



As a result of moving to the shared services environment, the Department of Fisheries has adopted 'whole of government' depreciation rates as determined by the Department of Treasury. Under these rates, the estimated useful life for a vessel is five to six years. Photo: Steve Ireland

DISCLOSURES AND LEGAL COMPLIANCE

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Independent Audit Opinion on Financial Statements and Key Performance Indicators



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 2011, 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.

Chief Executive Officer's Responsibility for the Financial Statements

The Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer, 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 audit opinion.

Opinion

In my opinion, 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 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Department of Fisheries

Report on Controls

I have audited the controls exercised by the Department of Fisheries. The Chief Executive Officer is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Chief Executive Officer based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

In my opinion, 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Fisheries. The Chief Executive Officer 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.

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 Standards.

Opinion

In my opinion, 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 2011.

Independence

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


COLIN MURPHY
AUDITOR GENERAL
1 September 2011

Certification of financial statements for the year ended 30 June 2011

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.

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.



THU LANG VO
CHIEF FINANCE OFFICER
Date: 22 August 2011



STUART SMITH
CHIEF EXECUTIVE OFFICER
Date: 22 August 2011

**DEPARTMENT OF FISHERIES STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

COST OF SERVICES	Note	2011 \$'000	2010 \$'000
Expenses			
Employee benefits expense	6	40,516	38,027
Supplies and services	7	21,352	17,750
Depreciation and amortisation expense	8	3,790	3,262
Finance costs	9	253	140
Accommodation expenses	10	2,071	2,092
Grants and subsidies	11	3,476	5,099
Fisheries Adjustment Scheme buy-backs	12	170	2,566
Other expenses	13	263	639
Total cost of services		<u>71,891</u>	<u>69,575</u>
Income			
<i>Revenue</i>			
User charges and fees	14	29,558	24,673
Grants and contributions	15	2,987	6,633
Interest revenue	16	491	102
Total revenue		<u>33,036</u>	<u>31,408</u>
<i>Gains</i>			
Gain on disposal of non-current assets	17	24	109
Total gains		<u>24</u>	<u>109</u>
Total income other than income from State Government		<u>33,060</u>	<u>31,517</u>
NET COST OF SERVICES		(38,831)	(38,058)
INCOME FROM STATE GOVERNMENT	18		
Service appropriations		32,676	36,029
Resources received free of charge		499	1,272
Royalties for Regions Fund		94	-
Total income from State Government		<u>33,269</u>	<u>37,301</u>
DEFICIT FOR THE PERIOD		<u>(5,562)</u>	<u>(757)</u>
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	29	(527)	(2,794)
Total other comprehensive income		<u>(527)</u>	<u>(2,794)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(6,089)</u>	<u>(3,551)</u>

Refer to 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 2011

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	29	3,516	3,486
Restricted cash and cash equivalents	19	1,637	1,437
Receivables	20	5,128	1,559
Amounts receivable for services	21	2,226	2,226
Other current assets	22	162	109
Total Current Assets		<u>12,669</u>	<u>8,817</u>
Non-current Assets			
Restricted cash and cash equivalents	19	672	557
Receivables	20	34,862	3,336
Amounts receivable for services	21	6,349	5,183
Property, plant and equipment	23	59,452	59,384
Total Non-Current Assets		<u>101,335</u>	<u>68,460</u>
TOTAL ASSETS		<u>114,004</u>	<u>77,277</u>
LIABILITIES			
Current Liabilities			
Payables	25	2,607	1,907
Borrowings	26	2,903	562
Provisions	27	9,151	6,863
Other current liabilities	28	1,173	734
Total Current Liabilities		<u>15,834</u>	<u>10,066</u>
Non-current Liabilities			
Borrowings	26	34,862	3,465
Provisions	27	2,123	1,982
Total Non-Current Liabilities		<u>36,985</u>	<u>5,447</u>
TOTAL LIABILITIES		<u>52,819</u>	<u>15,513</u>
NET ASSETS		<u>61,185</u>	<u>61,764</u>
EQUITY			
Contributed equity	29	50,076	44,566
Reserves	29	13,514	14,041
Accumulated surplus/(deficit)	29	(2,405)	3,157
TOTAL EQUITY		<u>61,185</u>	<u>61,764</u>

Refer to 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 2011**

	Note	Contributed Equity \$'000	Reserves \$'000	Accumulated Surplus/ (Deficit) \$'000	Total Equity \$'000
Balance at 1 July 2009	29	39,166	16,835	3,914	59,915
Changes in accounting policy or correction of prior period errors		–	–	–	–
Restated balance at 1 July 2009		39,166	16,835	3,914	59,915
Total comprehensive income for the year		–	(2,794)	(757)	(3,551)
Transactions with owners in their capacity as owners:					
Capital appropriations		5,400	–	–	5,400
Total		5,400	–	–	5,400
Balance at 30 June 2010		44,566	14,041	3,157	61,764
Balance at 1 July 2010		44,566	14,041	3,157	61,764
Total comprehensive income for the year		–	(527)	(5,562)	(6,089)
Transactions with owners in their capacity as owners:					
Capital appropriations		5,510	–	–	5,510
Total		5,510	–	–	5,510
Balance at 30 June 2011		50,076	13,514	(2,405)	61,185

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 2011

	Note	2011 \$'000	2010 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		29,284	32,637
Capital contributions		5,510	5,400
Holding account drawdowns		2,226	4,003
Royalties for Regions Fund		94	–
Net cash provided by State Government		37,114	42,040
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(37,683)	(36,967)
Supplies and services		(15,122)	(17,245)
Finance costs		(253)	(127)
Accommodation		(2,071)	(2,092)
Grants and subsidies		(3,476)	(5,099)
GST payments on purchases		(6,522)	(3,466)
Fisheries Adjustment Scheme buy-backs		(170)	(2,566)
Other payments		(5,498)	(1,321)
Receipts			
User charges and fees		28,689	25,036
Grants and contributions		2,987	6,633
Interest received		413	102
GST receipts on sales		547	984
GST receipts from taxation authority		5,786	2,533
Net cash used in operating activities	30	(32,373)	(33,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchases of non-current physical assets		(4,414)	(7,652)
Receipts			
Proceeds from the sale of non-current physical assets	17	36	1,021
Net cash used in investing activities		(4,378)	(6,631)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Payments to industry		(34,300)	(4,100)
Repayment of borrowings		(562)	(674)
Receipts			
Proceeds from industry		544	447
Proceeds from borrowings		34,300	4,100
Net cash used in financing activities		(18)	(227)
Net increase/(decrease) in cash and cash equivalents		345	1,587
Cash and cash equivalents at the beginning of period		5,480	3,893
Cash and cash equivalents at the end of period	30	5,825	5,480

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 2011

	AQUATIC MANAGEMENT		COMPLIANCE AND EDUCATION		RESEARCH AND MONITORING		MARINE SAFETY		TOTAL	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
COST OF SERVICES										
Expenses										
Employee benefits expense	12,569	8,618	14,849	16,528	12,781	12,106	317	775	40,516	38,027
Supplies and services	4,637	2,135	8,412	9,296	8,198	6,037	105	282	21,352	17,750
Depreciation and amortisation	38	33	2,729	1,468	1,023	1,761	–	–	3,790	3,262
Finance costs	253	140	–	–	–	–	–	–	253	140
Accommodation expenses	1,056	241	705	1,096	300	691	10	64	2,071	2,092
Grants and subsidies	1,969	3,016	–	8	1,507	2,075	–	–	3,476	5,099
FAS buybacks	170	2,566	–	–	–	–	–	–	170	2,566
Other expenses	23	183	9	207	231	239	–	10	263	639
Total cost of services	20,715	16,932	26,704	28,603	24,040	22,909	432	1,131	71,891	69,575
Income										
User charges and fees	6,830	4,979	11,139	11,261	11,537	8,315	52	118	29,558	24,673
Grants and contributions	44	232	–	9	2,943	6,392	–	–	2,987	6,633
Interest revenue	104	18	168	36	218	48	1	–	491	102
Gain on disposal of non-current assets	–	–	24	109	–	–	–	–	24	109
Total income other than income from State Government	6,978	5,229	11,331	11,415	14,698	14,755	53	118	33,060	31,517
NET COST OF SERVICES	13,737	11,703	15,373	17,188	9,342	8,154	379	1,013	38,831	38,058
INCOME FROM STATE GOVERNMENT										
Service appropriation	11,989	11,209	13,031	16,353	7,313	7,486	343	980	32,676	36,029
Resources received free of charge	144	–	185	–	167	–	3	–	499	–
Royalties for Regions Fund	2	310	90	523	2	419	–	21	94	1,272
Total income from State Government	12,135	11,519	13,306	16,876	7,482	7,905	346	1,001	33,269	37,301
Deficit for the period	(1,602)	(184)	(2,067)	(312)	(1,860)	(249)	(33)	(12)	(5,562)	(757)

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

DEPARTMENT OF FISHERIES SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE FOR THE YEAR ENDED 30 JUNE 2011

	AQUATIC MANAGEMENT		COMPLIANCE AND EDUCATION		RESEARCH AND MONITORING		MARINE SAFETY		TOTAL	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets										
Current assets										
Cash and cash equivalents	800	796	1,401	1,379	1,186	1,191	129	120	3,516	3,486
Restricted cash and cash equivalents	373	329	652	568	552	491	60	49	1,637	1,437
Receivables	3,310	601	938	491	794	424	86	43	5,128	1,559
Amounts receivable for services	506	508	887	881	751	760	82	77	2,226	2,226
Other current assets	29	25	80	43	49	37	4	4	162	109
Total Current Assets	5,018	2,259	3,958	3,362	3,332	2,903	361	293	12,669	8,817
Non-current assets										
Restricted cash and cash equivalents	152	128	268	220	227	190	25	19	672	557
Receivables	34,862	3,336	–	–	–	–	–	–	34,862	3,336
Amounts receivable for services	1,444	1,185	2,530	2,050	2,142	1,770	233	178	6,349	5,183
Property, plant and equipment	921	213	34,323	35,383	24,059	23,756	149	32	59,452	59,384
Total Non-Current Assets	37,379	4,862	37,121	37,653	26,428	25,716	407	229	101,335	68,460
Total Assets	42,397	7,121	41,079	41,015	29,760	28,619	768	522	114,004	77,277
Liabilities										
Current liabilities										
Payables	645	434	937	754	963	653	62	66	2,607	1,907
Borrowings	2,774	317	129	245	–	–	–	–	2,903	562
Provisions	2,357	1,568	3,588	2,715	3,122	2,344	84	236	9,151	6,863
Other current liabilities	289	168	511	290	359	251	14	25	1,173	734
Total Current Liabilities	6,065	2,487	5,165	4,004	4,444	3,248	160	327	15,834	10,066
Non-current liabilities										
Borrowings	34,862	3,336	–	129	–	–	–	–	34,862	3,465
Provisions	479	453	894	784	734	677	16	68	2,123	1,982
Total Non-Current Liabilities	35,341	3,789	894	913	734	677	16	68	36,985	5,447
Total Liabilities	41,406	6,276	6,059	4,917	5,178	3,925	176	395	52,819	15,513
NET ASSETS	991	845	35,020	36,098	24,582	24,694	592	127	61,185	61,764

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

DEPARTMENT OF FISHERIES SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2011

Item		2011 ESTIMATE \$'000	2011 ACTUAL \$'000	VARIANCE \$'000	2011 ACTUAL \$'000	2010 ACTUAL \$'000	VARIANCE \$'000
	DELIVERY OF SERVICES						
44	Net amount appropriated to deliver services	30,363	32,412	(2,049)	32,412	35,780	(3,368)
	Section 25 transfer of service appropriation						
	Amount authorised by other statutes						
	– Salaries and Allowances Act 1975	258	264	(6)	264	249	15
	Total appropriations provided to deliver services	30,621	32,676	(2,055)	32,676	36,029	(3,353)
	CAPITAL						
134	Capital appropriations	5,510	5,510	–	5,510	5,400	110
	GRAND TOTAL	36,131	38,186	(2,055)	38,186	41,429	(3,243)
	Details of Expenses by Service						
	Fisheries Management	15,697	20,715	(5,018)	20,715	16,932	3,783
	Compliance and Education	25,609	26,704	(1,095)	26,704	28,603	(1,899)
	Research and Monitoring	19,872	24,040	(4,168)	24,040	22,909	1,131
	Marine Safety Service	1,558	432	1,126	432	1,131	(699)
	Total Cost of Services	62,736	71,891	(9,155)	71,891	69,575	2,316
	Less Total Income	(30,621)	(33,060)	2,439	(33,060)	(31,517)	(1,543)
	Net Cost of Services	32,115	38,831	(6,716)	38,831	38,058	773
	Adjustments	(1,494)	(6,155)	4,661	(6,155)	(2,029)	(4,126)
	Total appropriations provided to deliver services	30,621	32,676	(2,055)	32,676	36,029	(3,353)
	Capital Expenditure						
	Purchase of non-current physical assets	8,011	4,414	3,597	4,414	8,792	(4,378)
	Adjustments for other funding sources	(2,501)	1,096	(3,597)	1,096	(3,392)	4,488
	Capital Appropriations	5,510	5,510	–	5,510	5,400	110

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

Note 34 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011.

