

Part 4

Jobs and Economic Development

Summary of Portfolio Appropriations

Agency	2017-18 Budget \$'000	2017-18 Estimated Actual '000	2018-19 Budget Estimate '000
Jobs, Tourism, Science and Innovation			
– Delivery of Services	157,907	143,466	152,100
– Administered Grants, Subsidies and Other Transfer Payments	21,983	21,983	22,236
– Capital Appropriation	150	150	150
Total	180,040	165,599	174,486
Primary Industries and Regional Development			
– Delivery of Services	186,631	192,807	174,880
– Administered Grants, Subsidies and Other Transfer Payments	1,600	1,600	1,550
– Capital Appropriation	1,085	1,085	285
Total	189,316	195,492	176,715
Mines, Industry Regulation and Safety			
– Delivery of Services	128,435	129,755	126,562
– Administered Grants, Subsidies and Other Transfer Payments	49,853	57,733	43,862
– Capital Appropriation	350	350	-
Total	178,638	187,838	170,424
Small Business Development Corporation			
– Delivery of Services	12,439	10,751	12,111
– Capital Appropriation	60	60	60
Total	12,499	10,811	12,171
Rural Business Development Corporation			
– Delivery of Services	235	235	235
Total	235	235	235

Part 4

Jobs and Economic Development

Summary of Portfolio Appropriations

Agency	2017-18 Budget \$'000	2017-18 Estimated Actual '000	2018-19 Budget Estimate '000
Economic Regulation Authority			
– Delivery of Services	2,640	2,627	2,056
Total	2,640	2,627	2,056
GRAND TOTAL			
– Delivery of Services	488,287	479,641	467,944
– Administered Grants, Subsidies and Other Transfer Payments	73,436	81,316	67,648
– Capital Appropriation	1,645	1,645	495
Total	563,368	562,602	536,087

Division 15 Jobs, Tourism, Science and Innovation

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 Actual ^(a) \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 40 Net amount appropriated to deliver services.....	139,202	156,931	142,782	151,419	148,813	143,816	141,120
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,224	976	684	681	687	687	692
Total appropriations provided to deliver services	140,426	157,907	143,466	152,100	149,500	144,503	141,812
ADMINISTERED TRANSACTIONS							
Item 41 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	17,471	21,983	21,983	22,236	22,494	22,759	22,759
CAPITAL							
Item 108 Capital Appropriation	640	150	150	150	150	150	150
TOTAL APPROPRIATIONS	158,537	180,040	165,599	174,486	172,144	167,412	164,721
EXPENSES							
Total Cost of Services	169,105	188,696	172,978	193,918	185,340	168,971	164,554
Net Cost of Services ^(b)	162,664	180,364	165,204	187,464	179,622	163,723	159,306
CASH ASSETS ^(c).....	37,350	29,028	26,621	19,958	17,619	15,893	16,441

- (a) The 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.
 (b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
 (c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Office of Defence West.....	-	1,976	2,887	-	-
Senior Executive Service Reduction	(500)	(1,000)	(1,000)	(1,000)	(1,000)
State Science, Technology, Engineering and Mathematics Strategy	-	970	1,263	563	563

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Other					
Contribution to Broome Port Authority - Dredging Project	(2,250)	-	-	-	-
New Public Sector Wages Policy	(300)	(551)	(802)	(1,060)	-
Removal of Payroll Tax Liability	(534)	(534)	(534)	(534)	(534)
State Fleet Policy and Procurement Initiatives	(25)	(37)	(36)	(36)	(44)
Transfer Minnipup Pool Tourist Caravan Park Program to the Department of Primary Industries and Regional Development (DPIRD)	(200)	(300)	-	-	-
Transfer Part of the Collie Future Fund to the DPIRD	(1,000)	(250)	(250)	(250)	(250)
Voluntary Targeted Separation Scheme ^(a)	758	(1,181)	(1,193)	(1,206)	(1,223)

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April Budget 2018 cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

Western Australian Jobs

- The Department has responsibility for driving the Government's number one priority: to diversify the economy and create jobs.
- The Department will oversee the implementation of the *Western Australian Jobs Act 2017* (the Act), which will ensure that Western Australian businesses get a greater share of the contracts to supply goods, services and works to the Government, creating more jobs for local workers. WA Industry Link has been launched and a number of pilot projects have been announced to test the new tendering system. The full implementation of the new tendering arrangements will be rolled out across government in late 2018.
- The Industry Link Advisory Service (ILAS) has been established under the Act and is designed to assist local Western Australian businesses to secure more work from State Government contracts, thereby creating more local jobs. ILAS will provide advice and assistance to small to medium-sized enterprises (SMEs) on inclusion in supply contracts to Government. ILAS also seeks to improve SMEs' capability and capacity through direct engagement and engagement via head contractors and agencies and by providing industry support and financial assistance programs.
- Consistent with the Plan for Jobs, the Government has signalled that it will enact a Skilled Local Jobs Bill that will require a skilled work agreement to be implemented on all major resource projects. Preliminary work on drafting the Bill will be required in the 2018 calendar year.

State Development

- Gas flow from the North West Shelf fields starts to decline in the 2020s. The North West Shelf Joint Venture is looking for new sources of gas. Options include accelerating gas production from other fields and, in the longer term, development of the Browse fields. Processing of new sources of gas is subject to Ministerial approval and domestic gas commitments under the North West Shelf State Agreement. Securing the future of the North West Shelf will strengthen the State's economy and create jobs.
- The Department continues to ensure that land and infrastructure is available for future project development. Global demand for lithium ion battery minerals has resulted in demand for strategic industrial land in Western Australia for projects such as Tianqi, Albemarle and WA Lithium's proposed lithium processing plants at Kwinana and Kemerton. This is achieved, in part, by creating and managing strategic industrial areas throughout Western Australia that are suitable for new industrial activities thereby diversifying the economy and creating regional development.
- In October 2017, Government agreed to participate in the Commonwealth's \$5 billion Northern Australia Infrastructure Facility (NAIF), which provides concessional loans to private sector economic infrastructure projects in Northern Australia. The Department is working with NAIF to identify suitable projects under the program.

Growth of the Western Australian Tourism Industry

- The Government allocated \$425 million over five years to Tourism WA for destination marketing and tourism.
- Tourism is a major focus of the Government and forms a vital part of the Government's plan to create jobs, provide small business opportunities for Western Australians and strengthen and diversify the economy. This has been backed by providing long-term secure funding for Tourism Western Australia and the development of a results-driven action plan for the next two years. This plan capitalises on the remarkable and ongoing transformation of Perth, including new and more affordable hotels, along with new sport and entertainment infrastructure such as Optus Stadium and Perth Arena.
- New international aviation links and an increase in international aviation capacity to Western Australia are critical to increasing visitation which in turn creates jobs and contributes to the State's economic growth. Qantas has recently commenced its non-stop flights between Perth and London, repositioning Perth as Australia's western gateway for travellers from Europe. However, more routes into Perth are needed and the State Government is working with Perth Airport to target several airlines to increase or secure new inbound services from key markets, including China, Japan and South East Asia.
- Western Australia is hosting the Australian Tourism Exchange in 2019. This is Australia's premier tourism trade event and the largest international travel trade show of its kind in the Southern Hemisphere. The event provides a forum for Australian tourism businesses to meet with key international buyers from around the world. The event is organised by Tourism Australia and each year around 3,000 delegates attend, including key Australian sellers and buyers from more than 30 countries, and more than 80 international and Australian media. Visiting delegates represent key influences in the tourism industry with the ability to drive visitation into Western Australia.

International Education, Trade and Investment

- The Department will finalise the development of an International Education Strategy for Western Australia to support the industry to increase the number of higher education, vocational and school students coming to study in Perth. The Government's commitment of \$2 million over five years will enable the Department to partner with StudyPerth members to implement a long-term international education strategy.
- Major global shifts in trade policies and trading conditions, including USA-China trade tensions, British exit from the European Union, North America trade renegotiations, Trans-Pacific Partnership impacts and continued rollout of China's trade policy, are expected to have significant influences on global economic growth rates and international trade. This will require Government trade offices to exercise increased agility in responding to market shifts and opportunities to assist Western Australian companies.

Defence West

- Since its establishment in May 2017, Defence West has worked with local industry, universities and education and training providers to grow and promote the State's defence industry capability. In 2018-19 Defence West will deliver an Indo-Pacific Defence Conference to upskill local industry and assist them in accessing defence opportunities. Defence West will also continue its work in preparation for the Commonwealth's \$3.5 billion Offshore Patrol Vessel Program, including progressing the planning and development of fit-for-purpose infrastructure at the Australian Marine Complex in Henderson to support current and future requirements.

Science and Innovation

- The importance of Science, Technology, Engineering and Mathematics (STEM) skills as a means to support the new economy and create the jobs of the future is increasingly being recognised. Funding of \$3.3 million over four years will be provided under a State STEM Strategy, developed by an across-sector Panel under the leadership of the Western Australia Chief Scientist, to enhance STEM skills across the State through a range of initiatives designed to prepare Western Australia's workforce for future jobs.
- The Government's allocation of \$17.8 million over four years to the New Industries Fund (NIF) will continue to build capability, diversify the economy and create local jobs. Of that amount, \$4.5 million has been allocated to regional Western Australia. Under the NIF, support is being provided to the development of sector specific innovation hubs, the first of which was the Joondalup Innovation Hub, launched in November 2017, with a focus on cyber security.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister for State Development; Jobs and Trade, Minister for Tourism; Defence Issues, Minister for Commerce and Industrial Relations; Asian Engagement, Minister for Innovation and ICT; Science, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

The relationship of Ministers to services is shown below.

Responsible Ministers	Services
Minister for State Development; Jobs and Trade Minister for Defence Issues Minister for Commerce and Industrial Relations; Asian Engagement Minister for Innovation and ICT; Science	1. Development of Industry Sectors and Facilitate Investment
Minister for Tourism	2. Destination Marketing 3. Event Tourism 4. Tourism Destination Development

Outcomes, Services and Key Performance Information

Where practical, Key Performance Information for the 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs.	1. Development of Industry Sectors and Facilitate Investment
	Increased competitiveness and viability of the Western Australia Tourism industry.	2. Destination Marketing 3. Event Tourism 4. Tourism Destination Development

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Development of Industry Sectors and Facilitate Investment.....	76,958	88,898	80,007	100,059	95,046	79,064	74,509
2. Destination Marketing.....	48,744	45,620	48,888	48,358	45,578	45,518	45,600
3. Event Tourism.....	28,706	39,999	33,080	39,099	39,887	39,569	39,598
4. Tourism Destination Development.....	14,697	14,179	11,003	6,402	4,829	4,820	4,847
Total Cost of Services.....	169,105	188,696	172,978	193,918	185,340	168,971	164,554

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs:					
Extent to which agreed milestones for projects where the Department is the lead agency are achieved within the reporting period.....	74%	85%	85%	85%	
Extent to which State Agreement proponents comply with their reporting obligations and meet the Agreement objectives	96%	95%	95%	95%	
Outcome: Increased competitiveness and viability of the Western Australia Tourism industry:					
Total dollar amount spent by visitors in Western Australia	\$10 billion	\$10 billion	\$9.6 billion	\$10 billion	
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	99%	90%	98%	90%	
Value of cooperative marketing funds provided by the tourism industry.....	\$8.7 million	\$6.5 million	\$9.5 million	\$7.5 million	1
Direct economic impact of major events sponsorship ^(b)	\$56.8 million	\$50 million	\$54.4 million	\$50 million	
Direct media impact of major events sponsorship ^(b)	\$156 million	\$140 million	\$106 million	\$110 million	2

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) Effectiveness indicators in relation to economic and media impact of events include the measurement of events where the level of sponsorship is deemed significant or where the event is expected to generate a significant impact. It is not practical or economically feasible to measure the impact of all sponsored events.

Explanation of Significant Movements

(Notes)

- In general, budget targets are lower than actual and estimated actual figures as a number of agreements are not yet negotiated at the time the Budget is published. The 2018-19 Budget Target is lower than the 2017-18 Estimated Actual as there has been consolidation and increased competition of tourism trade partners. The indication is that some partners may commit at a lesser rate or are unable to match funding in cash. Growth from the 2016-17 Actual to the 2017-18 Estimated Actual has largely been driven by increased cooperative activity with existing and new partners in the domestic market.
- The 2017-18 Estimated Actual is less than the 2017-18 Budget due to a decrease in signage received, which impacted brand visibility, in the assessment of media value.

Services and Key Efficiency Indicators

1. Development of Industry Sectors and Facilitate Investment

Benefits the Western Australian community by facilitating private sector investment and strategic public infrastructure in the State and promoting Western Australia as a source of internationally competitive products and services.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 76,958	\$'000 88,898	\$'000 80,007	\$'000 100,059	1
Less Income	3,798	5,185	5,002	5,164	
Net Cost of Service	73,160	83,713	75,005	94,895	
Employees (Full Time Equivalents) ^(a)	177	191	183	183	
Efficiency Indicators ^(b)					
Average Cost per Project Facilitated ^(c)	\$509	\$583	\$536	\$638	2
Average Cost per Identified Major State Initiative.....	n/a	n/a	n/a	n/a	

(a) Full Time Equivalents reported for 2016-17 Actual, 2017-18 Budget and 2017-18 Estimated Actual have been recast on an estimated basis to include comparative Machinery of Government changes.

(b) Efficiency indicators for the new agency are under review and will be developed in 2018-19.

(c) The Average Cost per Project Facilitated may be impacted from year to year by the addition of or cessation of finite funding for specific projects.

