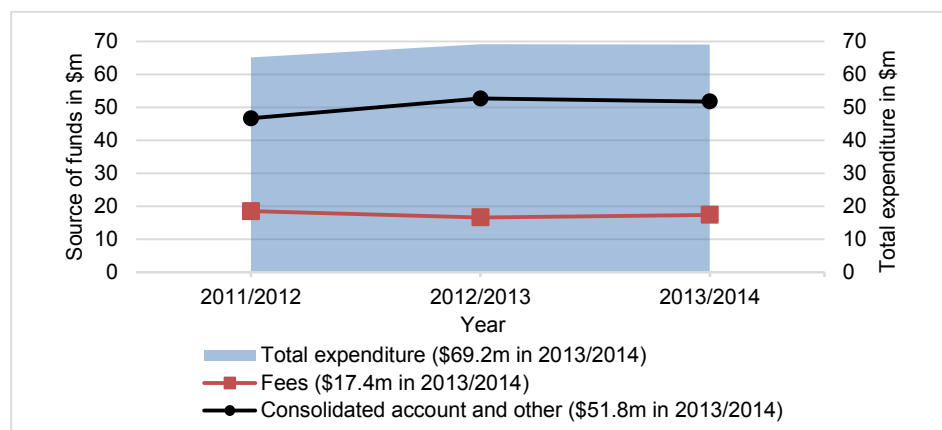
Expenditure on services



While expenditure on all services has increased as a result of new Consolidated Account funding, the most apparent increase since 2011 is in our Enforcement and Education Services. This is mainly attributable to increased expenditure on these services in the following areas:

- West coast demersal scalefish fishery compliance \$2m
- Recreational mobile patrols \$2m
- Marine biosecurity \$1m
- Marine park management \$3m
- Rock lobster quota management \$1m
- Shark hazard mitigation \$1m

Commercial fisheries management (including pearling and aquaculture)



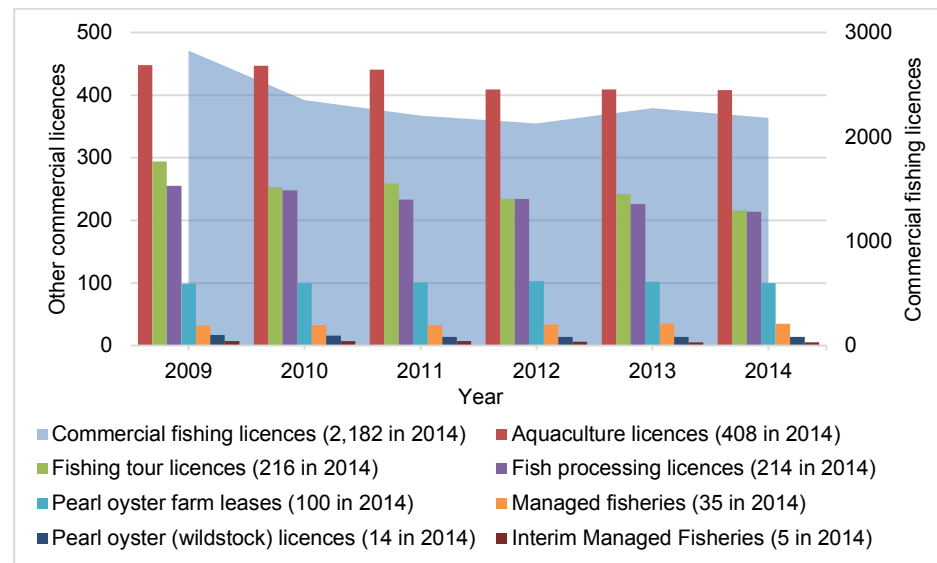
Fees for Commercial Fisheries are based on 5.75 per cent of the Gross Value of Production (GVP) for respective fisheries. Fees for the commercial sector have seen a small rise over the last year, due in most part to an increase in the GVP for the western rock lobster fishery.

Increases in Consolidated Account funding since 2012 have been for:

- Marine Stewardship Council (MSC) fishery assessments;
- marine biosecurity;
- aquaculture development zones; and
- northern fisheries protection measures.

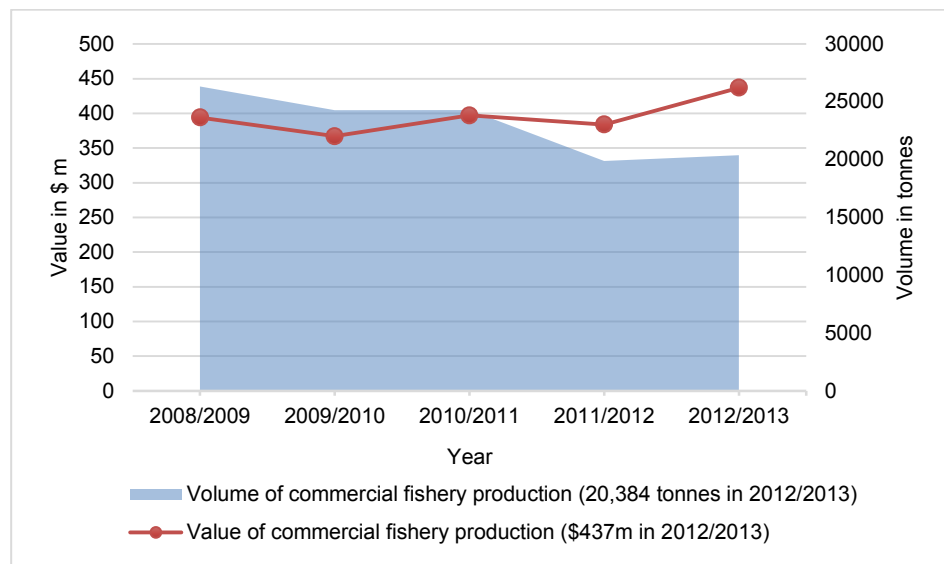
These have provided benefits for the management of the State's commercial fisheries and aquaculture.

Commercial licences



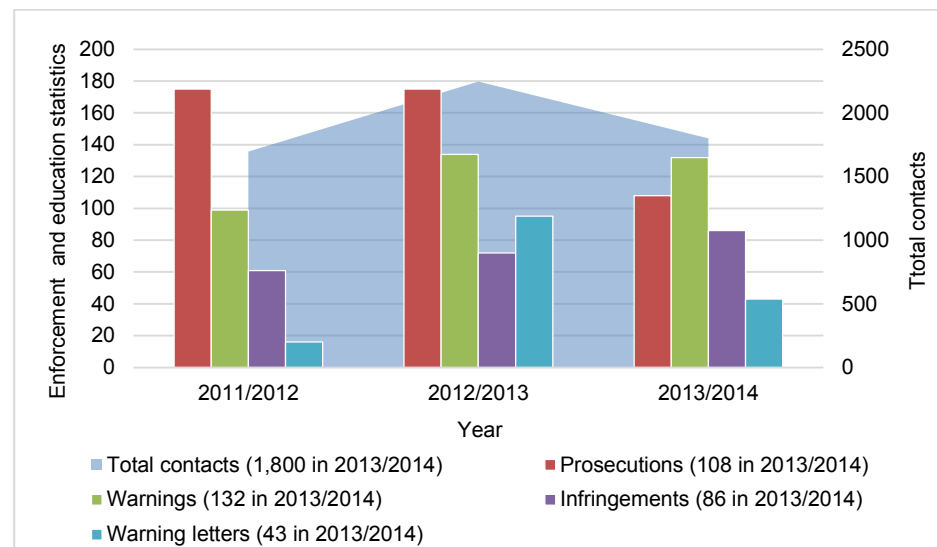
The commercial fishing industry continues to be a prominent employer in Western Australia, contributing significantly to regional economies. The decline in personal Commercial Fishing Licences (CFLs) can be attributed to a result of changes in management arrangements for the west coast rock lobster fleet following the introduction of quota.

Volume and value of WA commercial fisheries production



The value of commercial fisheries production (including pearling and aquaculture) in Western Australia in 2012/2013 was \$437 million. This reflects a significant increase in value, despite production volumes falling from record highs in recent years as a result of a 50 per cent reduction in the long-term average catch of western rock lobster. The increase in the value of production is mainly attributable to strong prices for western rock lobster following the introduction of quota management in that fishery.

Commercial fisheries: total contacts and enforcement and education statistics



Enforcement and education in the commercial sector continues to be a high priority for the Department. In 2013/2014 there was a significant reduction in prosecutions for commercial fisheries offences, with a complementary increase in warnings and infringement notices. This reflects recent changes to the *Fish Resources Management Act 1994* that give Fisheries and Marine Officers more flexibility to issue infringement notices for less serious offences against commercial fishery management plans.

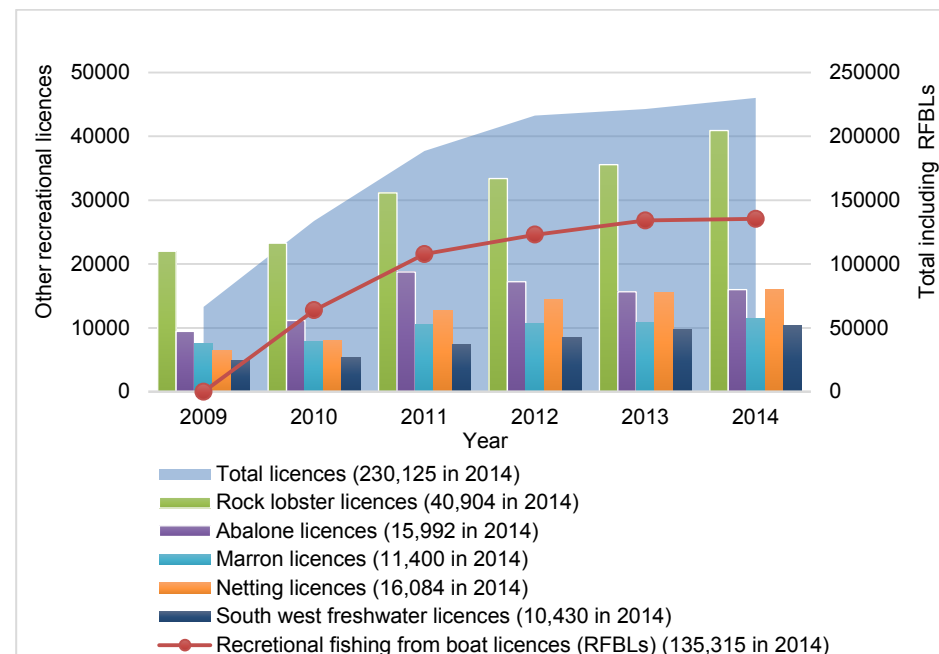
It is noted that around one in five commercial fishery contacts resulted in some form of enforcement action.

Recreational fisheries management



Fees paid by recreational fishers have been relatively steady in recent years. In 2013/14, the Department received \$7 million in recreational fishing fees and spent \$29 million on services and programs of direct and indirect benefit to the State’s recreational fisheries.

Recreational licences

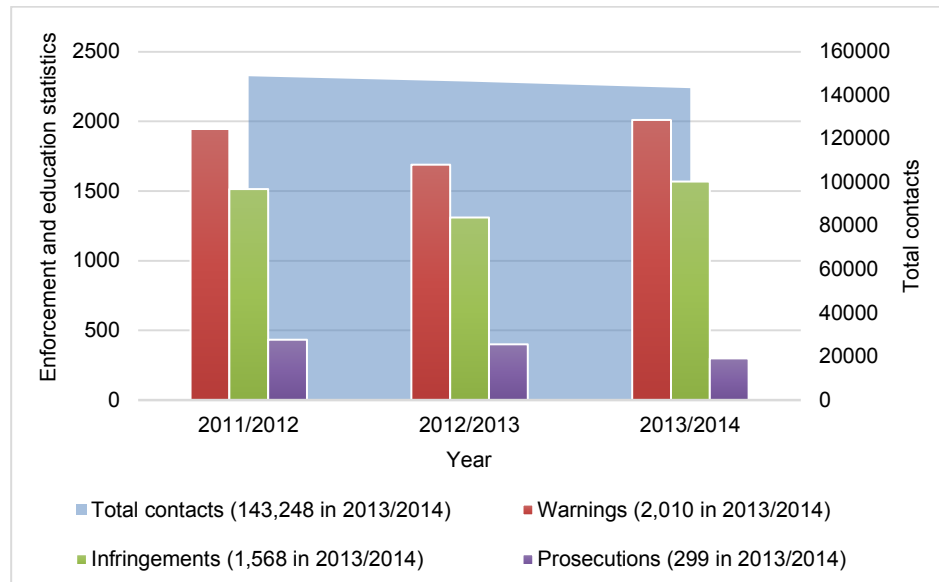


Recreational fishing continues to be a valued community pastime for almost 700,000 Western Australians.

About one-third of those fishers took out licences for specific recreational fishing activities. The increase in recreational fishing from boat licences reflects greater access to powered boats for fishing. The increase in rock lobster licences reflects a strong resource outlook and a recent relaxation of the fishing rules in that fishery.

A licence is not required for shore-based line fishing in the ocean and rivers (other than freshwater rivers in the south-west).

Recreational fisheries: total contacts and enforcement and education statistics

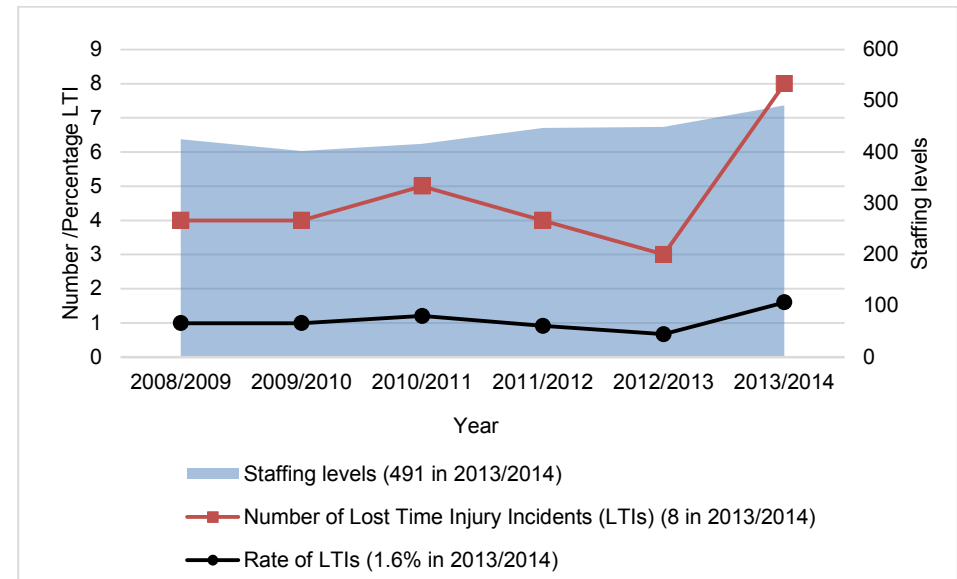


Our Fisheries and Marine Officers continue to engage with the recreational fishing community with over 140,000 enforcement and education contacts during the year.

More serious recreational offences declined during the year with a reduction in the number of prosecutions, while the number of lesser breaches detected increased with an increase in infringement notices and warnings issued.

It is encouraging to note that 97.3 per cent of recreational fishers contacted by Fisheries and Marine Officers during the year were obeying the rules.

Staffing levels compared with number and rate of Lost Time Injury Incidents ('LTI')



The increase in staffing levels since 2010 reflects an increase in funding for biosecurity, marine reserve management and the Department's roll-out of the Office of Shared Services.

The number of Lost Time Injury Incidents (LTIs) increased from three to eight during 2013/14 – the highest for some time. While this may partly be attributed to a significant increase in Full Time Equivalents over the year (9.4 per cent), the LTI rate (percentage of lost time injuries per 100 employees) also increased markedly (138 per cent).

The Department continues to promote awareness and training about the benefits of safe work practices within a safe working environment.

How we operate

Corporate Executive



**Stuart Smith, BEc, Grad. Dip. Ec.
Director General¹**

Stuart Smith joined the Department as Chief Executive Officer on 3 November 2008. He previously held senior roles at the Department of Industry and Resources, including that of Deputy Director General, State Development and Deputy Director General, Resources Group. He also acted as Director General of the Department of Industry and Resources.

Stuart brings more than 20 years of wide-ranging experience in both the State and Federal public sector to the role of Director General (formerly Chief Executive Officer). He holds a Bachelor of Economics from the University of Western Australia and a Graduate Diploma in Economics from the Australian National University.

¹ Terms of appointment: The Director General is appointed under Part 3 of the *Public Sector Management Act 1994* for five years.



**Heather Brayford BSc, MBA
Deputy Director General**

Heather Brayford was appointed Director, Aquatic Management in 2009 and became Deputy Director General in 2011. Her position includes responsibility for fisheries management programs, broader environmental management programs, aquaculture and the provision of legal, legislative drafting and governance services.

Heather has almost 25 years' experience in fisheries management, having held a number of senior policy and management positions in the Department. She was also Executive Director of Fisheries in the Northern Territory.



**Dr Rick Fletcher, BSc (Hons), PhD
Executive Director, Fisheries Research**

Dr Rick Fletcher was appointed as Director, Fisheries Research, in 2006. This position is responsible for the overall management and strategic direction of our research group, which provides the information underpinning our successful natural resource management programs.

Rick has more than 25 years' experience conducting and managing research into fisheries and aquaculture-related issues across four jurisdictions in Australia and the South Pacific, including holding the position of Director of Research of Fisheries in New South Wales. His recent research focus has been on the development of ecosystem-based management frameworks for marine and coastal systems, for which he is the leader of a number of state, national and international initiatives.



**Bruno Mezzatesta, BBus MBA FCPA
Executive Director, Regional Services**

Bruno Mezzatesta is responsible for the Department's Regional Services Division, which includes community education and compliance, licensing and communications. Before this role, Bruno was Director of the Department's Corporate Services Division. He has more than 25 years' experience in the public sector, including periods with the Office of the Auditor General and the Department of Treasury and Finance.



**Kieth Van Dongen Grad. Dip. Criminal
Investigation, Grad. Cert. Forensic
Archaeology
Executive Director, Corporate Services**

Kieth Van Dongen is responsible for our Corporate Services Division, which includes people services, information communication technology, records, finance, assets, procurement, internal audit and the roll-back from the Office of Shared Services. Before this role, Kieth was Regional Manager, Gascoyne Region. He has more than 25 years' experience in the public sector, including periods with the Office of the Public Advocate, Ministry of Justice and the Northern Territory Police Service.

Management Committee

The Management Committee is responsible for setting the Department's work agenda against identified fisheries and aquatic management priorities within a five-year plan. Taking a strategic and risk-based approach to establishing priorities, the committee's role includes setting clear objectives and allocating associated budgets; coordinating project planning, management, monitoring and reporting; and ensuring effective, efficient and accountable service delivery across the organisation.

The committee includes our four executive directors and the Director, Aquatic Management.

Internal Audit Committee

The Internal Audit Committee (IAC) maintains and manages our internal audit function on behalf of the Director General. The committee assists the Director General to identify and quantify risks to the Department in achieving our goals, and to guide the development and implementation of risk-mitigation strategies.

Legislation we administer

The Department assists the Minister for Fisheries in the administration of the following acts:

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

In accordance with the Offshore Constitutional Settlement, Western Australia's management responsibilities extend seaward beyond the three nautical mile limit of the State to the 200 nautical mile limit of the Australian Fishing Zone (AFZ).

The Offshore Constitutional Settlement also provides for some fisheries that straddle State waters and the AFZ to be managed either jointly by the Commonwealth and State, or solely by the Commonwealth.

Fisheries under Western Australia State jurisdiction

Except where specifically noted, fisheries involving the following species are managed by the Department of Fisheries to the 200 nautical mile limit of the AFZ, in accordance with State law:

- all bony fish and sharks (except to the extent they are managed under a Joint Authority or by the Commonwealth);
- all aquatic invertebrates;
- all marine algae; and
- all seagrasses.

This is effectively all fisheries undertaken off Western Australia, except fisheries jointly managed by the Commonwealth and Western Australia (Joint Authority Fisheries) under Western Australian legislation, and fisheries that are managed solely by the Commonwealth under Commonwealth law, as listed below.

Fisheries under joint Commonwealth-State jurisdiction

The following fisheries are managed by the Western Australian Fisheries Joint Authority (a body comprising the State and the Commonwealth ministers) and managed in accordance with the *Fish Resources Management Act 1994*:

- the Joint Authority Southern Demersal Gillnet and Demersal Longline Fishery; and
- the Joint Authority Northern Shark Fishery, east of Koolan Island.

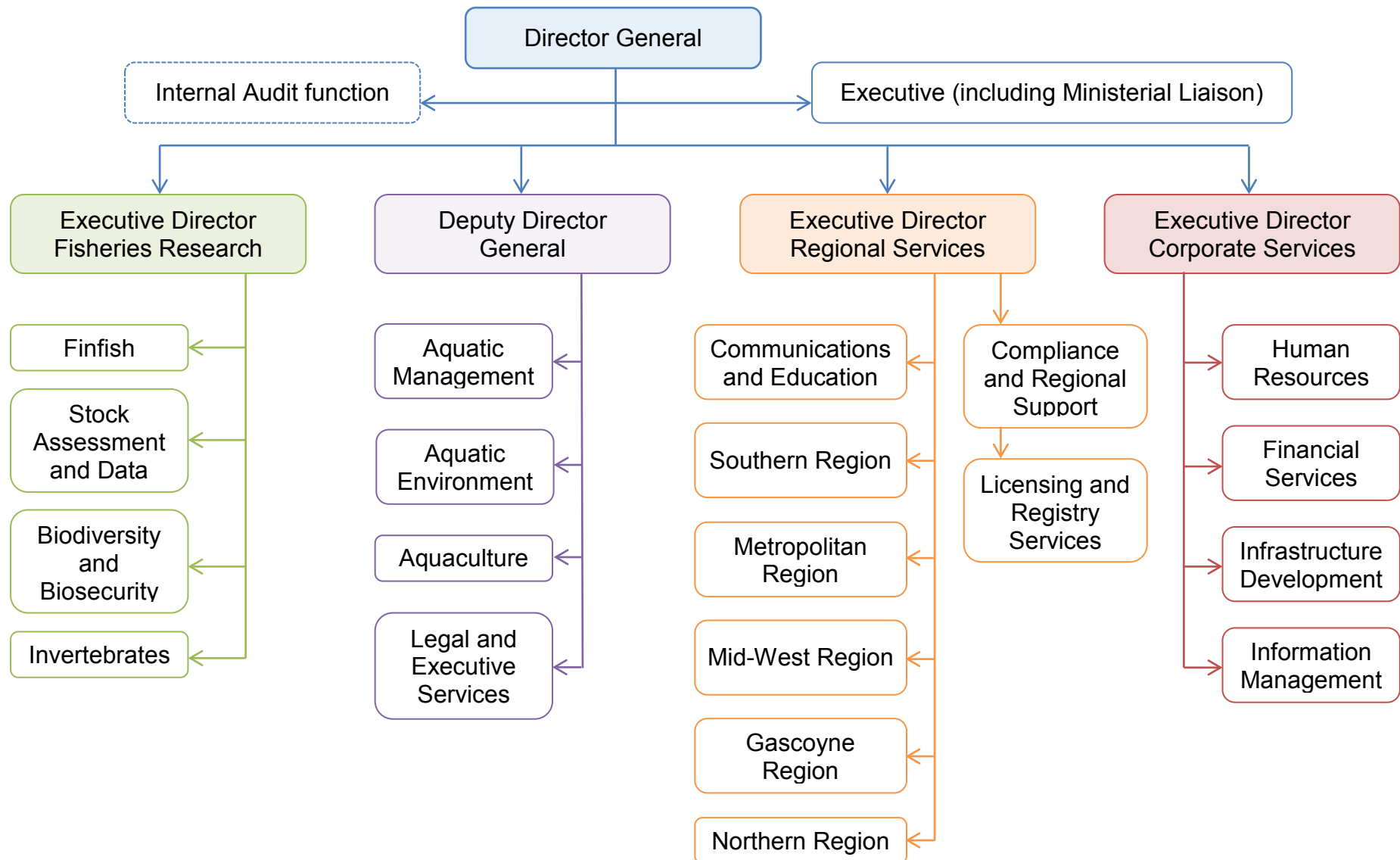
The activities of fisheries managed by a joint authority are described separately in a report tabled in the Commonwealth and Western Australian parliaments.

Fisheries under Commonwealth jurisdiction

Fisheries undertaken in waters adjacent to Western Australia that are managed by the Commonwealth in accordance with Commonwealth legislation are:

- the Northern Prawn Fishery;
- the Southern and Western Tuna and Billfish Fishery;
- the Western Deepwater Trawl Fishery;
- the North-West Slope Deepwater Trawl Fishery;
- the Southern Bluefin Tuna Fishery; and
- recreational fishing in the waters of any Commonwealth marine park.

Our organisational structure



Divisional responsibilities

Aquatic Management Division

Our Aquatic Management Division works with our Research and Regional Services divisions to develop, implement and review management strategies aimed at ensuring the sustainability of fisheries resources and aquatic ecosystems. We carry out fisheries management through the branches below.

Our **Aquatic Management Branch** manages the State's commercial, recreational and customary fishing, the pearling industry, land and marine-based aquaculture, and the aquatic charter industry, as well as overseeing statewide fisheries administration. The branch also provides input to the Integrated Fisheries Allocation Advisory Committee (IFAAC), which advises the Minister for Fisheries on fish resource allocations between commercial, recreational and customary users.

Our **Aquaculture Branch** manages and regulates Western Australia's aquaculture industry. Although small by global standards, the industry has the capacity for substantial growth.

Commercially farmed species include barramundi, mussels, abalone, western rock oysters, silver perch, trout, pearl oysters, yellowtail kingfish, mulloway, marron, yabbies, ornamental species, artemia (brine shrimp used in fish hatchery diets) and algae (used in the production of beta-carotene and biofuels).