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This index does not form part of the financial statements

DEPARTMENT OF FISHERIES NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1 AUSTRALIAN ACCOUNTING STANDARDS

General

The Department's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to 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*. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Department for the annual reporting period ended 30 June 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has 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 4 '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 5 '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;
- Compliance and Education;
- Research and Monitoring; and
- Marine Safety Service.

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.

Compliance 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 Monitoring

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 (eg impacts of expected climate change, social, and economic research) and the ongoing monitoring of fish stocks.

Marine Safety Service

One of the recommendations of the Machinery of Government Taskforce in 2000 was to increase the efficiency of the delivery of government services. The delivery of marine safety in the metropolitan area was identified as being one of those services that could be delivered more efficiently if it was done by the Department of Fisheries on behalf of the Department of Transport. The Department of Fisheries has been delivering this service – which includes checks by Fisheries and Marine Officers of recreational boats to ensure compliance with the safety requirements – since this time.

(d) Contributed Equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions 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 in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners according to Treasurer's Instruction 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. See note 29 'Contributed Equity'.

(e) Income

Revenue recognition

Revenue is 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 control transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised upon delivery of the service to the client or 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 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 into the Department's bank account or credited to the 'Amounts receivable for services' (holding account) held at the Department of Treasury. See note 18 'Income from State Government' for further detail.

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 2010/11 Budget Statements, the Department retained \$5.594 million in 2010/11 (\$3.517 million in 2009-10) 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 be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Where contributions have been recognised as income during the reporting period that were provided specifically for the provision of goods and services over a future reporting period, the nature, amounts and the periods to which they relate are disclosed.

Where contributions have been recognised as income in a previous reporting period that were obtained in respect of the current reporting period, the nature and amounts are disclosed.

Gains

Gains may be realised or unrealised and 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

All items of 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 consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and the cost model 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 carried at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. 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, the 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, ie. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided 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 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 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.

Refer to note 23 'Property, plant and Equipment' for further information on revaluations.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve 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 23 "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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. As a result of moving to the shared services environment, the Department has adopted the whole of government depreciation rates as determined by the Department of Treasury. Estimated useful lives for each class of depreciable asset are:

Asset category	Life (years)
Buildings	40
Vessels	5-6
Communication equipment	5
Computer equipment	3
Furniture and fittings	10
Infrastructure	30
Motor vehicles	5
Office equipment	5
Other equipment	5-10
Plant and equipment	5-20

Works of Art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so 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 life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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) on the straight line basis using rates which are reviewed annually. 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
Web site 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 recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Computer Software

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

Website costs

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

(i) Impairment of Assets

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

The department does not have any assets classified as held 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. Lease payments 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.

These 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

Initial recognition and measurement of financial instruments is at fair value that 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 29 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with 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 appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

See also note 18 'Income from State Government' and note 21 'Amounts receivable for services'.

(p) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (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 3(l) 'Financial Instruments and note 20 '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 they are generally settled within 30 days. See also note 35 'Financial Instruments and note 25 'Payables'.

(r) Borrowings

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

(s) Provisions

Provisions are liabilities of uncertain timing and 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 27 'Provisions'

(i) Provisions – Employee Benefits

Annual Leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Annual leave expected to be settled more than 12 months after the reporting period is 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. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. 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 the defer settlement of the liability for at least 12 months after reporting period.

Long Service Leave

A liability for long service leave is recognised after an employee has completed three years of service based on remuneration rates current as at the end of the reporting period. An actuarial assessment of long service leave undertaken by PriceWaterhouseCoopers Actuaries at 30 June 2011 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. An assessment will be undertaken every three years.

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 reporting date. Conditional long service leave provisions are classified as non-current liabilities until the employee has completed the required 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 and Purchased Leave

Deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional twelve 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 non-current provision until the fifth year.

Purchased Leave

Purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional ten weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

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

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 due 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 concurrently funded part of the GSS is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS obligations.

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). Both of these schemes are accumulation schemes. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

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. See also note 2(u) 'Superannuation expense'.

(ii) 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 27 '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 and the GESBS. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(u) Resources Received Free of Charge or For Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(v) Comparative Figures

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

(w) 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.

Finance Lease Commitment:

The Department has a commercial lease on a patrol vessel and has determined that it retains all the significant risks and rewards of ownership of the property. Accordingly, the lease has been classified as a finance lease.

4 KEY SOURCES OF ESTIMATION UNCERTAINTY

The Department makes key estimates and assumptions concerning the future. These estimates and assumptions 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.

Changes in these estimations and assumptions may impact on the carrying amount of the long service provision.

5 DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard:

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Department:

AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052].

This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.

AASB 2010-5 Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023, & 1038 and Interpretations 112, 115, 127, 132 & 1042].

This Standard introduces a number of terminology changes as well as presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Department. Where applicable, the Department plans to apply these Standards and Interpretations from their application date, 1 Jan 2013:

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 Interpretations 10 & 12].

The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Department does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

AASB 9 This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.

The Standard was re-issued on 6 Dec 2010 and the Department is currently determining the impact of the Standard for agencies.

AASB 2010-5 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7].

This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for financial Assets.

6 EMPLOYEE BENEFITS EXPENSE

	2011	2010
	\$'000	\$'000
Wages and salaries (a)	35,033	33,224
Superannuation - defined contribution plans (b)	3,149	3,028
Other related expenses (c)	2,334	1,775
	<u>40,516</u>	<u>38,027</u>

(a) Includes leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

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

Employment on-costs such as workers' compensation insurance are included at note 13 'Other expenses'. The employment on costs liability is included at note 27 'Provisions'.

7 SUPPLIES AND SERVICES

	2011	2010
	\$'000	\$'000
Communications	1,044	859
Freight and mail	361	284
Property	745	935
Contractors and consultants	6,087	4,826
Consumables	3,309	2,373
Minor equipment acquisitions	399	467
Repairs and maintenance	2,481	2,060
Travel	1,865	1,535
Electricity and water	500	410
Advertising	112	151
Other	4,449	3,850
	<u>21,352</u>	<u>17,750</u>

8 DEPRECIATION AND AMORTISATION EXPENSE	2011	2010	13 OTHER EXPENSES	2011	2010
	\$'000	\$'000		\$'000	\$'000
Depreciation			Employment on-costs (see note 6 'Employee benefits expense') (a)	(19)	5
Buildings	970	1,007	Other expenses	282	634
Marine vessels	1,398	892		<u>263</u>	<u>639</u>
Communications	35	76			
Computing hardware	106	101	(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 27 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
Furniture, fixtures and fittings	47	63			
Office equipment	54	56			
Plant and machinery	139	153			
Motor vehicles	264	139			
Other equipment	79	75			
Infrastructure – maritime	82	83			
Computing software	176	177			
Total depreciation	<u>3,350</u>	<u>2,822</u>	14 USER CHARGES AND FEES	2011	2010
				\$'000	\$'000
Amortisation			Access fees	18,466	11,241
Leased patrol vessel	440	440	Development of Better Interests fees	–	3,500
Total Amortisation	<u>440</u>	<u>440</u>	Application fees	1,303	921
			Recreational licence fees	6,123	4,986
Total Depreciation and Amortisation	<u>3,790</u>	<u>3,262</u>	Fees for service	68	35
			Other	3,598	3,990
				<u>29,558</u>	<u>24,673</u>
9 FINANCE COSTS	2011	2010			
	\$'000	\$'000	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.		
Finance lease and charges	<u>253</u>	<u>140</u>			
			Effective 1 July 2010 the use of cost recovery and a contribution to the Development and Better Interests Fund 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 with no Development and Better Interests Fund contribution.		
10 ACCOMMODATION EXPENSES	2011	2010			
	\$'000	\$'000			
Lease rentals	<u>2,071</u>	<u>2,092</u>			
	<u>2,071</u>	<u>2,092</u>			
11 GRANTS & SUBSIDIES	2011	2010	15 GRANTS AND CONTRIBUTIONS	2011	2010
	\$'000	\$'000		\$'000	\$'000
Recurrent			Fisheries Research and Development Corporation	1,297	1,497
Grants to key stakeholder groups	1,840	1,743	Other	1,690	5,136
Contributions to Fisheries Research and Development Corporation	948	1,710		<u>2,987</u>	<u>6,633</u>
Research grants	559	1,492			
Other	129	154			
	<u>3,476</u>	<u>5,099</u>	16 INTEREST REVENUE	2011	2010
				\$'000	\$'000
12 FISHERIES ADJUSTMENT SCHEME BUYBACKS	2011	2010	Fisheries Research and Development Account	458	69
	\$'000	\$'000	Fisheries Research and Development Corporation Account	33	33
Fisheries Adjustment Scheme buy-backs	170	2,566		<u>491</u>	<u>102</u>

17 NET GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS	2011 \$'000	2010 \$'000
<i>Costs of Disposal of Non-current Assets</i>		
Carrying amount of property, plant and equipment disposed of during the year	129	912
Selling costs of property, plant and equipment disposed of during the year	–	–
<i>Proceeds from disposal of non-current assets</i>		
Proceeds from disposal of property, plant and equipment	153	1,021
Net Gain/(loss)	<u>24</u>	<u>109</u>

Gain on Disposal of Non-Current Assets

Property plant & equipment	24	109
Net Gain/(loss)	<u>24</u>	<u>109</u>

18 INCOME FROM STATE GOVERNMENT	2011 \$'000	2010 \$'000
Appropriation received during the year :		
Service appropriations (a)	32,676	36,029
	<u>32,676</u>	<u>36,029</u>

(a) Service appropriations are accrual amounts, reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

Resources Received Free of Charge	2011 \$'000	2010 \$'000
Administration expenses	<u>499</u>	<u>1,272</u>
Resources received free of charge has been determined on the basis of the following estimates provided by agencies:		
Department of Justice	321	315
Western Australian Land Information Authority (a)	3	776
Department of Treasury and Finance	175	181
	<u>499</u>	<u>1,272</u>

Where assets or services have been received free of charge or for nominal cost, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

(a) The significant decrease in the resources received free of charge is the result of minimum usage of Western Australian Land Information Authority's digital data after completion of the Corporate Map Viewer implementation in 2009/10.

Royalties for Regions Fund

Regional Community Services Account	94	–
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19 RESTRICTED CASH AND CASH EQUIVALENTS	2011 \$'000	2010 \$'000
Current		
Fisheries Research and Development Corporation Account (a)	1,406	1,011
Fisheries Adjustment Schemes Trust Account (b)	231	426
	<u>1,637</u>	<u>1,437</u>
Non-Current		
Salaries suspense account (c)	672	557
	<u>2,309</u>	<u>1,994</u>

(a) Monies held in the Fisheries Research and Development Corporation Account are not available for operations of the Department as they relate to specific research projects.