Explanation of Significant Movements

(Notes)

- The movement between the 2017-18 Estimated Actual and the 2018-19 Budget Target is driven by several key factors. Reflows of existing budget from prior years increase expenditure by \$9.2 million. New funding for the Office of Defence West increases expenses by \$2 million. The Serviced Lands election commitment is profiled to commence in 2018-19, increasing expenditure by \$5.3 million. Similarly, the Collie Future Fund election commitment increases expenses by \$3.8 million. Other programmed budget funding timelines result in an increase of \$1.6 million, while Budget repair savings measures reduce expenditure by \$1.7 million.
- The increase in Average Cost per Project Facilitated in the 2018-19 Budget Target reflects the commencement of two significant election commitment programs - Collie Future Fund and Serviced Lands at Shotts and Kemerton.

2. Destination Marketing

In partnership with the tourism and travel industry, Regional Tourism Organisations, Perth Convention Bureau, Western Australian Indigenous Tourism Operators Council and Tourism Australia, Tourism Western Australia promotes Western Australia as a desirable holiday destination in core intrastate, interstate and international markets and undertakes marketing strategies that maximise the economic benefit to the State.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 48,744	\$'000 45,620	\$'000 48,888	\$'000 48,358	
Less Income	889	949	963	973	
Net Cost of Service	47,855	44,671	47,925	47,385	
Employees (Full Time Equivalents)	54	54	53	53	
Efficiency Indicators					
Tourism Destination Marketing Administrative Costs as a Proportion of Total Cost of Services Allocated to Destination Marketing	23%	25%	19%	21%	1

Explanation of Significant Movements

(Notes)

- The decrease (improvement) in the efficiency indicator between the 2017-18 Budget and the 2017-18 Estimated Actual is due to an increase in the Destination Marketing activity budget without a proportionate increase in administration costs.

3. Event Tourism

Tourism WA develops, attracts and supports events that generate social and economic benefit to the State and market Western Australia nationally and internationally.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 28,706	\$'000 39,999	\$'000 33,080	\$'000 39,099	1
Less Income	106	162	155	159	
Net Cost of Service	28,600	39,837	32,925	38,940	
Employees (Full Time Equivalents)	21	22	21	21	
Efficiency Indicators					
Event Tourism Administrative Costs as a Proportion of Total Cost of Services Allocated to Event Tourism	14%	11%	10%	10%	2

Explanation of Significant Movements

(Notes)

- The increase between the 2016-17 Actual and the 2017-18 Budget is the result of the Government's commitment to set Event Tourism baseline funding at \$40 million per annum for five years. The 2017-18 Estimated Actual represents a reduced level of expenditure due to uncommitted events budget being either redirected to other Tourism-related activity or recashflowed to 2018-19 for marketing activity as well as a reduction in corporate overheads. Total expenditure of \$425 million is forecast to be spent on Destination Marketing and Event Tourism over five years from 2017-18.
- The decrease (improvement) between the 2016-17 Actual and 2017-18 Budget is the result of an increase in Event Tourism funding without a proportionate increase in the level of administration costs.

4. Tourism Destination Development

This service focuses on tourism supply side issues; working across Government and the industry to determine the needs of destinations in terms of access, accommodation, attractions and amenities; and facilitating the filling of gaps through private or public investment and policy settings.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 14,697	\$'000 14,179	\$'000 11,003	\$'000 6,402	1
Less Income	1,648	2,036	1,654	158	
Net Cost of Service	13,049	12,143	9,349	6,244	
Employees (Full Time Equivalents)	24	24	22	20	
Efficiency Indicators					
Tourism Destination Development Administrative Costs as a Proportion of Total Cost of Services Allocated to Tourism Destination Development	34%	36%	36%	63%	2

Explanation of Significant Movements

(Notes)

- The decrease in Total Cost of Service between the 2017-18 Budget and 2017-18 Estimated Actual is due to the recashflowing of uncommitted budget to 2018-19 for marketing activities, the transfer of the Minnipool Tourist Caravan Park program to DPIRD and a reduction in corporate overheads allocated to Tourism Destination Development. The budget decrease in 2018-19 is mainly the result of three finite programs ceasing in 2017-18: the Caravan and Camping program (\$2.2 million), Regional Visitor Centres program (\$1.4 million) and the Tourism Demand Driver Infrastructure grant program (\$1.8 million).
- The substantial increase in 2018-19 is mainly due to the cessation in 2017-18 of three finite programs (see note 1 above) without a proportionate decrease in administration costs.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
Information and Communications Technology (ICT)							
Replacement							
Perth Office.....	177	42	15	15	20	-	100
Overseas Offices	265	95	45	30	25	45	70
COMPLETED WORKS							
2017-18 Asset Replacement Program	625	625	625	-	-	-	-
Motor Vehicle Replacement - 2017-18 Program	165	165	165	-	-	-	-
Other Works - Southern Precinct.....	1,865	1,865	700	-	-	-	-
NEW WORKS							
ICT Asset Replacement Development and Other							
Infrastructure							
2018-19 Program.....	625	-	-	625	-	-	-
2019-20 Program.....	1,036	-	-	-	1,036	-	-
2020-21 Program.....	625	-	-	-	-	625	-
2021-22 Program.....	625	-	-	-	-	-	625
Motor Vehicles Replacement							
2019-20 Program.....	240	-	-	-	65	-	-
2020-21 Program.....	65	-	-	-	-	65	-
2021-22 Program.....	175	-	-	-	-	-	175
Total Cost of Asset Investment Program	6,313	2,792	1,550	670	1,146	735	970
FUNDED BY							
Capital Appropriation.....			150	150	150	150	150
Drawdowns from the Holding Account			700	520	585	585	820
Internal Funds and Balances.....			700	-	411	-	-
Total Funding.....			1,550	670	1,146	735	970

Financial Statements

The 2016-17 Actual data has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Income Statement

Expenses

The decrease in Total Cost of Services between the 2017-18 Budget and the 2017-18 Estimated Actual is mainly due to reflows of budgeted expenditure to future years (reduction of \$17 million), contribution by Tourism for dredging at Broome Port (reduction of \$2.3 million), transfer of funding to other agencies (reduction of \$1 million) and Budget repair savings measures (reduction of \$67,000). This is partially offset by carryover of expenditure from 2016-17 to 2017-18 and various other budget adjustments.

The increase in Total Cost of Services between the 2017-18 Estimated Actual and the 2018-19 Budget is driven by reflows from prior years (increase of \$11.5 million), new funding for the Office of Defence West (\$2 million), commencement of the Serviced Lands election commitment (\$5.3 million), the Collie Futures Fund commitment (\$3.8 million) and changes in the timing of funding for other programs (\$1.2 million), partially offset by Budget repair savings measures.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	41,729	43,222	43,292	39,185	38,670	37,451	37,528
Grants and subsidies ^(c)	33,288	37,961	32,868	38,176	33,655	30,458	26,604
Supplies and services	82,950	93,897	82,985	104,038	98,425	89,933	89,202
Accommodation	5,065	6,891	6,891	6,352	6,507	6,612	6,612
Depreciation and amortisation	804	1,040	1,040	1,011	1,006	1,000	1,000
Other expenses	5,269	5,685	5,902	5,156	7,077	3,517	3,608
TOTAL COST OF SERVICES	169,105	188,696	172,978	193,918	185,340	168,971	164,554
Income							
Sale of goods and services	1,792	1,961	1,961	1,961	1,961	1,961	1,961
Grants and subsidies	1,444	2,295	1,737	438	-	-	-
Other revenue	3,205	4,076	4,076	4,055	3,757	3,287	3,287
Total Income	6,441	8,332	7,774	6,454	5,718	5,248	5,248
NET COST OF SERVICES	162,664	180,364	165,204	187,464	179,622	163,723	159,306
INCOME FROM STATE GOVERNMENT							
Service appropriations	140,426	157,907	143,466	152,100	149,500	144,503	141,812
Resources received free of charge	1,928	1,644	1,179	1,164	1,164	1,164	1,164
Royalties for Regions Fund:							
Regional Community Services Fund	24,740	19,550	15,643	22,369	21,793	16,520	16,520
Regional Infrastructure and Headworks Fund	850	-	-	5,267	5,245	-	-
TOTAL INCOME FROM STATE GOVERNMENT	167,944	179,101	160,288	180,900	177,702	162,187	159,496
SURPLUS/(DEFICIENCY) FOR THE PERIOD	5,280	(1,263)	(4,916)	(6,564)	(1,920)	(1,536)	190

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

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 276, 279 and 277 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Australia China Natural Gas Technology Partnership Fund	80	-	-	-	-	-	-
Gorgon Gas CO ₂ Injection Project.....	100	100	100	100	100	100	100
Industry Development Grants - Industry Facilitation and Support Program Government Procurement and METRONET.....	837	800	-	-	-	-	-
International Education.....	-	-	1,319	1,319	1,319	1,319	1,319
Local Capability Fund.....	-	-	800	800	800	800	800
Medical Research Centre Fund.....	110	110	110	110	110	110	110
New Industries Fund	371	6,746	1,710	4,918	4,303	3,992	-
Oil, Gas and Energy Resources Growth Centre...	200	250	250	275	-	-	-
Onslow Social Infrastructure Projects							
Macedon	1,632	335	335	-	-	-	-
Wheatstone Construction	2,136	703	-	1,877	-	-	-
Wheatstone Post-end Construction	-	1,500	1,400	1,500	1,500	1,500	1,500
Other Industry Grants	17	-	-	-	-	-	-
Science and Agribusiness Connect Program ...	844	841	841	945	710	-	-
Science Grants.....	21,282	21,444	21,246	24,819	22,838	21,375	21,625
Science, Technology, Engineering and Mathematics Strategy	-	-	-	713	1,175	462	350
Tourism WA							
Caravan and Camping Grants	2,419	1,202	1,202	-	-	-	-
Demand Driver Infrastructure Grants.....	1,444	1,757	1,382	-	-	-	-
Other Industry Grants and Contributions	723	900	900	800	800	800	800
Regional Visitor Centre Grants	1,093	1,273	1,273	-	-	-	-
TOTAL	33,288	37,961	32,868	38,176	33,655	30,458	26,604

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	28,150	25,680	22,984	18,850	16,786	15,328	15,676
Restricted cash.....	9,119	3,184	3,472	855	488	220	420
Holding account receivables.....	475	512	512	546	580	608	608
Receivables.....	2,844	2,150	2,839	2,839	2,839	2,839	2,839
Other.....	6,497	5,855	6,506	8,671	6,918	7,124	7,124
Total current assets.....	47,085	37,381	36,313	31,761	27,611	26,119	26,667
NON-CURRENT ASSETS							
Holding account receivables.....	7,306	7,625	7,625	8,097	8,499	8,901	9,081
Property, plant and equipment.....	39,634	43,535	43,530	43,611	43,869	43,716	43,829
Intangibles.....	957	1,008	957	957	957	957	957
Restricted cash.....	81	164	165	253	345	345	345
Other.....	10,328	10,477	10,181	7,323	6,627	5,937	5,794
Total non-current assets.....	58,306	62,809	62,458	60,241	60,297	59,856	60,006
TOTAL ASSETS.....	105,391	100,190	98,771	92,002	87,908	85,975	86,673
CURRENT LIABILITIES							
Employee provisions.....	7,070	7,507	6,724	6,724	6,724	6,724	6,724
Payables.....	4,223	3,216	3,850	3,675	3,500	3,325	3,683
Other.....	1,795	986	1,885	1,976	2,158	2,158	2,158
Total current liabilities.....	13,088	11,709	12,459	12,375	12,382	12,207	12,565
NON-CURRENT LIABILITIES							
Employee provisions.....	1,555	1,756	1,533	1,533	1,533	1,533	1,533
Other.....	885	897	885	885	885	885	885
Total non-current liabilities.....	2,440	2,653	2,418	2,418	2,418	2,418	2,418
TOTAL LIABILITIES.....	15,528	14,362	14,877	14,793	14,800	14,625	14,983
EQUITY							
Contributed equity.....	127,868	76,055	136,365	77,653	75,472	75,250	75,400
Accumulated surplus/(deficit) ^(b)	(58,591)	(1,263)	(63,507)	(70,071)	(71,991)	(73,527)	(73,337)
Reserves.....	8,972	11,036	11,036	11,036	11,036	11,036	11,036
Total equity.....	89,863	85,828	83,894	18,618	14,517	12,759	13,099
TOTAL LIABILITIES AND EQUITY.....	105,391	100,190	98,771	33,411	29,317	27,384	28,082

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

(b) The 2016-17 Actual Accumulated deficit of \$58.6 million is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions resulting from the Machinery of Government changes.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	137,856	156,851	142,410	151,074	148,479	143,488	140,812
Capital appropriation.....	640	150	150	150	150	150	150
Holding account drawdowns.....	710	700	700	520	585	585	820
Royalties for Regions Fund:							
Regional Community Services Fund.....	24,740	19,550	15,643	22,369	21,793	16,520	16,520
Regional Infrastructure and Headworks Fund.....	850	-	-	5,267	5,245	-	-
Net cash provided by State Government	164,796	177,251	158,903	179,380	176,252	160,743	158,302
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(42,281)	(43,135)	(43,534)	(39,094)	(38,488)	(37,451)	(37,528)
Grants and subsidies	(34,425)	(37,961)	(32,868)	(38,176)	(33,655)	(30,458)	(26,604)
Supplies and services.....	(55,844)	(65,325)	(54,878)	(73,800)	(65,474)	(57,480)	(56,749)
Accommodation.....	(5,908)	(6,621)	(6,621)	(6,082)	(6,237)	(6,362)	(6,362)
Other payments	(36,334)	(39,064)	(37,017)	(40,227)	(44,136)	(40,058)	(39,616)
Receipts ^(b)							
Grants and subsidies	1,386	2,295	1,737	438	-	-	-
Sale of goods and services.....	1,792	1,961	1,961	1,961	1,961	1,961	1,961
GST receipts.....	7,671	6,247	6,247	5,792	4,827	4,827	4,827
Other receipts	3,967	3,836	3,836	3,815	3,757	3,287	3,287
Net cash from operating activities	(159,976)	(177,767)	(161,137)	(185,373)	(177,445)	(161,734)	(156,784)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(917)	(1,550)	(1,550)	(670)	(1,146)	(735)	(970)
Proceeds from sale of non-current assets	88	-	-	-	-	-	-
Other receipts	-	860	860	1,032	3,032	1,032	-
Net cash from investing activities	(829)	(690)	(690)	362	1,886	297	(970)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments	-	(860)	(860)	(1,032)	(3,032)	(1,032)	-
Net cash from financing activities	-	(860)	(860)	(1,032)	(3,032)	(1,032)	-
NET INCREASE/(DECREASE) IN CASH HELD.....	3,991	(2,066)	(3,784)	(6,663)	(2,339)	(1,726)	548
Cash assets at the beginning of the reporting period	33,359	31,094	30,405	26,621	19,958	17,619	15,893
Cash assets at the end of the reporting period	37,350	29,028	26,621	19,958	17,619	15,893	16,441