Our management of aquaculture activities is focused on economically and environmentally sustainable outcomes.

Our **Aquatic Environment Branch** develops policy and procedures to protect fish and their habitats throughout Western Australia. This includes protecting aquatic biodiversity and safeguarding WA's aquatic biosecurity.

It also provides advice for environmental impact assessments and contributes to state, Commonwealth and regional marine planning initiatives. Freshwater fish protection and management are part of its remit.

The branch works with other state, interstate and national government departments to perform its biosecurity functions.

Our **Legal and Executive Services Branch** oversees and develops the Department's legislative framework. It provides the rest of the Department with legal and strategic policy advice, legal interpretation, litigation services and management of matters coming before the State Administrative Tribunal.

It coordinates our annual reporting and regulatory 'gate-keeping' requirements.

The branch collaborates with the State Law Publisher to maintain up-to-date versions of the Department's legislation on its website for the benefit of stakeholders and the wider community.

Regional Services Division

Our Regional Services Division is responsible for our communications, education and enforcement programs. These programs ensure fishing rules are understood and followed, helping us meet our *fish for the future* objective. The branch also provides a licensing service at regional offices.

These programs are developed and carried out through the branches below.

Our **Regional Services Branch** delivers fisheries compliance and education in recreational and commercial fisheries, the pearling and aquaculture industries, and in fish habitat protection areas and marine parks. It oversees marine safety, compliance and education on behalf of the Department of Transport.

Enforcement activities carried out by the branch include marine, land and sea patrols, aerial surveillance, covert operations, mobile patrols and education initiatives. The branch has five regional offices – Gascoyne, Metropolitan, Mid-West, North and South, and a number of district offices. These regional operational areas are supported by our Perth-based Central Support Services and Strategic Policy sections.

Our **Licensing and Registry Services Branch** provides and oversees licensing for commercial fishing, recreational fishing, pearling and aquaculture. It manages our licensing system (FLAMS and Navigate) and online renewal and payment service. It maintains a [register of authorisations, exemptions and aquaculture](#)

[leases](#), as required under Part 12 of the *Fish Resources Management Act 1994*.

Our **Communications and Education Branch** builds community knowledge, values and attitudes to guide and promote behaviour that supports a healthy aquatic environment. The branch does this by informing the local community and visitors about developments in fisheries management, marine science and compliance to promote adherence to fishing rules and the *fish for the future* ethos. The branch also engages with the broader community, fishers and volunteers in marine education, research, policy and planning.

Fisheries Research Division

The primary role of our Fisheries Research Division is to provide timely and high quality scientific knowledge and objective advice to support the management, conservation and sustainable use of the State's fish resources and aquatic environment.

Ongoing research, monitoring and assessment programs support the management of the State's major fish stocks and the marine ecosystems that underpin these resources.

The division works in collaboration with various other organisations with an interest in the maintenance of sustainable fisheries and marine ecosystems including universities, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australian Institute of Marine Science, Western Australian Museum, Department of Parks and Wildlife,

Commonwealth fisheries and environment agencies, and border protection agencies.

The Fisheries Research Division is organised into the four branches below.

Our **Invertebrate Fisheries Branch** undertakes research to assess and monitor the crustacean, mollusc and other invertebrate stocks that constitute the State's major fisheries, which include rock lobsters, prawns, pearl oysters, scallops, abalone and crabs.

Our **Finfish Fisheries Branch** undertakes research to assess and monitor the State's diverse finfish resources.

Some of the species monitored include West Australian dhufish, pink snapper and baldchin groper, which are indicator species for the health of the west coast demersal scalefish resource. Other indicator species monitored and assessed include tropical shallow-water and deep-water snappers, sharks, nearshore species such as Australian herring and estuarine species such as cobbler.

These species are harvested by commercial fishers (supplying local, national and overseas markets), the recreational fishing sector and the managed recreational charter fishing sector.

Our **Biodiversity and Biosecurity Branch** provides scientific advice relating to the conservation of fish and invertebrates and the protection of the aquatic environment. The branch monitors the health of marine ecosystems including benthic (seabed and reef) habitats, finfish and invertebrates; oversees the State's aquatic biosecurity and fish pathology

services; carries out freshwater research (such as native fish conservation); production of trout and native fish species; and the management of the Department's marine aquarium facilities.

Our **Stock Assessment and Data Analysis Branch** (SADA) is responsible for statistical design and analysis, population dynamics and stock assessment, data management, monitoring of fishery catch and effort, Departmental library services, and recreational fishing and community surveys.

SADA collects and maintains fisheries catch-and-effort data undertaking basic validation and preliminary analysis. The branch develops and implements databases to improve the capture and maintenance of data from the Department's extensive, long-term commercial fisheries, recreational and charter boat sectors.

This branch also organises and conducts all major recreational fishing and community and stakeholder attitude surveys, the results of which are used for some of our key performance indicators.

Corporate Services Division

New corporate service systems

Our Corporate Services division have developed and implemented new human resources and finance systems following the decommissioning of the Office of Shared Services.

Human Resource Management Services

We have introduced new payroll and staff time reporting systems. Introducing the new payroll system required a significant investment of time and effort. The new system is now operating

efficiently and is being implemented in other State authorities. We continue to be recognised as a leader in the area of suicide prevention.

We have continued our commitment to the 'OneLife' WA Government Suicide Prevention Strategy with the further implementation of the 'Live for the Future' suicide prevention action plan during the year. As part of this plan, 20 of our staff, including Corporate Executive members, have attended suicide prevention 'Gatekeeper' training, a further 38 have completed 'Mental Health First Aid' training and 62 have completed the 'Managing Mental Health in the Workplace' course.

The People Services Branch has also significantly invested in the area of learning and development for the Department, as well as in management of performance, conduct and behaviour over the course of the reporting year. Based on the Corruption and Crime Commission's 'Misconduct Resistance Framework', the Department has implemented policies, promoted awareness

through training and delivered support services to enable local management to address issues around conduct. As well as these initiatives, the Department has focused on supporting the professional development of supervisors and managers by continuing to provide places for staff on the Certificate IV in Frontline Management course and by developing a manager training program designed to give line managers more knowledge, skills and confidence in their roles.

Our **Finance and Administration Branch** oversees and delivers the financial systems and support services to enable the Department to meet its statutory obligations under the *Financial Management Act 2005* and the *Fish Resources Management Act 1994*.

Our **Information Services Branch** manages and delivers information in the areas of knowledge management, information communication technology and application and development.

Case studies



From crisis to abundance: transforming the management of the WA rock lobster industry

The 2012/13 season was a standout for the Western Australian rock lobster fishery. It marked the culmination of the fishery's economic transformation by moving to a quota management system and saw a continuing upward trend in lobster abundance with greatly improved fishery catch rates predicted by 2017. These highly encouraging developments are a result of a comprehensive management overhaul of the fishery and a significant improvement in puerulus settlement.

This follows the renewal of the fishery's Marine Stewardship Council certification in 2012.

This is a dramatic turnaround for a fishery that in 2008, with spiralling costs, low lobster prices and the lowest juvenile lobster settlement in history, faced an unprecedented crisis.

At stake was the future of the WA lobster industry, many coastal communities and a then 25,000 person-strong recreational fishery – now with 40,000 plus participants.

Decisive action was taken in close consultation with industry; reducing commercial fishing effort in the 2008/09 and 2009/10 seasons by up to 73 per cent of the 2007/08 effort.

This action boosted breeding stock, creating the best possible conditions for stock recovery.

In 2010, the introduction of a new catch quota system gave industry unparalleled flexibility, increasing the fishery's profitability,



Through overhauling the management of the fishery, there are now more lobsters in our waters than at any time over the last half century.

bolstering the regional economy, securing lobster stock sustainability and paving the way for future growth.

Previously, the commercial fishery was managed by controls on fishing effort; it was concentrated into a seven-and-a-half month season with limits on the number of fishing days and lobster pots to be used. This led to competition between fishers, and the industry's over-capitalisation, whereby fishers built bigger boats, used more fuel and bait, and fished more days resulting in higher running costs.

The introduction of the new management system means that fishers can now fish when it suits them, up to an individual annual catch quota.

Such a significant change initially met with considerable resistance from many stakeholders and required a major communication, engagement and compliance effort.

At the core of the innovative management system is the principle of transforming the fishery's focus from taking as many lobsters as fast as possible to maximising its economic yield from the fishery while enhancing the lobster population's sustainability.

An innovative compliance system was also devised that requires fishers to report to the Department every time they fish, and when and at which designated landing point they expect to return. This allows our Fisheries and Marine Officers to direct resources to areas where they are needed in order to check on the fishers' catches against their quota. Elements of the new compliance program are now being introduced into other managed fisheries.

At the same time, in collaboration with CSIRO, we launched research into the cause of the declining numbers of juvenile lobsters. Another significant piece of research has been conducted into optimising the economic yield of the fishery.

Now, freed of changing seasonal fishing restrictions, fishers have greater security and can get better prices for their catch for less effort and outlay. A rejuvenated industry means a more secure outlook for coastal fishing communities and better employment prospects for young people. Lobster processors have



As a result of the new quota system, fishers have greater security and can get better prices for their catch for less effort and outlay.

also benefitted, as they are now able to supply fresh product all year round and organise labour for their operations more efficiently and systematically.

Under the new quota system, lobster fishers can be more selective in the animals they take and exercise more care in handling their catch. This produces higher quality lobsters – further enhancing WA's reputation in the international seafood market. Through careful conservation of rock lobster breeding stock numbers, there are now more lobsters in our waters than at any time over the last half century. The move to quota management has enabled a quantum shift in the way commercial lobster fishers think about their operations – from seeking the biggest catch to trying to achieve the greatest profits. This shift

was evident in the recent industry support expressed for a harvest strategy based on 'maximum economic yield', a strategy that encourages conservative, sustainable quota setting and the best economic outcomes.

Recreational lobster fishers will now find it easier to take their allotted five per cent share of the total available catch. After some initial tightening of recreational fishing rules due to low juvenile settlement, recreational fishers are now reaping the benefits of our careful management through relaxation of restrictions (including increased bag limits) and greater lobster abundance.

More lobsters meant another 15,000 recreational rock lobster fishers this year, further increasing the social and economic value of the fishery.



There has been a significant improvement in the settlement of puerulus (juvenile lobster) such as this little fella.

Recreational licence fees granting recreational fishing wishes

An estimated 690,000 people fish recreationally each year in Western Australia, making it one of the State's most popular pastimes. Approximately \$29 million is spent annually to manage recreational fishing in the State. Recreational fishers contribute about \$7 million to this cost through recreational fishing licence fees.

Recreational Fishing Initiatives Fund

The Recreational Fishing Initiatives Fund (RFIF) was created in 2010 to provide grant funding for initiatives, projects and research that are aligned with recreational fishing community priorities and enhance recreational fishing in Western Australia. The RFIF is funded through an allocation of 25 per cent of all recreational fishing licence fee revenue, which for 2013/14 was estimated to be \$1.8 million. A further 15 per cent of all recreational fishing licence fee revenue is provided to Recfishwest – the State's peak recreational fishing body – for professional representation of the sector.

RFIF grants can be accessed by any incorporated, community, Government, academic and non-government organisations. To ensure community involvement in developing new initiatives, we have a Service Level Agreement with Recfishwest to call for expressions of interest for suitable projects,

provide recommendations to the Minister for Fisheries and administer approved RFIF grants.

There are two levels of RFIF grants available:

- **Small grants** (of up to \$8,000) made available to clubs and organisations for projects benefiting local recreational fishers; and
- **Large grants** (of up to three years duration) available for projects that provide large scale benefit to the recreational fishing sector.

Small grants

The Small Grant Program is aimed at funding community projects such as developing extension materials, education/engagement initiatives, habitat protection, recreational fishing safety, community capacity building and promotion of recreational fishing in Western Australia.

The Small Grant Program has funded more than 40 projects totalling \$200,000 since 2012. These projects have included:

- fish aggregating devices (FADs) off the WA coast between Cervantes and Jurien Bay;
- new fish species identification signs around Esperance;
- fishing line disposal units at the Derby Jetty;

- a remote long-range radio system on Rottnest Island to improve the safety of recreational fishers at sea;
- a trailer fit-out and signage for Fishers with Disabilities;
- satellite trackers for the Perth Game Fishing Club's FADs;
- funding for the annual catch and release-based Kids' Whiting Competition in Kalbarri;
- activities aimed at improving the environment such as clean-up days and environmental rehabilitation projects;
- leadership development and training for the Western Australian Undersea Club; and
- night-vision binoculars for the Whitfords Volunteer Sea Rescue Group.



Derby District High School students make use of one of the new fishing line disposal units at Derby Jetty.

Large grants

The RFIF Large Grant Program supports in-depth initiatives that enable applicants to launch comprehensive and multi-year projects.

The Large Grants Program has funded 19 projects totalling \$3.3 million since 2012, and has included the following projects:

- **South West Artificial Reefs Trial Project** (\$520,000 over three years).
We have installed two artificial reefs on the seabed off Dunsborough and Bunbury as part of our South West Artificial Reefs Trial Project. The \$2.38 million project was jointly funded between the RFIF (\$520,000) and Royalties for Regions (\$1.86 million). The pilot project is the first artificial reef trial of its kind in Western Australia.



One of the newly deployed artificial reefs on the seafloor in Geographe Bay.

- **Artificial reef in Mandurah** (\$613,000 over two years).
This project is aimed at developing an artificial reef off Mandurah to improve recreational fishing opportunities in the Peel region and reduce fishing effort at existing fishing grounds.
- **Metropolitan Fish Aggregating Devices** (\$160,000 over one year).
Recfishwest will deploy eight new FADs off the metropolitan coast to enhance offshore fishing opportunities, and trial surface and subsurface FADs to allow year-round fishing.
- **Fishing safety officer** (\$250,000 over three years).
Recfishwest has employed a fishing safety officer to improve awareness of the dangers associated with recreational fishing and provide regular safety messages across the State.
- **Mapping fishing locations for people with disabilities** (\$50,000 over one year).
This project is enabling the Fishers with Disabilities Association to develop a map of current accessible locations for fishers with disabilities and build capacity to enable greater participation in recreational fishing by people with disabilities.

- **Restocking mulloway into the Mid West region** (\$280,150 over three years).
The WA Fish Foundation is running this program to enhance mulloway stocks at popular fishing locations on the mid-west coast and to assess the potential for restocking the metropolitan area.



[A tagged mulloway being prepared for release.](#)

- **Restocking western school prawns into the Swan-Canning River** (\$363,000 over three years).
The WA Fish Foundation project is to enhance the community value of the recreational prawn fishery.

Aquatic biosecurity protecting our waters from pests and diseases

Aquatic pests and diseases are one of the most significant threats to WA's biodiversity, and can damage the economy, environment, social amenity and human health. We are the State's lead agency for aquatic biosecurity with the aim of minimising the negative impacts of aquatic pests and diseases in WA's marine and fresh waters through prevention, eradication, containment and targeted asset protection actions.

Our focus is on prevention of aquatic pest and disease establishment and continuous improvement of biosecurity practices. In partnership with industry and community, resources are targeted at the highest priorities for cost-effective and efficient management.

Recent examples include an eradication attempt after a first detection of the eel-tailed catfish and related fish disease, and an emergency response to a detection of Asian paddle crabs in the Swan River.

Eradicating eel tailed catfish in Myaree

In October 2012, Department of Fisheries research staff discovered the presence of a non-native eel-tailed catfish, *Tandanus tandanus*, in a small lake in Myaree during a comprehensive survey of permanent freshwater bodies in the Perth metropolitan region. Further analysis revealed that the catfish carried the bacteria *Pseudomonas anguillasepta* which

causes red-spot disease that can potentially affect many fish species. Neither the fish nor the disease had been detected in WA before. The catfish was assessed as posing a significant biosecurity threat to the State if it spread by competing with native catfish species, voraciously preying on fish and crustaceans, and reducing water quality.



Volunteer groups, local council representatives and staff from the Department of Fisheries and Department of Parks and Wildlife all worked together to rid a Myaree lake of pest catfish.

In response we set up an incident management team, bringing in representatives from the local council, the Department of Parks and Wildlife and volunteer groups who shared our concern about the turtles also resident in the lake. Assessment indicated that the contained location had few linkages to other water bodies, and the lack of any native fish meant that eradication of the pest fish, and the associated disease, was a viable option.

Over the following year the response team drained the lake and removed a choking aquatic weed before the eradication action was carried out at the driest time of the year. Fish trapping activities leading up to the next summer removed over 3,000 catfish of various ages, indicating that the fish were now breeding successfully.

We ran a public awareness campaign for local residents leading up to eradication preparation activities, to ensure the community was well informed about the situation. This included visits, letters, signs and website information. The week before the eradication attempt, volunteer groups worked with us to remove all catchable turtles at their request, for relocating temporarily during the eradication.

Finally in February 2014, the lake was treated with rotenone, a plant based 'piscicide' (fish poison), to kill all the remaining pest fish. Subsequent surveys have indicated a tiny number of 'young of the year' catfish are still present, so a program is underway to eradicate these last fish.

We also ran a broader public education campaign with the *Don't dump that fish* message during the lead-up year, bringing public attention to the costs and impacts of releasing ornamental fish into our waterways, in an attempt to prevent similar releases.

Monitoring the Swan River for Asian paddle crabs

In October 2012, a crab caught at Mosman Bay in the Swan River by a recreational fisher was confirmed as the international high-risk marine pest species, Asian paddle crab (*Charybdis japonica*). It is listed by the Commonwealth as one of 10 most likely invaders and one of 10 potentially most damaging pest species. Only two previous reports have occurred in Australia; one in Mandurah in 2010 and one in Adelaide in 2000, both with only single individuals detected.

This species presents a serious biological threat to WA's marine environment; due to its highly aggressive nature, it can potentially out-compete native crabs for food and habitat. It also has the potential to carry paralytic shellfish disease (a threat to human health) and White Spot Syndrome Virus (WSSV), a crustacean disease that can devastate farmed and wild prawns, crabs and lobsters. Fortunately, the specimens found tested negative for these diseases.

In response to the detection, we assembled an incident management team, with input from key stakeholders such as the Swan River Trust and other peak bodies. Response activities included an extensive trapping campaign of the surrounding areas and a comprehensive education campaign. We distributed

publicity material throughout the area at boat ramps, dive and tackle shops, and through radio interviews asking the public to report suspect crabs to the Fishwatch 1800 number with Fisheries and Marine Officers following up every report. These efforts resulted in a further two Asian paddle crabs reported in the following two months, caught at the same location, also by recreational fishers.

While it is unknown exactly how the pest crabs entered the Swan River, likely possibilities include via ballast water (as larvae or swimming adults) or biofouling (e.g. within the sea chest of a vessel).

Diver visual surveys were also conducted in the target area but no further Asian paddle crabs were observed. Over the following year, we received more than 300 public reports, all of which we followed up. More trapping surveys have found no pest crabs, so the focus now is on continuing with public awareness-raising through media releases and distribution of leaflets, especially during the peak crabbing season.

The significant interest and response from the public has been crucial to the effective response to this pest, and opened the opportunity to educate the public about other similar pests.

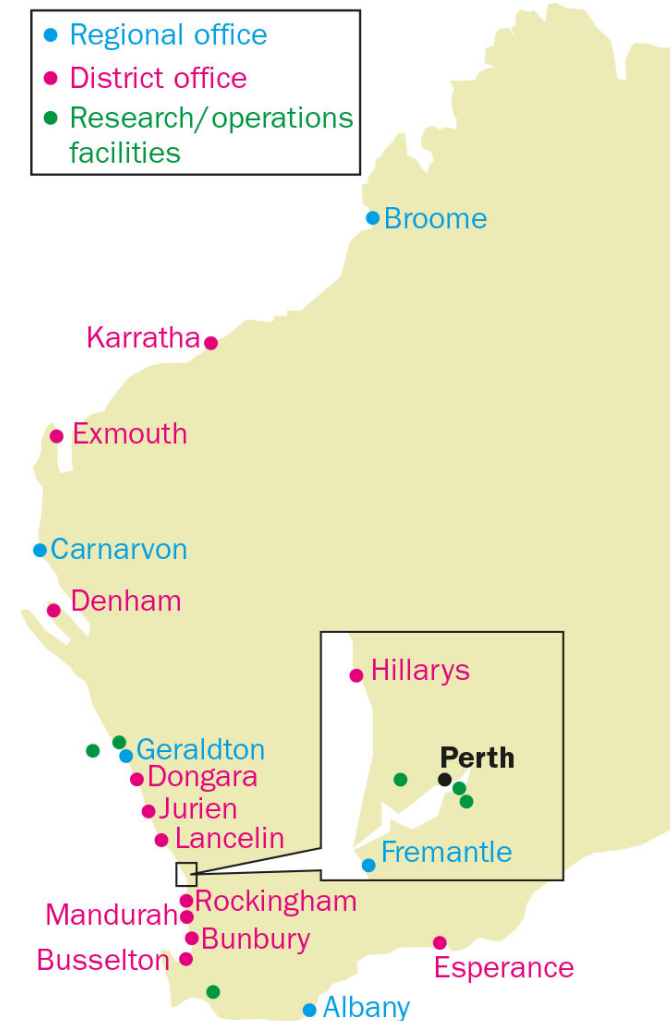


A comprehensive crab monitoring program was coordinated by the Department after pest Asian paddle crabs were detected in the Swan River. These two specimens were native species.

Operations

The Department operates from its head office in the Perth central business district and in the following metropolitan and regional areas:

- Our Fisheries Research Division operates out of our Western Australian Fisheries and Marine Research Laboratories in Hillarys, the Pemberton Freshwater Research Centre, the Aquaculture and Native Fish Breeding Laboratory (based at the University of Western Australia's Shenton Park Field Centre) and at our Fish Health Section in South Perth.
- Our Communications and Education Branch is based at our Hillarys centre and our Regional Services Branch also runs some compliance operations from there.
- Our Marine Operations Centre and the Metropolitan Regional Office are in premises in Capo D'Orlando Drive in Fremantle.
- Our Regional Services Division has five regional offices – Broome, Carnarvon, Geraldton, Fremantle and Albany – and 12 district offices located throughout the State. We operate the Saville Kent Centre field station on the Houtman Abrolhos Islands' Rat Island. The Abrolhos Islands Research Institute is located at Separation Point in Geraldton.



- Our new Fisheries Operations Centre in South Perth is where our Biosecurity Compliance Unit and the Rock Lobster Quota Management Unit is located. This is also the base for all of our fisheries compliance activities throughout the State.
- The Watermans Bay Marine Centre is being refurbished as part of a collaborative project with the Australian Institute of Marine Science, CSIRO and the Oceans Institute at the University of Western Australia. It will open in 2015, forming part of the Indian Ocean Marine Research Centre and bring together more than 240 researchers carrying out projects in oceanography, fisheries and marine ecology, technologies, engineering and law.

Addresses and contact details for all our offices can be found on our website in the '[Contact us](#)' section.

Performance management framework

The Department directly contributes to the Government's goal of "Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State" and our services are aimed at achieving "the conservation and sustainable development of the State's fish resources", the Government's stated "desired outcome" for the Department.

Successfully managing the conservation and sustainable development of the State's fish resources and aquatic environment is based on a continuing interchange of information between fisheries managers, researchers and fishers. Robust legislation, targeted enforcement and community education programs play a crucial role in achieving these outcomes.

When these elements combine effectively, fisheries and their environment are usually sustainable. When they do not, fish resources and aquatic environments are often at risk. When we achieve balanced economic, social and environmental outcomes from the development and use of these resources, the Department directly contributes to the Government goal of social and environmental responsibility.

We organise our services to ensure the conservation and sustainable development of the State's fish resources and the aquatic environment. We do this as follows:

Service 1 – **Fisheries management** provides management, policy development, licensing and legislation related to the State's commercial and recreational fisheries, pearling, aquaculture, fish processing, charter boat industry, customary fishing and protection of aquatic ecosystems.

Service 2 – **Enforcement and education** provides statewide fisheries enforcement and community education in accordance with the provisions of the *Fish Resources Management Act 1994* and the *Pearling Act 1990*, and at-sea marine safety compliance on behalf of the Department of Transport.

Service 3 – **Research and assessment** provides timely, high quality scientific knowledge and advice to support the conservation and sustainable use of the State's fish resources and aquatic ecosystems.

Changes to outcome-based management structure

Changes to service descriptions

Our 'outcome-based management' structure for 2013/14 contains the following approved changes to our service descriptions and key performance indicators:

- Service 2 was previously referred to as 'Compliance and Education'.
- Service 3 was previously referred to as 'Research and Monitoring'.
- In previous years, 'Marine Safety' constituted a fourth service. This service related solely to marine safety compliance and education work undertaken by the Department on behalf of the Department of Transport. This service has now been incorporated within Service 2 as part of our broader enforcement and education role.

New Key Performance Indicators

Effectiveness indicators

Our revised effectiveness KPIs are:

- 1.1 The proportion of fish stocks identified at risk or vulnerable through exploitation
- 1.2 The proportion of commercial fisheries where catches or effort levels are acceptable
- 1.3 The proportion of recreational fisheries where catches or effort levels are acceptable
 - 2.1 The volume of State commercial fisheries (including aquaculture) production
 - 3.1 The participation rate in recreational fishing
 - 3.2 The satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department of Fisheries is achieving aquatic resource management objectives

What has changed?

KPIs 1.1 and 1.2 are essentially the same as reported in preceding years.

KPI 1.3 is new and is aimed at measuring the sustainability of the State's recreational fisheries.

KPI 2.1 is new and is aimed at measuring the volume of commercial fisheries production in the State. Previously, this KPI measured the value of fisheries production, which the Department

has less control over given fluctuations in exchange rates and demand and price variations. As in previous years, data for this KPI is derived from annual data published by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), which is based on catch data supplied by the fishing industry to our Fisheries Research Division. Historical volume data reported under the previous KPI will be used for comparative purposes.