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

(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. This amount will next be drawn in 2015/16.

20 RECEIVABLES	2011 \$'000	2010 \$'000
Current		
Receivables	2,018	1,104
Less: Allowance for impairment of receivables	(4)	(1)
GST Receivable	340	139
	<u>2,354</u>	<u>1,242</u>
Other Debtors	2,774	317
	<u>5,128</u>	<u>1,559</u>
Non-Current		
Other Debtors	34,862	3,336
	<u>34,862</u>	<u>3,336</u>

Reconciliation of changes in the allowance for impairment of receivables

Balance at start of year	1	4
Doubtful Debts Expense recognised in the income statement	3	–
Amounts written off during the period	–	3
Amounts recovered off during the period	–	–
	<u>4</u>	<u>1</u>

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

See also Note 2(p) "Receivables" and Note 35 'Financial Instruments'.

21 AMOUNTS RECEIVABLE FOR SERVICES

	2011 \$'000	2010 \$'000
Current	2,226	2,226
Non Current	6,349	5,183
	<u>8,575</u>	<u>7,409</u>

This item 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)'.

22 OTHER ASSETS

	2011 \$'000	2010 \$'000
Pre-payments		
Licences and rentals	48	72
Lease patrol vessel	4	8
Accrued Income		
Accrued Interest	110	29
	<u>162</u>	<u>109</u>

23 PROPERTY, PLANT AND EQUIPMENT

	2011 \$'000	2010 \$'000
LAND		
Land at fair value (i)	9,424	9,335
	<u>9,424</u>	<u>9,335</u>
BUILDINGS		
At fair value (i)	33,314	34,900
Accumulated depreciation	–	–
	<u>33,314</u>	<u>34,900</u>

MARINE VESSELS

At fair value (ii)	14,563	9,956
Accumulated depreciation	(5,492)	(4,096)
	<u>9,071</u>	<u>5,860</u>

COMMUNICATION EQUIPMENT

At cost (ii)	575	558
Accumulated depreciation	(541)	(507)
	<u>34</u>	<u>51</u>

COMPUTER HARDWARE

At cost (ii)	1,449	1,356
Accumulated depreciation	(1,285)	(1,179)
	<u>164</u>	<u>177</u>

COMPUTER SOFTWARE

Computer software – cost	879	879
Computer software – cost accumulated amortisation	(541)	(365)
	<u>338</u>	<u>514</u>

FURNITURE AND FITTINGS

At cost (ii)	1,021	1,022
Accumulated depreciation	(933)	(887)
	<u>88</u>	<u>135</u>

OFFICE EQUIPMENT

At cost (ii)	458	405
Accumulated depreciation	(348)	(301)
	<u>110</u>	<u>104</u>

PLANT AND MACHINERY

At cost (ii)	2,214	1,936
Accumulated depreciation	(1,423)	(1,285)
	<u>791</u>	<u>651</u>

MOTOR VEHICLES

At cost (ii)	1,897	1,292
Accumulated depreciation	(620)	(439)
	<u>1,277</u>	<u>853</u>

WORKS OF ART

At cost (ii)	97	97
	<u>97</u>	<u>97</u>

OTHER EQUIPMENT

At cost (ii)	532	465
Accumulated depreciation	(244)	(165)
	<u>288</u>	<u>300</u>

INFRASTRUCTURE - MARITIME

At cost (ii)	2,513	2,513
Accumulated depreciation	(1,293)	(1,211)
	<u>1,220</u>	<u>1,302</u>

LEASED PATROL VESSEL

At capitalised cost	1,650	1,650
Accumulated amortisation	(1,357)	(917)
	<u>293</u>	<u>733</u>

CAPITAL WORKS IN PROGRESS

Buildings (ii) (iii)	1,720	4
Maritime (ii)	508	4,338
Computer software (ii)	715	30
	<u>2,943</u>	<u>4,372</u>
Total Property, Plant and Equipment	<u>59,452</u>	<u>59,384</u>

- (i) Land and buildings were revalued as at 1 July 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. In undertaking the revaluation, fair value was determined by reference to market values for land: \$6,094,900 and buildings: \$910,000. For the remaining balance, fair value of land and buildings was determined by reference to current use of land and depreciated replacement value of improvements. See note 2(g) 'Property, Plant and Equipment and Infrastructure'.
- (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.

Reconciliation

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current financial year are set out below:

2011	Carrying amount at start of year \$'000	Additions \$'000	Disposal \$'000	Transfers from WIP \$'000	Revaluation for the year \$'000	Deprecn. for the year \$'000	Carrying amount at end of year \$'000
Land	9,335	–	–	–	89	–	9,424
Buildings	34,900	–	–	–	(616)	(970)	33,314
Marine vessels	5,860	4,614	(5)	–	–	(1,398)	9,071
Communication equipment	51	18	–	–	–	(35)	34
Computer hardware	177	93	–	–	–	(106)	164
Computer software	514	–	–	–	–	(176)	338
Furniture, fixtures and fittings	135	–	–	–	–	(47)	88
Office equipment	104	61	(1)	–	–	(54)	110
Plant and machinery	651	278	–	–	–	(138)	791
Vehicles	853	810	(122)	–	–	(264)	1,277
Works of art	97	–	–	–	–	–	97
Other equipment	300	67	–	–	–	(79)	288
Infrastructure – maritime	1,302	–	–	–	–	(82)	1,220
Leased patrol vessel	733	–	–	–	–	(440)	293
Work in progress	–	–	–	–	–	–	–
Computer software	30	715	–	(30)	–	–	715
Buildings	4	1,716	–	–	–	–	1,720
Maritime	4,338	657	–	(4,487)	–	–	508
	<u>59,384</u>	<u>9,029</u>	<u>(128)</u>	<u>(4,517)</u>	<u>(527)</u>	<u>(3,789)</u>	<u>59,452</u>
2010	Carrying amount at start of year \$'000	Additions \$'000	Disposal \$'000	Transfers from WIP \$'000	Revaluation for the year \$'000	Deprecn. for the year \$'000	Carrying amount at end of year \$'000
Land	9,105	974	–	–	(744)	–	9,335
Buildings	27,130	10,826	–	–	(2,049)	(1,007)	34,900
Marine vessels	7,139	252	(639)	–	–	(892)	5,860
Communication equipment	144	–	(16)	–	–	(77)	51
Computer hardware	249	31	(2)	–	–	(101)	177
Computer software	690	–	–	–	–	(176)	514
Furniture, fixtures and fittings	198	–	–	–	–	(63)	135
Office equipment	139	21	–	–	–	(56)	104
Plant and machinery	951	53	(199)	–	–	(154)	651
Vehicles	788	409	(205)	–	–	(139)	853
Works of art	97	–	–	–	–	–	97
Other equipment	354	21	–	–	–	(75)	300
Infrastructure – maritime	1,389	–	(5)	–	–	(82)	1,302
Leased patrol vessel	1,173	–	–	–	–	(440)	733
Work in progress	–	–	–	–	–	–	–
Computer software	30	–	–	–	–	–	30
Buildings	8,726	2,104	–	(10,826)	–	–	4
Maritime	672	3,666	–	–	–	–	4,338
	<u>58,974</u>	<u>18,357</u>	<u>(1,066)</u>	<u>(10,826)</u>	<u>(2,793)</u>	<u>(3,262)</u>	<u>59,384</u>

24 IMPAIRMENT OF ASSETS

There were no indications of impairment of property, plant and equipment and infrastructure at 30 June 2011.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

25 PAYABLES

**2011
\$'000** **2010
\$'000**

Current

Trade payables	2,607	1,907
	<u>2,607</u>	<u>1,907</u>

See also note 2(q) 'Payables' and note 35 'Financial Instruments'.

26 BORROWINGS

**2011
\$'000** **2010
\$'000**

Current

Finance Lease Liability(a)	129	245
Borrowings from Western Australian Treasury Corporation	2,774	317
	<u>2,903</u>	<u>562</u>

Non Current

Finance Lease Liability(a)	–	129
Borrowings from Western Australian Treasury Corporation	34,862	3,336
	<u>34,862</u>	<u>3,465</u>

(a) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

The carrying amounts of non-current assets pledged as security are:

Leased Patrol Vessel	293	733
	<u>293</u>	<u>733</u>

27 PROVISIONS

**2011
\$'000** **2010
\$'000**

Current

Employee benefits provision		
Purchased leave	7	–
Annual leave (a)	4,322	3,763
Long service leave (b)	4,782	3,049
	<u>9,111</u>	<u>6,812</u>

Other provisions

Employment oncosts (c)	40	51
	<u>9,151</u>	<u>6,863</u>

Non Current

Employee benefits provision	2011 \$'000	2010 \$'000
Purchased and deferred leave	12	(9)

Long service leave (b)	2,102	1,975
	<u>2,114</u>	<u>1,966</u>
Other provisions		
Employment oncosts (c)	9	16
	<u>2,123</u>	<u>1,982</u>
TOTAL PROVISIONS	<u>11,274</u>	<u>8,845</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 reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

	<u>4,322</u>	<u>3,763</u>
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(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 reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

	1,875	3,790
	<u>5,009</u>	<u>1,234</u>
	<u>6,884</u>	<u>5,024</u>

(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 year	67	72
Additional provisions recognised	(18)	5
Payments/other sacrifices of economic benefit	–	(10)
Carrying amount at the end of year	<u>49</u>	<u>67</u>

The superannuation oncosts are included in the annual and long service leave provisions.

28 OTHER LIABILITIES

	2011	2010
	\$'000	\$'000
Current		
Accrued salaries	841	451
Superannuation accrued	44	47
FBT Accrued	59	48
Other	194	178
Infringement Notice collections payable	35	9
	<u>1,173</u>	<u>734</u>

29 EQUITY

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

ACCUMULATED SURPLUS	2011	2010
	\$'000	\$'000
Balance at the start of the year	3,157	3,914
Adjustment for prior year error	–	–
	<u>3,157</u>	<u>3,914</u>
Results for the year		
Deficit as per Statement of Comprehensive Income	(5,562)	(757)
Balance at the end of the year	<u>(2,405)</u>	<u>3,157</u>
CONTRIBUTED EQUITY		
Balance at the start of the year	44,566	39,166
Contributions by owners (a)	–	–
Capital contribution (a)	5,510	5,400
Total contributions by owners	<u>50,076</u>	<u>44,566</u>

(a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of assets in Treasurer's Instruction 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' from other State government agencies have been designated as contributions by owners and are credited directly to equity.