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

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

NET APPROPRIATION DETERMINATION ^(a)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
National Partnership Payment Revenue							
Delivery of Tourism Demand Driver							
Infrastructure	1,386	1,757	1,382	-	-	-	-
Commonwealth Grants - National Water	-	438	255	438	-	-	-
Other Grants	-	100	100	-	-	-	-
Sale of Goods and Services							
Industry Development Revenue	1,792	1,961	1,961	1,961	1,961	1,961	1,961
GST Receipts							
GST Receipts	7,671	6,247	6,247	5,792	4,827	4,827	4,827
Other Receipts							
Interest Receipts - Tourism	437	250	250	250	250	250	250
Tourism Revenue - Other	759	1,140	1,140	1,040	800	800	800
Onslow Community Development Fund							
Receipts	-	1,500	1,500	1,500	1,500	1,500	1,500
Gorgon CO ₂ Gas Injection Project	100	100	100	100	100	100	100
Australia China Natural Gas Technology							
Partnership Fund Contributions	430	430	430	430	429	-	-
Overseas Offices Revenue	100	120	120	113	113	113	113
Other Receipts	2,141	296	296	382	565	524	524
TOTAL	14,816	14,339	13,781	12,006	10,545	10,075	10,075

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
INCOME							
Other							
Appropriations.....	17,471	21,983	21,983	22,236	22,494	22,759	22,759
Onslow Social and Critical Infrastructure Funds (Wheatstone).....	63,287	93,044	63,964	43,600	24,311	-	-
Onslow Water Infrastructure Upgrade Project (a).....	-	-	-	-	-	-	-
Loan Discount Unwinding							
Millennium Chemicals.....	161	189	189	189	189	189	189
Commonwealth Scientific and Industrial Research Organisations (CSIRO).....	-	539	539	509	509	509	509
Interest Received - CSIRO Loan(s).....	158	138	138	136	136	136	136
TOTAL ADMINISTERED INCOME.....	81,077	115,893	86,813	66,670	47,639	23,593	23,593
EXPENSES							
Grants to Charitable and Other Public Bodies							
Qantas Hub Infrastructure.....	-	2,800	2,800	2,800	2,800	2,800	2,800
Onslow Social and Critical Infrastructure Funds.....	63,287	93,044	63,964	43,600	24,311	-	-
Onslow Water Infrastructure Upgrade Project (a).....	-	-	-	-	-	-	-
Statutory Authorities							
Pilbara Ports Authority - Burrup Port Infrastructure Subsidy.....	8,035	9,102	9,102	9,102	9,102	9,102	9,102
Water Corporation - Burrup Water System Subsidy.....	9,836	10,081	10,081	10,334	10,592	10,857	10,857
Other							
Payments to Consolidated Account CSIRO Principal and Interest Receipts	158	147	147	136	136	136	136
Loan Discounting.....	666	-	-	-	-	-	666
TOTAL ADMINISTERED EXPENSES.....	81,982	115,174	86,094	65,972	46,941	22,895	23,561

(a) The upgrades will be funded by Chevron Australia, with details of the project subject to scope clarification.

Agency Special Purpose Account Details

AUSTRALIA-CHINA NATURAL GAS TECHNOLOGY PARTNERSHIP FUND

Account Purpose: The purpose of the fund is to deliver a practical demonstration of the desire of Australia and China to establish genuine and long-term partnerships across the energy sector. It is intended to deliver positive outcomes relevant to the natural gas sector, including LNG, through activities including training and education programs, partnerships, workshops and research. The fund was originally planned to conclude in 2015-16 but following success of the program it has now been extended for a further four years, to end in 2020-21, funded by existing reserves supplemented by additional contributions from the fund's Chinese partners.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	2,447	1,421	1,421	1,037
Receipts:				
Other.....	199	430	430	430
	2,646	1,851	1,851	1,467
Payments.....	1,225	814	814	817
CLOSING BALANCE.....	1,421	1,037	1,037	650

Division 16 Primary Industries and Regional Development

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 ^(a)	2017-18	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 42 Net amount appropriated to deliver services	167,143	179,776	185,232	166,301	156,821	150,144	149,143
Amount Authorised by Other Statutes							
- Biosecurity and Agriculture Management Act 2007	1,944	3,673	4,393	5,397	5,375	3,824	5,311
- Salaries and Allowances Act 1975	3,183	3,182	3,182	3,182	3,182	3,182	3,198
Total appropriations provided to deliver services	172,270	186,631	192,807	174,880	165,378	157,150	157,652
ADMINISTERED TRANSACTIONS							
Item 43 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1,600	1,600	1,600	1,550	1,550	1,550	1,550
CAPITAL							
Item 109 Capital Appropriation	2,606	1,085	1,085	285	85	85	-
TOTAL APPROPRIATIONS	176,476	189,316	195,492	176,715	167,013	158,785	159,202
EXPENSES							
Total Cost of Services	436,547	528,413	516,004	517,704	419,276	366,517	329,426
Net Cost of Services ^(b)	339,312	423,483	403,683	421,359	327,281	280,432	251,566
CASH ASSETS ^(c)	141,154	81,197	106,426	82,883	84,935	90,045	93,551

- (a) The 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.
(b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
(c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Establishing Food Production Precincts	-	425	425	-	-
Natural Resource Management - Metropolitan.....	-	1,550	1,550	1,550	1,550
Review of the Biosecurity and Agriculture Management Act 2007 ^(a)	-	300	-	-	-
Senior Executive Service Reduction	(500)	(1,000)	(1,000)	(1,000)	(1,000)
Other					
2018-19 Tariffs, Fees and Charges.....	-	(117)	150	309	457
Agriculture Projects	-	11,424	-	-	-
Australian Centre for Applied Aquaculture Research - Operational Funding.....	-	250	250	250	250
Australian Trade and Investment Commission - TradeStart.....	146	36	-	-	-

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Biosecurity and Agriculture Management Act – Declared Pest Control					
Activities	1,440	2,186	1,974	2,118	5,092
Building Western Australian Grains Research and Development Capacity.....	-	-	-	10,000	10,000
Collie Motorplex.....	314	-	-	-	-
Curtin JiJi Program.....	690	50	538	249	-
Depreciation Expense	(1,020)	(2,033)	(709)	1,506	-
Digital Farms	-	5,000	-	-	-
Feasibility Study Residential Colleges for Aboriginal Students in Newman.....	50	150	73	-	-
Government Office Accommodation Reform Program	-	3	7	10	14
Government Regional Officer Housing.....	9	(29)	(459)	(452)	207
Kimberley Schools Program	(5,700)	(9,000)	(4,300)	-	-
Macao Paper Wasp Response Program	77	-	-	-	-
Managing Pest Animals and Weeds.....	(130)	-	-	-	-
Miriuwung and Gajerrong Corporation	300	200	-	-	-
Myalup Primary Industry Reserve	5,000	-	-	-	-
Myalup-Wellington and Southern Forests Project	-	3,500	17,000	18,500	8,500
New Industries Fund - Regional Component.....	500	2,000	1,000	1,000	-
New Public Sector Wages Policy	(1,185)	(2,234)	(3,216)	(4,173)	-
Pilbara Aboriginal Town-based Reserves.....	1,000	2,000	4,000	6,000	6,300
Pilbara Universities Centre.....	-	300	250	-	-
Regional Centres Development Plan Stage 2	-	4,500	-	-	-
Regional Economic Development Grants.....	-	6,250	6,250	5,000	5,000
Regional Investment Initiative.....	426	4,550	3,480	300	-
Regional Workers Incentives Allowance Payments.....	4	-	-	-	-
Shark Hazard Mitigation Initiatives	-	400	400	400	400
State Fleet Policy and Procurement Initiatives	(366)	(702)	(818)	(937)	(946)
Transfer of Australian Centre for Applied Aquaculture Research from the Department of Training and Workforce Development.....	-	1,300	1,300	1,300	1,300
Transfer of Collie Futures Fund from the Department of Jobs, Tourism, Science and Innovation (JTSI).....	1,000	250	250	250	250
Transfer of Minninup Pool from JTSI.....	200	300	-	-	-
Transfer of Water for Food Project from the Department of Water and Environmental Regulation.....	8,166	1,848	-	-	-
Transforming Agriculture in the Pilbara	383	2,898	2,015	588	-
Various Agricultural Research and Development Projects – Meat and Livestock Industries	1,371	829	813	800	200
Voluntary Targeted Separation Scheme ^(b)	6,063	(8,340)	(8,421)	(8,501)	(8,621)
Waroona Housing Options Village.....	1,845	-	-	-	-
Yellowtail Kingfish - Industry Development.....	-	90	-	-	-

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

(b) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

- The Department is actively supportive of the Government's agenda for economic growth and diversification, job creation, strong communities and better places by ensuring Western Australia's primary industries and regions are key contributors.
- In 2018-19, the Department will have a strong focus on the implementation of Public Sector Reform initiatives and embracing whole-of-government change. To advance the Department's contribution to this, it will adopt a fully-integrated organisational structure to drive cultural change and deliver cost savings and services in the most effective way.
- The Department will continue to refine its service delivery model to ensure it has the right focus and tools to capitalise on the growth potential of the State's primary industries and regions. In 2018-19, the Department will undertake an extensive review of its operations and strategic direction. This aims to position the Department with the resources necessary to support the State's primary industries and regions in increasing their contribution to the State's economy, and the flexibility to respond to new and emerging opportunities.

- Western Australia's primary industries are heavily export focused, with exports accounting for approximately 80% of total production, and 70% of Western Australia's primary production being exported to markets in the Asia Pacific region. Western Australia, as a reliable producer of clean and safe food, is well positioned to benefit from the Australian Bureau of Agricultural and Resource Exports' forecasts of food demand growth in Asia doubling by 2050 (from a 2007 base). This is expected to provide opportunities for both processed and unprocessed exports, leading to increased diversification, investment and regional jobs.
- Growth in national and international trade and passenger movements will place further pressure on the Department's biosecurity functions. The Department will continue to respond to the complex environment associated with biosecurity across livestock, plant, aquatic and invasive species. It will work closely with industry, the community and relevant authorities to ensure Western Australia manages biosecurity threats to protect Western Australians' market access, environment and lifestyles.
- Climate change and climate variability continues to be a significant challenge for natural resource management and primary industry production. The Department will respond to, and support primary industries to respond to this challenge. The management of aquatic resources, given their vulnerability to environmental change and their value to multiple stakeholders, requires continued monitoring and review. The Department will provide planning information and decision-making tools to support agricultural producers and land managers.
- Access to world-leading research, development and innovation is essential for the international competitiveness of Western Australian primary industries. In 2018-19, the Department will continue to support and build strong research development and innovation capability in the regions. For example, the Department will commission a review to independently identify the most appropriate role for the Department in the agriculture and food research development and innovation ecosystem in Western Australia - which will inform long-term investment and engagement of the Government with industry, research institutions and the Commonwealth.
- The Department will work with Natural Resource Management groups and grower organisations to explore the science and best practice in regenerative agriculture, in particular focusing on premium food markets that can be accessed by farmers using these methodologies.
- The Department will facilitate the development of regional Western Australia to support long-term jobs, economic diversification and building the capacity of regional people. Programs in 2018-19 include a focus on agribusiness, regional digital connectivity, energy futures, economic infrastructure and Aboriginal economic development. The Department will work towards maximising local content by ensuring local businesses in regions are informed, connected and supported. The Department will continue to provide oversight and coordination of the Royalties for Regions program.
- Improving support for the development of Western Australia's emerging aquaculture industry will be a priority in 2018-19. Industry growth will create additional upstream and downstream business growth and employment opportunities, particularly in regions. Significant growth is anticipated owing to a reduction in red tape for aquaculture approvals, the development of aquaculture zones, the production of spat from the recently completed multi-species mollusc hatchery in Albany and the transfer of the Australian Centre for Applied Aquaculture Research to the Department.
- Regulatory and legislative reform is underway. The new *Aquatic Resources Management Act 2016* is expected to commence on 1 January 2019, to support a modern approach to aquatic resource management. The *Animal Welfare Act 2002* and the *Biosecurity and Agriculture Management Act 2007* will also be reviewed during 2018-19 to respond to community expectations and need.

Resource Agreement

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

The relationship of Ministers to services is shown below.