KPIs 3.1 and 3.2 are identical to previous KPIs 3.1 and 3.3

Deleted KPIs

The previous KPI 1.3 has been deleted. This KPI measured resource-sharing outcomes between the commercial, recreational and customary fishing sectors as part of our Integrated Fisheries Management policy. As we regularly report to the community on sector resource allocations through other methods, the decision was taken in consultation with the Office of the Auditor General to delete this KPI.

The previous KPI 3.2, "Satisfaction index for persons participating in recreational fishing", has been deleted. Various external factors such as weather, time of day and fishing skill levels may all impact on a person's satisfaction rating, and these are factors over which we have no control. Accordingly, the decision was taken in consultation with the Office of the Auditor General to delete this KPI.

Outcome-based management structure

Government goal

"Social and Environmental Responsibility:
Ensuring that economic activity is managed in
a socially and environmentally responsible manner
for the long-term benefit of the State"

Key effectiveness indicators

- The proportion of fish stocks identified at risk or vulnerable through exploitation
- The proportion of commercial fisheries where catches or effort levels are acceptable
- The proportion of recreational fisheries where catches or effort levels are acceptable
- The volume of State commercial fisheries (including aquaculture) production
- The participation rate in recreational fishing
- The satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department is achieving aquatic resource management objectives

Desired outcome:

Conservation and sustainable development
of the State's fish resources

Service 1

Fisheries management

Key efficiency indicator

Average cost per hour of management
(excluding grants and fisheries adjustments)

Service 2

Enforcement and education

Key efficiency indicator

Average cost per hour of enforcement and education

Service 3

Research and assessment

Key efficiency indicator

Average cost per hour of research and assessment

Contribution to other Government goals

During 2013/14, we also contributed to achieving the following Government goals:

Financial and economic responsibility

We implemented a new integrated financial and payroll management system following the successful roll-out from the Office of Shared Services.

We completed a Harvest Strategy for the West Coast Rock Lobster Managed Fishery, providing commercial operators with a higher degree of certainty about likely future harvest setting for the fishery, enabling them to undertake business planning more effectively.

We were able to achieve more efficient use of the Department's marine patrol vessels by collaborating on management, compliance and research responsibilities in the marine environment with other government agencies including the Department of Parks and Wildlife, the Department of Transport and the Western Australian Museum.

Stronger focus on the regions

We maintain a strong focus on the State's regional areas, where most fisheries are located. The State's fisheries make a valuable contribution to regional economies, employment, lifestyle and culture. The Department has regional offices in the Kimberley, Gascoyne, Mid-West, Peel and Great Southern regions and

maintains a number of district offices from Kununurra to Esperance.

About 45 per cent of the Department's staff are located in regional areas and about 75 per cent of expenditure is allocated to activities of benefit to regional communities.

Performance evaluation and reporting

We report on our performance measured against financial targets and measures, by evaluating our service delivery through key performance indicators (KPIs). Our KPIs provide a comprehensive high-level overview of our activities, including both effectiveness and efficiency indicators.

Effectiveness indicators show the extent to which we achieved our goal of conserving and sustainably developing the State's aquatic resources.

Efficiency indicators reveal the relationship between the service delivered and the cost of resources used in its delivery.

Measuring the effectiveness of approaches to conservation and sustainable development of aquatic resources presents challenges to us and fisheries management agencies worldwide. Put simply, it is not possible to physically count the number of fish in a wild stock fishery.

The Department uses dynamic scientific modelling and robust reporting and assessment systems to estimate the abundance of fish and to measure the effectiveness of management strategies in achieving the sustainability of fish

stocks and the aquatic environment. The results of this work are published annually in our [*Status Reports of the Fisheries and Aquatic Resources of Western Australia*](#) (the Status Report).

The Status Report is a snapshot of fisheries sustainability over the preceding 12 to 18 months. We use it, in consultation with stakeholders, to review fisheries past management results and, together with current scientific observations, it informs decisions about the priorities for fisheries and environmental management, research, compliance and education in the year under review and future years. It underpins our effectiveness indicators.

The Status Report is tabled in Parliament along with our annual report. A summary derived from the Status Report's fisheries sustainability results for 2013/14 is published.

Departmental performance



Milestones

We view the following achievements as significant milestones that contributed to the conservation and sustainable development of the State's fish resources during 2013/14.

- The development of a harvest strategy and the associated set of control rules to guide the setting of the total allowable commercial catch and the total allowable recreational catch for the West Coast Rock Lobster Managed Fishery was approved. The harvest strategy and control rules are the final element in the shift of the fishery to quota management and also provide the basis for determining the recreational sector's five per cent catch share within that management framework. Their introduction fulfils a condition of the commercial West Coast Rock Lobster Managed Fishery's most recent re-certification by the Marine Stewardship Council (MSC).
- Pre-assessments of all Western Australian commercial fisheries against the Marine Stewardship Council standard are now underway. The pre-assessments are being undertaken on a bioregional basis and all fisheries operating within each of the bioregions are being assessed. The pre-assessments of the fisheries of the Gascoyne and Pilbara/Kimberley regions were completed during the year. Pre-assessments for the West Coast and South Coast bioregions are well advanced.
- Three fisheries were successfully re-certified under the Commonwealth Government's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). This allows the product of the fisheries to be exported. Currently there are 25 Western Australian fisheries that have export accreditation under the EPBC Act.
- As part of the West Coast Estuarine Interim Managed Fishery's transition to a managed fishery, the Hardy Inlet estuarine fishery was incorporated into the new management arrangements.
- An early detection system for invasive pest species was established in most major ports along the Western Australian coastline from Broome to Esperance.
- Three new trawl net designs were completed to further reduce dolphins becoming trapped in fishing nets in the Pilbara Fish Trawl Fishery. The report contributed to the Commonwealth granting of a new three-year export approval for this fishery.
- We developed and implemented new Statewide marine park collaborative operational plans in partnership with the Department of Parks and Wildlife.
- We introduced gear restrictions in the West Coast Rock Lobster Managed Fishery and the developing octopus

fishery to minimise the risk of whales on their annual migration becoming entangled with fishing gear.

- We introduced further protective measures for the maritime archaeological sites associated with the historic *Batavia* wreck in partnership with the Western Australian Museum.
- We rolled out our integrated catch-and-effort reporting services including online real time catch reporting for the rock lobster industry, an application system for the temporary transfer of units of entitlement and a commercial licence marketing board. When fully functional, this system will provide online and mobile services across a number of managed fisheries.

Outcomes

The Government's desired outcome for the Department is "the conservation and sustainable development of the State's fish resources".

We work to achieve this outcome through planned and integrated service delivery in the areas of:

- fisheries management;
- enforcement and education; and
- research and assessment.

These services are aimed at sustainable outcomes for fisheries and the ecosystems that support them.

Each year we assess the outcomes and future directions of fisheries in WA.

The outcomes of these assessments are used as the basis of measuring the Department's effectiveness through KPIs 1.1, 1.2, 1.3 and 2.1.

A summary of the outcomes for individual fisheries under management is provided in the fisheries sustainability status table below.

The term 'sustainable' is given to those fisheries where the breeding stocks are considered adequate as well as to fisheries in which breeding stocks are recovering. Fisheries assessed as 'inadequate' or 'environmentally limited' include those fisheries 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 to those fisheries that are inadequate due to exploitation (i.e. overfishing) that have only recently been identified and for which definitive management actions have yet to be fully implemented.

More detailed information on the current management status and future directions of commercial fisheries, recreational fisheries and aquaculture industries is given in the [Status Reports of the Fisheries and Aquatic Resources of Western Australia 2013/14](#).

Stock status and catch ranges for major commercial fisheries

Key:

	Sustainable
	Additional actions may be needed
	Stocks are inadequate
	Stocks are inadequate due to environmental conditions

Stock status and catch ranges for major commercial fisheries

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
West Coast Bioregion							
West coast rock lobster	Yes	Adequate	5,554 (quota management)	5,641	2013	Yes	A Total Allowable Commercial Catch (TACC) of 5,554 t was set for the 2013 season. The total landings were slightly greater than the TACC due to a water loss adjustment. Due to the conservative nature of the TACC, egg production is at record high levels.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Roe's abalone	Yes	Adequate	92.8 (quota management) (530-640 days)	73.2 (457 days)	2013	Yes	Catch was less than the quota in Area 5 (50% caught) and Area 6 (60% caught) due to economic reasons (low value of catch) and high cost of accessing these areas. Area 8 fishery remains closed due to catastrophic mortality caused by a marine heat-wave in 2011. Catch rates in Areas 2 and 7 were below threshold level and 10% reduction in TACC imposed.
Octopus	Yes	Adequate	50-250	226	2013	Yes	Fishery in development phase. Target range to be reviewed following completion of initial assessments.
Abrolhos Islands and mid-west trawl	Yes	Environ. limited	95-1,830 (set to 0 for this year)	0	2013	N/A	The fishery was not opened due to annual survey indicating low scallop abundance with a catch prediction below the target level for fishing. This has resulted from continued effects of low recruitment due to the extreme environmental conditions of early 2011. The low recruitment has resulted in a very low spawning stock despite no fishing activity.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Cockburn Sound crab	Yes	Environ. limited	Under revision	61	2012/13	N/A	While catch improved from 2011/12, juvenile recruitment was very low possibly due to lack of growth of the large juvenile cohort resulting in poor mating success and subsequent low numbers of berried females over the 2012/13 summer. Given low juvenile abundance in 2013, the fishery in 2013/14 was monitored closely and an early closure was recommended.
Estuarine finfish (west coast)	No	N/A	75-220 (Peel-Harvey only)	120 (PH only)	2013	Yes	Catches of west coast estuarine finfish have been stable since 2000.
West coast beach bait	Yes	Environ. limited	60-275 (whitebait only)	13 (whitebait only)	2012/13	No	Annual whitebait catch fluctuates in response to environmental variations. Catch decline follows recent years of exceptionally warm ocean temperatures. Catch is significantly below acceptable range. Management intervention may be required.
West coast purse seine	Yes	Adequate	0-3,000 (quota management)	705 (scaly mackerel and pilchard combined)	2013	Yes	Continued low catches compared to pre-2005 due to low fishing effort levels. 2013 catch includes catches from the managed fishery and the northern and southern developmental zones. This is the first year that catches from both developmental zones are reported.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
West coast demersal scalefish	Yes	Recovering	< 450 (demersal suite)	395	2012/13 or 2013	No	The total catch of the demersal suite by all commercial fisheries was within acceptable levels. West Coast Demersal Scalefish (Interim) Managed Fisheries catches of snapper in the mid-west and Kalbarri areas and of WA dhufish in the mid-west area were too high.
Gascoyne Coast Bioregion							
Shark Bay prawn	Yes	Adequate	1,350-2,150	1,815	2013	Yes	King and tiger prawn catches were both within the target ranges.
Exmouth Gulf prawn	Yes	Adequate	771-1,276	585	2013	Yes	The total catch was below target range from poor recruitment of tiger prawns due to environmental conditions. The landings were higher than the extremely low catches in 2012 indicating some recovery.
Shark Bay scallop	Yes	Environ. Limited	1,250-3,000 (fishery closed this year)	0	2013	N/A	The fishery did not open due to very low recruitment and stock abundance over the last three years as a result of continued influence of the extreme environmental conditions from marine heatwaves. No recovery observed despite no fishing by the scallop boats and no retention by the prawn trawl sector.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Shark Bay crabs	Yes	Environ. Limited	Fishery closed from April 2012 to Sept. 2013. Harvest strategy under development	36 (20 trap + 16 trawl)	2013	N/A	The fishery remained closed until September 2013 due to poor recruitment and stock levels resulting from extreme environmental conditions. Biomass indices showed partial recovery, which was confirmed by experimental commercial fishing.
Shark Bay beach seine and mesh net	Yes	Adequate	235-335	211	2013	Yes	Total catch remained below the target range due to a further reduction in effort and decline in sea mullet catch; catches of whiting increased to highest level since mid-1980s.
Deep sea crab	Yes	Adequate	154 (quota management) (50,000-80,000 potlifts)	140 (crystal crab) (53,414 potlifts)	2013	Yes	The catch is within the target catch range, with the standardised catch rate of legal crabs at the highest level in a decade, with effort within its target range. Nominal effort estimate at the lower end of the target range.
Gascoyne demersal scalefish (pink snapper)	Yes	Adequate	277 (quota management) (380-540 days)	233 (328 days) plus 40 rec. catch	2013	Yes	Spawning biomass is above the threshold level and, at the current TACC, is projected to reach the target level by 2014/15. Catch rate is well above the threshold and at highest level since mid-1990s.
North Coast Bioregion							
Onslow prawn	Yes	Adequate	60-180	Negligible	2013	N/A	Minimal fishing occurred in 2013.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Nickol Bay prawn	Yes	Adequate	90-300	106	2013	Yes	Catch of banana prawns were within the target catch range and slightly lower than the predicted catch.
Broome prawn	Yes	Adequate	55-260	2	2013	N/A	The very low level of effort continued because of the cost of fishing, high fuel prices and long distances to steam, and low returns.
Kimberley prawn	Yes	Adequate	240-500	154	2013	Yes	The banana prawn catches were well below the catch prediction and the target range. The effort in the fishery was the second lowest recorded since 1990.
Kimberley gillnet and barramundi	Yes	Adequate	33-44 (barramundi)	52	2013	Yes	The catch of barramundi is slightly above the acceptable range. The harvest strategy needs to be reviewed.
Northern demersal scalefish	Yes	Adequate	Under revision	Total 1,228 (goldband 493) (red emperor 131)	2013	N/A	Total catch is above the upper limit across the fishery due to an increase in catch in Zone A. Catches of goldband snapper and red emperor were both within the acceptable catch range. Full assessments and a review of catch ranges are in progress.
Pilbara fish trawl	Yes	Adequate	Under revision	1,074	2013	N/A	Reduced catch due to reductions in effort quota since 2009. Full assessment and review of catch range scheduled over the next 12 months.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Pilbara demersal trap and line	Yes	Adequate	400-600 (trap) 50-115 (line)	339 (trap) 85 (line)	2013	Yes	Trap catch was lower than the target catch range due to reduced effort in the fishery in 2013. The line catch was within the target catch range.
Mackerel	Yes	Adequate	246-410 (quota management, Spanish mackerel)	277	2013	Yes	Catches lower than previous few years but remain within the acceptable range for the fishery.
Northern shark	No	N/A	< 20 (sandbar)	0	2012/13	N/A	There continued to be no fishing effort for this year.
Pearl oyster	Yes	Adequate	754,800 oysters (quota management) (14,071-20,551 dive hours)	517,653 oysters (11,995 dive hours)	2013	Yes	Quota this year also included 150,000 large mother-of-pearl (MOP) oysters fished under a research and development permit to explore the potential for an MOP fishery. The Zone 1 quota (115,000 shell) was not fished and some culture shell quota was not fished for economic reasons. Catch rate indices were above threshold levels.
Beche-de-mer	Yes	Adequate	Sandfish 20-100 Redfish 40-150	Sandfish 0 Redfish 0	2013	N/A	There was no fishing for sandfish or redfish in 2013. Industry undergoing restructures. New vessels expected to fish the existing licenses in 2014.
Albany/King George Sound purse seine	Yes	Adequate	2,683 (quota management)	1,513	2102/13	Yes	Effort and catches slightly lower than in 2011/12.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
Bremer Bay purse seine	Yes	Adequate	1,500 (quota management)	Less than three licences operated	2012/13	Yes	Effort and catches lower than in 2011/12.
Esperance purse seine	Yes	Adequate	1,500 (quota management)	Three licences operated	2012/13	Yes	Effort and catches slightly higher than in 2011/12.
Southern and west coast demersal gillnet and longline	Yes	Gummy and whiskery sharks: adequate. Dusky and sandbar sharks: recovering.	725-1,095 (key species only)	734 (key species only)	2012/13	Yes	Total catch within target range, similar to previous years and acceptable given effort levels. Dusky catch was slightly below its target range due to decline in effective effort. Catch rate similar to previous year. Whiskery catch has been maintained below their historical target range due to reductions in effort and the intended effects of the seasonal closure.
Northern Inland Bioregion							
Lake Argyle catfish	Yes	Adequate	90 – 155	78	2013	Yes	Catch is below the acceptable range due to reduced effort.

¹ Catch figures supplied for latest year/ season available. N/A Not assessed.

Stock status and catch ranges for major recreational fisheries

Note: Acceptable recreational catch levels will be further developed as the Integrated Fisheries Management principles are implemented. For those species/resources that are mainly caught from boats, setting of acceptable catches will be informed by the results from the biennial integrated boat fishing surveys (i-surveys).

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
West Coast Bioregion							
West coast rock lobster	Yes	Adequate	5,554 (quota management)	5,641	2013	Yes	A Total Allowable Commercial Catch (TACC) of 5,554 t was set for the 2013 season. The total landings were slightly greater than the TACC due to a water loss adjustment. Due to the conservative nature of the TACC, egg production is at record high levels.
West coast abalone	Yes	Adequate	TARC 40	20	2013	No	Declines in legal size, density and spawning biomass in recent years, including environmental effects, will require a review of the Total Allowable Recreational Catch (TARC).
West coast crabs	Yes	Environ. Limited	Under revision	87	2011/12	N/A	The spawning stock in Cockburn Sound in 2013/14 has been assessed as inadequate, which is due to environmental reasons.
Nearshore and estuarine	Yes	Inadequate	Not developed	108 (boat only)	2011/12	N/A	Formal stock assessment for herring completed in late 2012 indicated low stock abundance.

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
West coast demersal scalefish	Yes	Recovering	250	200 (top 15 spp)	2011/12	No	Although overall recreational/charter catch of the resource is at an acceptable level, catches of snapper and baldchin groper in the West Coast Bioregion were above acceptable levels in 2011/12.
Gascoyne Coast Bioregion							
Gascoyne demersal	Yes	Adequate	Under development	98	2011/12	N/A	Overall catch of the resource is considered to be sustainable, but noting that fishing mortality for spangled emperor in northern areas is thought to be too high and is currently being reviewed.
Inner Shark Bay demersal (snapper)	Yes	Adequate	12 EG 12 DS 3.8 FE	4-5 EG 6-7 DS 1-2 FE	2011/12	Yes	The Eastern Gulf and Denham Sound breeding stock are well above the target abundance level. The Freycinet Estuary breeding stock is recovering and is above the limit level. Biomass assessments are currently being updated.
North Coast Bioregion							
North coast nearshore and estuarine	Yes	Adequate	Not developed	8.4 barra 7 threadfin	2011/12	N/A	
Northern demersal scalefish	Yes	Adequate	Not developed	77 boat 20 Charter	2011/12	N/A	

Fishery	Stock assessment complete	Breeding stock assessment	Target catch (and effort) range in tonnes (days)	Catch (tonnes) for season reported ¹	Season reported ¹	Catch (or effort) level acceptable	Comments on performance in reported season
North coast pelagic (mackerel)	Yes	Adequate	Not developed	68	2011/12	N/A	
North coast crab	No	N/A		4 (boat only)	2011/12	N/A	
South Coast Bioregion							
South coast crustaceans	Yes	NA	Not developed	< 5	2013	N/A	
Abalone (greenlip / brownlip)	Yes	Adequate		8	2007	Yes	
South coast estuarine	Yes	Adequate	Not developed	37 (boat only)	2011/12	N/A	
South coast nearshore	No	NA	Not developed		2013	N/A	
South coast demersal scalefish	No	NA	Not developed	40 for 3 indicator spp	2011/12	NA	
Southern Inland Bioregion							
Marron	Yes	Adequate	96 -136 K individuals	50 K individuals	2013	Yes	Stocks are considered adequate, however target catch needs to be reviewed due to changes in environmental conditions affecting habitat availability (e.g. rainfall patterns).

¹ Catch figures supplied for latest year/season available. N/A Not assessed.

Financial targets: Actual performance compared to budget targets

The following table provides a comparison of our financial performance against financial targets and outcomes included in the 2013/14 State Budget Papers and reflected in the Resource Agreement between the Minister for Fisheries, the Treasurer and the Director General of the Department of Fisheries.

	2013/14 Target \$'000	2013/14 Actual \$'000	Variance \$'000	
Total cost of services (expense limit) (details from Statement of Comprehensive Income)	88,852	95,264	6,412	Note 1
Net cost of services (details from Statement of Comprehensive Income)	50,047	61,266	11,218	Note 2
Total equity (details from Statement of Financial Position)	88,565	88,903	338	Note 3
Net increase/ (decrease) in cash held (details from Statement of Cash Flows)	(2,547)	10,777	13,324	Note 4

	Approved	Actual	Variance	
Approved full-time equivalent (FTE) staff level	461	470	9	Note 5

Notes

These notes should be read in conjunction with the Explanatory Statement to the Financial Statements on [page 87](#).

Note 1: Total cost of services

The variation is mainly attributable to additional appropriation from Government to cover a \$6 million funding deficit in the agency's budget.

Note 2: Net cost of services

The variance in the net cost of services results from additional appropriation from Government to cover the Department's \$6 million budget deficit and \$4.7 million additional appropriation for the Aquatic Biosecurity Management project due to legislative delays in achieving a cost recovery regime.

Note 3: Total equity

The increase in total equity is due to a combination of the net operating surplus for the financial year and \$8.8 million equity (cash) injection by Government. This has been offset by the write-down (devaluation) of office building assets.

Note 4: Net decrease in cash held

The net increase in cash held is attributable to the increased operating surplus for the financial year, equity (cash) injection by Government and underspending in the Department's asset investment program.

Note 5: Approved full-time equivalent (FTE)

The variance in FTEs is due mainly to the conversion of approximately 22 long-term temporary employees from employment agency contracts to Fisheries employment contracts which were not recognised in the Approved FTE target. The Department also increased its staff numbers by a further 8 FTEs, mainly in the Research Division to meet the demand for externally funded projects.

Summary of results against key performance indicator (KPI) targets

The following tables summarise our audited results for 2013/14 against key performance indicator (KPI) targets contained in the 2013/14 Budget Papers. Explanations are provided where the variance between actual and target is greater than 10 per cent. Trends over time are also shown.

Detailed commentary is provided for all effectiveness and efficiency indicators in the [audited key performance indicators section](#) of this Annual Report.

Government goal: Social and environmental responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

Government's desired outcome for the Department of Fisheries: Conservation and sustainable development of the State's fish resources.

Key effectiveness indicators	2011	2012	2013	2014 Target	2014 Actual	Variance	
KPI 1.1 The proportion of fish stocks identified at risk or vulnerable through exploitation (%)	6	6	3	6	3	3	We have exceeded our target.
KPI 1.2 The proportion of commercial fisheries where catches or effort levels are acceptable (%)	94	100	97	92	89	3	24 of the 27 fisheries assessed (89%) were considered to have met their performance criteria. The Department is taking management action in respect of the other three fisheries.

Key effectiveness indicators	2011	2012	2013	2014 Target	2014 Actual	Variance	
KPI 1.3 The proportion of recreational fisheries where catches or effort levels are acceptable (%)				80	77	3	This is close to the target. Management action is being taken in the west coast abalone fishery (marine heatwave related), and for some demersal scalefish species in the northern sections of both the West Coast Demersal and Gascoyne Demersal fisheries.
KPI 2.1 The volume of State commercial fisheries (including aquaculture) production (tonnes)	24,276	24,288	19,883	20,000	20,384	384	Fisheries production was slightly above the production target.
KPI 3.1 The participation rate in recreational fishing (%)	33	32	33	32	29.4	2.6	The participation rate is similar to the participation rate reported in recent years (i.e. ~ 30 – 33 %)
KPI 3.2 The satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department of Fisheries is achieving aquatic resource management objectives (%)							
Community.....	81	85	85	80	85.1	5.1	This rate is similar to those reported for recent years (81 – 85%).
Stakeholders.....		-	75				Stakeholder surveys are conducted every second year. The next stakeholder survey will be undertaken in 2014/15.

Key efficiency indicators	2011	2012	2013	2014 Target	2014 Actual	Variance	
Service 1: Fisheries Management – average cost per hour for management (excluding grants and fisheries adjustments) (\$ per hour)	152	167	192	178	187	9	There were no significant variances between the 2013/14 Target and 2013/14 Actual nor were there significant variances between the actual results for 2013/14 and 2012/13.
Service 2: Enforcement and Education – average cost per hour of enforcement and education (\$ per hour)	186	185	213	180	197	17	There were no significant variances between the 2013/14 Target and 2013/14 Actual nor were there significant variances between the actual results for 2013/14 and 2012/13.
Service 3: Research and Assessment – average cost per hour of research and assessment (\$ per hour)	126	130	119	128	133	5	There were no significant variances between the 2013/14 Target and 2013/14 Actual. The main reason for the variance in Research and Assessment service costs between 2012/13 and 2013/14 Actuals was due to increased expenditure on research for the assessment of fisheries under the Third Party Certification (MSC) process and additional research costs for marine biosecurity in 2013/14.

Currents and undercurrents – significant issues affecting the Department



Issues affecting the Department's operating environment

During 2013/14, some significant issues and trends affected the management of fisheries and the aquatic environment and are likely to have an influence in the future.

Meeting the challenges of a fast-developing region

There are ongoing challenges to the effective management of the State's fisheries and marine ecosystems from rapid population growth, improvements in fishing technology and industrial development. Increased vessel movements from interstate and overseas are also presenting higher biosecurity risks from the introduction of invasive marine species. We are working to meet these challenges through constant monitoring of the sustainability of fisheries and aquatic ecosystems, renewing our legislation in line with ecosystem-based fisheries management and obtaining greater powers to deal with biosecurity threats.

Achieving global sustainability benchmarks

Demonstrating environmental sustainability is fundamental to community support for the State's economically and socially important commercial and recreational fisheries sectors as legitimate and valued users of WA's marine environment. As well as reporting annually to Parliament on the sustainability of fisheries and aquatic ecosystems, we are now working with the

commercial fishing sector and world-leading independent assessors (the Marine Stewardship Council) to verify the sustainability credentials of our fisheries. This will assure the community we are meeting the highest global sustainability benchmarks for managing our fisheries and marine ecosystems.