RESERVES

Asset Revaluation Surplus		
Balance at the start of the year	14,041	16,835
Net revaluation increments/(decrements):		
Land	89	(744)
Buildings	(616)	(2,050)
Balance at the end of the year (a)	<u>13,514</u>	<u>14,041</u>
Total equity	<u>61,185</u>	<u>61,764</u>

(a) 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)

30 NOTES TO THE CASH FLOW STATEMENT**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	3,494	3,464
Cash advances	22	22
Restricted cash and cash equivalents (refer note 19)	2,309	1,994
	<u>5,825</u>	<u>5,480</u>

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

Net cash used in operating activities	(32,373)	(33,595)
<i>Non Cash Items</i>		
Depreciation and amortisation expense	(3,790)	(3,262)
Doubtful Debt expense	(3)	3
Resources received free of charge	(499)	(1,272)
Profit/(Loss) on disposal of assets	24	109
Other	19	(139)
<i>Increase/(Decrease) in Assets</i>		
Accounts receivable - General	914	(361)
Pre-payments	(28)	58
Accrued Income	81	–
<i>(Increase)/Decrease in Liabilities</i>		
Accrued salaries	(390)	(122)
Superannuation Accrued	3	26
FBT Accrued	(11)	41
Other Liabilities	(16)	165
Liability for employee entitlements	(2,429)	(184)
Infringement notice Collections payable	(26)	(7)
Accounts payable - General	(460)	534
<i>Increase/(Decrease) in GST</i>		
Net GST (receipts) / payments	189	51
Change in GST in receivables/payables	(36)	(103)
Net cost of services	<u>(38,831)</u>	<u>(38,058)</u>

31 COMMITMENTS FOR EXPENDITURE**(a) Capital Expenditure Commitments**

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within one year	9,184	4,931
Later than one year and not later than five years	–	–
Later than five years	–	–
	<u>9,184</u>	<u>4,931</u>

The capital commitments include amounts for:

Buildings	<u>3,418</u>	<u>689</u>
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(b) Operating Lease commitments

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:

Within one year	3,159	3,100
Later than one year and not later than five years	8,712	2,263
Later than five years	16,546	13,625
	<u>28,417</u>	<u>18,988</u>

Representing:

Cancellable operating leases	–	–
Non-cancellable operating leases	28,417	18,988
	<u>28,417</u>	<u>18,988</u>

(c) Finance Lease Commitments

Minimum lease payments commitments in relation to finance leases are payable as follows:

Within one year	133	266
Later than one year and not later than five years	–	133
Later than five years	–	–
Minimum lease payments	133	399
Less future finance charges	(4)	(25)
Present value of finance lease liabilities	<u>129</u>	<u>374</u>

The present value of finance leases payables is as follows:

Within one year	133	245
Later than one year and not later than five years	–	129
Later than five years	–	–
Present value of finance lease liabilities	<u>133</u>	<u>374</u>

Included in the financial statements as:

Current (note 26)	129	245
Non-current (note 26)	–	129
	<u>129</u>	<u>374</u>

The operating lease commitments are calculated and forecast based on the information available at the reporting date and do not take into consideration any impacts of future changes arising from market conditions or rental reviews.

These leasing arrangements do not have escalation clauses other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions.

The commitments, where applicable, are inclusive of GST.

32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In addition to the liabilities included in the financial statements, the Department has the following contingent liabilities.

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 report from Environmental Resources Australia Pty Limited that included findings from a recent site assessment. The 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 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.

Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Department may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Litigation

The Department has pending litigation that may affect the financial position. The maximum financial effect is \$65,000.

33 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events occurring after the balance date that require disclosure or adjustment to the financial statements.

34 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 per cent.

(a) Significant variances between estimate and actual for services delivered in 2011**Services**

	2011 Actual \$'000	2011 Estimate \$'000	Variance \$'000
Aquatic Management	20,715	15,697	5,018
<i>The variance between the budget and the actual expenditure is due to additional employee-related costs resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition significant non-salary related costs were incurred in transitioning the West Coast Rock Lobster fishery to quota and the start-up costs associated with implementing a biosecurity (marine pests) program.</i>			
Research and Monitoring	24,040	19,872	4,168
<i>The variance between the budget and the actual expenditure is due to additional employee-related costs resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition significant non-salary related costs were incurred for recreational surveys.</i>			
Marine Safety Service	432	1,558	(1,126)
<i>The 2010/11 Actual has reduced compared to the 2010/11 Budget as the reduced service delivery in this area in 2010/11 has resulted in a reduction in the non-salary related expenses.</i>			

(b) Significant variances in actual costs of services delivered between actuals for 2010 and 2011**Services**

Aquatic Management	20,715	16,932	3,783
<i>The variance between the budget and the actual expenditure is due to additional employee-related costs resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition significant non-salary related costs were incurred in transitioning the West Coast Rock Lobster fishery to quota and the start up costs associated with implementing a biosecurity (marine pests) program. This impacts salaries, supplies and services.</i>			
Marine Safety Service	432	1,131	(699)
<i>This reduction is the result of reduced level of activity in this service.</i>			

(c) Significant variances between estimate and actual for 2011 - Capital Expenditure

	2011 \$'000	2010 \$'000
Capital Expenditure	4,414	(3,597)
<i>The decreased expenditure results from some 2010/11 financial year expenditure, namely construction of the Denham building, being deferred to 2011/12.</i>		

Supplementary Funding Approved During 2010/11 \$'000

Recurrent	
Funding for Aquatic Biosecurity	2,400
2010 Voluntary Severance Scheme – Return of 50 per cent savings	(414)
	<u>1,986</u>

35 FINANCIAL INSTRUMENTS**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Department are cash and cash equivalents, borrowings, finance leases, and receivables and payables. All of the Department's cash is held in the public account. 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 provisions for impairment, as shown in the table at Note 35(c) 'Financial Instruments Disclosures' and Note 20 '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 indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 36(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 drawdowns 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 is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and the Department does not trade in foreign currency and has no borrowings other than from the Western Australian Treasury Corporation and finance leases (fixed interest rate).

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of the financial assets and financial liabilities at the balance sheet date are as follows:

Financial Assets and Liabilities	2011 \$'000	2010 \$'000
Financial Assets		
Cash and cash equivalents	3,516	3,486
Restricted cash and cash equivalents	2,309	1,994
Receivables(a)	48,225	12,165
Total Financial Assets	54,050	17,645
Financial Liabilities		
Financial liabilities measured at amortised cost	40,372	5,934
Total Financial Liabilities	40,372	5,934

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

(c) Financial Instrument Disclosures*Credit Risk, and Interest Rate Risk Exposures*

The following table discloses the Department's maximum exposure to liquidity and interest rate risks as at the balance date.

The Department's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets on the following table. The table is based on information provided to senior management of the Department. The Fixed Interest Rate contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. No adjustment for discounting has been made as it is considered immaterial.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted being past due or impaired.

Interest rate exposures and ageing analysis of financial assets (a)

			Interest rate exposure		Past due but not impaired							Impaired Financial Assets \$'000
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Variable interest rate \$'000	Non- Interest Bearing \$'000	Up to 3 months \$'000	3-12 months \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5years \$'000	More than 5 years \$'000	
Financial Assets												
2011												
Cash Assets	5.03%	3,516	3,516	–	–	–	–	–	–	–	–	–
Restricted cash assets	5.03%	2,309	1,406	903	–	–	–	–	–	–	–	–
Receivables(a)	0.00%	1,944	–	–	1,763	66	119	–	–	–	–	–
Loans and Advances	0.00%	37,636	–	37,636	–	2,772	3,102	3,295	3,500	3,718	21,247	–
Amounts Receivable for Services	0.00%	8,575	–	8,575	–	–	–	–	–	–	–	–
		53,980	4,922	47,114	1,763	2,838	3,221	3,295	3,500	3,718	21,247	–
2010												
Cash Assets	4.03%	3,486	3,486	–	–	–	–	–	–	–	–	–
Restricted cash assets	4.03%	1,994	1,011	983	–	–	–	–	–	–	–	–
Receivables(a)	0.00%	1,103	–	1,103	912	72	119	–	–	–	–	–
Loans and Advances	0.00%	3,653	–	3,653	–	–	–	–	–	–	–	–
Amounts Receivable for Services	0.00%	7,409	–	7,409	–	–	–	–	–	–	–	–
		17,645	4,497	13,148	912	72	119	–	–	–	–	–

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

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes both interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

Interest rate exposure and maturity analysis of financial liabilities														
	Weighted Average Effective Interest Rate %	Carrying Amount \$'000	Interest Rate Exposure			Maturity Dates								
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- Interest Bearing \$'000	Adjustment for discounting \$'000	Total Nominal Amount \$'000	Up to 3 months \$'000	3 -12 months \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5years \$'000	More than 5 years \$'000
Financial Liabilities														
2011														
Payables	0.00%	2,607	–	–	–	–	–	–	–	–	–	–	–	–
WATC borrowings	6.17%	37,636	–	–	–	–	–	–	2,772	3,102	3,295	3,500	3,718	21,247
Finance lease liabilities	7.66%	129	–	–	–	–	–	64	65		–	–	–	–
		40,372	–	–	–	–	–	64	2,837	3,102	3,295	3,500	3,718	21,247
2010														
Payables	0.00%	1,907	–	–	–	–	–	–	–	–	–	–	–	–
WATC borrowings	6.12%	3,653	–	–	–	–	–	–	317	336	356	378	401	1,865
Finance lease liabilities	7.66%	374	–	–	–	–	–	60	185	129	–	–	–	–
		5,934	–	–	–	–	–	60	502	465	356	378	401	1,865

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Interest rate sensitivity analysis

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

The one per cent change in interest rates has no impact on the financial liabilities, and hence the profit and equity, as payables do not attract interests and interest payable on the financial lease is based on fixed interest rate.

	Carrying Amount \$'000	-1% change		+1% change	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2011					
Financial Assets					
Cash Assets	4,922	(49)	(49)	49	49
	Carrying Amount \$'000	-1% change		+1% change	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2010					
Financial Assets					
Cash Assets	4,497	(45)	(45)	45	45

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.

36 REMUNERATION OF SENIOR OFFICERS**Remuneration**

The number of senior officers, whose total of fees, salaries, superannuation and other benefits received or due and receivable, for the financial year, fall within the following bands are:

	2011	2010
< \$110,000	1	1
\$120,001 - 130,000	–	1
\$140,001 - 150,000	1	1
\$150,001 - 160,000	–	1
\$160,001 - 170,000	1	–
\$170,001 - 180,000	1	1
\$190,001 - 200,000	1	–
\$270,001 - 280,000	–	1
\$290,001 - 300,000	1	–
Total remuneration of senior officers	1,016	878

The remuneration includes the superannuation expense incurred by the Department in respect of senior officers. No senior officers are members of the Pension Scheme.

37 REMUNERATION OF AUDITOR

	2011 \$'000	2010 \$'000
Remuneration to the Auditor General for the financial year is as follows:		

Auditing the accounts, financial statements and performance indicators	128	150
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The expense is included in notes 7 and 25.

38 RELATED BODIES

The Department has no related bodies as defined in the *Financial Management Act 2006* and Treasurer's Instruction 951.

39 AFFILIATED BODIES

The Department has no related bodies as defined in the *Financial Management Act 2006* and Treasurer's Instruction 951.

40 SUPPLEMENTARY FINANCIAL INFORMATION**Write-Offs**

During the financial year, debts due to the State were written off under the authority of:

The Accountable Officer	29	4
	29	4

During the financial year these assets were written off the Department's asset register under the authority of:

The Accountable Officer	3	38
Less: Recovered by Insurance	(2)	–
	1	38
The Minister	–	214
Less: Recovered by Insurance	–	286
	–	(72)

Act of Grace Payments

During the financial year, one act of grace payment was made under the authority of:

The Minister	29	27
	29	27

41 JOINTLY CONTROLLED ASSETS

The following represents the Department's 50 per cent ownership interest in the Marine Operations Centre with Department of Transport. The jointly controlled assets are included in the financial statements.

	2011 \$'000	2010 \$'000
Non current assets		
Property, plant, equipment, vehicles and vessels	3,076	3,139
Infrastructure	156	167
	3,232	3,306

DEPARTMENT OF FISHERIES SPECIAL PURPOSE ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011
42 FISHERIES RESEARCH AND DEVELOPMENT ACCOUNT

2010 \$'000		2011 \$'000	2011 \$'000
1,068	Opening balance - 1 July		3,396
	Receipts		
30,035	Contribution from Consolidated Account	27,567	
15,752	Fisheries Access Fees	18,466	
3,500	Development and Better Interests	-	
921	Application Fees	1,303	
65	Interest	380	
5,136	Grants	1,690	
8,636	Other Sundry Revenue	8,878	58,284
65,113			61,680
	Payments		
61,604	Contribution to Fisheries WA operations	58,138	
113	Contribution to Salaries Suspense	115	58,253
61,717			58,253
3,396	Balance 30 June held by Treasury		3,427

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.

43 AFMA ACCOUNT

2010 \$'000		2011 \$'000	2011 \$'000
12	Opening balance - 1 July		20
	Receipts		
21	Funds received from AFMA	-	-
33			20
	Payments		
13	Expenditure on AFMA-related activities	-	-
13			-
20	Balance 30 June held by Treasury		20

The AFMA Account is established under the *FRMA 1994*. The Account is used for transactions relating to the services provided by Department of Fisheries to the Australian Fisheries Management Authority. The purpose of the Account is to hold funds in accordance with section 241 of the *FRMA 1994* which may be applied by the Minister for all or any of the purposes prescribed by section 241(4) of the *FRMA 1994*.