Responsible Ministers	Services
Minister for Fisheries Minister for Regional Development; Agriculture and Food	<ol style="list-style-type: none"> 1. Regional Industry and Community Development Investment Facilitation 2. Regional Technical and Technological Development 3. Regional Skills and Knowledge Development 4. Regional Social Amenity Development 5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions (RDCs) 6. Agricultural and Fisheries Biosecurity and Integrity 7. Agricultural and Fisheries Natural Resource Management

Outcomes, Services and Key Performance Information

Where practical, Key Performance Information for the 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017. In addition, a new Outcome Based Management structure has been implemented, therefore no key performance indicator (KPI) data is available for the 2016-17 Actual and the 2017-18 Budget.

Relationship to Government Goals

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

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

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Regional Industry and Community Development Investment Facilitation	92,630	112,122	109,490	109,851	88,965	77,770	69,900
2. Regional Technical and Technological Development	90,235	109,224	106,659	107,010	86,665	75,760	68,093
3. Regional Skills and Knowledge Development	78,154	94,600	92,378	92,683	75,061	65,616	58,976
4. Regional Social Amenity Development.....	12,518	15,153	14,797	14,846	12,023	10,510	9,447
5. Corporate and Business Development Services Provided by the Department to Support RDCs	38,284	46,340	45,252	45,401	36,770	32,142	28,890
6. Agricultural and Fisheries Biosecurity and Integrity.....	65,776	79,618	77,748	78,004	63,174	55,225	49,636
7. Agricultural and Fisheries Natural Resource Management	58,950	71,356	69,680	69,909	56,618	49,494	44,484
Total Cost of Services.....	436,547	528,413	516,004	517,704	419,276	366,517	329,426

Outcomes and Key Effectiveness Indicators (a)

	2016-17	2017-18	2017-18	2018-19	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Regional Western Australia has the investment to grow and create jobs:					
Percentage increase of co-investment that the Department attracts to its industry and community development initiatives.....	n/a	n/a	n/a	1.5%	1
Percentage increase of co-investment that the Department attracts to its Aboriginal business development initiatives	n/a	n/a	n/a	n/a	2,3
Percentage increase of co-investment that the Department attracts to its aquaculture development initiatives.....	n/a	n/a	n/a	n/a	2,3
Outcome: Regional Western Australia has the technology to grow and create jobs:					
Percentage increase of client satisfaction with the Department's technology initiatives.....	n/a	n/a	7.7%	8.5%	4
Outcome: Regional Western Australia has the skills and knowledge to grow and create jobs:					
Percentage increase of client satisfaction with the Department's capability initiatives.....	n/a	n/a	n/a	n/a	2
Outcome: Regional Western Australia has the social amenity, through recreational fisheries, to grow and create jobs:					
Percentage increase of client satisfaction with the Department's social amenity initiatives	n/a	n/a	-6.7%	1%	5
Outcome: RDCs contribute to the economic development of regions:					
Number of RDCs supported through business plans	n/a	n/a	n/a	9	1
Outcome: Western Australia agriculture and fishing protect their biosecurity advantages and integrity:					
Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately.....	n/a	n/a	55%	60%	
Percentage of invasive aquatic pests and exotic diseases resolved appropriately.....	n/a	n/a	>80%	75%	6

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Western Australia agriculture and fishing protect the sustainability of the natural resources on which they rely and impact:					
Extent of soil acidity does not increase	n/a	n/a	n/a	0%	1
Extent of total soil organic matter (carbon) does not decrease.....	n/a	n/a	n/a	0%	1
Number of soil health extension workshops held	n/a	n/a	n/a	30	1
Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	n/a	n/a	97%	95%	
Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved.....	n/a	n/a	97%	90%	

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

Explanation of Significant Movements

(Notes)

1. This new effectiveness indicator was introduced for the 2018-19 financial year. The 2018-19 Budget Target has been set based on available and relevant data.
2. This new effectiveness indicator was introduced for the 2018-19 financial year. Comparative data is not available for the 2017-18 Estimated Actual. The 2018-19 Budget Target was not set as no baseline data was available to assist in developing a relevant target.
3. The inclusion of this indicator shows the Department's ongoing intent to facilitate the growth of these industries.
4. It is expected that the growth rate will increase in 2018-19 owing to the ongoing promotion of data and information available from the Department's website.
5. The 2017-18 Estimated Actual is negative due to reduced recognition of the Department by surveyed clients in 2017-18 compared to 2016-17. Previous indicators show a high level of satisfaction in the order of 80%; as such, the 2018-19 Budget Target is a minor percentage increase.
6. Aquatic biosecurity incidents in 2017-18 to date have been resolved appropriately, however, not all biosecurity incidents can be resolved within the space of a financial year (or less, depending on the date of detection). As such, the 2018-19 Budget Target is lower than the 2017-18 Estimated Actual.

Services and Key Efficiency Indicators

1. Regional Industry and Community Development Investment Facilitation

This service facilitates the development of primary industries and regions. It includes activities such as: de-risking third-party investments by establishing clear investment pipelines and development approvals processes; facilitating cross and inter-government contacts with potential investors and investees; leveraging government's investment by attracting research provider and industry co-investment; and other development activities.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 92,630	\$'000 112,122	\$'000 109,490	\$'000 109,851	
Less Income	20,632	22,266	23,833	20,443	
Net Cost of Service	71,998	89,856	85,657	89,408	
Employees (Full Time Equivalents)	216	240	235	207	
Efficiency Indicators					
Value of Co-investment in the Department-led Industry and Community Development Initiatives as a Factor of the Net Cost of this Service.....	n/a	n/a	n/a	26.17%	1
Value of Co-investment in the Department-led Aboriginal Business Initiatives as a Factor of the Net Cost of this Service.....	n/a	n/a	n/a	n/a	2
Value of Co-investment in the Department-led Aquaculture Business Initiatives as a Factor of the Net Cost of this Service.....	n/a	n/a	n/a	n/a	2

Explanation of Significant Movements

(Notes)

- 2018-19 is the first year the Department has reported against this indicator. The target is based on the best available data for relevant co-investment. Comparative data is not available for the 2017-18 Estimated Actual.
- This indicator reports on a specific portion of co-investment in Department-led industry and community development initiatives; aboriginal or aquaculture business development initiatives. The inclusion of this indicator shows the Department's ongoing intent to facilitate the growth of these industries. Comparative data is not available for the 2017-18 Estimated Actual or the 2018-19 Budget Target.

2. Regional Technical and Technological Development

This service provides research, development and innovation to catalyse primary industry and regional growth. It focuses on agronomic and business development including: updating the technologies needed to retain the competitiveness of regionally significant businesses as they exist today and developing new technologies.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 90,235	\$'000 109,224	\$'000 106,659	\$'000 107,010	
Less Income	20,099	21,689	23,217	19,915	1
Net Cost of Service	70,136	87,535	83,442	87,095	
Employees (Full Time Equivalents)	313	348	341	291	
Efficiency Indicators					
Net Cost of this Service as a Factor of Gross Regional Product	n/a	n/a	0.10%	0.11%	2

Explanation of Significant Movements

(Notes)

1. The reduction in income from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$3.3 million is primarily related to a decrease in external funding forecast to be received in 2018-19 for industry specific projects.
2. Based on the gross regional product of \$81.7 billion in 2017.

3. Regional Skills and Knowledge Development

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	78,154	94,600	92,378	92,683	
Less Income	17,408	18,785	20,108	17,248	1
Net Cost of Service	60,746	75,815	72,270	75,435	
Employees (Full Time Equivalents)	104	116	114	109	
Efficiency Indicators					
Net Cost of this Service as a Factor of Gross Regional Product	n/a	n/a	0.09%	0.09%	2

Explanation of Significant Movements

(Notes)

1. The reduction in income from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$2.9 million is primarily related to a decrease in external funding forecast to be received in 2018-19 for industry specific projects.
2. Based on the gross regional product of \$81.7 billion in 2017.

4. Regional Social Amenity Development

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	12,518	15,153	14,797	14,846	
Less Income	2,788	3,009	3,221	2,763	
Net Cost of Service	9,730	12,144	11,576	12,083	
Employees (Full Time Equivalents)	99	110	108	107	
Efficiency Indicators					
Net Cost of this Service as a Factor of Gross Regional Product	n/a	n/a	0.01%	0.01%	1

Explanation of Significant Movements

(Notes)

- Based on the gross regional product of \$81.7 billion in 2017.

5. Corporate and Business Development Services Provided by the Department to Support RDCs

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 38,284	\$'000 46,340	\$'000 45,252	\$'000 45,401	
Less Income	8,527	9,202	9,850	8,449	
Net Cost of Service	29,757	37,138	35,402	36,952	
Employees (Full Time Equivalents)	177	197	193	191	
Efficiency Indicators					
Net Cost of this Service as a Factor of RDC Support.....	n/a	n/a	\$139.22 p/hr	\$157.62 p/hr	1

Explanation of Significant Movements

(Notes)

- The increase in cost per hour from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$18.40 is primarily due to a minor decrease in external revenues forecast to be received in 2018-19.

6. Agricultural and Fisheries Biosecurity and Integrity

This service focuses on maintaining and enhancing Western Australia’s biosecurity status and meeting Western Australia’s national and international commitments. Activities span a wide range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of terrestrial and aquatic biosecurity risk management. It also includes integrity matters such as animal welfare regulatory obligations.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 65,776	\$'000 79,618	\$'000 77,748	\$'000 78,004	
Less Income	14,651	15,810	16,924	14,517	1
Net Cost of Service	51,125	63,808	60,824	63,487	
Employees (Full Time Equivalents)	352	390	382	371	
Efficiency Indicators					
Agricultural Portion of Net Cost of this Service as a Factor of Gross Value of Agricultural Production.....	n/a	n/a	0.64%	0.67%	2
Fisheries Portion of Net Cost of this Service per Hour of Aquatic Biosecurity Services	n/a	n/a	\$161.58	\$174.40	3

Explanation of Significant Movements

(Notes)

1. The reduction in income from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$2.4 million is primarily related to a decrease in external funding forecast to be received in 2018-19 for industry specific projects.
2. Based on the gross value of agricultural production three year average of \$8.2 billion, calculated from the Australian Bureau of Statistics reporting.
3. The increase in cost per hour from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$12.82 is primarily due to a decrease in external revenues forecast to be received in 2018-19.

7. Agricultural and Fisheries Natural Resource Management

This service supports the productive capacity of terrestrial and aquatic natural resources that underpins Western Australia's primary industries. Activities span a wide range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of terrestrial and aquatic natural resource management.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	58,950	71,356	69,680	69,909	
Less Income	13,130	14,169	15,168	13,010	1
Net Cost of Service	45,820	57,187	54,512	56,899	
Employees (Full Time Equivalents)	352	391	383	378	
Efficiency Indicators					
Agricultural Portion of Net Cost of this Service as a Factor or Gross Value of Agricultural Production.....	n/a	n/a	0.14%	0.15%	2
Average Cost per Hour of Fisheries Management Services.....	n/a	n/a	\$73.50	\$91.38	3
Fisheries Portion of Net Cost of this Service per Fisheries Licence Administered.....	n/a	n/a	\$227.78	\$237.75	

Explanation of Significant Movements

(Notes)

1. The reduction in income from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$2.2 million is primarily related to a decrease in external funding forecast to be received in 2018-19 for industry specific projects.
2. Based on the gross value of agricultural production three year average of \$8.2 billion, calculated from the Australian Bureau of Statistics reporting.
3. The increase in the cost per hour from the 2017-18 Estimated Actual to the 2018-19 Budget Target of \$17.88 is primarily a result of reduced external revenues forecast to be received in 2018-19.

Asset Investment Program

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

In 2018-19, the Department will invest \$200,000 to upgrade the Australian Centre for Applied Aquaculture Research Fremantle facility's life support system, and the purchase of new breeding tanks, to support a commercial-scale hatchery.

In addition to the Department's ongoing Equipment Replacement Program, \$2.25 million in 2018-19 will be invested to continue critical Information Management System Upgrades. This investment will support the integration of the Department's corporate service systems and deliver operational efficiencies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
Abrolhos Islands							
Airstrips Rolling Program	874	574	100	100	100	100	-
General Rolling Program	1,922	1,322	200	200	200	200	-
Dolphin Discovery Centre	12,255	6,055	3,687	6,200	-	-	-
Equipment Replacement							
Election Commitment - Fish Health Laboratory							
Watermans Research Facility	1,000	600	600	400	-	-	-
Equipment Replacement Program	37,073	23,092	3,055	2,744	2,884	2,793	2,653
Fit-out Furniture and Office Equipment Rolling Program	5,184	3,384	600	600	600	600	-
Operational Equipment Rolling Program	5,329	2,952	414	414	414	414	1,135
Small Boats and Trailers Rolling Program	11,569	6,927	972	1,520	1,561	1,561	-
Great Kimberley Marine Park	430	105	-	325	-	-	-
Help Grain Growers to Better Manage Risk (E-connected)....	3,332	2,680	1,700	652	-	-	-
Information Systems Upgrade							
Computing Hardware and Software Rolling Program	3,700	3,250	150	150	150	150	-
Information Management Systems Upgrade	32,219	29,969	2,737	2,250	-	-	-
Information System Development Rolling Program	2,792	1,592	400	400	400	400	-
Shark Monitoring Network	795	570	75	75	75	75	-
North West Aboriginal Housing Initiative	100,000	5,000	5,000	20,000	20,000	20,000	35,000
Regional Natural Resource Management Program	9,983	7,055	2,405	1,150	1,778	-	-
Wild Dogs Action Plan	10,143	3,000	3,000	3,137	3,471	535	-
COMPLETED WORKS							
Abrolhos Islands Program - Replacement and Upgrade							
of Public Jetties at East Wallabi and Beacon Islands	228	228	18	-	-	-	-
Boosting Biosecurity Defences	477	477	450	-	-	-	-
Equipment Replacement							
2017-18 Program	112	112	112	-	-	-	-
Albany Multi-species Mollusc Hatchery	1,800	1,800	857	-	-	-	-
Managing Pest Animals and Weeds (White Paper							
Project 1)	150	150	150	-	-	-	-
Purchase of Records Management System	25	25	25	-	-	-	-
Refurbishment of Kununurra Office	100	50	50	-	-	-	-
Regional Grains Research Infrastructure	7,436	7,436	4,661	-	-	-	-
NEW WORKS							
Asset Investment Underspend Provision ^(a)	(75,779)	(29,926)	(29,926)	(45,853)	-	-	-
Australian Centre for Applied Aquaculture Research	200	-	-	200	-	-	-
Coral Bay Seasonal Staff Accommodation	387	-	-	-	387	-	-
Global Provision ^(b)	101,812	500	500	500	19,500	45,725	35,587
Total Cost of Asset Investment Program	275,548	78,979	1,992	(4,836)	51,520	72,553	74,375
FUNDED BY							
Capital Appropriation			1,085	285	85	85	-
Asset Sales			107	107	107	107	107
Drawdowns from the Holding Account			4,355	4,897	5,846	5,846	3,788
Administered Funds			(29,926)	(45,353)	19,500	45,725	35,587
Internal Funds and Balances			13,347	26,274	14,091	-	(107)
Other			971	47	255	255	-
Drawdowns from Royalties for Regions Fund			12,053	8,907	11,636	20,535	35,000
Total Funding			1,992	(4,836)	51,520	72,553	74,375

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

(b) Funding mainly for election commitments where further planning is required to deliver the proposals.