Managing costs efficiently

The increasing cost to Government of managing fisheries and the marine environment sustainably, including the growing cost of marine park management, requires the development of more cost-effective, integrated, risk-based management. We are working with the Department of Transport and the Department of Parks and Wildlife to deliver more efficient marine safety and marine park management services.

Responding to environmental fluctuations

The effects of a 'marine heatwave', when water temperatures rose up to four degrees above average in the West Coast and Gascoyne bioregions in early 2011, continue to be felt. The phenomenon has continued to have adverse effects on abalone near Kalbarri and scallops and blue swimmer crabs in Shark Bay, prompting management action to ensure the sustainability of these stocks and research programs to better understand the effects of ocean warming.

Building effective research partnerships

Obtaining the required knowledge and sound scientific methodology and data to support decision making and ecosystem-based fisheries management remains a challenge for the Department. Effective coordination of the State's marine research across a number of portfolios is needed to ensure that research is prioritised and funded according to risk levels and community needs. We have identified fisheries and marine research priorities based on risk, and we are collaborating with state and national fisheries and marine research organisations to deliver these.

Adapting to a changing economy

Difficult economic conditions, including increased costs of fuel and a high Australian dollar, affect export markets and the profitability of fishing operations. Quota management arrangements introduced into the western rock lobster fishery, the State's largest and most valuable fishery, have increased profitability for operators by enabling them to reduce operating costs by modifying fishing activity to meet market demand and price fluctuations.

Developing new fish production sources

As the harvest from most wild-capture fisheries worldwide declines, aquaculture industries have the potential to increase fish

production to meet the growing demand for high quality seafood. We are working closely with the aquaculture sector to identify suitable sites for aquaculture development zones, particularly for marine fish production.

Shark hazard mitigation strategy

In response to a series of fatal shark attacks, the Government has strengthened its cross-agency shark hazard mitigation strategies. This includes expanding the shark monitoring network, research, electronic tagging of sharks and additional programs to increase the public awareness of shark attack risks and how to take preventive action. The Department was also involved in the setting of baited drum lines of Perth during the year. The drum line program is currently being assessed under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*.

Aquatic biosecurity

We will continue to focus on the early detection and eradication of aquatic pests and diseases that are a key risk to the sustainability of Western Australia's aquatic environment, commercial fisheries, the economy and our recreational fisheries. We are working closely with government agencies and industry in the ongoing development of biosecurity controls.

Disclosures and legal compliance



Financial statements



Auditor General

INDEPENDENT AUDITOR'S REPORT To the Parliament of Western Australia DEPARTMENT OF FISHERIES

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Fisheries.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

Director General's Responsibility for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the

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

Auditor's Responsibility

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

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

reasonableness of accounting estimates made by the Director General, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Department of Fisheries has not been able to accurately determine employee accrued annual and long service leave balances as at 30 June 2014 due to problems with the Department's new payroll system. Therefore I was unable to obtain sufficient appropriate audit evidence about the Employee Benefits Provisions as at 30 June 2014.

Consequently, I was unable to determine whether any adjustments to these amounts and the related employee benefits expense were necessary.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Fisheries at 30 June 2014 and its financial performance and cash flows for the year ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Department of Fisheries during the year ended 30 June 2014.

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

Director General's Responsibility for Controls

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

Auditor's Responsibility

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

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

include an evaluation of the design and implementation of relevant controls.

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

Basis for Qualified Opinion

Use of restricted funds for operational needs

During the first six months of the financial year the Department of Fisheries inappropriately used restricted funds for operational needs. Controls over restricted funds were not adequate for ensuring that they were spent only for their approved purposes. The Department was unable to determine the amount used however it is evident that a significant portion of the 1 July 2013 balance of \$6.5 million was temporarily used for operational needs.

Employee benefits

The Department of Fisheries has not been able to accurately determine employee accrued annual and long service leave balances as at 30 June 2014. Controls over the conversion of leave data from the Office of Shared Services to the Department's new payroll system were inadequate. Further, payroll system controls over calculating leave balances were ineffective.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the controls

exercised by the Department of Fisheries 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 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Fisheries for the year ended 30 June 2014.

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

Director General's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

The Department of Fisheries has not been able to accurately determine the value of its employee benefits provision as at 30 June 2014 and the related employee benefits expense for the year. Therefore I am unable to obtain sufficient appropriate audit evidence about the cost component of the key efficiency indicators. Consequently, I am unable to determine whether the three key efficiency indicators are fairly presented.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the key performance indicators of the Department of Fisheries are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2014.

Independence

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

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of Fisheries for the year ended 30 June 2014 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with

the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY

AUDITOR GENERAL

Auditor General for Western Australia

Perth, Western Australia

16 October 2014

Certification of the Financial Statements for the year ended 30 June 2014

The accompanying financial statements of the Department of Fisheries have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2014 and the financial position as at 20 June 2014.

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



Peter Robinson
Chief Financial officer
Date: 16th October 2014



Heather Brayford
Acting Director General
Date: 16th October 2014

**DEPARTMENT OF FISHERIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$'000	2013 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	53,844	49,301
Supplies and services	7	23,275	26,214
Depreciation and amortisation expense	8	4,031	4,222
Finance costs	9	2,233	2,269
Accommodation expenses	10	4,107	4,193
Grants and subsidies	11	1,810	1,325
Fisheries Adjustment Scheme Buybacks	12	510	37
Loss on disposal of non-current assets	18	3	117
Other expenses	13	5,441	2,252
Total cost of services		95,254	89,929
Income			
Revenue			
User charges and fees	14	24,730	23,472
Grants and contributions	15	3,892	2,395
Interest revenue	16	260	290
Other revenue	17	5,106	5,292
Total revenue		33,988	31,449
Total income other than income from State Government		33,988	31,449
NET COST OF SERVICES		61,266	58,480

	Note	2014 \$'000	2013 \$'000
Income from State Government	19		
Service appropriations		61,390	48,381
Services received free of charge		771	641
Royalties for Regions Fund		2,564	1,083
Total Income from State Government		64,725	50,105
SURPLUS/(DEFICIT) FOR THE PERIOD			
		3,459	(8,375)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus/(deficit)	33	(4,315)	856
Total other comprehensive income		(4,315)	856
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
		(856)	(7,519)

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

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

**DEPARTMENT OF FISHERIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	2014 \$'000	2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	34	9,565	20
Restricted cash and cash equivalents	20	6,212	5,145
Receivables	21	6,764	10,384
Amounts receivable for services	22	2,007	2,007
Other current assets	23	124	151
Non-current assets classified as held for distribution to owners	24	-	-
Total Current Assets		<u>24,672</u>	<u>17,707</u>
Non-Current Assets			
Restricted cash and cash equivalents	20	1,516	1,351
Receivables	21	32,449	28,465
Amounts receivable for services	22	9,928	8,020
Property, plant and equipment	25	62,484	68,300
Intangible assets	27	13,674	9,396
Total Non-Current Assets		<u>120,051</u>	<u>115,532</u>
TOTAL ASSETS		<u>144,723</u>	<u>133,239</u>

LIABILITIES

Current Liabilities

Payables	29	2,671	3,575
Borrowings	30	4,054	8,396
Provisions	31	10,813	10,789
Other current liabilities	32	2,230	1,950
Total Current Liabilities		<u>19,768</u>	<u>24,710</u>

Non-Current Liabilities

Borrowings	30	32,449	28,465
Provisions	31	3,603	3,080
Total Non-Current Liabilities		<u>36,052</u>	<u>31,545</u>

TOTAL LIABILITIES

<u>55,820</u>	<u>56,255</u>
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NET ASSETS

<u>88,903</u>	<u>76,984</u>
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EQUITY

Contributed equity	33	84,816	72,291
Reserves	33	10,444	14,759
Accumulated surplus/(deficit)	33	(6,357)	(10,066)
TOTAL EQUITY		<u>88,903</u>	<u>76,984</u>

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

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

**DEPARTMENT OF FISHERIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Contributed Equity \$'000	Reserves \$'000	Accumulated Surplus/(Deficit) \$'000	Total Equity \$'000
Balance at 1 July 2012	33	57,640	13,903	(1,690)	69,853
Surplus/(deficit)		-	-	(8,376)	(8,376)
Other comprehensive income		-	856	-	856
Total comprehensive income for the period		-	856	(8,376)	(7,520)
Transactions with owners in their capacity as owners:					
Capital appropriations		13,450	-	-	13,450
Other contributions by owners		1,627	-	-	1,627
Distributions to owners		(449)	-	-	(449)
Equity transferred from Administered		23	-	-	23
Total		14,651	-	-	14,651
Balance as at 30 June 2013		72,291	14,759	(10,066)	76,984
Balance at 1 July 2013		72,291	14,759	(10,066)	76,984
Changes in accounting policy or correction of prior period errors		-	-	250	250
Restated balance at 1 July 2013		72,291	14,759	(9,816)	77,234
Surplus/(deficit)		-	-	3,459	3,459
Other comprehensive income		-	(4,315)	-	(4,315)
Total comprehensive income for the period		-	(4,315)	3,459	(856)

	Note	Contributed Equity \$'000	Reserves \$'000	Accumulated Surplus/(Deficit) \$'000	Total Equity \$'000
Transactions with owners in their capacity as owners:	33				
Capital appropriations		12,765	-	-	12,765
Other contributions by owners		247	-	-	247
Distributions to owners		-487	-	-	-487
Equity transferred from Administered		-	-	-	-
Total		12,525	-	-	12,525
Balance as at 30 June 2014		84,816	10,444	(6,357)	88,903

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

**DEPARTMENT OF FISHERIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013		2014	2013
	\$'000	\$'000	Note	\$'000	\$'000
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriation	57,474	44,989			
Capital contributions	12,765	13,450			
Holding account drawdowns	2,007	2,587			
Royalties for Regions Fund	2,564	2,710			
Net cash provided by State Government	74,810	63,736			
Utilised as follows:					
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee benefits	(52,910)	(47,713)			
Supplies and services	(25,426)	(24,162)			
Finance costs	(2,233)	(112)			
Accommodation	(4,275)	(4,047)			
Grants and subsidies	(1,810)	(1,325)			
GST payments on purchase	(4,418)	(4,796)			
Fisheries Adjustment Scheme buy-backs	(510)	(37)			
Other payments	(2,663)	(2,461)			
Receipts					
User charges and fees	24,640	23,942			
Grants and contributions	2,592	2,395			
Interest received	292	232			
Other receipts	3,663	3,024			
GST receipts on sales	613	420			
				3,578	4,282
Net cash provided by/(used in) operating activities			34	(58,867)	(50,357)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments					
Purchase of non-current assets				(7,556)	(17,055)
Receipts					
Proceeds from sale of non-current physical assets				183	129
Net cash provided by/(used in) investing activities				(7,373)	(16,926)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments					
Repayment of borrowings				(463)	(328)
Receipts					
Proceeds from industry				2,670	44
Net cash provided by/(used in) financing activities				2,207	(284)
Net increase/(decrease) in cash and cash equivalents				10,777	(3,832)
Cash and cash equivalents at the beginning of period				6,516	10,348
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD			34	17,293	6,516

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

DEPARTMENT OF FISHERIES
SCHEDULE OF INCOME AND EXPENSES BY SERVICE
FOR THE YEAR ENDED 30 JUNE 2014

COST OF SERVICES	FISHERIES MANAGEMENT		ENFORCEMENT & EDUCATION		RESEARCH & ASSESSMENT		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits expense	11,540	12,069	26,139	22,842	16,165	14,390	53,844	49,301
Supplies and services	4,165	6,417	11,842	12,146	7,268	7,651	23,275	26,214
Depreciation and amortisation	40	44	2,902	3,038	1,089	1,140	4,031	4,222
Finance costs	2,233	2,269	-	-	-	-	2,233	2,269
Accommodation expenses	1,453	1,026	2,210	1,943	444	1,224	4,107	4,193
Grants and subsidies	1,438	446	-	16	372	863	1,810	1,325
FAS buybacks	510	37	-	-	-	-	510	37
Loss on disposal of non-current assets	-	1	3	84	-	32	3	117
Other expenses	2,829	893	1,508	869	1,104	490	5,441	2,252
Total cost of services	24,208	23,202	44,604	40,938	26,442	25,790	95,254	89,929
Income								
User charges and fees	3,397	6,519	11,076	8,435	10,257	8,518	24,730	23,472
Grants and contributions	1,481	1,206	56	220	2,355	969	3,892	2,395
Interest revenue	44	87	101	97	115	106	260	290
Other Revenue	3,099	2,268	1,888	1,512	119	1,512	5,106	5,292
Gain on disposal of non-current assets	-	-	-	-	-	-	-	-
Total income other than income from State Government	8,021	10,080	13,121	10,264	12,846	11,105	33,988	31,449
NET COST OF SERVICES	16,187	13,122	31,483	30,674	13,596	14,685	61,266	58,480

	FISHERIES MANAGEMENT		ENFORCEMENT & EDUCATION		RESEARCH & ASSESSMENT		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME FROM STATE GOVERNMENT								
Service appropriation	16,871	11,843	30,176	22,416	14,343	14,122	61,390	48,381
Resources received free of charge	196	157	361	297	214	187	771	641
Royalties for regions	-	265	2,564	502	-	316	2,564	1,083
Total income from State Government	17,067	12,265	33,101	23,215	14,557	14,625	64,725	50,105
Surplus/(deficit) for the period	880	(857)	1,618	(7,459)	961	(60)	3,459	(8,375)

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

The two services were renamed:

1. from Compliance and Education to Enforcement and Education
2. from Research and Monitoring to Research and Assessment.

The Marine Safety Service has been abolished and the balances from this program have been reclassified and included in the Enforcement and Education program.

**DEPARTMENT OF FISHERIES
SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE
FOR THE YEAR ENDED 30 JUNE 2014**

	FISHERIES MANAGEMENT		ENFORCEMENT & EDUCATION		RESEARCH & ASSESSMENT		TOTAL	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS								
Current assets								
Cash and cash equivalents	1,297	5	4,916	9	3,352	6	9,565	20
Restricted cash and cash equivalents	842	1,259	3,193	2,384	2,177	1,502	6,212	5,145
Receivables	6,026	9,562	439	504	299	318	6,764	10,384
Amounts receivable for services	272	491	1,032	930	703	586	2,007	2,007
Other current assets	17	37	64	70	43	44	124	151
Non-current assets classified as held for distribution to owners	-	-	-	-	-	-	-	-
Total Current Assets	8,454	11,354	9,644	3,897	6,574	2,456	24,672	17,707
Non-current assets								
Restricted cash and cash equivalents	206	331	778	626	532	394	1,516	1,351
Receivables	32,449	28,465	-	-	-	-	32,449	28,465
Amounts receivable for services	1,347	1,963	5,103	3,716	3,478	2,341	9,928	8,020
Property, plant and equipment	639	16,719	38,529	31,645	23,316	19,936	62,484	68,300
Intangible assets	525	2,300	11,791	4,353	1,358	2,743	13,674	9,396
Total Non-Current Assets	35,166	49,778	56,201	40,340	28,684	25,414	120,051	115,532
Total Assets	43,620	61,132	65,845	44,237	35,258	27,869	144,723	133,239

	FISHERIES MANAGEMENT		ENFORCEMENT & EDUCATION		RESEARCH & ASSESSMENT		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES								
Current liabilities								
Payables	362	875	1,373	1,656	936	1,043	2,671	3,575
Borrowings	4,054	8,396	-	-	-	-	4,054	8,396
Provisions	2,082	2,641	4,923	4,999	3,808	3,149	10,813	10,789
Other current liabilities	852	943	815	618	563	389	2,230	1,950
Total Current Liabilities	7,350	12,855	7,111	7,273	5,307	4,582	19,768	24,710
Non-current liabilities								
Borrowings	32,449	28,465	-	-	-	-	32,449	28,465
Provisions	547	754	695	1,427	2,361	899	3,603	3,080
Total Non-Current Liabilities	32,996	29,219	695	1,427	2,361	899	36,052	31,545
Total Liabilities	40,346	42,074	7,806	8,700	7,668	5,481	55,820	56,255
NET ASSETS	3,274	19,058	58,039	35,537	27,590	22,388	88,903	76,984

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

The two services were renamed:

1. from Compliance and Education to Enforcement and Education
2. from Research and Monitoring to Research and Assessment.

The Marine Safety Service has been abolished and the balances from this program have been reclassified and included in the Enforcement and Education program.

DEPARTMENT OF FISHERIES
SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES
FOR THE YEAR ENDED 30 JUNE 2014

	2014 Estimate \$'000	2014 Actual \$'000	Variance \$'000	2014 Actual \$'000	2013 Actual \$'000	Variance \$'000
Delivery of Services						
Item 59 Net amount appropriated to deliver services	50,028	61,057	11,029	61,057	48,075	12,982
Royalties for Region	999	2,564	1,565	2,564	1,083	1,481
Amount authorised by other statutes	-	-	-	-	-	-
- <i>Salaries and Allowances Act 1975</i>	333	333	-	333	306	27
Total appropriations provided to deliver services	51,360	63,954	12,594	63,954	49,464	14,490
Capital						
Item 147 Capital appropriations	3,979	12,765	8,786	12,765	13,450	(685)
Other contributions by owners	-	-	-	-	1,627	(1,627)
Total Capital	3,979	12,765	8,786	12,765	15,077	(2,312)
Administered Transactions						
Section 25 administered capital appropriations	-	-	-	-	228	(228)
Total Administered	-	-	-	-	228	(228)
GRAND TOTAL	55,339	76,719	21,380	76,719	64,769	11,950
Details of Expenses by Service						
Fisheries Management	22,423	24,208	1,785	24,208	23,202	1,006
Enforcement and Education	40,638	44,604	3,966	44,604	40,938	3,666
Research and Assessment	25,791	26,442	651	26,442	25,790	652
Total Cost of Services	88,852	95,254	6,402	95,254	89,929	5,325
Less Total Income	(38,805)	(33,988)	4,817	(33,988)	(31,449)	(2,539)
Net Cost of Services	50,047	61,266	11,219	61,266	58,480	2,786
Adjustments	1,313	2,688	1,375	2,688	(9,016)	11,704
Total appropriations provided to deliver services	51,360	63,954	12,594	63,954	49,464	14,490

	2014 Estimate \$'000	2014 Actual \$'000	Variance \$'000	2014 Actual \$'000	2013 Actual \$'000	Variance \$'000
Capital Expenditure						
Purchase of non-current physical assets	11,583	7,556	(4,027)	7,556	17,055	(9,499)
Adjustments for other funding sources	(7,604)	5,209	12,813	5,209	(3,605)	8,814
Capital appropriations	3,979	12,765	8,786	12,765	13,450	(685)
Details of Income Estimates						
Income disclosed as Administered Income	-	324	324	324	358	(34)
	-	324	324	324	358	(34)

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 38 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2014 and between the actual results for 2013.

The two services were renamed:

1. from Compliance and Education to Enforcement and Education
2. from Research and Monitoring to Research and Assessment.

The Marine Safety Service has been abolished and the balances from this program have been reclassified and included in Enforcement and Education program.

DEPARTMENT OF FISHERIES
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For the Year Ended 30 June 2014

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**DEPARTMENT OF FISHERIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

1 AUSTRALIAN ACCOUNTING STANDARDS

General

The Department's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

The Financial Management Act 2006 and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of Preparation

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

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

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

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

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

(c) Reporting Entity

The reporting entity is the Department which has no 'related bodies'.

Mission

The Department's mission is "To conserve, sustainably develop and share the use of the State's aquatic resources and their ecosystems for the benefit of present and future generations."

The Department is funded from revenue collected under the authority of Fish Resources Management Act 1994, Pearling Act 1990 and from Parliamentary appropriations. The Department has legislative authority to retain revenues it collects in the respective Trust Accounts administered by the Department.

Services

The budget is framed in terms of services, consequently financial reporting for the year is also analysed in terms of services.

Information about the Department's services is set out in the Schedule of Expenses and Revenue by Service and the Schedule of Assets and Liabilities by Service.

The services of the Department detailed below closely align with the functional organisational structure of:

- Fisheries Management;
- Enforcement and Education; and
- Research and Assessment.

A description of each service is as follows:

Fisheries Management

In accordance with Government Policy, the management of the state's fish and aquatic resources is undertaken within an integrated fisheries management framework – a shift from the management of individual sectors (e.g. the commercial fishing sector) to the holistic management of the aquatic ecosystem. Management, often in association with other related Government agencies, includes the development of policy and procedural frameworks (legislation and management plans), licensing, consultation with stakeholders and the community.

Enforcement and Education

Without the support of the community and stakeholders, the Department is unable to effectively manage the aquatic environment. To encourage this support, the Department must raise community awareness and understanding of the issues and of the need to adhere to the rules governing activities in this environment. There also needs to be

enforcement of the rules through penalties for non-compliance. The Department plans and implements education and communications programs to raise levels of awareness and understanding of fishery management objective. It also plans and instigates investigations and enforcement strategies.

Research and Assessment

The aquatic environment is subject to ongoing change – both natural and man made. In order to ensure that management arrangements continue to adapt to environmental changes (e.g. climate change impacts) and community expectations, research and monitoring is required, including innovative science (e.g. impacts of expected climate change, social, and economic research) and the ongoing monitoring of fish stocks.

(d) Contributed Equity

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

(e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction. Fees paid for access to managed fisheries are levied on a seasonal, not financial year basis and may be paid in instalments. The revenue for access fees is recognised at the time of receipt.

Interest

Revenue is recognised as the interest accrues.

Service appropriations

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

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2013-14 Budget Statements, the Department retained \$4.374 million in 2013-14 (\$4.796 million in 2012-13) from GST receipts on sales and input credits.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they will be expended in a specified manner, and those conditions had yet to be made at the end of the reporting period, the amounts and nature of, and the conditions attaching to them are to be disclosed in the notes. Where contributions recognised as revenues during the reporting period were obtained specifically for the provision of goods or services over a future period, the amounts and nature of, and the periods to which they relate are to be disclosed.

Where contributions recognised as revenues in a previous reporting period were obtained in respect of the current

reporting period, the amounts and nature are to be disclosed.

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

Gains

Realised or 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.

(f) Borrowing costs

Borrowing costs are expensed when incurred.

(g) Property, Plant and Equipment and Infrastructure

Capitalisation/expensing of assets

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

Initial recognition and measurement

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

For items of property, plant and equipment and

infrastructure acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

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

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

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

comparable unrestricted land (low restricted use land).

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

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 25 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years for infrastructure.

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

Fair value of major boating assets has been determined on the basis of current market buying values determined by reference to recent market transactions. Where no market based evidence is available, due to the specialised nature of some of these assets, fair value has been determined by reference to the depreciated replacement cost (existing use basis). Independent valuations are obtained every 3 to 5 years.

When major boating assets are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

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

Derecognition

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

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 25 'Property, Plant and Equipment'.

Depreciation

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

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

Asset category	Life (years)
Buildings	20 to 40
Vessels	5 to 6
Communication equipment	5
Computer equipment	3
Furniture and fittings	10

Infrastructure	55 to 80
Motor vehicles	3 to 7
Office equipment	5
Other equipment	5 to 10
Plant and equipment	10 to 15

Works of Art controlled by the Department are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

(h) Intangible Assets

Capitalisation/Expensing of assets

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

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

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

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

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

Licences

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

Research and Development

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

Website Costs

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

(i) Impairment of Assets

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated

depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

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

(j) Non-current Assets (or disposal groups) classified as held for sale

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

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

(k) Leases

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

The Department holds operating leases for its head office and a number of branch office buildings. Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(l) Financial Instruments

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

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

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables
- WATC borrowings
- Finance lease liabilities
- Amounts due to the Treasurer

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

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

(m) Cash and Cash Equivalents

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

(n) Accrued Salaries

Accrued salaries (refer note 32 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.

The accrued salaries suspense account (see note 20 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(o) Amounts Receivable for Services (Holding Account)

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

See also note 19 'Income from State Government' and note 22 'Amounts receivable for services (holding account)'.

(p) Receivables

Receivables are recognised at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See also note 2(l) 'Financial Instruments' and note 21 'Receivables'.

(q) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. See also note 2(I) 'Financial Instruments' and note 29 'Payables'.

(r) Borrowings

All loans payable are initially recognised at fair value being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

(s) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See also note 31 'Provisions'.

Provisions - Employee benefits

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

Annual Leave

Annual leave that is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be other long-term employee

benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Long Service Leave

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

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

closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the 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.

Sick Leave

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

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

Deferred Leave

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

Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Purchased Leave

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

Superannuation

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to

choose their preferred superannuation fund provider. The Department makes contributions to GESB or other fund provider on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

Provisions - Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the

employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs' provision. See notes 13 'Other Expenses' and 31 'Provisions'.

(t) Superannuation Expense

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

(u) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost that the department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

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

(v) Jointly controlled operations

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

(w) Comparative Figures

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

(x) Access Fees - Major Commercial Fisheries

The Department and the commercial fishing industry entered into an agreement in 1995 that provided for the Department to recover the costs associated with the management of major commercial fisheries. The costs were recovered through the annual fee charged for access to the fishery concerned.

Effective 1 July 2010 the use of cost recovery as the mechanism for setting access fees was discontinued. Access fees are now levied as a percentage of the gross value of production of each fishery.

3 JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

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

Operating lease commitments

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

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- Estimating the useful life and residual values of key assets;
- Estimating depreciated replacement cost; and
- Estimating future salary rates, salary inflation, expected future payments, retention rates and discount rates for long service leave.

5 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of Australian Accounting Standards:

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Department:

AASB 13 - Fair Value Measurement

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.

AASB 119 - Employee Benefit

This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Department assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 1048 - Interpretation of Standards

This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.

AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17,

19, 131 & 132]

This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.

AASB 2011-10 - AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119(September 2011)

[AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]

This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 2012-2 - Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.

AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

AASB 2012-6 - Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]

This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.

AASB 2012-9 - Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039

The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Department during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.