44 RECREATIONAL FISHING ACCOUNT

2010 \$'000		2011 \$'000	2011 \$'000
10	Opening balance - 1 July		10
	Receipts		
10,992	Contribution from Consolidated Account	9,453	
4,985	Recreational Fishing Licences	6,123	15,576
15,987			15,586
	Payments		
15,977	Expenditure on recreational fishing related activities		15,576
15,977			15,576
10	Balance 30 June held by Treasury		10

45 FISHERIES RESEARCH AND DEVELOPMENT CORPORATION ACCOUNT

2010 \$'000		2011 \$'000	
645	Opening balance - 1 July	1,010	
	Receipts		
1,497	Contributions from Fisheries Research and Development Corporation	1,297	
33	Interest	33	
296	Other	270	1,600
2,471		2,610	
	Payments		
1,461	Expenditure on Fisheries WA research-related activities	1,204	
1,461			
1,010	Balance 30 June held by Treasury	1,406	

The purpose of this Account is to hold funds in accordance with section 242 of the *FRMA* 1994 which may be applied by the Minister for all or any of the purposes prescribed by section 242(4) of the *FRMA* 1994. Approval has been granted by the Treasurer to overdraw this Account to a limit of \$300K.

46 FISHERIES ADJUSTMENT SCHEMES TRUST ACCOUNT

2010 \$'000		2011 \$'000	\$'000
1,692	Opening balance - 1 July	426	
	Receipts		
1,013	Specific State contributions to fisheries adjustment	34,921	
2,705		35,347	
	Payments		
3	Administration		
2,276	Unit buy back State Scheme	35,116	
2,279		35,116	
426	Balance 30 June held by Treasury	231	

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.

47 FISHERIES PRIVATE MONEYS TRUST ACCOUNT

2010 \$'000		2011 \$'000	\$'000
60	Opening balance - 1 July	66	
	Receipts		
8	Proceeds from the sale of seized fish	—	
68		66	
	Payments		
—	Monies transferred	7	
2	Monies repaid	—	7
66	Balance 30 June held by Treasury	59	

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.

48 FISH FARM BOND DEPOSITS TRUST ACCOUNT

2010 \$'000		2011 \$'000
105	Opening balance - 1 July	109
	Receipts	
4	Interests	5
109	Balance 30 June held by Treasury	114

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.

**DEPARTMENT OF FISHERIES DISCLOSURE OF FINANCIAL TRANSACTIONS
INDIAN OCEAN TERRITORIES FOR THE PERIOD 1 JULY 2010 TO 30 JUNE 2011**

49 CHRISTMAS ISLAND AND COCOS (KEELING) ISLANDS

	2011	
	\$'000	\$'000
91 Opening Balance 1 July		(147)
Income		
Application fees and Recreational Boat Licences	2	
478 Commonwealth Funding	989	991
569		844
Expenditure		
272 Salaries	326	
65 Travel and accommodation	98	
80 Administration	37	
299 Oncosts	358	819
716		819
(147) Balance 30 June		25

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 the *Fish Resources Management Act (1994)* (WA) (CI) (CKI).

Other Financial Disclosures

Capital Works Program

A new Marine Operations Centre at Denham is under construction and is due to open in 2012. This new centre will facilitate the delivery of the Department's services, including fisheries and marine protected area management, in the Shark Bay World Heritage Area. It will also accommodate staff from the Department of Environment and Conservation and the Shark Bay Volunteer Sea Rescue Group.

The capital program for 2010/11 has funded the continuing upgrade of departmental vessels of various sizes to support the Department's compliance and education services, and research and monitoring program.

Where actual spending is under planned expenditure, adjustments are made to future out-years in the capital program.

The table below details key areas of infrastructure that assists the Department of Fisheries to deliver planned services.

Table 24. Capital Works Program 2010/11

Project Description	Planned Expenditure	Actual Expenditure
	\$'000	\$'000
Information Systems	2,971	1,010
Plant and Equipment	1,718	1,784
Physical Infrastructure	5,134	1,716
Vessels	3,531	827
TOTAL: Capital Works Program	13,354	5,337

Vessels

Major vessel replacements completed for the year included the 20-metre offshore patrol vessel *PV Houtman* based in Geraldton (\$3,361,860), the 11.3-metre rigid inflatable boat *PV Armatus* based in Mandurah (\$471,677), the 8.5 metre rigid inflatable boat *FD 44* based in Exmouth (\$271,069) and the 7.5 metre research vessel *Snipe II* based at Hillarys (\$153,000).

The 23-metre research vessel *RV Naturaliste* based in Fremantle was re-powered as part of its major refit (\$145,000). Routine outboard replacements were completed on small patrol vessels based in Denham and Karratha and

the *PV Walcott* tender vessel (\$73,608 total). Replacement dinghies were completed for Kununurra (\$23,000), Special Operations Unit (\$20,000) and Broome (\$23,000).

All replacements were for the Department's existing fleet in keeping with the rationalisation of the State's vessel assets.

Regional Services operational equipment

Operational equipment was procured to support fisheries compliance and education activities in all regions (\$179,910). Major items included all-terrain vehicles at Denham and Lancelin, computer equipment for training, and surveillance and photographic equipment.

Pricing policy for services provided

The Department of Fisheries operates in an environment where a significant proportion of operating revenue is received from sources other than the Consolidated Account.

The non Consolidated Account sources of revenue include regulatory fees and charges related to commercial fishing, aquaculture and recreational fishing. These fees are set in accordance with government policy.

The basis for setting of these regulatory fees is determined by the nature of the transaction. It can be set at full cost recovery (registry transactions), partial cost recovery (recreational

license fees) and in the case of commercial access to fish resources and water, at an amount to reflect an appropriate payment to the community for that access.

As the Department has developed significant specialist service delivery capacity it is often requested to support activities of other State and Commonwealth agencies. These services are provided on a full cost recovery basis.

Where the Department charges for goods and services rendered on a full or partial cost recovery basis, these fees and charges were 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 and Finance.

Regulations specifying commercial fisheries access and other fees charged by the Department are published in the Government Gazette – see Appendix 3.

Details of the fees for the various categories of aquaculture licences can be found on the Department of Fisheries' website at: <http://www.fish.wa.gov.au/docs/pub/Licencing/AquaFees.php?0307>

A new fee system for the commercial fishing and aquaculture sector in Western Australia has been introduced, following extensive consultation. The new system is designed to improve fairness and planning for the commercial sector and takes



effect in each fishery in the first licensing period after 1 July 2010. Further information can be found on the Department of Fisheries website at: <http://www.fish.wa.gov.au/sec/com/lic/index.php?0205>

Detailed Key Performance Indicators

Certification of Performance Indicators for the year ended 30 June 2011

Treasurer's Instruction 905

Financial Management Act 2006

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 2011.



Stuart Smith

Accountable Authority

August 2011

Performance Indicators 2010/11 for the year ended 30 June 2011

Outcome

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

The effectiveness of the Department in achieving this outcome is determined by its performance against the following mix of resource sustainability, economic and social benefit measures.

Objective 1 – Sustainable Fisheries Management

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

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 *State of the Fisheries and Aquatic Resources Report 2010/11*).

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 2010/11 Budget Papers state that the target for the proportion of fisheries with appropriate breeding stock management is 83 per cent.

For the 2010/11 performance review, 38 fisheries have been utilised, which is the same as in 2009/10.

For the 38 fisheries reviewed, the 'Stock Status and Catch Ranges for Major Commercial Fisheries' section of the Annual Report records that breeding stock assessments are available for the major species taken in 36 (94 per cent) 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 have the potential to become overfished, they are given priority for new research and/or management.

Within the group of 36 assessed fisheries, 30 involve stocks that were considered to have adequate breeding stock levels (83 per cent of fisheries). Four additional fisheries have breeding stocks considered to be recovering at acceptable rates (West Coast Demersal Scalefish Fishery, Shark Bay Snapper Fishery, Southern Shark Fishery, Cockburn Sound Crab Fishery).

The management arrangements introduced for the West Coast Demersal Scalefish Fishery over the past two years to reduce the total level of fishing mortality and catch on these stocks across all sectors by 50 per cent look to be achieving the desired outcomes. The catches have been reduced by 50 per cent, so an initial level of stock recovery is considered to have been initiated.

Ongoing success for the stock is dependent on maintenance of these reduced catches, which is best measured by an examination of the total level of fishing mortality. Monitoring of the status of the indicator species and the catches taken by all sectors is currently underway. The status of the key stocks for this fishery will be fully reviewed in 2012/13 to determine if the initial positive signs that management has been successful are likely to be ongoing. Similarly, the status of the Shark Bay snapper component of the Gascoyne Demersal Scalefish Fishery will be re-assessed in 2012/13.

For the Southern Shark Fishery, only one of the four target species (sandbar shark) has a breeding

stock that will likely remain below acceptable levels for some time due to previous fishing activities (i.e. not from current fishing impacts). Following a detailed review of catch and effort data for the Southern Shark Fishery, a re-assessment of the stocks has revealed that previous management interventions can now be seen to have had a positive impact on the sustainability of dusky shark and whiskery shark.

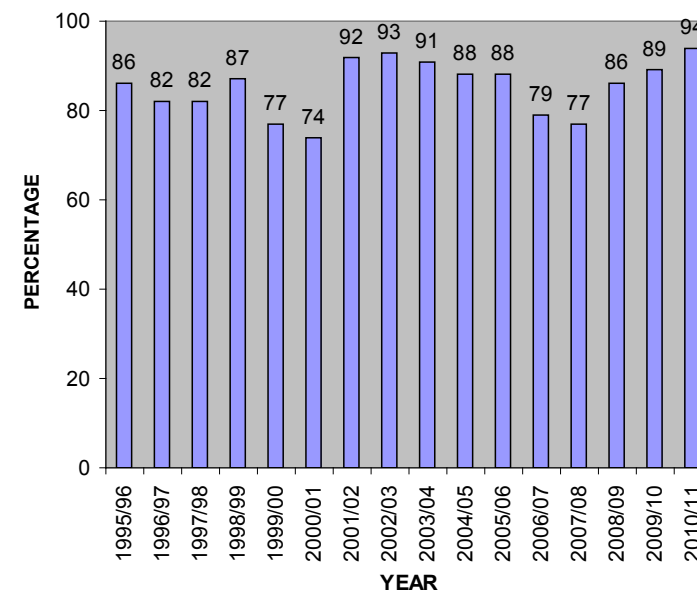
The Cockburn Sound Crab Fishery opened for the first time in three years due to continuing recovery of the breeding stock and improving recruitment. It was opened under precautionary management arrangements (restricted effort) to allow further recovery.

In conclusion, a combined total of 94 per cent of fisheries have breeding stock management that is considered satisfactory (Figure 1), which is above the target level.

For the two remaining fisheries, in the Northern Shark Fishery the sandbar shark stock continues to be depleted, while the South Coast Herring Fishery continues to have an uncertain status. Note that the sandbar shark stock is shared between the northern and southern shark fisheries, with catches in the north currently at zero due to uncertainty for the industry regarding ongoing viability of operating in this region.

Research is continuing on the stocks of herring in the south-west region to determine

whether the recent low catch levels are a result of changes to environmental conditions or a reduction in the breeding stock leading to lowered recruitment, reduced fishing effort, or some combination of the above.



KPI Figure 1. The proportion (%) of commercial fisheries where breeding stocks of the major target species are both assessed and either adequate or recovering adequately to levels to ensure catches can be sustained at maximum levels within the range expected under typical environmental conditions.

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

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 2010/11 Budget Papers state that the target is 90 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. An additional consideration is that market conditions, fleet rationalisation or other factors may result in ongoing changes to the amount of effort expended in a fishery, which will in turn influence the appropriateness of acceptable catch ranges for 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).