Financial Statements

The 2016-17 Actual data has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Income Statement

Expenses

The reduction in supplies and services expenditure from the 2017-18 Budget to the 2017-18 Estimated Actual of \$15 million (12.4%) primarily relates to the repositioning of Royalties for Regions and external funding, following revisions to timelines and deliverables for multiples projects.

Income

The reduction in Royalties for Regions - Regional Community Services Fund moneys from the 2017-18 Budget to the 2017-18 Estimated Actual of \$25.1 million (21.3%) primarily reflects revisions to timelines and deliverables for multiple projects.

Statement of Financial Position

The variance between total current assets and total non-current assets from the 2017-18 Budget to the 2017-18 Estimated Actual is largely attributable to the change in classification of asset holdings, consistent with the accounting treatment reflected in the Department of Agriculture and Food's 2016-17 Annual Report.

Statement of Cashflows

The reduction in net cash provided by the State Government of \$32.1 million (8%) from the 2017-18 Budget to the 2017-18 Estimated Actual primarily relates to the repositioning in Royalties for Regions - Regional Community Services Fund moneys following revisions to timelines and deliverables for multiple projects.

**INCOME STATEMENT ^(a)
(Controlled)**

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	\$'000	Estimate	Estimate	Estimate	Estimate
				\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	206,205	216,242	218,129	199,117	178,407	168,444	167,046
Grants and subsidies ^(c)	94,860	126,659	125,916	136,790	99,525	68,061	46,828
Supplies and services.....	61,971	120,624	105,626	124,913	86,430	76,146	63,669
Accommodation.....	20,178	14,873	14,987	14,139	14,143	13,609	13,613
Depreciation and amortisation	20,108	25,330	24,310	22,484	22,545	22,771	21,265
Other expenses	33,225	24,685	27,036	20,261	18,226	17,486	17,005
TOTAL COST OF SERVICES	436,547	528,413	516,004	517,704	419,276	366,517	329,426
Income							
Sale of goods and services.....	7,881	4,825	4,825	5,325	5,325	5,325	5,325
Regulatory fees and fines	42,435	47,887	48,607	50,920	51,252	50,087	51,722
Grants and subsidies	26,194	39,493	43,600	29,099	25,185	22,585	12,726
Other revenue.....	20,725	12,725	15,289	11,001	10,233	8,088	8,087
Total Income	97,235	104,930	112,321	96,345	91,995	86,085	77,860
NET COST OF SERVICES	339,312	423,483	403,683	421,359	327,281	280,432	251,566
INCOME FROM STATE GOVERNMENT							
Service appropriations	172,270	186,631	192,807	174,880	165,378	157,150	157,652
Resources received free of charge	1,621	2,169	2,169	2,162	2,166	1,849	1,849
Royalties for Regions Fund:							
Country Local Government Fund	-	-	-	4,000	-	-	-
Regional Community Services Fund.....	87,104	117,902	92,833	137,051	101,461	70,798	44,272
Regional Infrastructure and Headworks							
Fund	39,932	49,396	45,377	41,648	13,225	11,588	6,300
Regional and State-wide Initiatives	45,067	45,372	42,856	45,266	46,422	44,996	44,998
TOTAL INCOME FROM STATE GOVERNMENT.....	345,994	401,470	376,042	405,007	328,652	286,381	255,071
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	6,682	(22,013)	(27,641)	(16,352)	1,371	5,949	3,505

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

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 1,613, 1,756 and 1,654 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Aboriginal Governance and Leadership Development Program.....	780	977	1,177	594	-	-	-
Agricultural Telecommunications Infrastructure Fund	-	15,053	328	14,928	2,103	2,295	1,795
Agriculture Research Grant Allocations.....	1,909	14,050	14,050	17,102	17,155	4,709	16,879
Building a State of Creativity in the Pilbara.....	500	-	-	-	-	-	-
Carnarvon Fascine Revitalisation Completion - Independent Project Manager Advisor Services.....	-	20	-	85	-	-	-
Carnarvon Flood Mitigation Works Stage 2.....	-	100	100	3,028	-	-	-
Collie Motorplex.....	-	-	314	-	-	-	-
Coral Bay Seasonal Staff - Management	-	100	101	100	152	-	-
Esperance Indoor Stadium.....	-	3,060	3,060	1,000	-	-	-
Expansion of Aged Care for the Esperance Community	1,443	1,561	1,561	-	-	-	-
Feasibility Study (Yara Pilbara and Sahara Forest)	-	-	100	-	-	-	-
Fisheries Research Grant Allocations	1,610	1,002	1,002	1,002	1,002	1,002	-
Goldfields Esperance Revitalisation Unit.....	373	955	955	578	-	-	-
Grant to RecFishWest Snapper Guardians Program.....	-	150	150	-	-	-	-
Grants to Fishers with Disabilities Association Inc.....	-	75	75	75	75	75	-
Growing the Capacity of Drug and Alcohol Detoxification and Rehabilitation Program.....	1,513	-	200	-	-	-	-
Jawun Indigenous Corporate Partnership Program.....	170	300	180	300	120	-	-
Karratha Arts and Community Precinct	4,000	5,000	5,000	5,000	-	-	-
Karratha Enterprise Hub/Business Centre.....	1,000	1,000	1,000	-	-	-	-
Killarney Retirement Living.....	9,449	359	359	-	-	-	-
Laverton Community Hub.....	-	2,642	2,642	-	-	-	-
Miriwang and Gajerrong Corporation	-	-	300	200	-	-	-
Myalup Primary Industry Reserve	-	-	3,500	-	-	-	-
New Industries Fund - Regional Component....	-	-	500	2,000	1,000	1,000	-
Norseman: The Heart of the Great Western Woodlands.....	-	1,200	1,200	399	-	-	-
Other Fisheries Grants	-	950	950	1,627	1,427	1,427	677
Other Regional Development Grants	2,502	6,497	3,290	2,523	1,716	-	-
Paraburdoo Childcare Centre.....	500	-	-	-	-	-	-
Pilbara Aboriginal Town-based Reserves Unallocated.....	-	-	1,000	2,000	4,000	6,000	6,300
Potato Marketing Structural Readjustment.....	12,820	-	-	-	-	-	-
Rawa Aboriginal Independent Community School - Student Engagement Program	-	120	120	-	-	-	-
Regional Centres Development Plan Stage 2 ...	-	-	-	4,500	-	-	-
Regional Community Programs and Schemes	8,679	4,993	4,845	3,420	3,000	175	-
Regional Development Grants	9,541	10,095	13,740	4,935	9,866	5,614	265
Regional Economic Development Scheme	-	-	-	6,250	6,250	5,000	5,000
Regional Grants Scheme	14,761	18,905	18,406	1,245	-	-	-
Regional Infrastructure Projects	508	2,000	4,668	1,950	5,000	5,000	-
Regional Strategic Projects	-	7,542	6,965	24,381	21,825	12,170	5,000
Regional Telecommunications Project	10,425	18,380	18,275	21,273	-	-	-
Subsidies and Other Grants	12,377	9,432	14,662	13,295	9,334	8,855	10,912
The Strelly Community School - Engagement Program	-	141	141	-	-	-	-
Victoria Hotel Redevelopment.....	-	-	1,000	-	-	-	-
Water for Food - Myalup-Wellington and South Forest Project.....	-	-	-	3,000	15,500	14,739	-
TOTAL	94,860	126,659	125,916	136,790	99,525	68,061	46,828

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	6,797	13,479	4,261	6,381	10,988	15,528	19,034
Restricted cash.....	133,857	66,632	101,125	74,962	71,908	71,979	71,979
Holding account receivables.....	4,470	4,781	4,540	4,270	4,029	3,788	3,788
Receivables.....	7,052	22,742	6,855	7,106	7,544	8,054	8,054
Other.....	16,714	13,670	16,916	16,350	18,369	14,275	13,380
Assets held for sale.....	59,711	2,749	59,711	59,711	59,711	59,711	59,711
Total current assets.....	228,601	124,053	193,408	168,780	172,549	173,335	175,946
NON-CURRENT ASSETS							
Holding account receivables.....	105,322	124,742	123,681	142,753	159,550	176,656	193,525
Property, plant and equipment.....	226,144	272,930	228,035	242,996	251,317	257,925	280,819
Intangibles.....	15,544	13,711	15,397	16,950	15,496	12,288	9,770
Restricted cash.....	500	1,086	1,040	1,540	2,039	2,538	2,538
Other.....	79,660	83,662	77,048	69,519	62,336	60,066	57,729
Total non-current assets.....	427,170	496,131	445,201	473,758	490,738	509,473	544,381
TOTAL ASSETS.....	655,771	620,184	638,609	642,538	663,287	682,808	720,327
CURRENT LIABILITIES							
Employee provisions.....	41,831	44,776	39,008	39,339	39,517	39,679	39,679
Payables.....	5,971	3,681	6,540	6,336	6,369	6,402	6,402
Other.....	16,691	16,736	17,879	17,086	17,431	10,860	10,811
Total current liabilities.....	64,493	65,193	63,427	62,761	63,317	56,941	56,892
NON-CURRENT LIABILITIES							
Employee provisions.....	8,730	8,760	8,728	8,703	8,720	8,720	8,720
Borrowings.....	27,667	18,539	18,519	10,048	2,866	1,902	965
Other.....	117	80	98	78	52	52	52
Total non-current liabilities.....	36,514	27,379	27,345	18,829	11,638	10,674	9,737
TOTAL LIABILITIES.....	101,007	92,572	90,772	81,590	74,955	67,615	66,629
EQUITY							
Contributed equity ^(b)	252,366	285,258	316,808	345,979	371,700	392,320	427,320
Accumulated surplus/(deficit) ^(b)	44,020	(22,013)	(27,641)	(43,993)	(42,622)	(36,673)	(33,168)
Reserves.....	258,378	264,367	258,670	258,962	259,254	259,546	259,546
Total equity.....	554,764	527,612	547,837	560,948	588,332	615,193	653,698
TOTAL LIABILITIES AND EQUITY.....	655,771	620,184	638,609	642,538	663,287	682,808	720,327

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

(b) The 2016-17 Actual Accumulated surplus of \$44 million is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions resulting from the Machinery of Government changes.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	153,359	162,459	168,635	151,181	142,976	134,439	136,995
Capital appropriation.....	2,606	1,085	1,085	285	85	85	-
Holding account drawdowns.....	7,597	4,355	5,743	4,897	5,846	5,846	3,788
Royalties for Regions Fund:							
Country Local Government Fund.....	-	-	-	4,000	-	-	-
Regional Community Services Fund.....	89,545	131,948	102,885	141,121	104,932	71,333	44,272
Regional Infrastructure and Headworks Fund.....	48,056	55,471	47,378	46,485	21,390	31,588	41,300
Regional and State-wide Initiatives.....	45,067	45,373	42,857	45,267	46,422	44,996	44,998
Net cash provided by State Government	346,230	400,691	368,583	393,236	321,651	288,287	271,353
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(207,145)	(216,225)	(220,733)	(198,981)	(178,300)	(168,447)	(166,788)
Grants and subsidies.....	(94,730)	(126,679)	(126,362)	(136,810)	(99,551)	(68,061)	(46,828)
Supplies and services.....	(64,390)	(114,168)	(99,405)	(116,510)	(78,857)	(70,514)	(57,514)
Accommodation.....	(20,007)	(14,716)	(14,830)	(13,965)	(13,986)	(13,614)	(13,618)
Other payments.....	(54,134)	(51,873)	(54,232)	(50,770)	(38,385)	(36,862)	(36,423)
Receipts ^(b)							
Regulatory fees and fines.....	42,435	47,887	48,607	50,920	51,252	50,087	51,722
Grants and subsidies.....	26,632	39,493	43,600	29,099	25,185	22,585	12,726
Sale of goods and services.....	8,333	7,997	7,997	8,815	8,815	8,815	8,815
GST receipts.....	36,225	26,804	26,804	27,100	16,260	15,788	15,788
Other receipts.....	20,120	9,359	11,923	6,334	5,464	3,685	3,685
Net cash from operating activities.....	(306,661)	(392,121)	(376,631)	(394,768)	(302,103)	(256,538)	(228,435)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(20,274)	(28,853)	(31,918)	(40,517)	(32,020)	(26,828)	(38,788)
Other payments.....	(4,994)	-	-	-	-	-	-
Proceeds from sale of non-current assets.....	77	107	107	152	362	362	362
Other receipts.....	182	-	-	-	-	-	-
Net cash from investing activities.....	(25,009)	(28,746)	(31,811)	(40,365)	(31,658)	(26,466)	(38,426)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(4,523)	(4,791)	(4,791)	(6,598)	(5,966)	(6,301)	(986)
Other proceeds.....	4,523	4,790	4,790	4,790	5,966	5,966	-
Net cash from financing activities.....	-	(1)	(1)	(1,808)	-	(335)	(986)
NET INCREASE/(DECREASE) IN CASH HELD.....	14,560	(20,177)	(39,860)	(43,705)	(12,110)	4,948	3,506
Cash assets at the beginning of the reporting period	-	-	-	106,426	82,883	84,935	90,045
Net cash transferred to/from other agencies	126,594	101,374	146,286	20,162	14,162	162	-
Cash assets at the end of the reporting period	141,154	81,197	106,426	82,883	84,935	90,045	93,551