AASB 2012-10 - Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118,119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]

The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not- for-profit entities accounting for interests in other entities. There is no financial impact.

AASB 2013-9 - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

Part A of this omnibus Standard makes amendments to

other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Future impact of Australian Accounting Standards not yet operative

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

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

Int 21 - Levies

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed, should be recognised. There is no financial impact for the Department at reporting date.

1 Jan 2014

AASB 9 - Financial Instruments

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.

1 Jan 2018

The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 *Amendments to Australian Accounting Standards*. The Department has not yet determined the application or the potential impact of the Standard.

AASB 10 - Consolidated Financial Statements 1 Jan 2014

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements and Int 112* *Statements and Int 112 Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments.

Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

The adoption of the new Standard has no financial impact for the Department as it doesn't impact accounting for related bodies and the Department has no interests in other entities.

AASB 11 - Joint Arrangements 1 Jan 2014

This Standard, issued in August 2011, supersedes AASB 131 *Interests in Joint Ventures*, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

Mandatory application of this Standard was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact for the Department as the new standard continues to require the recognition of the Department's share of assets and share of liabilities for the unincorporated joint operation.

AASB 12 - Disclosure of Interests in Other Entities 1 Jan 2014

This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. *Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.*

AASB 14 Regulatory Deferral Accounts 1 Jan 2016

The Department has not yet determined the application or the potential impact of the Standard.

AASB 127 - Separate Financial Statements 1 Jan 2014

This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements*, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. *Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.*

1 Jan 2014

AASB 128 - Investments in Associates and Joint Ventures

This Standard supersedes AASB 128 *Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Department as it does not hold investments in associates and the accounting treatments for joint operations is consistent with current practice.

AASB 1031 - Materiality

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality that is not available in IFRS and refers to other Australian pronouncements that contain guidance on materiality. There is no financial impact.

AASB 1055 - Budgetary Reporting

This Standard requires specific budgetary disclosures in the financial statements of not for profit entities within the General Government Sector. The Department will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

AASB 2009-11 - Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12][modified by AASB 2010-7]

1 Jan 2014

1 Jul 2014

1 Jan 2015

AASB 2010-7 - Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101,102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136,137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Department has not yet determined the application or the potential impact of the Standard.

AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133,136, 138, 139, 1023 &1038 and Int 5, 9, 16 & 17].

This Standard gives effect to consequential changes arising from the issue of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. For not-for-profit entities it applies to annual reporting periods beginning on or after 1 January 2014. The Department has not yet determined the application or the potential impact of the Standard.

AASB 2012-3 - Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

1 Jan 2015

1 Jan 2014

1 Jan 2014

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. The Department does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.

AASB 2013-3 - Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.

This Standard introduces editorial and disclosure changes. There is no financial impact.

AASB 2013-4 - Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Department does not routinely enter into derivatives or hedges, therefore there is no financial impact.

AASB 2013-8 - Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].

1 Jan 2014

1 Jan 2014

1 Jan 2014

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.

AASB 2013-9 - Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.

This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Department has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.

AASB-2014-1 Amendments to Australian Accounting Standards

The Department has not yet determined application or the potential impact of the Standard.

**1 Jan 2014
1 Jan 2017**

1 Jul 2014

1 Jan 2015

1 Jan 2016

1 Jan 2018

	2014	2013
	\$'000	\$'000
6 EMPLOYEE BENEFITS EXPENSE		
Wages and salaries ^(a)	46,809	42,473
Superannuation - defined contribution plans ^(b)	4,352	3,962
Other related expenses ^(c)	2,683	2,866
	53,844	49,301

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB and other eligible funds.

(c) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.

Employment on-costs expenses, such as workers' compensation insurance, are included at note 13 'Other expenses'. The employment on costs liability is included at note 31 'Provisions'.

Employment on-costs liability is included at note 31 'Provisions'.

7 SUPPLIES AND SERVICES

Communications	1,456	1,004
Freight & Mail	277	368
Contractors & Consultants	8,029	7,724
Payments to stakeholder groups ^(a)	2,766	3,597
Service Level Agreement ^(b)	183	1,267
Consumables	2,920	3,641
Minor Equipment Acquisitions	371	425
Travel	1,192	1,941
Advertising	430	106

	2014	2013
	\$'000	\$'000
Insurance	862	843
Other lease rentals	2,243	2,216
Licence , Fees & Registration	797	1,205
Catering	68	62
Other	1,681	1,815
	23,275	26,214

(a) The legislation governing fisheries management and common law principles associated with "property rights" impose obligations on fisheries managers to consult with affected individuals. The provision of these funds allows the recipient to act as a single point for consultation. Given this the arrangement is a fee for service rather than grant.

(b) Payments to the Department of Finance Shared Services for corporate services under a service level agreement.

8 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation

Buildings	1,221	1,117
Marine Vessels	898	1,508
Communications	29	26
Computing Hardware	919	544
Furniture Fixtures & Fittings	149	151
Office Equipment	54	49
Plant & Machinery	107	108
Motor Vehicles	304	321
Other Equipment	104	88
Infrastructure - Maritime	142	98
Total Depreciation	3,927	4,010

	2014 \$'000	2013 \$'000		2014 \$'000	2013 \$'000
<u>Amortisation</u>			13 OTHER EXPENSES		
Computing Software	104	212	Act of Grace payment	190	264
Leased patrol vessel	-	-	Purchase of Managed Fishery Licence	1,640	-
Total Amortisation	<u>104</u>	<u>212</u>	Repairs and Maintenance	2,778	1,806
			Other expenses ^(a)	833	182
Total Depreciation and Amortisation Expense	<u>4,031</u>	<u>4,222</u>		<u>5,441</u>	<u>2,252</u>
9 FINANCE COSTS					
WATC Borrowing Charges	2,227	2,269	(a) Includes workers' compensation insurance on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 31 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
Finance Lease Charges	6	-			
	<u>2,233</u>	<u>2,269</u>	14 USER CHARGES AND FEES		
10 ACCOMMODATION EXPENSES			Access fees ^(a)	15,732	15,146
Lease rentals	2,597	2,767	Application fees	1,619	1,077
Property Cleaning	305	279	Recreational Licence fees	6,978	6,917
Repairs & Maintenance	1,073	1,002	Fees for service	1	-
Resources Received Free of Charge	132	145	Regulatory fees	221	188
	<u>4,107</u>	<u>4,193</u>	Other	179	144
11 GRANTS AND SUBSIDIES				<u>24,730</u>	<u>23,472</u>
Recurrent			(a) The Department and the commercial fishing industry entered into an agreement in 1995 that provided for the Department to recover the costs associated with the management of major commercial fisheries. The costs were recovered through the annual fee charged for access to the fishery concerned.		
Research grants	1,760	1,299			
Other	50	26			
	<u>1,810</u>	<u>1,325</u>			
12 FISHERIES ADJUSTMENT SCHEME BUYBACKS					
Fisheries Adjustment Scheme Buybacks	510	37			
	<u>510</u>	<u>37</u>			

	2014 \$'000	2013 \$'000		2014 \$'000	2013 \$'000
15 GRANTS AND CONTRIBUTIONS			18 NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
Department of Premier and Cabinet	1,300	-	<i>Proceeds from disposal of non-current assets</i>	45	140
State Natural Resource Management (NRM) Office	523	807	Property, plant and equipment		
Australian Seafood Cooperative Research Centre	136	205	<i>Cost of disposal of non-current assets</i>	(48)	(257)
Paspaley Pearl Co Pty Ltd	221	-	Property, plant and equipment		
Department of Transport	4	170	Net gain/(loss)	(3)	(117)
Fisheries Research and Development Corporation	984	1,144			
Dampier Port Authority	179	-	19 INCOME FROM STATE GOVERNMENT		
Curtin University	100	-	Appropriation received during the year:	61,390	48,381
Plant Biosecurity Cooperative Research	170	-	Service appropriation ^(a)		
Other	275	69			
	<u>3,892</u>	<u>2,395</u>			
16 INTEREST REVENUE					
Fisheries Research and Development Account	182	203			
Recreational Fishing Account	78	87			
	<u>260</u>	<u>290</u>			
17 OTHER REVENUE			Services Received Free of Charge from other State government agencies during the period.		
Rental revenue	644	633	Services Received Free of Charge ^(b)	771	641
Diesel Fuel Rebate	239	266			
Insurance Recoveries	214	786	Department of Attorney General	359	225
Indian Ocean Territories	757	749	Western Australian Land Information Authority	179	171
WATC Borrowing Charges	2,592	2,269	Department of Finance	233	245
Employee FBT contribution	54	63		<u>771</u>	<u>641</u>
Recoups	136	302			
Others	470	225			
	<u>5,106</u>	<u>5,292</u>			

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

Services Received Free of Charge from other State government agencies during the period.

Services Received Free of Charge ^(b)	771	641
Department of Attorney General	359	225
Western Australian Land Information Authority	179	171
Department of Finance	233	245
	<u>771</u>	<u>641</u>

	2014	2013
	\$'000	\$'000

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

Royalties for Regions Fund

Regional Community Services Account ^(c)	2,564	1,083
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(c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

20 RESTRICTED CASH AND CASH EQUIVALENTS

Current

Fisheries Adjustment Schemes Trust Account ^(a)	417	271
Indian Ocean Marine Research Centre ^(b)	3,000	2,200
RFIF Recreational Fishing Initiatives Funds	1,726	1,175
Beacon Island Compensation Funding	-	108
Research Grants	761	1,101
Royalties for Regions	308	290
	<u>6,212</u>	<u>5,145</u>

Non-current

Salaries suspense account ^(c)	1,516	1,351
	<u>7,728</u>	<u>6,496</u>

	2014	2013
	\$'000	\$'000

(a) Monies held in the Fisheries Adjustment Schemes Trust Account are only available for use as prescribed by the Fisheries Adjustment Scheme Act 1987.

(b) Monies are only to be used for the refurbishment of Indian Ocean Marine Research Centre.

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

21 RECEIVABLES

Current

Receivables	883	562
Less: Allowance for impairment of receivables	(6)	(6)
GST Receivable	742	533
	<u>1,619</u>	<u>1,089</u>

Other Debtors ^(a)	5,145	9,295
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Total current	<u>6,764</u>	<u>10,384</u>
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Non-Current

Other Debtors ^(a)	32,449	28,465
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Total non-current	<u>32,449</u>	<u>28,465</u>
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Total receivables	<u><u>39,213</u></u>	<u><u>38,849</u></u>
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	2014	2013
	\$'000	\$'000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	6	6
Doubtful debts expense	-	10
Amounts written off during the period	-	(10)
Amounts recovered during the period	-	-
Balance at end of period	<u>6</u>	<u>6</u>

(a) The 'Other Debtors' relates to an advance made to industry. The Department does not hold any collateral or other credit enhancements as security for receivables.

See also note 2(p) 'Receivables' and note 39 'Financial Instruments'

22 AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)

Current	2,007	2,007
Non-current	9,928	8,020
	<u>11,935</u>	<u>10,027</u>

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.

See note 2(o) 'Amounts Receivable for Services (Holding Account)'.

23 OTHER ASSETS

Prepayments

Licences and rentals	42	37
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Accrued Income

Accrued Interest	82	114
	<u>124</u>	<u>151</u>

24 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Opening balance

Plant, equipment and vehicles	-	700
Less: write-down from cost to fair value less selling costs	-	-
	<u>-</u>	<u>700</u>

Assets reclassified as held for distribution to owners

Plant, equipment and vehicles	-	-
Less: write-down from cost to fair value less selling costs ^(a)	-	-
	<u>-</u>	<u>-</u>

Total assets classified as held for distribution to owners

Plant, equipment and vehicles	-	-
Less: write-down from cost to fair value less selling costs	-	-
	<u>-</u>	<u>-</u>

Less: assets distributed to owners

Plant, equipment and vehicles	-	450
Less: write-down from cost to fair value less selling costs	-	-
	<u>-</u>	<u>450</u>

	2014 \$'000	2013 \$'000
Less: assets reclassified to property, plant and equipment		
Plant, equipment and vehicles	-	250
Less: write down from cost to fair value less selling costs	-	-
	<u>-</u>	<u>250</u>
Closing balance		
Plant, equipment and vehicles	-	-
Write-down from cost to fair value less selling costs	-	-
	<u>-</u>	<u>-</u>

(a) Disclosed as Other expenses.

25 PROPERTY, PLANT AND EQUIPMENT

LAND

Land at fair value ⁽ⁱ⁾	6,745	7,240
	<u>6,745</u>	<u>7,240</u>

BUILDINGS

At fair value ⁽ⁱ⁾	36,428	39,039
Accumulated depreciation	-	-
	<u>36,428</u>	<u>39,039</u>

MARINE VESSELS

At fair value ⁽ⁱⁱ⁾	18,238	18,079
Accumulated depreciation	(8,650)	(7,780)
	<u>9,588</u>	<u>10,299</u>

COMMUNICATION EQUIPMENT

At cost	629	617
Accumulated depreciation	(551)	(538)
	<u>78</u>	<u>79</u>

COMPUTER HARDWARE

At cost	3,213	3,124
Accumulated depreciation	(2,033)	(1,162)
	<u>1,180</u>	<u>1,962</u>

FURNITURE AND FITTINGS

At cost	2,353	4,373
Accumulated depreciation	(942)	(853)
	<u>1,411</u>	<u>3,520</u>

OFFICE EQUIPMENT

At cost	481	454
Accumulated depreciation	(310)	(279)
	<u>171</u>	<u>175</u>

PLANT AND MACHINERY

At cost	1,954	1,835
Accumulated depreciation	(1,223)	(1,180)
	<u>731</u>	<u>655</u>

MOTOR VEHICLES

At cost	1,806	1,961
Accumulated depreciation	(1,008)	(946)
	<u>798</u>	<u>1,015</u>

WORKS OF ART

At cost	97	97
	<u>97</u>	<u>97</u>

	2014	2013
	\$'000	\$'000
OTHER EQUIPMENT		
At cost	1020	616
Accumulated depreciation	(494)	(395)
	<u>526</u>	<u>221</u>
INFRASTRUCTURE - MARITIME		
At cost	4,753	4,281
Accumulated depreciation	(1,503)	(1,360)
	<u>3,250</u>	<u>2,921</u>
CAPITAL WORKS IN PROGRESS		
Buildings ⁽ⁱ⁾	1,481	1,059
Maritime ⁽ⁱⁱ⁾	-	-
Marine vessel	-	18
	<u>1,481</u>	<u>1,077</u>
Total Property, Plant and Equipment	62,484	68,300

(ii) Marine vessels were revalued by the Maritime Engineers Pty Ltd during the year ended 30 June 2008 and recognised at 30 June 2008 at market value based on Asset Protection Criteria. See note 2(g) 'Property, Plant and Equipment and Infrastructure'.

(i) Land and buildings were revalued as at 1 July 2013 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2014 and recognised at 30 June 2014. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,242,900(2013: \$ 2,732,900) and buildings: \$3,045,000 (2013: \$473,000). For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See note 2(g) 'Property, Plant and Equipment and Infrastructure'.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below:

	Carrying amount at start of year \$'000	Additions \$'000	Disposal \$'000	NCA held for sale \$'000	Transfers In/Out \$'000	Transfers from WIP \$'000	Revaluation \$'000	Deprecn. for the year \$'000	Carrying amount at end of year \$'000
2014									
1. Land	7,240	247	(487)	-	-	-	(255)	-	6,745
2. Buildings	39,038	-	-	-	2,317	354	(4,060)	(1,221)	36,428
3. Marine Vessels	10,299	83	(60)	-	-	164	-	(898)	9,588
4. Communication Equipment	78	29	-	-	-	-	-	(29)	78
5. Computer Hardware	1,961	138	-	-	-	-	-	(919)	1,180
7. Furniture Fixtures & Fittings	3,521	180	-	-	(2,317)	176	-	(149)	1,411
8. Office Equipment	176	49	-	-	-	-	-	(54)	171
9. Plant & Machinery	655	80	(33)	-	-	136	-	(107)	731
10. Vehicles	1,015	211	(127)	-	-	3	-	(304)	798
11. Works of Art	97	-	-	-	-	-	-	-	97
12. Other Equipment	222	414	(6)	-	-	-	-	(104)	526
13. Infrastructure - Maritime	2,921	-	-	-	-	471	-	(142)	3,250
14. Work in progress									
Buildings	1,060	1,561	-	-	-	(1,140)	-	-	1,481
Maritime	-	90	-	-	-	(90)	-	-	-
Boating	18	56	-	-	-	(74)	-	-	-
	68,300	3,138	(713)	-	-	-	(4,315)	(3,927)	62,484

2013	Carrying amount at start of year \$'000	Additions \$'000	Disposal \$'000	NCA held for sale \$'000	Transfers In/Out \$'000	Transfers from WIP \$'000	Revaluation \$'000	Deprecn. for the year \$'000	Carrying amount at end of year \$'000
1. Land	6,519	-	-	250	-	-	471	-	7,240
2. Buildings	39,177	-	(144)	-	-	736	387	(1,117)	39,038
3. Marine Vessels	9,669	537	-	-	-	1,601	-	(1,508)	10,299
4. Communication Equipment	88	16	-	-	-	-	-	(26)	78
5. Computer Hardware	656	1,849	-	-	-	-	-	(544)	1,961
7. Furniture Fixtures & Fittings	169	-	(2)	-	-	3,506	-	(151)	3,521
8. Office Equipment	132	93	-	-	-	-	-	(49)	176
9. Plant & Machinery	672	96	(5)	-	-	-	-	(108)	655
10. Vehicles	1,085	315	(65)	-	-	-	-	(320)	1,015
11. Works of Art	97	-	-	-	-	-	-	-	97
12. Other Equipment	207	105	(2)	-	-	-	-	(88)	222
13. Infrastructure - Maritime	1,122	73	(35)	-	-	1,860	-	(98)	2,921
14. Work in progress									
Buildings	559	4,742	-	-	-	(4,242)	-	-	1,060
Other Equipment	-	224	-	-	-	(224)	-	-	-
Maritime	1,184	2,031	-	-	-	(3,215)	-	-	-
Boating	-	40	-	-	-	(22)	-	-	18
	61,336	10,120	(254)	250	-	-	858	(4,011)	68,300

(a) The Department of Lands (DoL) is the only agency with the power to sell Crown land. The land is transferred to the DoL for sale and the Department accounts for the transfer as a distribution to owner. For the year 2013-14, land worth \$ 486 000 (PY \$250 000) was transferred to DoL for sale.

26 Fair Value Measurements

Assets measured at fair value:

	Level 1	Level 2	Level 3	Fair value at end of period
2014	\$'000	\$'000	\$'000	\$'000
Non-current assets classified as held for sale (Note 24)	-	-	-	-
Land (Note 25)	-	2,243	4,502	6,745
Buildings (Note 25)	-	3,045	33,383	36,428
	-	5,288	37,885	43,173

There are no transfers between Level 1, 2 or 3 during the period.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (Office Accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre. Non-current assets held for sale 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 Measurements using unobservable inputs (Level 3)

	Land \$'000	Buildings \$'000
Fair Value at start of period	4,507	31,421
Additions	-	2,596
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(5)	388
Transfers (from)/(to) Level 2)		
Disposals		
Depreciation Expense	-	(1,021)
Fair Value at end of period	4,502	33,384
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period.	-	-

Valuation processes

There were no changes in valuation techniques during the period. Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

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

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 inputs used by the Model Department are derived and evaluated as follows:

Historical cost per square metre floor area (m²)

The costs of constructing specialised buildings with similar utility are extracted from financial records of the Model Department, then indexed by movements in CPI.

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Historical cost per cubic metre (m³)

The costs of construction of infrastructure are extracted from financial records of the Model Department and indexed by movements in construction costs by quantity surveyors.

Information about significant unobservable inputs (Level 3) in fair value measurements

Description and fair value as at 30 Jun 2014 \$'000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Land (\$4,502)	Market Approach	Selection of land with similar approximate utility	\$7-\$683 per square metre (\$447 per square metre)	Higher value of similar land increases estimated fair value.
Buildings (\$33,384)	Depreciated Replacement Cost	consumed economic benefit/obsolescence of asset	0.44% to 2.25% per year (1.71% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical cost per square metre floor area (square metre)	\$279-\$7,097 per square metre (\$4,235.75 per square metre)	Higher historical cost per square metre increases fair value.

Reconciliations of the opening and closing balances are provided in Notes 26 and 27.

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.

	2014 \$'000	2013 \$'000
27 INTANGIBLE ASSETS		
COMPUTER SOFTWARE		
At cost	1,397	1,397
Accumulated amortisation	(1,032)	(929)
	365	468
CAPITAL WORKS IN PROGRESS		
Computer Software	13,309	8,928
	13,309	8,928
Total Intangible Assets	13,674	9,396

Reconciliations:

	Carrying amount at start of year \$'000	Additions \$'000	Disposal \$'000	Transfers from WIP \$'000	Revaluation \$'000	Deprecn. for the year \$'000	Carrying amount at end of year \$'000
2014							
Computer Software	468		-	-	-	(103)	365
Work in progress							
Computer Software	8,927	4,382	-	-	-	-	13,309
	9,395	4,382	-	-	-	(103)	13,674
2013							
Computer Software	162	518	-	-	-	(212)	468
Work in progress							
Computer Software	2,510	6,935	-	(518)	-	-	8,927
	2,672	7,453	-	(518)	-	(212)	9,395

	2014	2013
	\$'000	\$'000
28 IMPAIRMENT OF ASSETS		
There are no indications of impairment of property, plant and equipment, infrastructure or intangible assets at 30 June 2014.		
The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the period there were no intangible assets not yet available for use.		
There are no surplus assets held for sales or written off as at 30 Jun 2014. Therefore, no surplus assets at 30 June 2014 have been reclassified as assets held for sales or written off.		
29 PAYABLES		
Current		
Trade payables	2,671	3,575
	<u>2,671</u>	<u>3,575</u>
See also note 2(q) 'Payables' and note 39 'Financial Instruments'.		
30 BORROWINGS		
Current		
Borrowings from Western Australian Treasury Corporation	4,054	8,396
	<u>4,054</u>	<u>8,396</u>
Non-current		
Borrowings from Western Australian Treasury Corporation	32,449	28,465
	<u>32,449</u>	<u>28,465</u>

	2014	2013
	\$'000	\$'000
31 PROVISIONS		
Current		
Employee benefits provision		
Purchased leave	27	24
Deferred leave	-	(61)
Annual leave ^(a)	5,728	4,970
Long service leave ^(b)	5,010	5,856
	<u>10,765</u>	<u>10,789</u>
Other provisions		
Employment on-costs- ^(c)	48	-
	<u>48</u>	<u>-</u>
	<u>10,813</u>	<u>10,789</u>
Non-current		
Employee benefits provision		
Long service leave ^(b)	3,587	3,080
	<u>3,587</u>	<u>3,080</u>
Other provisions		
Employment on-costs-NC ^(c)	16	-
	<u>16</u>	<u>-</u>
	<u>3,603</u>	<u>3,080</u>
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	5,728	4,970

	2014 \$'000	2013 \$'000
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting date. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:		
Within 12 months of the end of the reporting period	5,010	2,457
More than 12 months of the end of the reporting period	3,587	6,479
	8,597	8,936

(c) The settlement of annual and long service leave gives rise to the payment of employment on-costs, including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 13 'Other Expenses'.

Movements in other provisions

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

Employment on-cost provision

Carrying amount at start of period	-	-
Additional provisions recognised	62	55
Payments/other sacrifices of economic benefit	-	(55)
Carrying amount at the end of period	62	-

The superannuation on-costs are included in the annual and long service leave provisions.

	2014 \$'000	2013 \$'000
OTHER LIABILITIES		
32 Current		
Accrued salaries	1,261	931
Superannuation accrued	131	76
Accrued FBT	167	104
Accrued WATC charges	611	616
Accrued Employee Claims	5	116
Other	55	107
	2,230	1,950
33 EQUITY		
The Government holds the equity interest in the Department on behalf of the community. Equity represents the residual interest in the net assets of the Department. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
ACCUMULATED SURPLUS / (DEFICIT)		
Balance at start of period	(10,066)	(1,690)
Correction of prior period error	250	-
Transfer from Asset Revaluation Reserve	-	-
	(9,816)	(1,690)
Result for the period	3,459	(8,376)
Balance at end of period	(6,357)	(10,066)
CONTRIBUTED EQUITY		
Balance at start of period	72,291	57,640

	2014 \$'000	2013 \$'000
Contributions by owners		
Capital appropriation ^(a)	12,765	13,450
Other contributions by owners		
Royalties for Regional Fund - South-West Recreational Fishing Enhancement Structure Pilot Program	-	1,627
Net assets transferred from Government	247	-
Total contribution by owners	<u>85,303</u>	<u>72,717</u>
Distributions to owners		
Net assets transferred to Government	(487)	(449)
Equity transferred from Administered	-	23
Total distribution to owners	<u>(487)</u>	<u>(426)</u>
Balance at end of period	<u>84,816</u>	<u>72,291</u>

(a) TI 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities* designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

RESERVES

Asset Revaluation Surplus:

Balance at start of period	14,759	13,903
Transfer to Accumulated Surplus/Deficit	-	-

	2014 \$'000	2013 \$'000
Net revaluation increments/(decrements):		
Land	(255)	470
Buildings	(4,060)	386
Plant, Equipment and Vehicle	-	-
Balance at end of period ^(b)	<u>10,444</u>	<u>14,759</u>

(b) The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 2(g) 'Property, Plant and Equipment and Infrastructure'.