Comparisons between the actual catches (or effort) with the target ranges have been undertaken for 33 of the 38 fisheries referred to in the 'Stock Status and Catch Ranges for Major Commercial Fisheries' section – three more than in the previous year. The fisheries for which there are target ranges account for most of the commercial value of WA's landed catch. For the mackerel and deep-sea crab fisheries, effort ranges are not yet available so catch ranges will continue to be used. This approach will also be used for the State's pilchard (purse seine) fisheries as it may not be possible to determine meaningful effort ranges; the three south coast purse seine fisheries are now included

in this year's comparisons because there has been increasing consistency in achieving significant catches.

In the case of the Cockburn Sound Crab Fishery, the recent period of breeding stock recovery has led to a stock level adequate to allow some fishing to resume but it is too early for target ranges of catch and effort to be developed. Similarly the recent significant expansions in the Shark Bay Crab Fishery catch are not thought to pose a risk to the breeding stock but do indicate that a target catch range needs to be developed to ensure this remains the case. Finally, some fisheries had negligible fishing activity for economic reasons and were therefore not assessed.

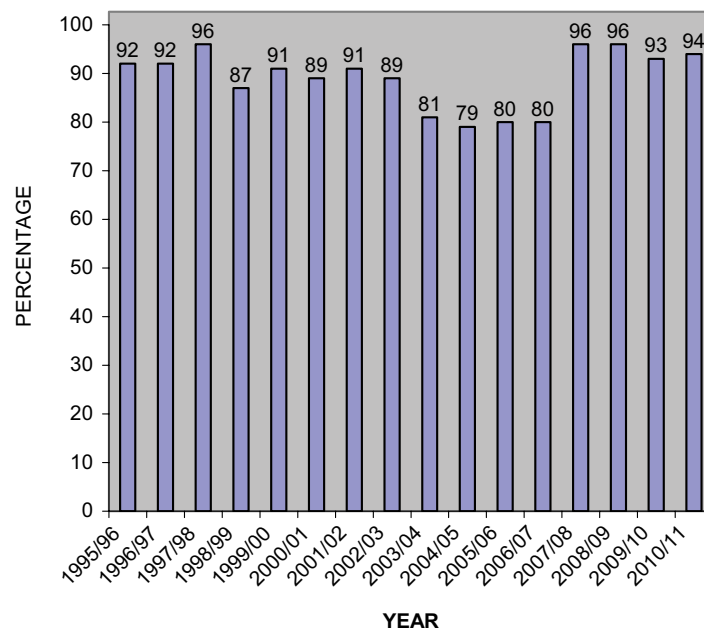
Of the 33 fisheries where 'target ranges' were available and a material level of fishing was undertaken in 2009/10, 10 were catch-quota managed [through a TAC allocated through Individually Transferable Quotas (ITQ)] with 23 subject to effort control management.

All of the ITQ-managed fisheries operated within their target effort/catch ranges or were acceptably below the effort range (Roe's abalone, pearl oysters). In the 23 effort-controlled fisheries, 21 produced catches that were within (16) or acceptably below (five) their target catch ranges. The two fisheries identified where the catch levels were considered to be unacceptably lower (one) or higher (one) than the target range were the

Pilbara Trawl Fishery and the Kimberley Gillnet and Barramundi Fishery respectively.

Recent catches have been declining in the Pilbara Trawl Fishery and there are some questions whether this is due to reduced gear efficiencies following the introduction of protected species bycatch reduction devices. In the Kimberley Gillnet and Barramundi Fishery there has been a considerable increase in barramundi catch in recent years and it has yet to be determined whether this is sustainable.

In summary, 31 (94 per cent) of the 33 fisheries assessed 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 above the target level.



KPI Figure 2. The proportion (%) of commercial fisheries where the catch or effort reported is acceptable relevant to the target management range being applied.

1.3 The percentage of fisheries or fished sectors where current catch shares are known and where catch share allocations are in process or in place

The primary object of the *Fish Resources Management Act 1994* is 'to conserve, develop and share the fish resources of the State for the benefit of present and future generations'. This indicator has been developed to allow reporting

on the 'sharing' of fish resources in Western Australia. In the context of this indicator, 'sharing' means to allocate the fish resources of the State, within sustainability limits, on an equitable basis to various sectoral user groups.

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.

The indicator is presented in two parts:

- The percentage of fisheries or fished stocks for which current estimates of catch shares are available.
- The percentage of those fisheries or fished stocks for which catch sharing allocations are in progress or in place.

The 65 per cent target in the Department's 2010/11 Budget Papers relates to the percentage of fisheries or fished stocks for which current estimates of catch shares are available. The 2010/11 Budget Papers do not provide a target for the percentage of those fisheries or fished stocks for which catch sharing allocations are in progress or in place, but the Department has a target of 25 per cent of catch sharing allocations in progress or in place by 2015.

'Fisheries or fished stocks' can either be a managed fishery for a particular species (e.g. western rock lobster) or a spatially managed area of fishing activity encompassing a number of species (e.g. west coast estuaries). A 'current estimate' (of catch) is defined as being within the past five years (i.e. since 2004/05). Finally, a 'sharing allocation' is defined as a percentage of a total allowable catch or effort.

For the purposes of this indicator, 23 fisheries or stocks have been identified as having both a 'material' commercial and recreational catch share. This is one more than last year, reflecting the re-opening of the Cockburn Sound Crab Fishery. 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).

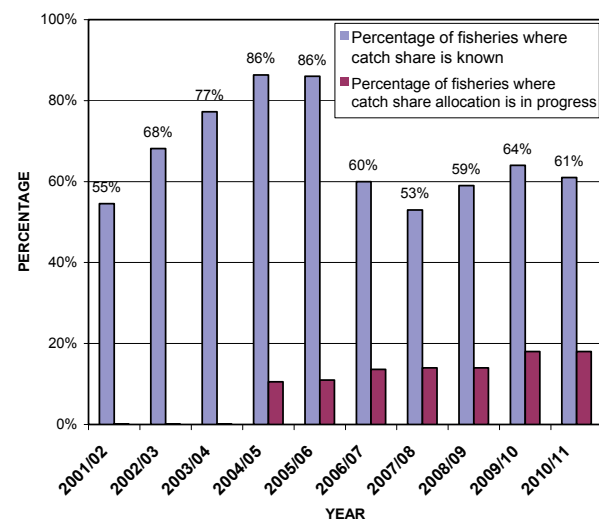
The most recent catch share data used for the first part of the indicator will be reported in the Department's [State of the Fisheries and Aquatic Resources Report 2010/11](#). These shares are

currently based on commercial catch data and from the results of recreational surveys undertaken by the Department's Research Division within the last five years.

The Department has made no assessment of whether these current shares are optimal or equitable with regard to community benefit and it acknowledges that this indicator does not include shares allocated implicitly or otherwise to the conservation sector (via 'no-take' areas) or to other sectors (e.g. Indigenous).

On this basis, the share of catch attributable to the commercial sector and the recreational sector for 2010/11 has been estimated for 14 of the 23 fisheries (61 per cent) (Figure 3).

The second part of the indicator only relates to those fisheries expected to have both ongoing and significant commercial and recreational sectors into the future. For these fisheries, the IFM initiative will generate explicit allocations and/or re-allocations to specific sectors using a formal and structured allocation process. This process has already been completed for western rock lobster and metropolitan abalone fisheries, is currently underway for the West Coast Demersal Scalefish Fishery and the IFM process for the Gascoyne region has now also been initiated. The proportion of fisheries or fished stocks with formal share allocations should increase over time and we are on track to meet the 2015 target level of 25 per cent.



KPI Figure 3. The proportion (%) of fisheries or fished stocks where estimates of catch shares are known and the proportion (%) of fisheries or fished stocks where catch sharing allocations are in progress or in place.

Objective 2 – Maximise the Economic Benefit to the State

2.1 The contribution to the State's gross value of output

The Department seeks to manage the State's fisheries in an economically, socially and environmentally sustainable manner. This performance indicator deals with the economic component of the 'triple bottom line' approach.

Sustainably managed commercial fisheries provide benefits to the State as a result of significant local sales and export earnings from fish and fish products. Commercial fisheries that are not managed sustainably will suffer a reduced value of production as less fish products will be available to the catching and marketing sectors.

The value, at first point of sale, of the production from WA's commercial and pearling/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 2007/08 to 2009/10 in broad groupings is provided in Table 1. The target is for production and value to be stable or increasing.

The overall tonnage of commercially-caught crustaceans in 2009/10 was down compared to 2008/09, mainly reflecting the drop in lobster catch. The decline in production value was again exacerbated by the markets and the exchange rate affecting the value of the lobster, prawn and crab catches. Some improvements in lobster price helped to ameliorate the effects of the poor exchange rate.

The production and value of the molluscan fisheries in 2009/10 were substantially lower than obtained in 2008/09. This was primarily due to low catches of scallops, especially in the Shark Bay scallop fishery, along with the effects of the poor exchange rate.

The finfish sector is comprised of a large number of fisheries and stocks. The annual production and value in 2009/10 decreased marginally from that in 2008/09, with a value of \$31 million.

The value of pearl production rose significantly in 2009/10 and is likely to be a result of improved marketing returns to the industry, despite a continuing unfavourable global economic climate. The production level and value of non-pearl aquaculture for 2009/10 were essentially unchanged from the previous year.

In summary, due to the combination of a drop in the overall tonnage of production in 2009/10 and the lower global economic status of some commodities, the total value of WA fisheries was lower at \$367 million compared to \$394 million in 2008/09. The WA commercial fishing sector continues to be affected by a combination of significant external influences on market values and from the impacts of natural fluctuations in the abundances of key species.

KPI Table 1. Western Australian fisheries production – years 2007/08 to 2009/10

	2007/08(e)		2008/09 (e)		2009/10 (f)	
	tonnes	\$ m	tonnes	\$ m	tonnes	\$ m
Crustaceans	12,615	250	11,074	224	9,999	219
Molluscs	5,520	41	3,918	37	3,055	21
Fish	10,153	34	10,159	32	9,944	31
Other (a)	n/a	n/a	160	0.5	171	0.5
Pearling (b, c)	n/a	113	n/a	90	n/a	99
Aquaculture (d)	1,013	10	1,017	10	1,107	10
TOTAL PRODUCTION	29,301	448	26,328	394	24,276	380

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) Method of estimating the value of pearl production has been updated.
- (d) Excludes hatchery production and algae production for beta carotene.
- (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. The market values (except pearls) are obtained from surveys of the main seafood purchasers/processors.

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

Objective 3 – Maximise the Social Benefit to the State

The Department seeks to manage the State's fisheries in an economically, social and environmentally sustainable manner. This performance indicator deals with the social component of the 'triple bottom line' approach. 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 just looking at fish in their natural environment to 'catching a feed' for the family.

Information for performance indicators 3.1 to 3.3 was derived from a survey to assess the level of success of the Department of Fisheries' activities and functions within the Western Australian community.

The objectives of the survey were to:

- Assess the level of recall and awareness of the Department of Fisheries' information and promotional activities.
- Assess the understanding and support of the community for the Department of Fisheries' management strategies across all four programs (Commercial Fisheries, Recreational Fisheries, Pearling and Aquaculture, and Fish and Fish Habitat Protection).
- Examine key aspects of community fishing and marine habitat appreciation.

The survey was conducted by telephone during June 2011. The telephone numbers were randomly selected from the white pages. Respondents were males and females older than 17 years residing in Western Australia. The total sample of 702 interviews comprised:

- 509 from Major Cities.
- 84 from Inner Regional.
- 109 from Outer Regional/Remote/Very Remote/Migratory.

Roy Morgan Research conducted the field-work to collect data from the community. The Stock Assessment and Data Analysis Branch of the Western Australian Fisheries and Marine Research Laboratories performed the analyses of the survey data.