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

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

NET APPROPRIATION DETERMINATION ^(a)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Regulatory Fees and Fines							
Regulatory Fees	9,094	10,431	11,151	12,075	12,307	10,842	12,477
Grants and Subsidies							
Direct Grants and Subsidies Revenues Commonwealth - Recurrent	1,938	1,892	1,974	1,796	1,766	1,766	1,766
Direct Grants and Subsidies Revenues Recurrent	23,095	36,629	40,577	26,331	23,419	20,819	10,960
Sale of Goods and Services							
Sale of Goods and Services	8,333	7,997	7,997	8,815	8,815	8,815	8,815
GST Receipts							
GST Input Credits	32,384	21,035	21,035	21,396	10,556	9,327	9,327
GST Receipts on Sales	3,841	5,769	5,769	5,704	5,704	6,461	6,461
Other Receipts							
National Partnership Payments - Managing Established Pest Animals and Weeds	892	972	972	972	-	-	-
National Partnership Payments - Pest and Disease Preparedness and Response Programs	207	-	77	-	-	-	-
National Partnership Payments - Pest Animal and Weed Management in Drought-affected Areas	500	-	-	-	-	-	-
Interest Received - Moneys Held in Participating Trust Funds	977	858	858	1,009	1,009	1,058	1,058
Other Revenue	17,345	4,631	7,195	1,520	1,513	1,440	1,440
Receipts from Service Delivery Agreement ...	1,611	2,254	2,254	2,189	1,862	107	107
TOTAL	100,217	92,468	99,859	81,807	66,951	60,635	52,411

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
INCOME							
Other							
Recreational License Fees.....	323	-	-	-	-	-	-
Appropriation.....	1,600	1,600	1,600	1,550	1,550	1,550	1,550
Revenue from Regional Infrastructure and Headworks Fund - Recurrent	6,195	6,022	6,206	469	-	-	-
Revenue from Regional Community Services Fund - Recurrent	-	-	426	10,750	9,680	6,580	6,200
Revenue from Regional and State-wide Initiatives - Recurrent	-	(59,494)	(32,070)	(70,667)	8,250	39,482	37,147
Interest Revenue.....	1,465	1,439	1,342	1,173	967	802	641
Other Revenue.....	409	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME	9,992	(50,433)	(22,496)	(56,725)	20,447	48,414	45,538
EXPENSES							
Grants to Charitable and Other Public Bodies							
Commonwealth Grants	3,704	-	-	-	-	-	-
Grants and Subsidies Expenses Essential and Municipal Services Improvement in Remote Aboriginal Communities.....	-	2,000	2,000	25,000	25,000	-	-
State Contribution to Natural Resource Management.....	7,086	3,682	8,834	7,750	7,750	7,750	7,750
Royalties for Regions Program Global Provision ^(a)	-	13,483	11,232	36,894	30,430	43,862	37,147

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Other							
Royalties for Regions Program Underspend Provision	-	(63,143)	(34,070)	(73,210)	-	-	-
Western Australia Co-operatives Loan Scheme - Interest Expense to Western Australian Treasury Corporation	997	1,052	982	862	716	596	480
Supplies and Services	1,498	1,238	1,314	1,218	358	335	161
Royalties for Regions Project Savings	-	-	1,500	19,100	3,500	-	-
TOTAL ADMINISTERED EXPENSES	13,455	(41,688)	(8,208)	17,614	67,754	52,543	45,538

(a) Includes funding related to the Kimberley Schools Project, the North West Aboriginal Housing Initiative and election commitments where further planning is required to deliver the proposals.

Agency Special Purpose Account Details

FISHERIES ADJUSTMENT SCHEMES SPECIAL PURPOSE ACCOUNT

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance	631	551	551	551
Receipts:				
Other	6,117	5,848	6,174	8,481
	6,748	6,399	6,725	9,032
Payments	6,197	5,866	6,174	8,481
CLOSING BALANCE	551	533	551	551

FISHERIES RESEARCH AND DEVELOPMENT SPECIAL PURPOSE ACCOUNT

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance	2,546	1,200	2,307	1,519
Receipts:				
Appropriations	41,799	39,244	41,687	41,740
Other	34,528	39,822	36,723	37,685
	78,873	80,266	80,717	80,944
Payments	76,566	78,095	79,198	78,090
CLOSING BALANCE	2,307	2,171	1,519	2,854

RECREATIONAL FISHING SPECIAL PURPOSE ACCOUNT

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	2,045	2,500	2,500	2,500
Receipts:				
Appropriations.....	8,126	7,564	8,324	6,896
Other.....	7,612	8,743	8,744	9,850
	17,783	18,807	19,568	19,246
Payments.....	15,283	16,307	17,068	16,746
CLOSING BALANCE.....	2,500	2,500	2,500	2,500

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	100,000	99,830	99,830	86,500
Receipts:				
Appropriations.....	-	50,000	-	-
	100,000	149,830	99,830	86,500
Payments.....	170	13,500	13,330	54,800
CLOSING BALANCE.....	99,830	136,330	86,500	31,700

Division 17 Mines, Industry Regulation and Safety

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 Actual ^(a) \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Service Appropriation							
Base Component	132,963	120,625	122,278	114,338	111,896	109,225	108,662
Services to Industry Component (Mining Tenement Rentals) ^(b)	2,770	5,650	5,650	10,730	15,910	15,910	15,910
Item 44 Net amount appropriated to deliver services	135,733	126,275	127,928	125,068	127,806	125,135	124,572
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	2,160	2,160	1,827	1,494	1,494	1,494	1,502
Total appropriations provided to deliver services	137,893	128,435	129,755	126,562	129,300	126,629	126,074
ADMINISTERED TRANSACTIONS							
Item 45 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	31,393	49,801	57,101	43,630	17,572	17,192	15,512
Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982	318	52	632	232	184	153	130
CAPITAL							
Capital Appropriation	7,714	350	350	-	-	-	-
TOTAL APPROPRIATIONS	177,318	178,638	187,838	170,424	147,056	143,974	141,716
EXPENSES							
Total Cost of Services	287,880	298,913	279,681	292,757	284,622	283,991	285,282
Net Cost of Services ^(c)	142,726	130,119	119,797	119,918	110,652	112,458	113,199
CASH ASSETS ^(d)	273,905	273,420	308,477	314,552	332,464	347,868	365,976

- (a) The 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.
- (b) The Department collects additional revenue for Mining Tenement Rentals (MTR). The increased revenue from 2018-19 onwards supports the continuation of the Exploration Incentive Scheme with funding of \$5 million in 2018-19 and a further \$10 million per annum from 2019-20 onwards, which also enables the Department to promote continued investment in the State and deliver services more effectively in response to industry needs. Further details on MTR appear in the Details of Administered Transactions table.
- (c) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Senior Executive Service Reduction	(750)	(1,500)	(1,500)	(1,500)	(1,500)
Other					
Exploration Incentive Scheme Continuation ^(a)	-	-	10,000	10,000	10,000
Government Office Accommodation Reform Program	(1)	(2)	(1)	-	1
Greenhouse and Energy Minimum Standards.....	140	142	145	-	-
Mason Bird Building Lease Renegotiation.....	(1,640)	(241)	(170)	(46)	82
Mining Rehabilitation Fund Treasurer's Advance Repayment.....	(2,132)	-	-	-	-
New Public Sector Wages Policy	(937)	(1,801)	(2,691)	(3,612)	-
Regional Workers Incentive Payments Update	(6)	-	-	-	-
Resolution of Native Title in the South West of Western Australia	-	175	-	-	-
Revised Expenditure Estimates.....	(16,000)	4,000	-	-	-
State Fleet Policy and Procurement Initiatives	(292)	(512)	(578)	(624)	(628)
Voluntary Targeted Separation Scheme ^(b)	2,544	(3,592)	(3,634)	(3,674)	(3,734)

(a) Existing Royalties for Regions funding of \$10 million in 2018-19 has been reduced by \$5 million and replaced by an additional revenue of \$5 million from the MTR.

(b) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

- A Ministerial Advisory Panel (MAP) has been established to develop modern safety and health laws for Western Australia, incorporating mines, petroleum and general safety into one Work Health and Safety Act (the Act) based on the National Model Work Health and Safety laws. The Act will be supported by separate regulations aligned to each industry segment. The Department has committed significant resources to support the activities of the MAP to modernise the Act for Western Australia, with new legislation expected to be introduced into Parliament in 2019.
- A total of 11 work-related traumatic injury fatalities were recorded during the 2016-17 financial year in Western Australia. The Department is encouraging industry to work proactively to prevent accidents and fatalities from occurring, and to promote a positive work culture. The strategy reflects the key goals of world-leading regulation, smarter systems, and a well-informed industry.
- 'Towards 2020', a regulatory strategy that envisions a safe and healthy resources sector for Western Australian workers, is continuing. In response to the recommendations and findings of the Legislative Assembly's Education and Health Standing Committee's final report on the impact of fly-in fly-out (FIFO) work practices on mental health, the Department has released the draft code of practice for mentally healthy workplaces for FIFO workers in the Western Australian resources and construction sectors.
- On 27 June 2017, the Legislative Council of Western Australia's Standing Committee on Public Administration (the Committee) announced the commencement of an inquiry into WorkSafe. The objective of the inquiry is to review the adequacy of existing occupational health and safety laws, WorkSafe's processes and resourcing and make appropriate recommendations with the aim of improving workplace safety. WorkSafe is cooperating fully with the inquiry and will continue to commit the departmental resources necessary to service the requirements of the Committee until the inquiry is concluded.
- The resources industry continues to be an important contributor to Western Australia's economy, directly employing 110,000 people and returning royalties totalling \$5.3 billion to the Government in 2016-17. The total value of sales amounted to \$105 billion, an increase of 19% on the previous year, due to record sales volumes of iron ore and liquefied natural gas and continued strength in the gold sector. New interest is rapidly emerging in opportunities for lithium and related developments.

- The Government will continue the successful Exploration Incentive Scheme from 2019-20 onwards. This program promotes continued investment in the State, creates jobs and strengthens the State's economy as exploration activity is crucial for the identification of new resources and the longevity of the resources sector. The continuation of the program sends a clear signal to resource investors around the world that Western Australia is serious about attracting exploration investment.
- The Department, in conjunction with the Department of Jobs, Tourism, Science and Innovation and the Department of Treasury, will conduct a joint review of the financial assistance to the magnetite industry. This was a condition of the Government approving an extension of the existing Magnetite Financial Assistance Program to 31 December 2018.
- There is continuing community interest in resource projects, underlining the importance of effective community engagement. During 2017, the Department received a total of 7,763 mining and petroleum applications, 91% of which were finalised within target timelines.
- Construction contractor insolvencies continue to highlight the vulnerability of subcontractors and the ineffectiveness of Commonwealth corporations' laws in dealing with construction industry insolvency. Action to protect subcontractors is a key election commitment for the Government and the Department is working with industry groups and other agencies to develop new tools and laws to reduce payment disputes and to preserve contract funds in project bank accounts and trusts for the benefit of unpaid subcontractors. This involves a review of the registration requirements for construction contractors and major subcontractors, a review of the adequacy of the legislation and an education campaign.
- The London Grenfell Tower fire in June 2017 highlighted international concerns about the use of certain types of cladding and the effectiveness of building approval processes. In Australia, the Building Ministers' Forum (the Forum) had started a series of actions following a similar fire at the Lacrosse apartments in Melbourne in November 2014, including upgrading standards and processes to deal with non-conforming building products and improving cooperation between building regulators nationally. This has required the allocation of significant departmental resources to a widespread audit of building cladding in Western Australia and the development of a coherent building plan to accelerate reforms and improvements to building regulation. The Forum also commissioned an independent review into the effectiveness of Australian building approval processes.
- The Department regulates the safety of plumbing, gas and electrical installations and gas and electricity networks under legislation that dates from the corporatisation of government utilities in the 1990s. Commercial and technical innovation since then is changing the way utilities are provided and managed, and particularly in the case of electricity generation and distribution, the impact of local photovoltaic generation and battery storage is profound. A priority for the Department is to update legislation supporting utility safety to respond to a changing risk profile, global supply and pre-fabrication, profound changes in energy and water supply and the role of supply networks.
- The Department is supporting a Ministerial Review of the State Industrial Relations System (the Review) currently being undertaken. Mr Mark Ritter SC has been appointed to undertake the Review and Mr Stephen Price MLA, Member for Forrestfield, is assisting. It is expected that the Review will outline a way forward for the State industrial relations system that is fair, accessible and contemporary, and to make recommendations on eight terms of reference. The final report of the Review is to be submitted to the Minister shortly for the Government to consider its response.
- The Department is responsible for implementing several of the Government's public sector workforce commitments, including but not limited to conversion to permanency criteria, a review of the redeployment and redundancy framework, and improving agency practices.
- In 2017 under the Public Sector Wages Policy Statement 2017, which contributes to the Government's responsible financial management, a number of industrial agreements were successfully renegotiated, including notably those for police officers and public servants.
- In 2018-19 the Department will oversee the renegotiation of several public sector industrial agreements, most notably those related to health professionals, enrolled and registered nurses, police auxiliary officers, rail car drivers, education assistants, and miscellaneous wage employees.
- In 2018-19 several Bills will be introduced to Parliament to implement Government commitments for consumer protection. Family violence is a key community issue that also impacts residential tenancy arrangements. Amendments to the *Residential Tenancies Act 1987* will lead Australia in supporting victims of family violence to resolve tenancy issues. Amendments to the *Residential Parks (Long-stay Tenants) Act 2006* will implement the recommendations of the statutory review of this Act, providing greater certainty and transparency about contracts and costs.