Total Equity at end of period	<u>88,903</u>	<u>76,984</u>
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34 NOTES TO THE STATEMENT OF CASH FLOWS

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	9,545	-
Cash advances	20	20
Restricted cash and cash equivalents (refer note 20)	7,728	6,496
	<u>17,293</u>	<u>6,516</u>

Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(61,266)	(58,481)
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	2014 \$'000	2013 \$'000		2014 \$'000	2013 \$'000
Non Cash Items			Net cash provided by/(used in) operating activities	(58,867)	(50,357)
Depreciation and amortisation expense (note 8 'Depreciation and amortisation expense')	4,031	4,222			
Doubtful Debt expense	-	-	(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.		
Services received free of charge (note 19 'Income from State Government')	771	641	(b) This is the net GST paid/received, i.e. cash transactions.		
(Gain)/loss on disposal of PPE (note 18 'Net gain/loss on disposal of non current assets')	3	117	(c) This reverses out the GST in receivables and payables.		
Employment on-costs (Note 13 'other expenses')	-	-	35 COMMITMENTS FOR EXPENDITURE		
Adjustment for other non-cash items	-	30	The commitments below are inclusive of GST where relevant.		
Adjustment for finance activities	(2,482)	-	(a) Capital Expenditure Commitments		
(Increase)/Decrease in Assets			Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Accounts receivable - General ^(a)	(321)	471	Within 1 year	3,977	6,042
Prepayments	(5)	53	Later than 1 year and not later than 5 years	-	-
Accrued Income	32	(58)	Later than 5 years	-	-
Decrease in net assets from operation				3,977	6,042
Increase/(Decrease) in Liabilities			(b) Non cancellable operating lease commitments		
Accrued salaries	330	111	Commitments in relation to non-cancellable leases for accommodation and motor vehicles contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Superannuation Accrued	55	(8)	Within 1 year	4,424	4,246
FBT Accrued	63	39	Later than 1 year and not later than 5 years	8,595	5,832
Other Liabilities	(216)	(204)			
Liability for employee entitlements	545	1,446			
Infringement Notice Collections payable	-	(5)			
Accounts payable - General	(153)	1,364			
Net GST receipts/(payments) ^(b)	(45)	(94)			
Change in GST in receivables/payables ^(c)	(209)	-			

	2014	2013
	\$'000	\$'000
Later than 5 years	6,374	8,295
	19,393	18,373

The Department has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by 4% CPI per annum.

36 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after the reporting date that require disclosure or adjustment to the financial statements.

37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contaminated sites

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

The Department has reported a suspected contaminated site at the Albany Aquaculture Park to DEC. This has been classified by DEC as requiring further investigation.

In June 2011 the Department received a draft report from Environmental Resources Australia Pty Limited that included findings from a recent site assessment. The draft report advised that the assessments indicate that there are currently no identified potential risks to human health or the environment related to previous activities and as such the site appears suitable for ongoing commercial/industrial use. The draft report is subject to review by the contaminated sites auditor, Coffey Environments Pty Ltd, for work at the Albany Aquaculture Park.

The Department is unable to assess the likely outcome of the classification process until the contamination sites auditor completes an assessment, 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.

The Department has applied for funding from the Contaminated Sites Management Account to pay for the cost of finalising the draft report. The Department is waiting to find out if its application was successful.

Negotiations in progress

The Department is negotiating the settlement of claims for compensation under Fishing and Related Industries Compensation (Marine Reserves) Act 1997 that may affect its administered financial position. The maximum financial effect is \$6,550,000.

	2014	2014	
	Actual	Estimate	Variance
	\$'000	\$'000	\$'000

38 EXPLANATORY STATEMENT

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$1 million.

1. Total appropriations provided to deliver services

Significant variance between estimate and actual for 2014

Total appropriation provided to deliver services for the period	63,954	51,360	12,594
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The major variations in funding during the year were:

Additional funding:

Budget Deficit Funding	6,000
Aquatic Biosecurity	4,660
Purchase of Gillnet Licenses	1,640
Voluntary fisheries Adjustment Scheme rollover of loans	297
Stamp Duty for purchase of gillnet licences	87

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variance between actual results for 2014 and 2013

Total appropriation provided to deliver services for the period	63,954	49,464	14,490
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The major variations in funding during the year were:

Additional funding:

Budget Deficit Funding	6,000
Aquatic Biosecurity appropriation funding	4,660
Purchase of Gillnet Licenses	1,640
Beacon Island Camp	1,600
Infrastructure Removal project	
Shark Mitigation strategies	750
Decommissioning of OSS	674
Rock Fishing Safety Initiative	200
Funding reduction:	
1.5% Procurement savings	(261)
Reduction in State NRM Program funding	(194)
Reduction in Fisheye recurrent funding	(300)

	2014	2014	
	Actual	Estimate	Variance
	\$'000	\$'000	\$'000

2. Total income other than income from State Government

Significant variance between estimate and actual for 2014

Total income other than income from State Government 33,988 38,805 (4,817)

The major variations in revenue during the year were:

Delay in legislating Biosecurity levy.			(4,660)
Reduced Commercial Fee revenue			(1,576)
Reduced grants and subsidies collected			(832)
Increased Other Revenue - VFAS Receipts			2,232

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variances between actual results for 2014 and 2013

Total income other than income from State Government 33,988 31,449 2,539

The major variations in revenue during the year were:

Increase in commercial licence revenue due to improved environmental conditions			1,000
Increased grants revenue mainly for Watermans Bay IOMRC			1,300

	2014	2014	
	Actual	Estimate	Variance
	\$'000	\$'000	\$'000

Significant variance between estimate and actual for 2014

Capital Contribution 12,765 3,979 8,786

The major variations in capital contribution during the year were:

Capital equity injection for working capital			4,176
Re- establishment of Corporate Services Finance and Payroll software			2,645
Re- establishment of Corporate Services computer hardware			500
Reflow of funding for the Entitlements Management project (Fisheye)			1,099

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variations between actual results for 2014 and 2013

Capital Contribution 12,765 15,077 (2,312)

The major variations in capital contribution during the year were:

Capital equity injection for working capital			4,176
Re- establishment of Corporate Services computer hardware			505
Replacement of Public Jetties - Wallabi and Beacon Islands			1,500
Replacement of Public Jetty - Rat Island			497
Reduced spending for the Entitlements Management project (Fisheye)			(2,971)

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000
Reduced spending on computer hardware			(1,377)
Victoria Park Offices completed in 2012-13			(2,753)
Southwest Fishing Habitat completed in 2012-13			(1,470)
Fitout Karratha Offices 2012-13			(818)

4. Capital Expenditure (purchase of non-current assets)

Significant variance between estimate and actual for 2014

Capital Expenditure (purchase of non-current assets)	7,556	11,583	(4,027)
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The difference in expenditure is due mainly to the delay in the completion of the East Wallabi and Beacon Islands Jetty Upgrade, Karratha Storage Facility, Broome facility and Small Boat rolling program.

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variations between actual results for 2014 and 2013

Capital Expenditure (purchase of non-current assets)	7,556	17,055	(9,499)
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The difference in expenditure is due mainly to the reduced activity on the Entitlements Management System (Fisheye) in 2014 as compared to 2013. Other works completed in 2013 include the Victoria Park (Ellam Street) offices and Southwest Fishing Enhancement Structures. New works in 2014 include Corporate Services Payroll and Finance systems.

	2014	2014	
	Actual	Estimate	Variance
	\$'000	\$'000	\$'000

5. Administered Transactions

Significant variances between estimate and actual for 2014

Administered Revenue	324	-	324
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The difference in Administered Revenue between actual and estimate is due to Fisheries Infringements paid to the Consolidated Account. These were not included in the Fisheries Budget Statements for 2013-14.

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variations between actuals for 2014 and 2013

Administered Capital Appropriation	-	228	(228)
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There was no administered capital appropriation received for 2013-14.

	2014	2014	
	Actual	Estimate	Variance
	\$'000	\$'000	\$'000

6. Total Cost of Service

Significant variations between estimate and actual for 2014

Total Cost of Services	95,254	88,852	6,402
Budget Deficit Funding			6,000
Royalties for Regions Great Kimberley Marine Park			1,640
Voluntary Fisheries Adjustment Scheme - Rollover of Loans			297
2013/14 Procurement savings			(665)
Royalties for Regions reflow of funding			(244)

	2014	2013	
	Actual	Actual	Variance
	\$'000	\$'000	\$'000

Significant variations between actuals for 2014 and 2013

Total Cost of Services	95,254	89,929	5,325
Public Service Pay increases			2,100
Great Kimberley Marine Park			1,640
Beacon Island Camp Removal			360
Decommissioning Office of Shared Services			674
Shark Mitigation Strategy - Shark Monitoring			750
Stamp Duty - Purchase of gillnet licences			87

39 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

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

Credit Risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 39(c) 'Financial instruments disclosures' and note 21 'Receivables'.

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

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data in client credit ratings. For financial assets that are either past due or impaired, refer to note 39(c) 'Financial instruments disclosures'.

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 not trade in foreign currency and is not materially exposed to other price risks. 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 Western Australian Treasury Corporation (WATC) and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 38(c), the Department is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

(b) Categories of Financial Instruments

The carrying amounts of each of the following categories of the financial assets and financial liabilities at the end of the reporting date are as follows.

	2014	2013
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	9,565	20
Restricted cash and cash equivalents	7,728	6,496
Loans and receivables(a)	50,488	48,238
Financial Liabilities		
Financial liabilities measured at amortised cost	41,210	40,436

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

(c) Financial Instrument Disclosures

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

Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired			
			Up to 1 month \$000	Up to 1- 3 months \$000	3 months to 1 year \$000	1-5 years \$000
2014						
Cash and cash equivalents	9,565	9,565	-	-	-	-
Restricted cash and cash equivalents	7,728	7,728	-	-	-	-
Receivables ^(a)	959	481	191	49	198	40
Loans and Advances	37,594	37,594	-	-	-	-
Amounts Receivable for Services	11,935	11,935	-	-	-	-
	67,781	67,303	191	49	198	40
2013						
Cash and cash equivalents	20	20	-	-	-	-
Restricted cash and cash equivalents	6,496	6,496	-	-	-	-
Receivables ^(a)	451	228	41	54	105	23
Loans and Advances	37,760	37,760	-	-	-	-
Amounts Receivable for Services	10,027	10,027	-	-	-	-
	54,754	54,531	41	54	105	23

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

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.

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest Rate Exposure		Nominal Amount \$000	Maturity Dates				
			Fixed Interest Rate \$000	Non Interest Bearing \$000		Up to 1 month \$000	Up to 1- 3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2014										
Financial Assets										
Cash and cash equivalents	0.00	9,565	-	9,565	9,565	9,565	-	-	-	-
Restricted cash and cash equivalents	2.82	7,728	-	7,728	7,728	6,212	-	-	1,516	-
Receivables ^(a)	0.00	959	-	959	959	959	-	-	-	-
Loans and Advances	0.00	37,594	-	37,594	37,594	-	-	5,145	20,183	12,266
Amounts Receivable for Services	0.00	11,935	-	11,935	11,935	-	-	2,007	9,928	-
		67,781	-	67,781	67,781	16,736	-	7,152	31,627	12,266
Financial Liabilities										
Payables	0.00	4,707	-	4,707	4,707	4,707	-	-	-	-
WATC borrowings	6.17	36,503	36,503	-	36,503	-	-	4,054	20,183	12,266
Financial lease liabilities	0.00	-	-	-	-	-	-	-	-	-
		41,210	36,503	4,707	41,210	4,707	-	4,054	20,183	12,266

	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest Rate Exposure		Nominal Amount \$000	Maturity Dates				
			Fixed Interest Rate \$000	Non Interest Bearing \$000		Up to 1 month \$000	Up to 1- 3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2013										
Financial Assets										
Cash and cash equivalents	0.00	20	-	20	20	20	-	-	-	-
Restricted cash and cash equivalents	3.40	6,496	-	6,496	6,496	6,496	-	-	-	-
Receivables ^(a)	0.00	451	-	451	451	451	-	-	-	-
Loans and Advances	0.00	37,760	-	37,760	37,760	44	131	9,120	15,361	13,104
Amounts Receivable for Services	0.00	10,027	-	10,027	10,027	-	-	2,007	8,020	-
		54,754	-	54,754	54,754	7,011	131	11,127	23,381	13,104
Financial Liabilities										
Payables	0.00	3,575	-	3,575	3,575	3,575	-	-	-	-
WATC borrowings	6.18	36,861	36,861	-	36,861	-	-	8,396	15,361	13,104
Financial lease liabilities	0.00	-	-	-	-	-	-	-	-	-
		40,436	36,861	3,575	40,436	3,575	-	8,396	15,361	13,104

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

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2014					
Financial Liabilities					
Loans and Advances	36,503	(365)	(365)	365	365
Total Increase/(Decrease)	36,503	(365)	(365)	365	365

	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
2013					
Financial Liabilities					
Loans and Advances	36,861	(369)	(369)	369	369
Total Increase/(Decrease)	36,861	(369)	(369)	369	369

Fair Values

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

	2014 \$'000	2013 \$'000
40 REMUNERATION OF SENIOR OFFICERS		
The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:		
\$160,001 - 170,000	-	1
\$170,001 - 180,000	-	-
\$180,001 - 190,000	1	-
\$190,001 - 200,000	-	2
\$200,001 - 210,000	-	1
\$210,001 - 220,000	2	-
\$220,001 - 230,000	1	-
\$370,001 - \$380,000	-	1
\$380,001 - \$390,000	1	-
Base remuneration and superannuation,	1,094	1,037
Annual leave and long service leave		
accruals	12	39
Other benefits	111	71
Total remuneration of senior officers	<u>1,217</u>	<u>1,147</u>

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

	2014 \$'000	2013 \$'000
41 REMUNERATION OF AUDITORS		
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	<u>144</u>	<u>141</u>
The expense is included in note 7 'Supplies and Services'.		
42 RELATED BODIES		
The Department has no related bodies as defined in the Financial Management Act 2006 and Treasurer's Instruction 951.		
43 AFFILIATED BODIES		
The Department has no affiliated bodies as defined in the Financial Management Act 2006 and Treasurer's Instruction 951.		
44 SUPPLEMENTARY FINANCIAL INFORMATION		
Write-Offs		
During the financial year, debts due to the State were written off under the authority of:		
The Accountable Officer	-	10
	-	10

	2014 \$'000	2013 \$'000
During the financial year these assets were written off the Department's asset register under the authority of:		
The Accountable Officer	4	42
Less: Recovered by Insurance	-	(1)
	<u>4</u>	<u>41</u>

Act of Grace Payments

During the financial year, there is an act of grace payment made under the authority of:

The Minister	190	264
	<u>190</u>	<u>264</u>

45 JOINTLY CONTROLLED OPERATION

<u>Name of Operation</u>	<u>Output Interest (%)</u>
Fremantle Marine Operations	50%

The following represents the Department's 50% ownership interest in the Fremantle Marine Operations with the Department of Transport.

	2014 \$'000	2013 \$'000
Non-current assets		
Property, plant and equipment	3,828	3,741
Infrastructure	123	133
	<u>3,951</u>	<u>3,874</u>

46 JOINTLY CONTROLLED ASSETS

<u>Name of Operation</u>	<u>Output Interest (%)</u>
Mandurah Marine Operations Centre	50%

The Department has a shared ownership of crown land with Department of Water and the following amount represents the 50% ownership of the crown land, which is included in the financial statements.

Non-current assets

Land	805	600
	<u>805</u>	<u>600</u>

2013 \$'000		2014 \$'000
47 SPECIAL PURPOSE ACCOUNTS		
<u>Fisheries Research and Development Account</u>		
9,012	Balance at start of period	3,942
Receipts		
46,996	Contribution from Consolidated Account	52,785
1,310	Royalties for Regions	-
15,146	Fisheries Access Fees	16,042
1,077	Application Fees	1,618
2,395	Grants and Contributions	2,592
8,824	Other Receipts	7,890
145	Interest	292
75,893		81,219
Payments		
80,963	Contribution to Fisheries WA operations	70,014
80,963		70,014
3,942	Balance at end of period	15,147

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.

Recreational Fishing Account

901	Balance at start of period	2,127
Receipts		
13,530	Contribution from Consolidated Account	18,961
1,270	Contribution by owner ^(a)	-
6,917	Recreational Fishing Licences	6,980
130	Royalties for Regions - recurrent	2,564
87	Interest Revenue	-
-	Other receipts	147
21,934		28,652
Payments		
20,708	Expenditure on recreational fishing related activities	29,050
20,708		29,050
2,127	Balance at end of period	1,729

2013
\$'000

2014
\$'000

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.

(a) This is the capital component of the Royalties for Regions funding for the South-West. Recreational Fishing Enhancement Structure Pilot Program and is formally designated as contribution by owner and will form part of the contributed equity of the Department.

Fisheries Adjustment Schemes Trust Account

268	Balance at start of period	447
	Receipts	
-	WATC loan receipts	-
44	Repayments from Industry for Voluntary Fisheries Adjustment Schemes	2,670
500	Specific State contributions to fisheries adjustment	500
544		3,170

2013
\$'000

2014
\$'000

	Payments	
328	Loan repayment, Interests and guarantee fees to WATC for Voluntary Fisheries Adjustment Schemes	2,690
37	Unit buy back State Scheme	510
365		3,200
447	Balance at end of period	417

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

Fisheries Private Moneys Trust Account

73	Balance at start of period	75
	Receipts	
4	Proceeds from the sale of seized fish	25
4		25
	Payments	
2	Monies paid	25
2		25
75	Balance at end of period	75

2013
\$'000

2014
\$'000

The purpose of this account is to hold moneys seized and proceeds from the sale of seized fish pursuant to the Fisheries Act 1905 pending prosecution action.

The Fisheries Act 1905 has been repealed and replaced by the FRMA 1994.

Fish Farm Bond Deposits Trust Account

94	Balance at start of period	94
	Receipts	
3	Interests	2
-	Bond Monies	-
3		2
	Payments	
3	Distribution of interests	2
-	Refund of Bond Monies	13
3		15
94	Balance at end of period	81

The purpose of this account is to hold fish farm bond deposits lodged by licensees, as security and guarantee for the due and punctual performance of the licensees Fish Farm licence conditions.

2013
\$'000

2014
\$'000

48 CHRISTMAS ISLAND AND COCOS (KEELING) ISLANDS

106	Balance at start of period	98
	Income	
	Application fees and Recreational Boat	
2	Licences	-
749	Payments from the Commonwealth	757
-	Other	2
751		759
	Expenditure	
326	Salaries	257
44	Travel & Accommodation	280
31	Administration	23
358	Oncosts	281
759		841
98	Balance at end of period	16

In October 2001, the Department of Fisheries entered into a Service Delivery Agreement (SDA) with the Commonwealth. The SDA provides for the delivery of a range of services by the Department of Fisheries in the Indian Ocean Territories including the management of commercial fishing, recreational fishing, aquaculture, fish health and community education and awareness programs. The Department provides these services on behalf of the Commonwealth Attorney General's Department, formerly on behalf of Department of Transport and Regional Services under Fish Resources Management Act (1994) (WA) (CI) (CKI).

	2014 \$'000	2013 \$'000
49 DISCLOSURE OF ADMINISTERED INCOME AND EXPENSES BY SERVICE		
COST OF SERVICES		
<u>Expenses</u>		
Transfer to Consolidated Account	324	208
Other expenses	-	20
Total administered expenses	324	228
<u>Income</u>		
For transfer:		
User charges and fees	324	208
Income from State Government	-	150
Total Administered Non-Current Assets	324	358
50 ADMINISTERED ASSETS AND LIABILITIES		
<u>Current Assets</u>		
Cash and cash equivalents	146	143
Receivables	-	-
Other	-	-
Total Administered Current Assets	146	143

	2014 \$'000	2013 \$'000
<u>Non-Current Assets</u>		
Property, Plant and Equipment	-	-
Other	-	-
Total Administered Non-Current Assets	-	-
TOTAL ADMINISTERED ASSETS	146	143
	2014	2013
	\$'000	\$'000
<u>Current Liabilities</u>		
Payables		
Other	16	13
Total Administered Current Liabilities	16	13
<u>Non-Current Liabilities</u>		
Other	-	-
Total Administered Non-Current Liabilities	-	-
TOTAL ADMINISTERED LIABILITIES	16	13

Key performance indicators

Certification of performance indicators for the year ended 30 June 2014

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Fisheries performance, and fairly represent the performance of the Department of Fisheries for the financial year ended 30 June 2014.



Heather Brayford

Accountable Authority

October 2014

Government goal

Social and environmental responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

Government's desired outcome

Government's desired outcome for the Department of Fisheries: Conservation and sustainable development of the State's fish resources.

Contribution to Government goal

The Department works towards the achievement of the Government goal and its Department-level outcome through the provision of four key services:

Service 1 – Fisheries Management

This service provides management, policy development, licensing and legislation related to the State's commercial and recreational fisheries, pearling, aquaculture, fish processing, the charter boat

industry, customary fishing and protection of aquatic ecosystems. These services are provided through the Aquatic Management Division and Licensing and Registry Services Branch of the Regional Services Division.

Service 2 – Enforcement and Education

This service provides statewide fisheries enforcement and community education, in accordance with the provisions of the *Fish Resources Management Act 1994* and the *Pearling Act 1990*, and the coordination of at-sea marine safety compliance services by the Department's Fisheries and Marine Officers under a service level agreement with the Department of Transport. These services are provided through the Regional Services Division.

Service 3 – Research and Assessment

This service provides timely, quality scientific knowledge and advice to support the conservation and sustainable use of the State's fish resources and aquatic ecosystems. The service is provided through the Research Division.

Performance Management Framework

Outcome Based Management Framework

Government Goal

"Social and Environmental Responsibility:
Ensuring that economic activity is managed in
a socially and environmentally responsible manner
for the long-term benefit of the State"

Key effectiveness indicators

- The proportion of fish stocks identified at risk or vulnerable through exploitation
- The proportion of commercial fisheries where catches or effort levels are acceptable
- The proportion of recreational fisheries where catches or effort levels are acceptable
- The volume of State commercial fisheries (including aquaculture) production
- The participation rate in recreational fishing
- The satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department is achieving aquatic resource management objectives

Desired outcome:

Conservation and sustainable development
of the State's fish resources

Service 1

Fisheries management

Key efficiency indicator

Average cost per hour of management
(excluding grants and fisheries adjustments)

Service 2

Enforcement and education

Key efficiency indicator

Average cost per hour of enforcement and education

Service 3

Research and assessment

Key efficiency indicator

Average cost per hour of research and assessment

1.1 The proportion of fish stocks identified as being at risk or vulnerable through exploitation

The proportion of fish stocks identified as being at risk or vulnerable through exploitation is three per cent.

Annual stock assessments of the fisheries that are subject to management are undertaken by the Department's Research Division. These assessments, together with trends in catch and fishing activity, have been used to determine the sustainability status of the State's most significant commercial fisheries (full details of which are in the companion *Status Reports on the Western Australia's Fisheries and Aquatic Resources 2013/14*).

Performance is measured as the proportion of 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 they are recovering from a depleted state at an appropriate rate following management intervention. The Department's 2013/14 Budget Papers state that the target is for the proportion of fisheries with breeding stocks at risk from fishing is six per cent.

For the 2013/14 performance review, 38 fisheries have been utilised, which is the same as 2012/13.

For the 38 fisheries reviewed, the ['Stock Status and Catch Ranges for Major Commercial Fisheries'](#) in the Outcomes section of the Annual Report records that breeding stock assessments are

available for the major species taken in 36 (95%) of these fisheries. For the other two fisheries, insufficient data were available on the target species to make a critical assessment. In situations where unmonitored stocks are assessed as having the potential to become overfished, they are given priority for new research and/or management.

Within the group of 36 assessed fisheries, 28 involve stocks that were considered to either have adequate breeding stock levels and a further three (West Coast Demersal Scalefish Fishery, the Southern and Northern Shark Fisheries) to have breeding stocks considered to be recovering at acceptable rates (86 per cent of fisheries). Each of these three recovering fisheries target relatively long-lived species so their recovery is expected to take a number of years to complete.

The management-generated reductions in catch levels for all sectors of the West Coast Demersal Scalefish Fishery have now been in place for a number of years and the detailed reassessment outlined in last year's report indicated that these actions appear to be successful in initiating a recovery for this suite of species. For the Southern Shark Fishery the most recent assessments also showed continued recovery of dusky and whiskery sharks. The Northern Shark Fishery continues not to operate, assisting in the recovery of sandbar sharks.

Of the remaining 14 per cent of fisheries, only the Australian Herring Fishery has been assessed as having stock levels that are not considered adequate to ensure catches could be sustained at desirable levels given effort levels and normal

environmental conditions. A further five fisheries were also assessed as having inadequate breeding stocks solely resulting from the negative impacts of environmental perturbations, not fishing. The increased mortality of adults and extremely poor recruitment levels observed for Shark Bay crabs, Shark Bay scallops and scallops in the Abrolhos Islands region, which was initiated during the marine heatwave event, which began in 2011, have continued with some recovery only being shown for Shark Bay crabs. Consequently, these fisheries either remained closed for the past season to protect residual stocks (both scallop fisheries) or were only subject to minor research-based fishing activities (Shark Bay crabs).

The stock of crabs in Cockburn Sound is also showing signs of environmental impacts on their growth and recruitment.

Finally the whitebait stock appears to have declined following three seasons of above average temperatures. Therefore, while a total of 14 per cent of fisheries have stock levels that are not considered adequate, only one fishery (or 3% of those assessed) is considered inadequate as a result of exploitation (Figure 1).