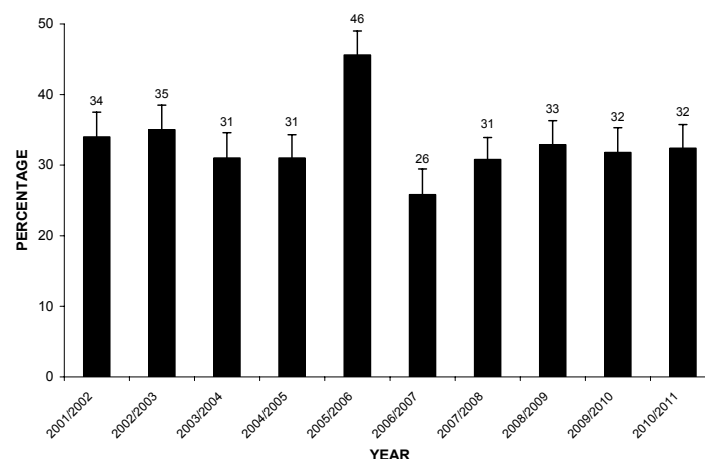
3.1 The participation rate in recreational fisheries

The Department's 2010/11 Budget Papers provide for a participation rate in recreational fisheries of 33 per cent.

The number of people in Western Australia who went recreational fishing at least once in the previous 12-month period was 594,000. This was estimated as 32 per cent of the State's population older than four years of age (using Australian Bureau of Statistics population estimates from the 2006 census). This compares with an actual participation rate of 32 per cent in 2009/10 and 33 per cent in 2008/09 (Figure 4).

The improved response rates (calculated as percentage of contacts that resulted in a completed interview) of about 20 per cent achieved since 2007/08 has provided a less biased estimate of the participation rate than for some earlier years.

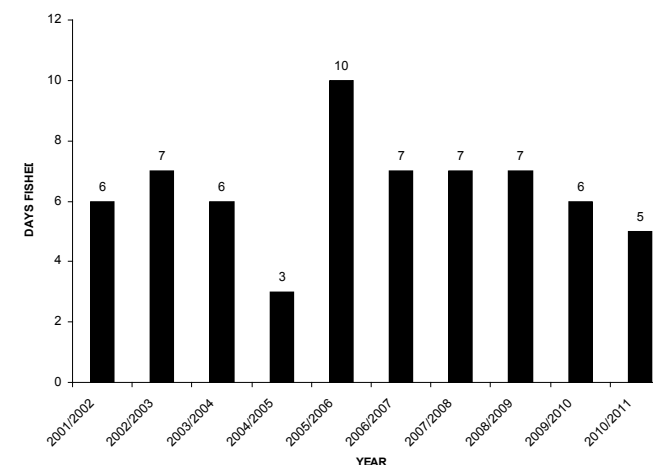
KPI Figure 4. Participation rate in recreational fisheries 2001/2002 – 2010/2011



Days Fished

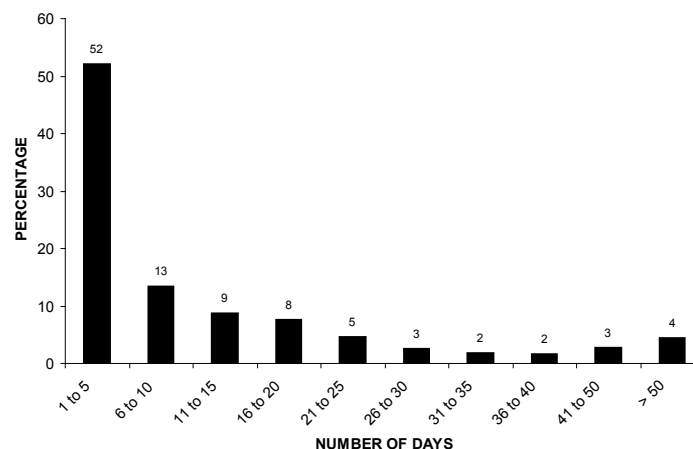
The median number of days fished by recreational fishers in the last twelve months was five days (Figure 5). The median number of days fished was six in 2009/10 and seven in 2008/09.

KPI Figure 5. Median number of days fished by recreational fishers 2001/02 – 2010/11



The number of days fished by recreational fishers in the last twelve months ranges from one to 180 days. The mean number of days fishing was 13 days. Most (52 per cent) recreational fishers in Western Australia fished between one and five days with the median number of days in 2010/11 reducing to 5 (Figure 5). However, some fished for considerably more days giving a skewed frequency distribution (Figure 6).

KPI Figure 6. Distribution for number of days fished by recreational fishers



The Perth Metropolitan area from Yanchep to Mandurah was most popular for recreational fishing with 36 per cent of effort. Other areas that people fished were West Coast other than the Perth Metropolitan area (28 per cent), South Coast – Marine (18 per cent), South Coast – Freshwater (seven per cent), Gascoyne (five per cent), Pilbara/ Kimberley – Marine (five per cent), and Pilbara/ Kimberley – Freshwater (one per cent).

3.2 Satisfaction index for persons participating in recreational fishing.

This performance indicator measures the effectiveness of the Department's recreational fisheries management strategies, by seeking to gauge the level of awareness in the community

about recreational fishing rules and the need for management – including measures such as closed seasons, bag limits, size limits, licence fees – to ensure that there are 'fish for the future'.

An overall satisfaction scoring model or index has been developed to measure and track the satisfaction of recreational fishers.

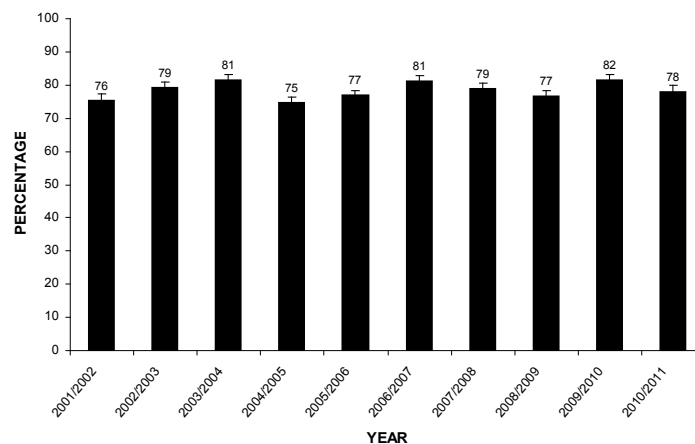
The satisfaction index is a combination of knowledge of management measures and confidence.

Management = the level of the person's awareness of rules and regulations.

Confidence = the level of the person's satisfaction with the number, size and variety of fish caught on their last trip and satisfaction with the overall fishing trip.

The above criteria were rated by each respondent on a scale of one to four, and then amalgamated to provide the satisfaction index. The satisfaction index for recreational fishing was 78.0 per cent with a 95 per cent confidence interval between 76.2 per cent and 79.7 per cent (Figure 7). The satisfaction index is marginally lower than the value of 81.6 per cent for 2009/10 which is consistent with the long-term trend for the satisfaction index to be around 80 per cent.

**KPI Figure 7. Satisfaction index for persons
participating in recreational fishing
2001/02 – 2010/11**



3.3 Satisfaction rating of the broader community and stakeholders as to their perceptions of the extent to which the Department of Fisheries is achieving sustainable fisheries management objectives.

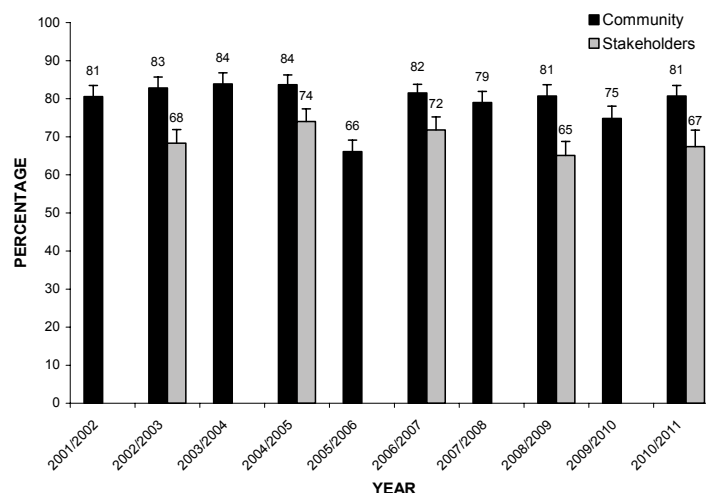
The Department of Fisheries was given a satisfaction rate of 80.7 per cent by the Western Australian public across its four service areas of commercial fishing, recreational fishing, fish and fish habitat protection, and aquaculture and pearling. The 95 per cent confidence interval for the satisfaction rate given by the community was 77.9 per cent to 83.4 per cent. Only respondents that were aware the Department of Fisheries was

responsible for a service area were asked to rate the Department's performance for that service area.

The satisfaction rating for this financial year is slightly higher than the rate of 74.8 per cent estimated for 2009/10 (Figure 8). The satisfaction ratings by the community for the Department continues to remain between about 75 and 85 per cent.

Every second year an additional survey is conducted to measure the satisfaction of Department of Fisheries by its main stakeholders. The 2010/11 survey comprised 152 interviews with representatives from commercial fisheries, recreational fisheries, fish and fish habitat protection, and aquaculture and pearling. The Department of Fisheries was given an overall satisfaction rating of 67.4 per cent by these stakeholder groups (Figure 8). This satisfaction rate is not different than the value of 65.1 per cent from the 2008 stakeholder survey (Baharthah, 2009). The longer-term trend is for this index to lie between 65 and 75 per cent.

KPI Figure 8. Satisfaction rating of the broader community and the Department's stakeholders 2001/02 – 2010/11



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 reported hourly cost includes a component to cover fixed indirect costs.

In calculating the efficiency indicator targets, it is assumed that the Department will operate at full capacity (i.e. all positions occupied) for the full year. This is not normally the case and consequently

the target cost per hour is normally less than the actual cost. This fact is demonstrated in the closer alignment between the actual results from one year to the next.

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 2. Service 1

Service 1 Fisheries Management	Actual 2009/10	Target 2010/11	Actual 2010/11	Variance Actual	Variance Target
Average cost per hour of management (excluding grants and fisheries adjustments)	\$117	\$109	\$152	\$35	\$43

Explanation of Significant Variances

The budget hourly rate is set on the basis that full staffing levels are maintained during the year. As vacancies will invariably occur, the budget amount will in most cases be less than the actuals in any year. The 2010/11 actual hourly rate has been impacted by additional employee-related costs that resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition, significant non salary-related costs were incurred in transitioning the West Coast Rock Lobster Fishery to quota and the start-up costs associated with implementing a biosecurity (marine pests) program.

Service 2: Compliance and Education

Service Description: Through the compliance 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 3. Service 2

Service 2 Compliance and Education	Actual 2009/10	Target 2010/11	Actual 2010/11	Variance Actual	Variance Target
Average cost per hour of compliance and education.	\$164	\$134	\$186	\$22	\$52

Explanation of Significant Variances

The budget hourly rate is set on the basis year. As vacancies will invariably occur, the budget amount will in most cases be less than the actuals in any year. The 2010/11 actual hourly rate has been significantly impacted by reduced number of hours delivered and additional employee-related costs that resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition a significant increase in depreciation expense has impacted on this service in 2010/11.

Service 3: Research and Monitoring

Service Description: The research and monitoring 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 as outlined in the following table.

KPI Table 4. Service 3

Service 3 Research and Monitoring	Actual 2009/10	Target 2010/11	Actual 2010/11	Variance Actual	Variance Target
Average cost per hour of research and monitoring	\$118	\$116	\$126	\$8	\$10

Explanation of Significant Variances

The budget hourly rate is set on the basis that full staffing levels are maintained during the year. As vacancies will invariably occur, the budget amount will in most cases be less than the actuals in any year. The 2010/11 actual hourly rate has been impacted by additional employee-related costs that resulted from a reduction in the minimum service period required to recognise long service leave liability. In addition significant non salary-related costs were incurred for recreational surveys.