- Consultations will occur early in 2018-19 to inform future regulatory reform for retirement villages, prepaid funerals and residential tenancies.
- The Department will continue to provide improved service delivery across a wider range of regulatory functions and support services, including through strategic business innovation and enhanced digital delivery.

Resource Agreement

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

Outcomes, Services and Key Performance Information

The Outcomes, Services and Key Performance Information provided below reflect the creation of a new Outcome Based Management structure for the Department. For comparative purposes, including the impact of Machinery of Government changes, figures for the 2016-17 Actual has been recast where practical.

Relationship to Government Goals

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

Government Goals	Desired Outcome	Services
Strong Communities: Safe communities and supported families.	Supporting a safe, fair and responsible future for the community, industry and resources sector.	1. Resources Advice and Regulation 2. Safety Advice and Regulation 3. Industry Advice and Regulation
Better Places: A quality environment with liveable and affordable communities and vibrant regions.		

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Resources Advice and Regulation.....	108,323	110,649	104,205	108,424	107,613	107,283	106,418
2. Safety Advice and Regulation.....	74,697	63,784	70,394	73,837	69,323	69,207	69,787
3. Industry Advice and Regulation	104,860	124,480	105,082	110,496	107,686	107,501	109,077
Total Cost of Services.....	287,880	298,913	279,681	292,757	284,622	283,991	285,282

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Supporting a safe, fair and responsible future for the community, industry and resources sector:					
Stakeholder satisfaction with the Department as an effective resource sector regulator ^(b)	n/a	n/a	n/a	86%	
Number of work-related traumatic injury fatalities ^(c)	11	n/a	9	nil	1
Stakeholder satisfaction with the Department as an effective industry regulator ^(b)	n/a	n/a	n/a	75%	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) This new key effectiveness indicator was introduced for the 2018-19 financial year and therefore comparative data is not available.

(c) As this is a new indicator, no 2017-18 Budget figure was set as part of the 2017-18 Budget process.

Explanation of Significant Movements

(Notes)

- The 2018-19 Budget Target is set at nil as the desired outcome is to have no work-related traumatic injury fatalities.

Services and Key Efficiency Indicators**1. Resources Advice and Regulation**

Ensuring the State's natural resources are developed and managed responsibly through the provision of resource advice and regulatory services to the Western Australian community.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	108,323	110,649	104,205	108,424	
Less Income	55,197	64,456	57,696	65,418	1
Net Cost of Service	53,126	46,193	46,509	43,006	
Employees (Full Time Equivalents)	523	503	503	503	
Efficiency Indicators					
Average Cost of Resource Regulation per Live Title ^(a)	n/a	n/a	\$4,738	\$4,967	

(a) This is a new efficiency indicator and has not been reported previously, therefore no 2016-17 Actual or 2017-18 Budget figure is available.

Explanation of Significant Movements

(Notes)

- The decrease in income of \$6.8 million (10%) from the 2017-18 Budget to the 2017-18 Estimated Actual is due to the Department's revenue streams reflecting the downturn experienced by the resources industry. The increase of \$7.7 million (13%) in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is mainly reflecting increased revenue collections forecast for prospecting licences and petroleum permits.

2. Safety Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the area of occupational safety and health.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 74,697	\$'000 63,784	\$'000 70,394	\$'000 73,837	1
Less Income	31,488	40,976	38,521	41,279	
Net Cost of Service	43,209	22,808	31,873	32,558	
Employees (Full Time Equivalents)	394	375	375	375	
Efficiency Indicators					
Cost of Work-related Lost Time Injury and Disease Claims in Relation to Cost of Service ^{(a) (b)}	n/a	n/a	\$10.41	\$10.46	
Percentage of High-risk Work Licence Applications Determined within Agreed Timeframes ^(c)	97%	n/a	98%	100%	

(a) The 2017-18 Estimated Actual is based on 2016-17 preliminary WorkCover WA data (latest available) for compensable claim costs.

(b) This is a new efficiency indicator and has not been reported previously, therefore no 2016-17 Actual or 2017-18 Budget figure is available.

(c) As this is a new efficiency indicator, no 2017-18 Budget figure was set as part of the 2017-18 Budget process.

Explanation of Significant Movements

(Notes)

- The increase in the Total Cost of Service from the 2017-18 Budget to the 2017-18 Estimated Actual of \$6.6 million (10%) is due to higher professional services costs in relation to legal fees and additional support services allocated to this service. Reflecting that the safety and health of workers is a high priority of Government, more of the Department's resources are being allocated to this service in 2018-19.

3. Industry Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the areas of consumer protection, building and plumbing, electricity and gas, and labour relations.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 104,860	\$'000 124,480	\$'000 105,082	\$'000 110,496	1
Less Income	58,469	63,362	63,667	66,142	
Net Cost of Service	46,391	61,118	41,415	44,354	
Employees (Full Time Equivalents)	584	559	559	559	
Efficiency Indicators					
Average Cost per Transaction to Deliver Industry Advice and Regulation Services ^(a)	n/a	n/a	\$7.82	\$7.90	

(a) The methodology for this new efficiency indicator has been refined from previously reported indicators, therefore no 2016-17 Actual or 2017-18 Budget figure is available.

Explanation of Significant Movements

(Notes)

- Total Cost of Service has decreased from the 2017-18 Budget to the 2017-18 Estimated Actual by \$19.4 million (16%) due to the impact of savings measures implemented in 2017-18. With the Safety Advice and Regulation service being a high priority, the savings measures have had a greater impact on this service. In addition to this, information and communications technology (ICT) projects deferred in 2017-18 have been repositioned to the 2018-19 Budget Target.

Asset Investment Program

The 2018-19 Asset Investment Program (AIP) will deliver a range of ICT projects in the Building Commission and EnergySafety Divisions and Licensing Directorate that will improve online access to services and information and modernise the Department's ICT portfolio.

The AIP projects all align to the departmental Digital Strategy, which will enable the Department to be responsive in application and architecture design, meet business and stakeholder expectations with regards to the digitisation of services, and simplify the Department's application portfolio. The key outcomes of the Digital Strategy are better regulatory outcomes at a lower cost to the community, and customers who choose to interact with the Department digitally through secure and stable digital services.

The AIP will see the expansion of the Compliance Management System (CMS) to include plumbing services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
ICT Infrastructure							
Building Commission - Regulation Reform ICT							
Infrastructure.....	4,343	3,441	2,334	700	202	-	-
EnergySafety CMS - Stage 2.....	2,400	1,874	1,270	526	-	-	-
Strategic Information Plan	19,099	12,999	4,483	2,776	3,324	-	-
COMPLETED WORKS							
Asset Replacement Program - Computer Hardware and Software - 2017-18 Program							
	914	914	914	-	-	-	-
Expansion of Perth Core Library Viewing Area	2,736	2,736	400	-	-	-	-
Lift Upgrade.....	5,446	5,446	2,026	-	-	-	-
NEW WORKS							
Asset Replacement Program - Computer Hardware and Software							
2018-19 Program.....	914	-	-	914	-	-	-
2019-20 Program.....	914	-	-	-	914	-	-
2020-21 Program.....	914	-	-	-	-	914	-
2021-22 Program.....	914	-	-	-	-	-	914
Total Cost of Asset Investment Program	38,594	27,410	11,427	4,916	4,440	914	914
FUNDED BY							
Capital Appropriation.....			350	-	-	-	-
Drawdowns from the Holding Account			3,918	3,010	3,577	914	914
Internal Funds and Balances.....			7,159	1,906	863	-	-
Total Funding.....			11,427	4,916	4,440	914	914

Financial Statements

Income Statement

Expenses

The decrease in employee benefits from the 2017-18 Budget to the 2018-19 Budget Estimate (\$11 million) is mainly due to savings measures from the Voluntary Targeted Separation Scheme, Senior Executive Service reduction, New Public Sector Wages Policy and the Public Sector Workforce Renewal Policy.

The decrease in supplies and services of \$18.1 million from the 2017-18 Budget to the 2017-18 Estimated Actual is mainly due to deferring large projects such as aerial surveys and some ICT projects, initiated by the Department to alleviate the impact of regulatory revenue shortfalls. Also the Department's focus for 2017-18 has been on implementing Machinery of Government changes and achieving Government savings measures.

The reduction in accommodation expense of \$1.6 million from the 2017-18 Budget to the 2017-18 Estimated Actual is due to the renegotiation of the Mason Bird Building lease.

Income

The decrease in regulatory fees and fines of \$7.9 million from the 2017-18 Budget to the 2017-18 Estimated Actual is due to the Department's revenue streams being volatile and reflecting the downturn experienced by the resources, building and construction industries. Collections for the Petroleum Title fees, Dangerous Goods licensing fees, Building Services Levy and WorkSafe fees were all lower than expected.

The decrease in other revenue of \$1.2 million from the 2017-18 Budget to the 2017-18 Estimated Actual is due to the downward revision of the Mining Rehabilitation Fund's (MRF) interest revenue estimates to reflect lower interest rates.

Statement of Financial Position

Restricted cash is expected to increase in the forward estimates period from \$296.1 million in the 2017-18 Estimated Actual to \$347.6 million in the 2021-22 Forward Estimate as a result of an increase in the balance of the MRF. This is partly offset by a forecast decline in the Consumer Protection Real Estate and Business Agents, and Settlement Agents special purpose accounts revenue.

Statement of Cashflows

The \$5 million decrease in the 2018-19 Budget Estimate for the Royalties for Regions (RfR): Regional Community Services Fund is due to the reduction in RfR funding for the Exploration Incentive Scheme (EIS). From 2019-20, additional revenue for the MTR will support the continuation of the successful EIS.

The repayment of borrowings in the 2018-19 Budget Estimate mainly reflects the repayment of the MRF's Treasurer's Advance.

The proceeds from borrowings in the 2017-18 Estimated Actual reflects a Treasurer's Advance provided to fund the deficits in the Mines Safety Levy (MSL) and Petroleum and Geothermal Energy Safety Levy. As the deficit in the MSL decreases, this is largely repaid over the forward estimates period.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	177,400	183,249	184,169	172,207	171,623	172,016	173,182
Grants and subsidies ^(c)	15,955	16,360	16,360	15,236	13,236	13,236	13,236
Supplies and services	54,262	56,481	38,369	63,025	56,996	55,337	55,337
Accommodation	15,338	18,832	17,191	19,172	19,484	19,609	19,738
Depreciation and amortisation	7,053	6,040	5,882	5,947	5,992	6,475	6,475
Other expenses	17,872	17,951	17,710	17,170	17,291	17,318	17,314
TOTAL COST OF SERVICES	287,880	298,913	279,681	292,757	284,622	283,991	285,282
Income							
Sale of goods and services	209	855	855	855	855	855	855
Regulatory fees and fines							
Mines Safety and Inspection Levy	24,994	32,000	32,000	33,600	35,200	32,000	32,000
Mining Rehabilitation Fund Levy	27,555	27,000	28,300	28,000	28,000	28,000	28,000
Other	81,632	95,048	85,858	97,339	96,447	96,836	96,804
Grants and subsidies	641	463	603	613	624	479	479
Other revenue	10,123	13,428	12,268	12,432	12,844	13,363	13,945
Total Income	145,154	168,794	159,884	172,839	173,970	171,533	172,083
NET COST OF SERVICES	142,726	130,119	119,797	119,918	110,652	112,458	113,199
INCOME FROM STATE GOVERNMENT							
Service appropriations	137,893	128,435	129,755	126,562	129,300	126,629	126,074
Resources received free of charge	2,587	2,846	2,846	2,846	2,846	2,846	2,846
Royalties for Regions Fund:							
Regional Community Services Fund	204	10,225	10,199	5,227	229	231	231
Regional Infrastructure and Headworks Fund	-	-	623	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	140,684	141,506	143,423	134,635	132,375	129,706	129,151
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(2,042)	11,387	23,626	14,717	21,723	17,248	15,952

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

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 1,501, 1,437 and 1,437 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Building Commission							
Australian Building Codes Board	580	580	580	580	580	580	580
Curtin Sustainable Built Environment	100	100	100	100	100	100	100
Consumer Protection							
Consumer Affairs Australia New Zealand	50	50	50	50	50	50	50
Motor Vehicles Repairer Industry	18	18	18	18	18	18	18
Property Industry	5,901	6,594	6,594	6,470	6,470	6,470	6,470
Government Co-funded Exploration Drilling	4,274	5,800	5,800	5,800	5,800	5,800	5,800
Resources Sector Research	4,862	3,048	3,048	2,048	48	48	48
WorkSafe							
Asbestos Disease Society	100	100	100	100	100	100	100
Farmsafe Western Australia Alliance	70	70	70	70	70	70	70
TOTAL	15,955	16,360	16,360	15,236	13,236	13,236	13,236