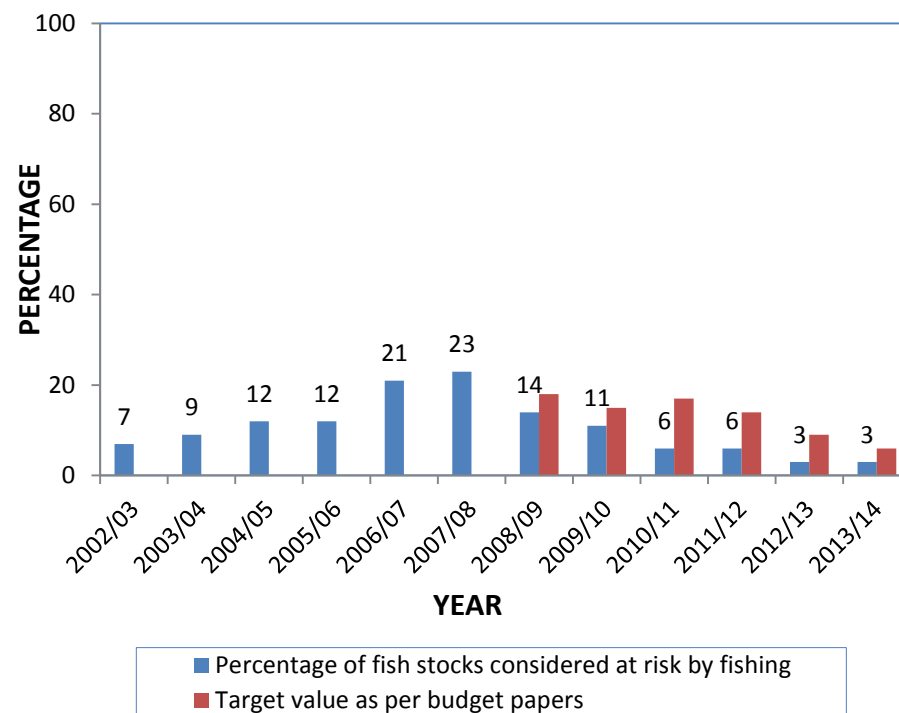


Figure 1 – The proportion (%) of commercial fisheries where breeding stocks of the major target species are both assessed and considered to be at risk due to fishing. The target value, as listed in the budget papers, is identified by the red bar, the annual value is identified by the blue bar with the actual percentage listed above. Note, four other fisheries (12%) were also considered to have inadequate breeding stocks in 2013/14 but this was generated by unusual environmental factors, not fishing.

1.2 The proportion of commercial fisheries where acceptable catches (or effort levels) are achieved

The proportion of commercial fisheries where acceptable catches (or effort levels) are achieved is 89 per cent.

A target catch or effort range has been determined for each of the major commercial fisheries (see the [‘Stock Status and Catch Ranges for Major Commercial Fisheries’](#) section of the Annual Report) by the Department’s Research Division. 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). The Department’s 2013/14 Budget Papers state that the target is 92 per cent.

For most of the fisheries in WA, each management plan seeks to directly control the amount of fishing effort applied to stocks, with the level of catch taken providing an indication of the effectiveness of the plan. Where the plan is operating effectively, the catch by the fishery should fall within a projected range. The extent of this range reflects the degree to which normal environmental variations affect the recruitment of juveniles to the stock which cannot be ‘controlled’ by the management plan. Additional considerations include market conditions, fleet rationalisation or other factors that may result in ongoing changes to the amount of effort expended in a fishery which will in turn influence the appropriateness of acceptable catch ranges for certain fisheries.

For quota-managed fisheries, the measure of success for the management arrangements is firstly that the majority of the Total Allowable Catch (TAC) is achieved, but additionally, 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 the industry 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 the TAC has also been incorporated for assessing the performance of quota-managed fisheries (see the [‘Stock Status and Catch Ranges for Major Commercial Fisheries’](#) section of the annual report).

The major commercial fisheries which have target catch or effort ranges account for most of the commercial value of WA’s landed catch. Comparisons between the actual catches (or effort) with the target ranges have been undertaken for 27 of the 38 fisheries referred to in the [‘Stock Status and Catch Ranges for Major Commercial Fisheries’](#) section, three less than the number used last year. The increase in the number of fisheries not assessed was generated by a combination of ongoing environmentally induced stock issues in some regions (see above) and poor economic conditions for some fisheries, which meant a number of fisheries were either closed or did not have material levels of catches during this reporting period. Three fisheries (Shark Bay crabs, Shark Bay scallops, Abrolhos Islands and Mid-west trawl) were affected by unusual environmental conditions that impacted their recruitment to the extent that the

fisheries were again set to zero catches. The setting of zero catches in these fisheries highlights the significant management interventions of the Department to reduce further impacting of the stocks by fisheries, permitting the recovery and rebuilding of these stocks. These stocks are being closely monitored by the Research Division to allow their reopening when stocks have rebuilt to the level to support sustainable fishing.

Of the 27 fisheries where 'target ranges' were available and a material level of fishing was undertaken in 2012/13, 11 were catch-quota managed (through a TAC allocated through Individually Transferable Quotas [ITQ]) with 16 subject to effort control management.

Ten of these eleven ITQ-managed fisheries operated within their target effort/catch ranges or were acceptably below the effort range (Roe's abalone, pearl oysters, purse seine fisheries). The south coast greenlip/brownlip abalone fishery had an effort level that exceeded the acceptable level and a reduction in TAC will occur in the 2014 season. In the 16 effort-controlled fisheries, all but two produced catches that were within (8) or acceptably above (1) or below (5) their target catch ranges. The catch of snapper in the west coast demersal scalefish fishery was unacceptably above the range for this species in some management areas, although the overall fishery catch was within the range. Management of this fishery is currently being reviewed. The west coast beach bait fishery catch was well below historical levels prompting a review of its status.

In summary, 24 of the 27 fisheries assessed (89%) were considered to have met their performance criteria, or were affected by factors outside the purview of the management plan/arrangements (Figure 2), which is slightly below the target level of 92 per cent.

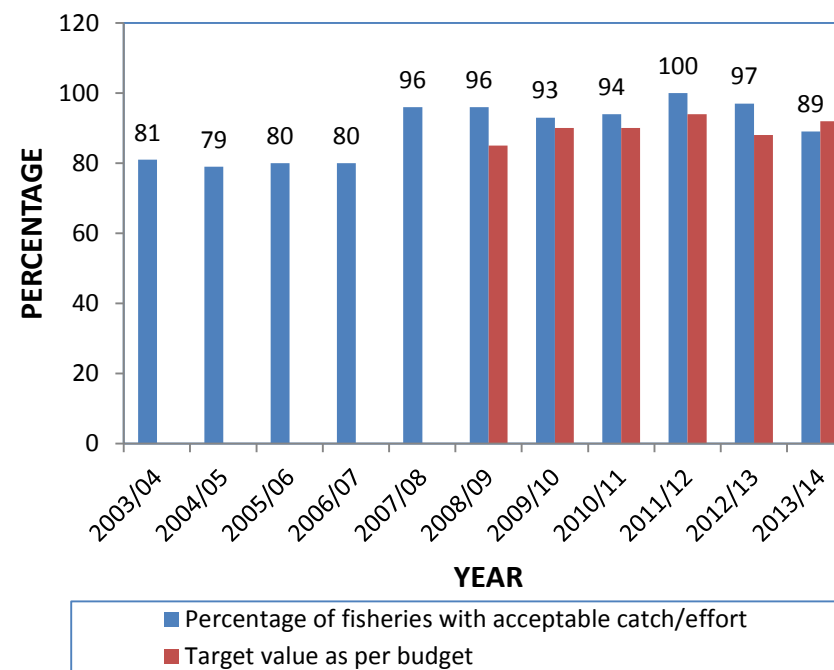


Figure 2 – The proportion (%) of commercial fisheries where the catch or effort reported is acceptable relevant to the target management range being applied. The target value as listed in the budget papers is indicated by the red bar, the annual value is identified by the blue bar with the actual percentage listed above.

1.3 The proportion of recreational fisheries where catches or effort levels are acceptable.

The proportion of recreational fisheries where acceptable catches were achieved is 77 per cent.

Previously, WA's fish resources were shared mainly on an implicit basis, with no explicit setting of catch shares within an overall total allowable catch or corresponding total allowable effort. The Department is now implementing an Integrated Fisheries Management (IFM) approach where the aggregate effects of all fishing sectors are taken into account. This involves the use of a framework in which decisions on optimum resource use (i.e. allocation and re-allocation of fish resources) are determined and implemented within a total sustainable catch for each fishery or fished stock. IFM is being progressively phased in and it is likely to take some 10 years to bring the majority of the State's shared fisheries under this new framework.

A target catch or effort range is starting to be determined for each of the major recreational fisheries (see the ['Stock Status and Catch Ranges for Major Recreational Fisheries'](#) section of the Annual Report) by the Department's Research Division. This indicator provides an assessment of the success of the Department's management plans and regulatory activities in keeping fish catches by this sector at appropriate levels for both stock sustainability and to meet integrated fisheries management objectives (including those in a recovery phase). This is the first

time this indicator has been measured and the Department's 2013/14 Budget Papers state that the target is 80 per cent.

For the purposes of this indicator, 17 fisheries (which include 19 separate stocks) have been identified as having a 'material' recreational catch share. Over time, the indicator may need to expand to include reference to fisheries or stocks for which there are other 'material' sectoral shares (e.g. customary fishing). Of these 19 stocks only seven currently have explicit catch ranges developed and another six have implicit ranges that can be used to assess acceptability. For these 13 stocks, five had catch levels that were within the acceptable catch range, the marron fishery catch was also acceptably below the range and another four without explicit ranges were clearly acceptable.

The low levels of recreational catch for the west coast abalone fishery indicate there may be concerns for the reef platform part of this stock following the marine heatwave. In addition, the recreational catch of some demersal scalefish species in the northern sections of both the west coast demersal and Gascoyne demersal fisheries are too high and appropriate management adjustments are in the process of being developed. Consequently the percentage of recreational fisheries with acceptable catch levels was 77%, which is close to the target level of 80%.

2.1 The volume of State commercial fisheries (including aquaculture) production

The volume of State commercial fisheries (including aquaculture) production was 20,384 tonnes.

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

The production from WA's commercial, pearling and aquaculture sectors is published by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) annually, based on data supplied by industry to the Department's Research Division. Information for the years 2010/11 to 2012/13 in broad groupings is provided in Table 1. The target is for production to be stable or increasing. The Department's 2013/14 Budget Papers state that the production target is 20,000 tonnes. Total fisheries and aquaculture production was 20,384 which is slightly higher than the target.

The overall tonnage of commercially caught crustaceans in 2012/13 was up slightly compared to 2011/12, due to a low level

of recovery in a number of fisheries affected by environmental conditions (e.g. Exmouth Gulf prawn fishery).

The production of the mollusc fisheries in 2012/13 increased from the previous year but still remained markedly reduced from the 2010/2011. The reduction in production was primarily due to closure of the Abrolhos Islands and Shark Bay scallop trawl fisheries generated by adverse environmental conditions.

The finfish catch is generated from a large number of separate fisheries and stocks. The annual production in 2012/13 decreased marginally from that in 2011/12.

Aquaculture production for 2012/13 decreased marginally from 2011/12.

In summary, the overall tonnage of production in 2012/13 increased from that in 2011/12 but is still below the 2010/11 production. The WA commercial fishing sector will continue to be affected by a combination of significant external influences on markets and from the impacts of natural fluctuations in the abundances of key species.

Table 1 – Western Australian fisheries production – years 2010/11 to 2012/13

	2010/11 (e) t	2011/12 (e) t	2012/13 (f) t
Crustaceans	9,735	8,452	8,832
Molluscs	3,748	674	868
Fish	9,174	9,179	9,149
Other (a)	107	43	13
Pearling (b, c)	NA	NA	NA
Aquaculture (d)	1,332	1,598	1,522
TOTAL PRODUCTION	24,096	19,946	20,384

Footnotes:

- (a) Miscellaneous invertebrates, e.g. beche-de-mer and sea urchins, previously reported under molluscs
- (b) Pearl oyster products other than pearls are included under molluscs.
- (c) Pearl production is not based on volume therefore production figures are no longer reported.
- (d) Excludes hatchery production plus algae production for betacarotene; western rock oyster and abalone aquaculture production due to confidentiality (single operators).
- (e) Figures have not been adjusted to account for late production returns and validation of databases, so may differ slightly from values published elsewhere.
- (f) Figures current as at end of financial year.
- n/a Not applicable.

Tonnage values are calculated from the Catch and Effort Statistics (CAES) data supplied by fishers on a monthly/trip basis, or quota returns supplied on a daily basis.

Sources: Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES); Department of Fisheries, Western Australia

Community outcomes

The Department seeks to manage the State’s fisheries in an economically, socially and environmentally sustainable manner. Sustainably-managed fisheries and aquatic environments provide benefits to the State by providing a range of recreational opportunities and experiences to the community from snorkelling and looking at fish in their natural environment to ‘catching a feed’ for the family.

Effectiveness indicators associated with community outcomes are:

- The participation rate in recreational fishing; and
- The satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department of Fisheries is achieving aquatic resources management objectives.

The information used to assess the Department’s performance against these effectiveness indicators is derived from

an annual telephone-based community survey. The annual community survey has the following objectives:

- To measure the level of recall and awareness of the Department's informational and promotional activities;
- To assess the understanding and support of the West Australian community for the Department's management strategies across (1) commercial fisheries; (2) recreational fisheries; (3) aquaculture / pearling and (4) fish and fish habitat protection; and
- To examine the key aspects of fishing and appreciation of the aquatic environment by the Western Australian community.

The results from the survey are used to monitor, evaluate and improve the effectiveness of the Department's programs, activities and functions.

The 2014 community survey was conducted in June 2014 by an external research company contracted by the Department. Survey respondents were asked about their experiences and views for the 12-month period prior to their interview date (i.e. July 2013 through June 2014). Of a total of 5,633 in-scope respondents (WA residents aged 18 years and older), 787 interviews were completed representing a response rate of 14 per cent. The 787 interviews comprised:

- 628 respondents from major cities;
- 59 respondents from inner regional areas; and

- 100 respondents from outer regional / remote / very remote areas or who were migratory residents.

This sample was weighted to reflect the population based on April 2014 labour force statistics from the Australian Bureau of Statistics (ABS), with the survey providing estimates for the 2013/14 financial year.

3.1 The participation rate in recreational fishing

The number of people in Western Australia who participated in recreational fishing at least once in the previous 12-month period was approximately 691,000, based on a participation rate of 29.4 per cent.

The level of participation in recreational fisheries and frequency that respondents participate in recreational fishing is a measure of the utilisation of this community resource. Recreational fisheries also provide social and economic benefits for the community. This may include social benefits, such as spending time with family or friends, and/or economic benefits, such as the sale of tackle, boats and other gear and economic support for boating and tourism industries based on fishing.

The Department's 2013/14 Budget Papers state that the target participation rate in recreational fisheries in Western Australia is 32 per cent. Based on survey data, the 2013/14 participation rate was estimated as 29.4 per cent (95% CI [26.2%, 32.6%]) of the population. This participation rate is similar to the participation rate reported in recent years (i.e. ~ 30 – 33 - see Figure 3). Based on the estimated residential population of

Western Australia aged four and older at 30 June 2013 (ABS 2014), the number of people in Western Australia who participated in recreational fishing at least once in the previous 12-month period was approximately 691,000 (95% CI [616,000, 766,000]). This is assuming that persons aged four or younger did not fish and that the participation rate was constant for the population five years of age and older.

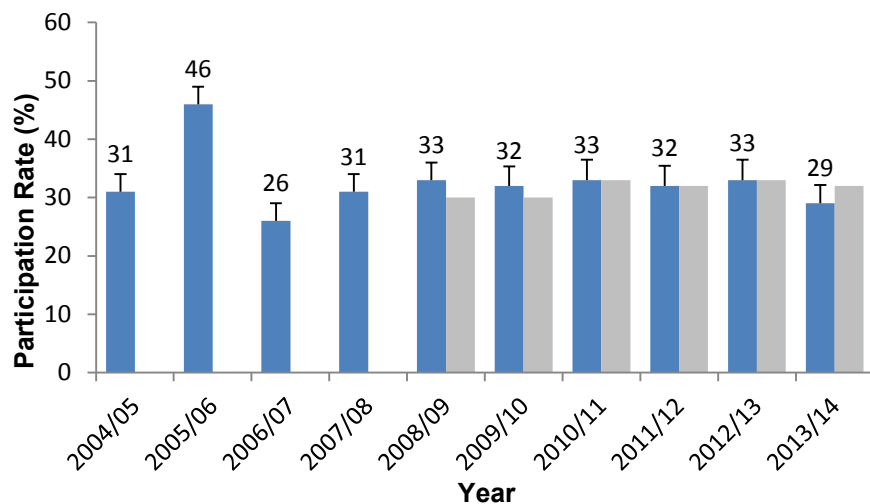


Figure 3 – Estimated (+ 95 % CI; blue bars) and target (grey bars) participation rate of Western Australian residents in recreational fisheries from 2004/05 through 2013/14.

The number of days fished by recreational fishers in the last twelve-month period ranged from one to 106 days. The median number of days fished by recreational fishers over the 2013/14 financial year was five days (Figure 4), and the mean number of days fished was 10 days; half (54.8%) of all

recreational fishers fished between one and five days over the 12-month period (Figure 5).

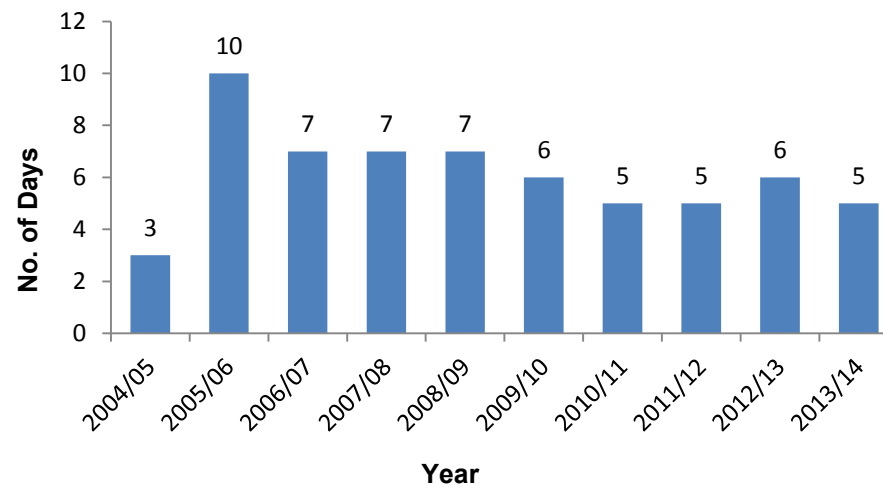


Figure 4 – Median number of days fished by recreational fishers in Western Australia from 2004/05 through 2013/14

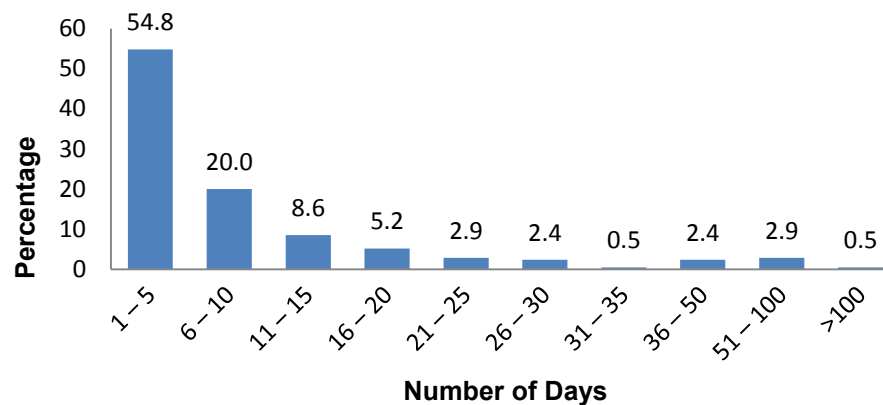


Figure 5 – Distribution of total number of days fished by recreational fishers in Western Australia in 2013/14

The Perth Metropolitan area from Yanchep to Mandurah was the most popular area for recreational fishing in the State, with 37.5 per cent of the total effort occurring in this region (Figure 6). The West Coast region (excluding the Perth Metropolitan area) as the next most popular area for recreational fishing in the State with 24.8 per cent of effort, followed by the South Coast marine region (19.9%), the Pilbara / Kimberley marine region (7.5%), the Gascoyne region (5.5%), the Southern Inland freshwater regions (3.9%), and Pilbara/Kimberley freshwater regions (0.88%).

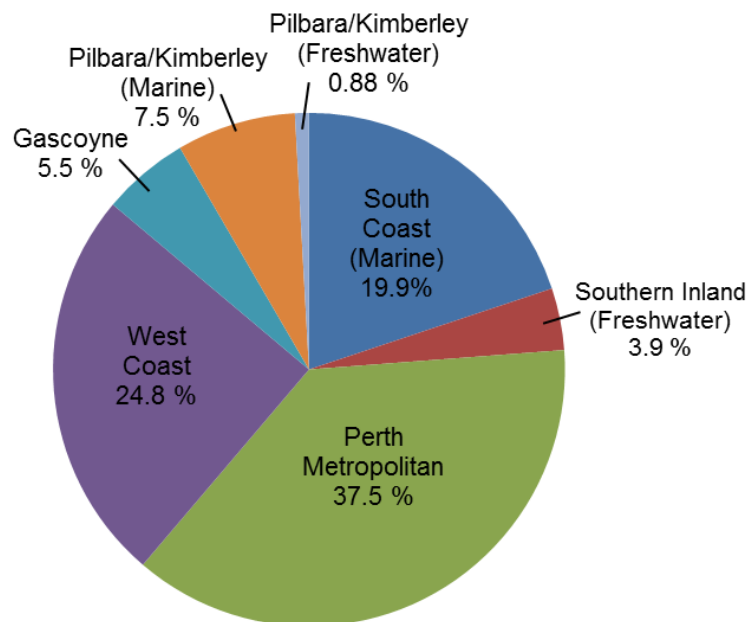


Figure 6 – Regional distribution of recreational fishing effort throughout Western Australia in 2013/14.

3.2 Satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department of Fisheries is achieving aquatic resource management objectives

The Department was given an overall satisfaction rate of 85.1 per cent by the Western Australian community in 2013/14.

This effectiveness indicator reports on the satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department is achieving aquatic resource management objectives. In order to assess this indicator, community and stakeholder satisfaction is measured across four key management areas: (1) commercial fisheries; (2) recreational fisheries; (3) aquaculture and pearling and (4) protection of fish habitat.

As part of the annual community survey, respondents were asked to rate the Department in their management across each of these four areas. Rating options included “very poor”, “poor”, “good” or “very good”. Note that only respondents that were aware the Department of Fisheries was responsible for a management area were asked to rate the Department’s performance for that management area.

The information used to assess stakeholder satisfaction rates are collected via biennial surveys (most recently in 2012/13) of ~ 160 representatives from commercial fisheries, recreational fisheries, aquaculture and pearling and the aquatic environment.

Similar to the community survey, respondents are asked to rate the Department of Fisheries management across the four areas.

For both the community and stakeholder assessments, satisfaction rates are calculated for each management area as the proportion of respondents who rated the Department’s management of that particular area as “good” or “very good”. The overall satisfaction rate is an average of the satisfaction ratings across these four management areas. Note that responses of “Can’t say” and “Neither” were excluded from the calculation of the satisfaction rates.

The Department’s 2013/14 Budget Papers state that the target overall satisfaction rating by the broader community is 80 per cent. Based on survey data, the Department was given an overall satisfaction rate of 85.1 per cent (95% CI [83.3%, 86.9%]) by the Western Australian community across these four management areas in 2013/14. This rate is similar to those reported for recent years (Figure 7). The 2013/14 satisfaction rates for each management area are provided in Table 2.

Table 2 – Satisfaction rate of the Western Australian community across key fisheries management areas in 2013/14

Key Fisheries Management Areas	Number of Respondents	Satisfaction Rate
Commercial Fisheries	233	85.6 %
Recreational Fisheries	263	87.1 %
Aquaculture and Pearling	128	84.9 %
Fish Habitat	194	82.7 %
Overall		85.1 %

The most recent Stakeholder Survey (2012/13) indicated a 75.3 per cent (95% CI ± [72.6%, 77.9%]) overall satisfaction rate across the four management areas (Figure 7). As for previous years, the satisfaction rating of stakeholders was considerably lower than the satisfaction rating of the broader community; however, the satisfaction rate in 2012/13 was an improvement on the value of 67.4 per cent from 2010/11. The next stakeholder survey will be conducted in 2015 to assess the 2014/15 financial year.

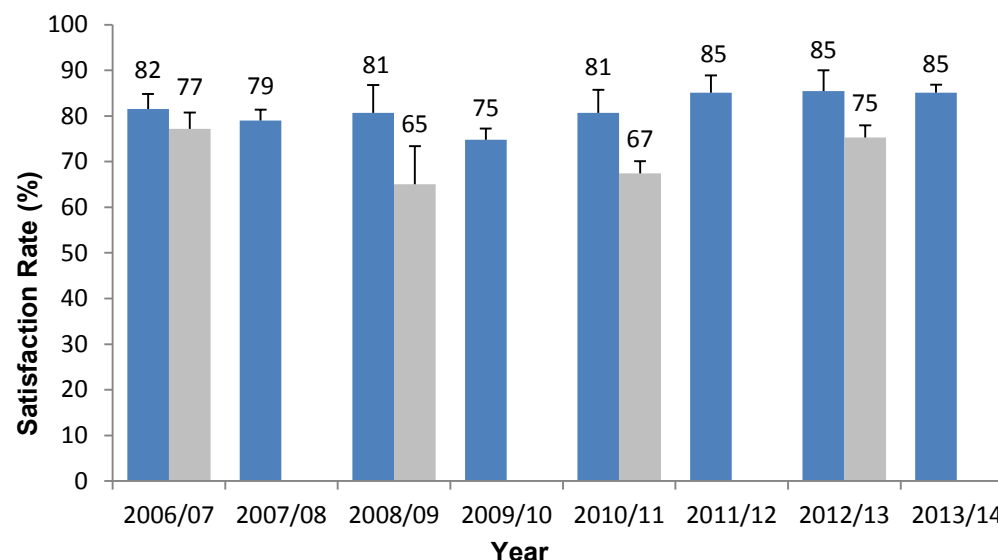


Figure 7 – Estimated overall satisfaction rate (+ 95% CI) of the broader Western Australian community (blue bars) and Departmental stakeholders (grey bars) from 2006/07 through 2013/14.

References

Australian Bureau of Statistics (ABS). (2014) Australian Demographic Statistics, Dec 2013: Estimated resident population, by age and sex - at 30 June 2013.