Service 4: Marine Safety

Service Description: The marine safety service is delivered on behalf of the Department of Transport. This service includes checks by Fisheries and Marine Officers of recreational boats to ensure compliance with the safety requirements.

Efficiency in Service 4 is described as the average cost per hour for services delivered as outlined in the following table.

KPI Table 5. Service 4

Service 4 Marine Safety	Actual 2009/10	Target 2010/11	Actual 2010/11	Variance Actual	Variance Target
Average cost per hour for delivery of marine safety services	\$143	\$116	\$134	(\$11)	\$18

Explanation of Significant Variances

The budget hourly rate is set on the basis that full staffing levels are maintained during the year. As vacancies will invariably occur, the budget amount will in most cases be less than the actuals in any year. The 2010/11 actual hourly rate when compared to budget hourly rate has been impacted by additional employee-related costs that resulted from a reduction in the minimum service period required to recognise long service leave liability and a significant reduction in the level of services delivered. The 2010/11 actual has reduced compared to the 2009/2010 actual, as the reduced service delivery in this area in 2010/11 has resulted in a reduction in the non salary-related expenses.

Other Legal Requirements

Advertising

In compliance with section 175ZE of the *Electoral Act 1907*, the Department of Fisheries is required to report 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 details of the report are as follows:

Expenditure with advertising agency – Adcorp	\$86,092.61
Expenditure with market research agencies	\$0.00
Expenditure with polling agencies	\$0.00
Expenditure with direct mail agencies	\$0.00
Expenditure with media advertising agencies – Media Decisions	\$181.82
TOTAL EXPENDITURE	\$86,274.43

Disability Access and Inclusion Plan

Through its Disability Access and Inclusion Plan, the Department of Fisheries is committed to delivering services for people with disabilities. The Disability Access and Inclusion Plan ensures equal access to the Department's services that include fisheries management, compliance and education, research and monitoring, and marine safety.

The Disability Access and Inclusion Plan ensures that people with disabilities:

- Have the same opportunities as other people to access the services of, and any events organised by, the Department of Fisheries.
- Have the same opportunities as other people to access the buildings and other facilities of the Department.
- Receive information from the Department in a format that will allow ready access to it.
- Receive the same level and quality of service from the Department.
- Have the same opportunities as other people to make complaints to the Department.
- Have the same opportunities as other people to participate in any public consultation by the Department.

The Disability Access and Inclusion Plan identifies six outcomes for the Department of Fisheries to achieve:

Outcome 1

The Department is committed to ensuring all events are planned using the Accessible Events Checklist, which is available on the Department's Intranet.

The Department has developed standard wording for all information bulletins and event invitations, to enable attendees to indicate the nature of any access requirements they have.

Outcome 2

The Department has undergone ongoing audits to identify any access barriers to its premises.

Outcome 3

The new redevelopment of the Department's of Fisheries main website will ensure compliance with the WA Government's Website Governance Framework including its accessibility and recordkeeping requirements (including W3C, WCAG, and the *Records Keeping Act*). The Department continues to be committed to improving community awareness of departmental information by making it available in alternative forms.

Outcome 4

The Department is committed to improving staff awareness of disability and access

issues with the aim of providing improved service delivery.

Outcome 5

The Department is committed to ensuring that current complaints, policies and procedures are accessible to people with disabilities.

Outcome 6

The Department monitors the progress of its Disability Access and Inclusion Plan. The Department will continue to progress improvements in its delivery of services and, in particular, to the special needs of those with a disability.

The Department also supports the fishing workshops for the disabled operated by the Fishers with Disabilities Association Incorporated and provides a grant to assist the association meet its administration and insurance costs.

In addition to initiating the fishing workshops program for Fishers with Disabilities several years ago through its volunteer program, the Department of Fisheries contributes several members of staff to the board of the association. The Department allows these board members to attend board meetings and conduct association-related business during working hours while employed

by the Department. The Department has also similarly supported employees who have volunteered to assist in conducting fishing workshops operated by the association.

Human Resources Management Standards and Ethical Codes

The Department of Fisheries' Human Resource Management policies are written to support the achievement of its human resources strategy and to comply with the Human Resource Management Standards for Western Australia's public sector.

All human resource policies, including the Conduct and Behaviour Guide, are available to staff via the Department's Intranet. The Department continues to have very low numbers of claims relating to breaches of standards and ethical codes.

The Conduct and Behaviour Guide has been reviewed and discussed at visits by human resources staff to all regional centres. Completion rates for the online training course continue to improve.

For 2010/11 the Department reported the following compliance issues:

Compliance issues	Reported for 2010/11
Public Sector Standards in Human Resource Management Breach Claims	One claim against the Recruitment, Selection and Appointment Standard was received in 2010/11 but is not yet resolved.
Non-compliance with the WA Code of Ethics	No reports of non-compliance with the Code of Ethics were submitted.
Allegations of Misconduct under the Disciplinary provisions of the <i>Public Sector Management Act 1994</i>	Two cases were reported within the 2010/11 year, but no breaches of discipline were found. No cases remain to be carried forward to 2011/12.

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 of Fisheries assists the Minister in the administration of legislation under five State Acts of Parliament (see the 'Profile of the Department of Fisheries' section of this Annual Report).

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 of Fisheries complies with the following relevant 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 affect the Department's activities. These are listed in Appendix 3.

Reporting on Record Keeping Plans

(State Records Act 2000, Section 61 and State Records Commission Standards, Standard 2, Principle 6)

The Department of Fisheries is committed to the development and implementation of good record keeping practices and meeting our legislative requirements of the *State Records Act 2000* and the State Records Commission Standard 2, Principle 6.

In accordance with section 28 of the *State Records Act 2000* and the expiry of the 2008 Recordkeeping Plan, the Department was required to review and submit its amended Recordkeeping Plan in 2011. The plan was formally submitted to the State Records Commission for approval and approved in April 2011. The approved recordkeeping plan, with actions and deliverables, will help the Department to achieve its recordkeeping goals and is effective until April 2016.

The Department's functional Retention and Disposal schedule requires amendment and submission to the State Records Commission for approval during financial year 2011/12.

The Department is currently operating in a paper-based environment that has been recently reviewed. As a consequence of this review, it was decided that the effectiveness and efficiency of the Department's record keeping system needed to be overhauled. The Corporate Information section is making progress to develop, and will ultimately

implement, an Electronic Document and Records Management System (EDRMS), inclusive of a Business Classification scheme. The creation and appointment of the position of Chief Information Officer to support this initiative should see an EDRMS delivered in the 2012/13 financial year.

Following a review of the Department's record keeping training program, a new program was developed in 2010/11. The new program covers essential information specific to the Authority's Record Keeping Plan, records management policies, business processes and information management initiatives. Approximately 90 per cent of current staff have completed and passed the online Record Keeping Awareness Training Course.

As part of their induction, new staff members are required to complete the training within two weeks of commencing at the Department of Fisheries. In addition, new staff members are provided with one-on-one training by Corporate Information staff that includes an introduction to the record keeping practices at the Department.

Public Interest Disclosures

(Public Interest Disclosures Act 2003, S23 (1) (f))

The *Public Interest Disclosure Act 2003* came into effect on 1 July 2003, requiring the Department of Fisheries to:

- Facilitate the disclosure of public interest information.

- Provide protection for those who make disclosures.
- 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.

Nil public interest disclosures were received during 2010/11.

Government Policy Requirements

Substantive Equality

Since 2006 the principles of Substantive Equality have been adopted by the Department of Fisheries through the development of an Aboriginal Fishing Strategy and the adoption of a Customary Fishing Policy.

The Department has also met its Substantive Equality responsibilities with the production of recreational fishing information written in the Vietnamese language. An example includes *Crabbing for Blue Swimmer Crab Stocks in the West Coast Region* that is currently posted on the Department's website.

The Department has identified that the next stage of the priority service area will be a *Needs and Impact Assessment* regarding the licensing of aquatic charter activities of Aboriginal and minority ethnic groups. A preliminary scoping document was developed during 2009/10 outlining the background to current management arrangements for Aboriginal fishing tour operators. The *Needs and Impact Assessment* work will be undertaken as part of the

overall review of the aquatic charter industry that is due to be completed by the end of 2011.

Public Sector Compliance and Ethical Codes

The Department of Fisheries' Human Resource Management (HRM) policies are written to support the achievement of its HR strategy and to comply with the HRM standards for WA's public sector. All HR policies, including the Conduct and Behaviour Guide, are available to staff via the Department's Intranet. The Department continues to have very low numbers of claims relating to breaches of standards and ethical codes.

The Conduct and Behaviour Guide has been promoted and discussed at visits by HR staff to all regional centres and completion rates for the online training course continue to improve.

For 2010/11 the Department reports the following compliance issues:

Compliance issues	Reported for 2010/11
<i>Public Sector Standards in Human Resource Management Breach Claims</i>	One claim against the Recruitment, Selection and Appointment Standard was received in 2010/11.
<i>Non-compliance with the WA Code of Ethics</i>	No reports of non-compliance with the Code of Ethics were submitted
<i>Allegations of Misconduct under the Disciplinary provisions of the Public Sector Management Act 1994</i>	Two cases were reported and finalised within the 2010/11 year however no breaches of discipline were found.

Occupational Safety and Health and Injury Management

The Department of Fisheries is committed to ensuring the health, safety and welfare of all its employees and others who may be affected by its operational activities. The Department aims to engage in 'best practice' safety and health management practices, including education, training, reporting and accountability. The Occupational Safety and Health (OSH) Committee meets bi-monthly and comprises regional and metropolitan representatives. Safety and Health issues can be raised with these representatives through the Department's Hazard Accident Incident Report (HAIR) process.

To ensure employees are kept informed about OSH matters, the Intranet is regularly updated and the OSH bulletin is distributed to all staff following each OSH committee meeting.

Several achievements in the area of Occupational Safety and Health in 2010/11 are worthy of note including:

- Pia Carter, a Fisheries Management Officer based in the Northern Region, was nominated and won a Work Safety Award in the category of 'Best individual contribution to safety and health (a) No Formal OSH Responsibilities' for her work in improving safe work practices at the Broome Aquaculture Park.
- Corporate Health Expos were held in Perth, Hillarys and Broome. Participants were provided with a broad range of health and wellness information and were able to participate in some basic health checks and fitness assessments. More Expos are planned for regional offices in 2011/12.
- Establishment of a Suicide Prevention and Awareness working group that will lead implementation of a Suicide Prevention Strategy in support of the Government Plan for 2009 – 2013.

Table 25. Occupational Safety and Health and Injury Management Performance against Key Indicators

Measure	Actual Results		Results Against Target	
	2009/10	2010/11*	Target	Comments
Number of fatalities	Zero	Zero	Zero	Target achieved
Lost time injury/disease (LTI/D) incidence rate	1	1.2	Zero or 10% reduction on previous year	The Department had five lost time injuries for the year which increased the incidence rate slightly above the target.
Lost time injury severity rate	25	40	Zero or 10% improvement on previous year	Two of the five lost time injuries had lost time exceeding 60 days. The stress claim and hearing claim both have complex injury management factors.
Percentage of injured workers returned to work within 28 weeks	75%	60%	Actual percentage results to be reported	Outside of the two severe claims (above) lost time was minimal for the remaining injured workers. However, the percentage presents as being higher due to the small number of lost time injuries (five) in total.
Percentage of managers trained in occupational safety, health and injury management responsibilities	20%	32%	Greater than or equal to 50%	Additional supervisory OSH training has been delivered through 2010/11 however the bulk of the supervisor/manager training has been scheduled to take place in 2011/12. As such, the Department is on track to meet this target in 2011/12.

* Actual results for 2010/11 are based on calculations of 419 FTE and five lost time injuries. Two of those injuries resulted in lost time exceeding 60 days with workers not returning to work within 28 weeks.

Ministerial Directives

No Ministerial directives were received during the financial year.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms which senior officers are members, or entities which senior officers have substantial interests, had any interests in existing or proposed contracts with the Department of Fisheries and senior officers.