Key efficiency indicators

The Department's efficiency indicators have been calculated by dividing the total service cost in a functional area by the hours delivered in that functional area.

The measures enable analysis of variance in costs from year-to-year and provide a benchmark for comparison against like service delivery.

The key efficiency indicators provide information on the average cost per hour of service required to deliver services and outcomes, and include all costs associated with the specific service. To report the total cost of service and hourly rate, department-wide corporate overheads, executive and divisional support expenses are distributed across services and incorporated into key efficiency indicators based on the total direct hours delivered by each service.

Grants, fisheries adjustments and payments to stakeholder groups are excluded from key efficiency indicators (as appropriate) where these expenses are not considered to be a cost of service delivery.

The main reason for variances between 2013/14 Target and 2013/14 Actual was due to additional funding provided by Government to address the agency's funding deficit.

Explanations for those variances greater than 10 per cent have been included within each service.

Outcome: Conservation and sustainable development of the State's fish resources.

Service 1: Fisheries Management

Service Description:

Fisheries management includes licensing, 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.

Efficiency in Service 1 is described as the average cost per hour for services delivered excluding payments for grants and fisheries adjustment schemes.

KPI Table 3 – Service 1

Service 1. Fisheries Management	Actual 2010/11	Actual 2011/12	Actual 2012/13	Target 2013/14	Actual 2013/14
Average cost per hour of management (excluding grants and fisheries adjustments)	\$152	\$167	\$192	\$178	\$187

There were no significant variances between the 2013/14 Target and 2013/14 Actual nor were there significant variances between the actual results for 2013/14 and 2012/13.

Service 2: Enforcement and Education

Service Description:

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.

Efficiency in Service 2 is described as the average cost per hour for services delivered as outlined in the following table.

KPI Table 4 – Service 2

Service 2. Enforcement and Education	Target 2013/14	Actual 2013/14
Average cost per hour of enforcement and education	\$180	\$197

With effect from the 2013-14 reporting period, the Under Treasurer approved the abolishment of the Marine Safety Service and the amalgamation of the Compliance and Education Service and the Marine Safety Service to Enforcement and Education Service. As a result, the prior year figures are no longer comparable and the previous year figures have been excluded from Table 4.

There were no significant variances between the 2013/14 Target and 2013/14 Actual.

Service 3: Research and Assessment

Service Description:

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

Efficiency in Service 3 is described as the average cost per hour for services delivered within each of the three functional areas as outlined in the following table.

KPI Table 5 – Service 3

Service 3. Research and Assessment	Actual 2010/11	Actual 2011/12	Actual 2012/13	Target 2013/14	Actual 2013/14
Average cost per hour of research and assessment	\$126	\$130	\$119	\$128	\$133

There were no significant variances between the 2013/14 Target and 2013/14 Actual.

Explanation of Significant Variances between 2013/14 Actual and 2012/13 Actual

The main reason for the variance in Research and Assessment Service costs between 2013/14 and 2012/13 Actuals was due to increased expenditure on research for the assessment of fisheries under the Third Party Certification (MSC) process and additional research costs for marine biosecurity in 2013/14.

Ministerial directives

No ministerial directives were received during the year.

Capital works program

Capital works undertaken during the year focused on a number of building, infrastructure and information technology projects to enable us to meet our corporate and operational needs in regional and metropolitan locations, as outlined in the table below.

Capital works program 2013/14

Asset class	Planned expenditure	Actual expenditure ¹
	\$'000	\$'000
Information systems	\$6,060	\$5,028
Plant and equipment	\$1,113	\$919
Buildings and infrastructure	\$3,842	\$1,459
Vessels	\$1,077	\$1,045
TOTAL:		
Capital works program	\$12,092	\$8,451

¹Expenditure reported on a cash basis.

Information systems

The 2013/14 actual expenditure related mainly to implementation costs for the Fish Eye licensing and entitlement management system, and implementation of Corporate Services payroll and finance systems following the de-commissioning of the Office of Shared Services.

The agency also substantially upgraded its computer network and work station assets to meet the additional requirements of the Fish Eye and Corporate Services payroll and finance systems.

Buildings and infrastructure

The Department received a grant of \$1.3 million from the Office of Science towards the major refurbishment of the Watermans Bay Research Facility under the Indian Ocean Marine Research Centre Project. The first payment of \$547,000 was made towards the project.

Vessels

The capital program for 2013/14 funded the continuing maintenance of a variety of vessels to support the Department's enforcement and education and research and assessment services.

Pricing policy for services provided

We receive a large proportion of our revenue from regulatory fees and charges related to commercial fishing, aquaculture and recreational fishing. These fees are set in accordance with government policy and the level of cost recovery is based on the nature of the transaction. Commercial access to fish resources are determined to reflect an appropriate payment to the community for access to that resource.

In 2014, we reviewed how we price licence and application fees under the *Fish Resources Management Regulations 1995* to ensure the correct cost attribution to these fees. We are using this formula for the 2014/15 financial year.

Charges for goods and services are determined in accordance with *Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector* published by the Department of Treasury.

Governance disclosures

Contracts with senior officers

At the date of reporting, other than normal contracts of employment, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Department of Fisheries and senior officers.

Compliance with relevant written laws

Enabling legislation

The Department of Fisheries is established under Section 35 of the *Public Sector Management Act 1994*.

Legislation administered

The Department assists the Minister in the administration of legislation under five State Acts of Parliament.

The Department also manages the majority of fishing adjacent to Western Australia in the Australian Fishing Zone under the provisions of Part 5 of the *Fisheries Management Act 1991* of the Commonwealth and Part 3 of the *Fish Resources Management Act 1994*.

Legislation affecting Department outcomes

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

- *Animal Welfare Act 2002*
- *Auditor General Act 2006*
- *Conservation and Land Management Act 1984*
- *Corruption and Crime Commission Act 2003*
- *Credit Act 1984*
- *Disability Services Act 1993*
- *Electronic Transactions Act 2003*
- *Environmental Protection Act 1986*
- *Environment Protection and Biodiversity Conservation Act 1999*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Firearms Act 1973*
- *Freedom of Information Act 1992*
- *Government Employees' Housing Act 1964*
- *Government Financial Responsibility Act 2000*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *New Tax System (Goods and Services Tax) Act 1999*
- *Occupational Safety and Health Act 1984*
- *Occupiers Liability Act 1985*
- *Public and Bank Holidays Act 1972*
- *Public Interest Disclosures Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *Spent Convictions Act 1988*
- *State Administrative Tribunal Act 2004*
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *State Supply Commission Act 1991*

- *State Trading Concerns Act 1916*
- *Trade Practices Act 1974*
- *Volunteers and Food and Other Donors (Protection from Liability) Act 2002*
- *Western Australian Marine Act 1982*
- *Wildlife Conservation Act 1950*
- *Working with Children (Criminal Record Checking) Act 2004.*

Numerous other State and Federal laws also have an impact on the Department's activities.

Board and committee remuneration

Abrolhos Islands management advisory committee

Function: To identify and advise the Minister on issues relating to the Abrolhos Islands and their management and funding priorities and other matters as requested by the Minister

Position	Name	Type of remuneration	Period of Membership	Gross/actual remuneration
Chair	Peter Driscoll	per annum	12 Mar 2012 – 31 Dec 2014	\$11,750.00
Member	Bruce Donaldson	per meeting	12 Mar 2012 – 31 Dec 2014	\$308.00
Member	Simon Glossop	per meeting	12 Mar 2012 – 31 Dec 2014	Nil
Member	Andrew Basile	per meeting	12 Mar 2012 – 31 Dec 2014	Nil
Member	Bill Mitchell	per meeting	12 Mar 2012 – 30 Jun 2014	\$308.00
Member	Helen Robertson	per meeting	12 Mar 2012 – 30 Jun 2014	\$308.00
Member	Stephen Lodge	per meeting	12 Mar 2012 – 30 Jun 2014	\$308.00
Member	Rae Burrows	N/A	12 Mar 2012 – 30 Jun 2014	Nil
			TOTAL	\$12,982.00

Aquatic advisory committee

Function: To provide advice to the Minister for Fisheries and the Director General of the Department of Fisheries regarding high level strategic issues associated with the management of the State's fish and aquatic resources and the strategic management of Western Australian fisheries.

Position	Name	Type of remuneration	Period of Membership	Gross/actual remuneration
Chair	Robert Fisher	per annum	28 Feb 2014 – 28 Feb 2015	\$14,284.95
Member	Bruce Donaldson	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Heather Brayford	N/A	28 Feb 2014 – 28 Feb 2015	Nil
Member	Craig Leatt-Hayter	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Hamish Ch'ng	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Russell Barnett	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Ian Taylor	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Terry Mouchemore	per meeting	28 Feb 2014 – 28 Feb 2015	Nil
Member	Basilo Lenzo	per meeting	Resigned 31 Feb 2014	Nil
Member	Rodney Lillywhite	per meeting	Resigned 23 Jan 2014	Nil
TOTAL				\$14,284.95

Integrated fisheries allocation advisory committee

Function: To advise the Minister for Fisheries on fish resource allocation issues between sectors and make recommendations to the Minister on optimal resource use.

Position	Name	Type of remuneration	Period of Membership	Gross/actual remuneration
Chair	Ian Longson	per annum	30 Nov 2013 – 30 Nov 2016	\$17,827.50
Member	Norman Halse	per annum	30 Nov 2013 – 30 Nov 2016	\$10,696.50
Member	Stephen Lodge	per annum	30 Nov 2013 – 30 Nov 2016	\$10,696.50
Member	Elizabeth Woods	N/A	30 Nov 2013 – 30 Nov 2016	Nil
Member	Director of Aquatic Management, Department of Fisheries (<i>ex officio</i>)	N/A	30 Nov 2013 – 30 Nov 2016	Nil
TOTAL				\$39,920.50

South west trawl voluntary fisheries adjustment scheme committee of management

Function: To make recommendations to the Minister with respect to the desirability of the establishment of a Voluntary Fisheries Adjustment Scheme for the South West Trawl Fishery and make recommendations to the Minister with respect to the implementation of such a scheme in accordance with section 11 of the *Fisheries Adjustment Schemes Act 1987*.

Position	Name	Type of remuneration	Period of Membership	Gross/actual remuneration
Chair	Ross Donald	per annum	4 Nov 2013 – 30 June 2014	\$1,080.00
Member	Peter Nicol	per meeting	4 Nov 2013 – 30 June 2014	\$700.00
Member	Katherine Webber	per meeting	4 Nov 2013 – 30 June 2014	\$700.00
Member	Heather Brayford	N/A	4 Nov 2013 – 30 June 2014	Nil
TOTAL				\$2,480.00

Other legal requirements

Advertising and sponsorship

In compliance with section 175ZE of the *Electoral Act 1907*, the Department of Fisheries reports on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The full details of the reports are:

Expenditure of advertising for the 2013/14 financial year

Expenditure with advertising agencies:	Purpose:	\$ (Excl GST)
Marketforce	Advertising campaign for Shark Hazard Awareness	13,228.05
Subtotal		13,228.05

Expenditure with market research agencies:	Purpose:	\$ (Excl GST)
Roy Morgan Research	Annual Community Perceptions Survey 2012/2013	18,510.65
Subtotal		18,510.65

Expenditure with polling agencies: Nil

Expenditure with direct mail agencies:		Nil
Expenditure with media advertising agencies:	Purpose:	\$ (Excl GST)
Adcorp Australia	Information notices, staff recruitment and tender advertisements	36,916.84
Subtotal		36,916.84
Total Advertising Expenditure 2013/14		68,655.54

Disability access and inclusion plan

The Department's Disability Access and Inclusion Plan (DAIP) outlines our strategies to provide an accessible and inclusive environment for our staff and visitors with disabilities.

Outcome One: People with disabilities have the same opportunities as other people to access the services of, and attend any events organised by, the Department.

We interpret 'an accessible and inclusive community' as one in which all functions, facilities and services are equally open, available and accessible to everyone in the community, including people with disabilities, providing them with the same opportunities, rights and responsibilities enjoyed by other members of the community. We are committed to:

- working in partnership with community groups and other public authorities to assist people with disabilities through improved access to information, services and facilities;
- ensuring that our staff, volunteers, agents and contractors are aware of the requirements of the *Disability Services Act*;
- providing information about our services and functions on request in formats that meet the needs of people with disabilities;
- plan events using the 'Accessible Events Checklist' available on our website;
- providing staff with the guide on accessible events for people with disabilities which was developed by the Meetings and Events Industry of Australia and the Human Rights and Equal Opportunity Commission. This guide will be available on our Intranet; and
- developing a process to promote DAIP initiatives across the Department.

Outcome Two: People with disabilities have the same opportunities as other people to enter our buildings and use other Departmental facilities.

Our capital works program addresses access by people with disabilities to the Department's buildings and facilities. We are committed to:

- ensuring that the design and construction of the Department's buildings and facilities comply with the

Building Code of Australia (BCA) and *the Commonwealth Disability Discrimination Act (DDA) Access to Premises Standards*;

- ensuring we have appropriate signage for people with disabilities;
- conducting audits to identify access barriers to premises; and
- implementing work health and safety emergency evacuation procedures.

Outcome Three: People with disabilities receive information from the Department in a format that will enable them to readily access it. We are committed to:

- improving community awareness by providing information in appropriate alternative formats;
- ensuring staff know how to obtain information in other formats when necessary and can advise people with disabilities or their carers;
- investigating and facilitating the use of interpreters to improve the accessibility of our meetings and events for people with a hearing impairment; and
- ensuring the Department's information, including the website, meets accessibility standards.

Outcome Four: People with disabilities receive the same level and quality of service from our staff as other people. We are committed to:

- improving staff awareness of disability and access issues and improving skills to provide a good service to people with disabilities;
- improving awareness of new and existing staff about disability and access issues; and.
- generating and sustaining staff awareness of disability and access issues.

Outcome Five: People with disabilities have the same opportunities as other people to complain to us. We are committed to:

- ensuring that current grievance mechanisms are accessible for people with disabilities; and
- providing training to new and existing customer service staff on handling complaints from people with disabilities.

Outcome Six: People with disabilities have the same opportunities as other people to participate in any public consultation. We are committed to:

- improving community awareness about consultation processes; and
- monitoring of the DAIP to ensure implementation and satisfactory outcomes.

Outcome Seven: People with disabilities have the same access to our employment opportunities as other people through recruitment and retention practices.

We review inclusive recruitment practices and support employees with disabilities. We are committed to:

- ensuring all recruitment policies, procedures, templates, language and formats are inclusive of people with disabilities; and
- ensuring all documents relating to recruitment are made available promptly in alternative formats upon request.

Compliance with public sector standards and ethical codes

Our policies support the 'Plan for Our People' initiatives and meet legislative requirements and public sector objectives. All policies are accessible to our staff through the Intranet. During the year we conducted the following activities to support compliance with public sector standards and ethical codes:

- The Department developed and published a Conduct and Behaviour Policy and updated its Conduct and Behaviour Procedures to support the Code of Conduct.
- The Gift Decisions Form was updated so staff can declare and record all gifts offered, accepted and declined.
- A new Secondary Employment Procedure and updated Conflict of Interest Form were introduced.
- Misconduct Resistance Training continued and, as of 30 June 2014, 280 employees have attended this training.
- A total of 232 employees attended Appropriate Workplace Behaviour Training.
- Seventy five per cent of employees completed the online training course, Accountable and Ethical Decision Making.

- A new online training course, Workplace Conflict and Bullying, was developed and is available to staff.
- The Grievance Management Policy and Procedures was reviewed and updated.
- Development began on the Complaint Management Framework, which is designed to generate awareness for staff and maintain a consistent approach to complaint resolution.

For 2013/2014 the Department reports the following compliance statistics:

Compliance issues	Reported for 2013/2014
Public Sector Standards in Human Resource Management Breach Claims	2
Non-compliance with the WA Code of Ethics and the Department's Code of Conduct	3
Substantiated allegations of misconduct under the Disciplinary provisions of the <i>Public Sector Management Act 1994</i>	3

Record-keeping

This year we have focused on changing our record-keeping practices from managing hardcopy print-and-file records to ensuring systems, processes and training align to the Department's business needs more effectively, while meeting legislative requirements.

The main focus for this year has been the upgrade and ongoing maintenance to the HP TRIM electronic document and records management system (EDRMS). In July 2013, we upgraded the system from HP TRIM 7.1 to HP TRIM 7.3.

The system was improved by applying the State Records Office's 'General Disposal Authority for State Government Information (2013)' policy principles to TRIM and linking schedules to the Business Classification Scheme. This simplifies record creation and disposal, and allows streamlined management of large quantities of records. Established in 2012, the Business Classification Scheme now incorporates security and access information. We have developed procedures to support the future implementation of the General Disposal Authority for Source Records (2009) with digitisation of paper records.

We have improved information accessibility by tracking business processes using TRIM 'workflow' features. This has improved accountability within the Department and requires staff to store relevant documents electronically, reducing the risk of duplication and loss. We provided hands-on training sessions

about the workflow feature that builds on existing staff skills and ensures the safe-keeping of records.

During this financial year, TRIM usage across the Department has considerably increased as training and uptake spread. This is apparent by the increasing quantities of electronic information stored in the system.

Records capture in EDRMS

	2010/2011	2011/12	2012/13	2013/14
Documents created in TRIM	7,203	18,642	42,502	107,111
Folders created in TRIM	4,825	5,377	7,386	7,705
Storage boxes created in TRIM	749	590	986	376

Meeting our objective of providing significant record-keeping training and support to the Regional Services Division has been another important achievement for us this year. Reviews were conducted with staff in each region resulting in new procedures and practices to improve records management, particularly in electronic record-keeping. In 2013/14, Knowledge Management Branch visited 13 regional offices to provide on-site training, audits of records holdings and reviews of record-keeping practices. As a result, we have identified potential improvements

and developed strategies to ensure the highest standards of records management are consistently achieved throughout the Department.

Record-keeping in the Department will improve further in the next financial year with new scanning policies and procedures, clear record management strategies, the continuation of the regional training program and training of staff with records responsibilities. Record-keeping responsibilities, practices and training are outlined in the quarterly staff inductions as a half hour long presentation by record-keeping staff. This covers compliance requirements, along with organisational roles and responsibilities. An online induction package is also available for all staff across the State, which outlines further requirements for the sound management of records. This is the precursor to the mandatory Record-keeping Awareness Training (RAT) course, which has a full version staff are required to complete every 12 months.

Knowledge Management Branch provided twice-monthly hands-on training at metropolitan offices. This involves a three hour face-to-face session incorporating record-keeping basics, record capture and retrieval using the EDRMS, security overview, support arrangements, email management and concludes with a quiz and some case studies.

Knowledge Management Branch has developed and published 15 quick reference guides, which cover how the system works, record-keeping practices and Department procedures. This promotes a consistent Departmental approach to record-keeping that meets both business and legislative requirements.

Training effectiveness is reviewed through monthly reporting on training completion numbers, the subsequent use of EDRMS and the registration of documents. The record-keeping training has an ongoing process of feedback and review. To date, this has indicated an overall satisfaction with this training of 84 per cent, with 80 per cent of staff who provided feedback able to apply what they have learned to their work immediately and 88 per cent recommending it to other staff.

Record-keeping training

Training Sessions	Total Staff Trained
Hands-on TRIM Training	300
Aquatic Management Directorate	52
Corporate Services	53
Executive	1
Fisheries Research	47
Regional Services Directorate	147
Induction Training	20
Workflow Training	34
Online Records Awareness Training 2013/2014	41 (65% of enrollments)
Online Records Awareness Training Total	527 (88% of enrollments)

Public interest disclosures

(Public Interest Disclosure Act 2003, S23(1)(f))

The *Public Interest Disclosure Act 2003* requires the Department to:

- facilitate disclosure of public interest information;
- provide protection to those who make disclosures; and
- provide protection for those who are the subject of a disclosure.

In accordance with the Act, the Department has duly appointed public interest disclosure officers and has published internal policies and procedures related to its obligations.

No public interest disclosures were received during 2013/14.

Government policy requirements

Substantive equality

We maintain our commitment to the principles of substantive equality through existing and new business practices. Ongoing substantive equality policy initiatives include:

- resource allocations for customary purposes under our integrated fisheries management policy;
- the publication of the recreational crab fishing brochure 'Crabbing for blue swimmer crabs – West Coast Bioregion' translated into six languages – English, Vietnamese, Cantonese, Mandarin, Korean and Malay (Bahasa); and
- a translation option on our website providing users with the capacity to view the site in more than 30 languages.

A needs and impact assessment of the charter industry, which included a review of potential impacts on Aboriginal and ethnic minority groups, was finalised in 2013. As a result of this review, we have introduced changes to the management arrangements and licensing framework for the charter industry, which should be of benefit to Aboriginal people/groups. The deregulation of land-based licences has meant operators of cultural tours are now able to start land-based tours without having to meet licensing criteria.

Occupational safety, health and injury management

We are committed to ensuring the safety, health and wellbeing of our employees, contractors, volunteers and visitors in all workplaces throughout the State.

This formal commitment statement was implemented with a revised occupational safety and health (OSH) policy in August 2013.

We provide:

- safety and health communication through the Intranet and other communication channels;
- safety and health training;
- administration for the Occupational Safety and Health Committee and its sub-committees;
- a comprehensive wellness program; and
- continuous improvement of the safety management system, including risk management processes and hazard/accident /incident reporting.

We have a range of safety key performance indicators that are reported on and reviewed regularly within the OSH improvement plan as part of our commitment to the well-being of our people.

We have an injury management policy which prescribes the workers' compensation and injury management process including

the development of return to work programs for all injured or ill staff (including those with a mental illness) under the direction and guidance of the OSH team.

Statistics on the injury management processes are collated and are reported on quarterly to our corporate executive and senior managers.

Following a Worksafe plan assessment in 2009, a desktop audit of our OSH management system was conducted in October 2012. The audit led to the development of an OSH improvement plan to drive continuous improvement in the safety management system.

Occupational safety and health injury management performance against key indicators

Measure	Actual results		Results against target	
	2011-12	2013-14	Target	Comment on results
Number of fatalities	0%	0%	0%	Target achieved
Lost time injury incidence rate	0.91%	1.6%	≤ 10%	
Lost time injury severity rate	25%	47%	≤ 10%	6 long-term injuries that resulted in more than 183 days off work each

Percentage of injured workers returned to work:				This is calculated on full recovery
Within 13 weeks	75%	53%	≥ 80%	
Within 26 weeks	100%	59%	≥ 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	44%	80%	≥ 80%	Target achieved for employees registered but see note following.

Note: Calculations in the preceding table are depicted by Public Sector Commission (PSC) Circular 2012-05 in alignment with the *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector: 2007*

LTI incidence rate – The lost time injuries or diseases (LTI/Ds) incidence rate is the number of lost time injury/disease claims lodged where one day/shift or more was lost from work. The number of employees is the agency’s full-time equivalent (FTE) figure. The number of LTI/Ds is divided by the number of employees, then multiplied by 100.

LTI severity rate – This is a measure of incident or accident prevention and the effectiveness of injury management. The severity rate is the number of severe injuries (actual or estimated 60 days or more lost from work) divided by the number of lost time injury/disease claims (LTI/Ds) multiplied by 100. An

injury resulting in death is considered to have accounted for 60 days or more lost.

Managers trained in OSH – Due to an increase of manager/supervisor FTEs in 2013/14, there are still 25 managers who will be registered to complete this training only in 2014/2015.

Appendix

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).

One aquaculture lease has been granted during the reporting period.

As of 30 June 2014, there were 163,678 recreational fishing licences recorded on the register. Although details of recreational 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.

As of 30 June 2014, there were 401 aquaculture licences recorded on the State Register.

As of 30 June 2014, there were 5,792 commercial authorisations recorded on the State Register. The commercial authorisations on the State Register were made up of the following:

Interim managed fishery licences (105 issued)

- Pilbara fish trawl 11
- Shark Bay crab 5
- West coast demersal gillnet and demersal long line 17

- West coast estuarine 12
- West coast demersal scalefish 60

Managed fishery licences (1,274 issued)

- Abalone 49
- Abrolhos mid trawl 10
- Broome prawn 5
- Cockburn crab 12
- Cockburn fish net 1
- Cockburn line and pot 13
- Cockburn mussel 2
- Esperance rock lobster 8
- Exmouth prawn 15
- Gascoyne demersal scale fish 48
- Kimberley gill net and barramundi 7
- Kimberley Prawn 121
- Mackerel 49
- Marine aquarium fish corporate 1
- Marine aquarium fish individual 11
- Nickol Bay prawn 14
- Northern demersal 15
- Onslow prawn 30
- Pilbara trap 6

- Shark Bay beach seine 10
- Shark Bay prawn 18
- Shark Bay scallop 29
- South coast estuarine 25
- South coast purse seine 32
- South coast Salmon 18
- South west salmon 6
- South west trawl 13
- Southern demersal gillnet and demersal longline 55
- Specimen shell 32
- Warnbro crab 1
- West coast beach baitfish 1
- West coast purse seine 12
- Windy Harbour /Augusta rock lobster 2
- West coast rock lobster 596
- West coast deep sea crustacean 7

Other licences (4,413 issued)

- Commercial fishing licence 2,182
- Fish processing land 113
- Fish processing sea 101
- Fishing boat licence 1,320
- Aquatic eco tour 5

- Fishing tour operators licence 211
- Restricted fishing tour 27
- Permit to construct a fish processing establishment 426
- Rock lobster pot licence 28

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 FRMA.

Transactions on the register 747

- Extracts 568
- Searches 13
- Notation of security interest 101
- Removal of security interest 45
- Variation of security interest 20

The Registrar recorded 12 convictions against 12 authorisations in the relevant period, pursuant to the statutory obligation under section 224 (1) of the FRMA.

There were no authorisations suspended (under section 224 (2) of the FRMA) as a result of the recording of three convictions within 10 years against the authorisation.

The Registrar provided 21 certificates under section 212 of the FRMA for the purposes of proceedings for offences under the FRMA.