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	10,116	21,043	11,764	12,761	13,899	15,817	17,735
Restricted cash.....	263,188	252,377	296,112	301,190	317,964	331,450	347,640
Holding account receivables.....	3,896	3,058	2,576	3,577	1,786	1,782	1,778
Receivables.....	11,827	12,886	11,827	11,827	11,827	11,917	12,007
Other.....	5,817	11,392	6,259	6,259	6,259	6,259	6,259
Total current assets.....	294,844	300,756	328,538	335,614	351,735	367,225	385,419
NON-CURRENT ASSETS							
Holding account receivables.....	29,388	29,207	32,150	33,036	36,284	38,138	39,992
Property, plant and equipment.....	134,958	134,144	134,673	134,519	134,919	134,277	133,635
Intangibles.....	10,692	14,827	15,158	15,258	14,193	10,201	6,209
Restricted cash.....	601	-	601	601	601	601	601
Other.....	4,164	8,330	5,233	4,256	3,369	2,442	1,515
Total non-current assets.....	179,803	186,508	187,815	187,670	189,366	185,659	181,952
TOTAL ASSETS.....	474,647	487,264	516,353	523,284	541,101	552,884	567,371
CURRENT LIABILITIES							
Employee provisions.....	36,362	34,767	35,462	34,812	34,162	33,512	32,862
Payables.....	12,402	7,637	12,459	12,512	12,655	12,798	12,941
Other.....	21,098	30,130	41,350	34,772	31,924	27,476	27,028
Total current liabilities.....	69,862	72,534	89,271	82,096	78,741	73,786	72,831
NON-CURRENT LIABILITIES							
Employee provisions.....	7,316	8,235	6,743	6,893	7,043	7,193	7,343
Other.....	9,641	8,709	9,961	9,961	9,961	9,961	9,961
Total non-current liabilities.....	16,957	16,944	16,704	16,854	17,004	17,154	17,304
TOTAL LIABILITIES.....	86,819	89,478	105,975	98,950	95,745	90,940	90,135
EQUITY							
Contributed equity.....	86,998	272,362	273,018	272,257	271,556	270,896	270,236
Accumulated surplus/(deficit) ^(b)	187,112	11,387	23,626	38,343	60,066	77,314	93,266
Reserves.....	113,718	114,037	113,734	113,734	113,734	113,734	113,734
Total equity.....	387,828	397,786	410,378	424,334	445,356	461,944	477,236
TOTAL LIABILITIES AND EQUITY.....	474,647	487,264	516,353	523,284	541,101	552,884	567,371

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

(b) The 2016-17 Actual Accumulated surplus of \$187.1 million is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions resulting from the Machinery of Government changes.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	131,827	123,075	124,395	121,665	124,266	123,865	123,310
Capital appropriation.....	7,714	350	350	-	-	-	-
Holding account drawdowns.....	555	3,918	3,918	3,010	3,577	914	914
Royalties for Regions Fund:							
Regional Community Services Fund.....	124	10,225	10,199	5,227	229	231	231
Regional Infrastructure and Headworks Fund.....	80	-	623	-	-	-	-
Net cash provided by State Government	140,300	137,568	139,485	129,902	128,072	125,010	124,455
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(177,171)	(183,497)	(185,390)	(172,455)	(171,871)	(172,264)	(173,430)
Grants and subsidies	(15,559)	(16,360)	(16,360)	(15,236)	(13,236)	(13,236)	(13,236)
Supplies and services.....	(48,621)	(55,497)	(37,385)	(61,840)	(54,909)	(53,340)	(53,340)
Accommodation.....	(15,350)	(16,259)	(14,618)	(16,245)	(16,959)	(17,084)	(17,213)
Other payments	(21,340)	(26,676)	(26,435)	(26,040)	(26,569)	(26,596)	(26,592)
Receipts ^(b)							
Regulatory fees and fines							
Mines Safety and Inspection Levy	24,916	32,000	32,000	33,600	35,200	32,000	32,000
Mining Rehabilitation Fund Levy	27,555	27,000	28,300	28,000	28,000	28,000	28,000
Other.....	84,583	95,048	85,858	97,339	96,447	96,836	96,804
Grants and subsidies	541	463	603	613	624	479	479
Sale of goods and services.....	162	4,064	4,064	3,997	3,927	3,929	3,929
GST receipts.....	9,454	7,507	7,507	7,507	7,507	7,507	7,507
Other receipts	10,260	9,593	8,433	8,679	9,219	9,777	10,359
Net cash from operating activities.....	(120,570)	(122,614)	(113,423)	(112,081)	(102,620)	(103,992)	(104,733)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(10,436)	(7,881)	(11,427)	(4,916)	(4,440)	(914)	(914)
Proceeds from sale of non-current assets	20	-	-	-	-	-	-
Net cash from investing activities	(10,416)	(7,881)	(11,427)	(4,916)	(4,440)	(914)	(914)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	-	(1,500)	-	(6,830)	(3,100)	(4,700)	(700)
Proceeds from borrowings.....	-	2,132	20,000	-	-	-	-
Net cash from financing activities	-	632	20,000	(6,830)	(3,100)	(4,700)	(700)
NET INCREASE/(DECREASE) IN CASH HELD.....	9,314	7,705	34,635	6,075	17,912	15,404	18,108
Cash assets at the beginning of the reporting period	-	-	-	308,477	314,552	332,464	347,868
Net cash transferred to/from other agencies	264,591	265,715	273,842	-	-	-	-
Cash assets at the end of the reporting period	273,905	273,420	308,477	314,552	332,464	347,868	365,976

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

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

NET APPROPRIATION DETERMINATION ^(a)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Regulatory Fees and Fines							
Licences and Other Regulatory Fees	10,882	18,607	18,607	18,544	18,175	18,175	18,175
Proceeds from Prospecting, Exploration and Other Mining Licences	6,999	5,568	5,568	6,618	5,466	5,466	5,466
Proceeds from Petroleum Permits and Licences	5,071	8,194	3,994	8,094	8,196	8,196	8,196
Regulatory Fees and Fines	61,631	62,679	57,689	64,083	64,610	64,999	64,967
Grants and Subsidies							
Grants and Subsidies	541	463	603	613	624	479	479
Sale of Goods and Services							
Proceeds from Departmental Fees and Charges	37	560	560	560	560	560	560
Sale of Goods and Services	125	3,504	3,504	3,437	3,367	3,369	3,369
GST Receipts							
GST Input Credits	9,454	7,507	7,507	7,507	7,507	7,507	7,507
Other Receipts							
Other Industry Regulation Receipts	5,502	5,680	5,680	5,175	5,167	5,155	5,155
Other Resources Sector Receipts	4,758	3,913	2,753	3,504	4,052	4,622	5,204
TOTAL	105,000	116,675	106,465	118,135	117,724	118,528	119,078

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
INCOME							
Royalties							
Iron Ore	4,708,473	4,583,577	4,496,894	4,223,237	4,190,778	4,280,074	4,376,474
Gold	266,791	302,951	279,360	315,193	307,947	279,786	236,892
Alumina	83,720	89,636	103,608	103,815	103,048	102,471	101,831
Lithium	24,196	28,524	89,211	130,670	131,270	108,681	117,381
Copper	53,778	58,390	63,501	76,729	79,761	74,608	42,643
Nickel	42,907	60,876	65,487	71,453	70,892	70,311	62,761
Petroleum - State	3,578	3,952	5,778	5,657	3,252	2,387	1,625
Other	88,930	83,296	117,375	130,594	123,796	120,626	111,739
Fines							
Regulatory Fines	221	254	254	254	254	254	254
Other							
Appropriations	31,711	49,853	57,733	43,862	17,756	17,345	15,642
Home Indemnity Insurance ^(a)	25,615	26,754	27,675	23,516	7,291	3,496	1,857
Mining Tenement Rentals ^(b)							
Base Component	96,321	92,601	88,748	88,652	88,814	88,814	88,814
Services to Industry Component	2,770	5,650	5,650	10,730	15,910	15,910	15,910
Other Revenue	6,155	368	366	329	290	248	204
Regulatory Fees	208	-	-	-	-	-	-
Rental Accommodation Account	7,443	6,353	6,596	6,436	6,436	6,571	6,571
TOTAL ADMINISTERED INCOME	5,442,817	5,393,035	5,408,236	5,231,127	5,147,495	5,171,582	5,180,598

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES							
Other							
Aboriginal Lands Trust - Remuneration for Mining on Aboriginal Lands.....	321	382	382	392	402	406	406
Coal Industry Development.....	802	-	-	-	-	-	-
Ex-gratia Expenditure	1,683	-	-	-	-	-	-
Home Indemnity Insurance ^(a)	26,706	29,467	29,124	19,609	4,076	1,889	800
Magnetite Financial Assistance Program....	42,199	37,700	45,000	31,500	-	-	-
Minerals Research Institute of Western Australia	723	759	759	778	797	805	805
Mining Tenement Refunds.....	4,212	9,000	9,000	9,000	9,000	9,000	9,000
Other Administered Expenses	1,540	-	-	-	-	-	-
Petroleum (Submerged Lands) Act 1982....	421	52	632	232	184	153	130
Receipts Paid into the Consolidated Account ^(c)	5,264,149	5,313,059	5,295,441	5,166,252	5,127,982	5,137,804	5,153,430
Rental Accommodation Account.....	5,445	9,872	9,874	9,718	9,069	9,088	9,137
Refunds of Previous Years Revenues	284	1,960	1,960	1,960	1,960	1,960	1,960
South West Hub.....	279	1,448	1,448	-	-	-	-
TOTAL ADMINISTERED EXPENSES.....	5,348,764	5,403,699	5,393,620	5,239,441	5,153,470	5,161,105	5,175,668

- (a) The current Home Indemnity Insurance (HII) arrangements are only in place until 31 October 2018. As the HII policies cover a six year period after completion of the home, the associated revenues and expenses are accounted for on an accrual basis over the life of the policy. This results in diminishing revenues and expenses from 2019-20.
- (b) The Department collects additional revenue for Mining Tenement Rentals. This revenue also supports the continuation of the EIS with funding of \$5 million in 2018 19 and a further \$10 million per annum from 2019-20 onwards. This increases the Government's service appropriation and will enable the Department to promote continued investment in the State and deliver services more effectively in response to industry needs.
- (c) Receipts paid into the Consolidated Account includes \$4.4 million in the 2016-17 Actual for the repayment of Iron Ore Financial Assistance.

Agency Special Purpose Account Details

MINING REHABILITATION FUND

Account Purpose: The MRF is a pooled fund contributed to by Western Australian mining operators. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations. Interest earnings are used to fund administration of the MRF and for rehabilitation works on abandoned mine sites.

	2016-17	2017-18	2017-18	2018-19
	Actual	Budget	Estimated	Budget
	\$'000	\$'000	Actual	Estimate
			\$'000	\$'000
Opening Balance.....	63,000	92,000	92,000	120,000
Receipts:				
Other	30,000	30,000	30,000	31,000
	93,000	122,000	122,000	151,000
Payments	1,000	2,000	2,000	2,000
CLOSING BALANCE.....	92,000	120,000	120,000	149,000

Western Australian Meat Industry Authority

Part 4 Jobs and Economic Development

Asset Investment Program

The Authority's Asset Investment Program (AIP) supports the delivery of services at the Muchea Livestock Centre (MLC). The total AIP for 2018-19 is \$450,000 for the following major projects:

- completion of the CCTV - Stage III System to improve the overall monitoring requirements of the MLC operations;
- construction of a wide dump ramp in order to improve the efficiency of loading and unloading pastoral cattle;
- ongoing dam remediation work to prevent erosion of dam walls;
- replacement of a sweeper, two tractors and the existing compressor with a new air compressor to reduce power costs and improve air supply to the drafts and scales areas; and
- purchase of a boom/scissor lift to facilitate maintenance requirements.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Saleyard 2017-18 Program	650	650	650	-	-	-	-
NEW WORKS							
Saleyard							
2018-19 Program	450	-	-	450	-	-	-
2019-20 Program	350	-	-	-	350	-	-
2020-21 Program	450	-	-	-	-	450	-
2021-22 Program	450	-	-	-	-	-	450
Total Cost of Asset Investment Program	2,350	650	650	450	350	450	450
FUNDED BY							
Internal Funds and Balances			650	450	350	450	450
Total Funding			650	450	350	450	450

Division 18 Small Business Development Corporation

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 46 Net amount appropriated to deliver services.....	12,446	12,179	10,491	11,851	11,570	11,619	11,673
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	260	260	260	260	260	260	261
Total appropriations provided to deliver services	12,706	12,439	10,751	12,111	11,830	11,879	11,934
CAPITAL							
Item 110 Capital Appropriation	60	60	60	60	60	60	60
TOTAL APPROPRIATIONS	12,766	12,499	10,811	12,171	11,890	11,939	11,994
EXPENSES							
Total Cost of Services	12,708	13,735	14,167	12,644	12,363	12,412	12,467
Net Cost of Services ^(a)	11,124	12,883	13,815	12,322	12,041	12,090	12,145
CASH ASSETS ^(b)	4,130	2,218	1,445	1,429	1,413	1,397	1,381

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
2018-19 Streamlined Budget Process Incentive Funding.....	-	118	-	-	-
New Public Sector Wages Policy	(29)	(64)	(99)	(136)	-
On-demand Transport Reform Project	306	-	-	-	-
State Fleet Policy and Procurement Initiatives	(5)	(7)	(6)	(6)	(9)
Voluntary Targeted Separation Scheme ^(a)	160	(260)	(263)	(265)	(269)

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

- With the largest number of small businesses in the State, the building and construction industry is vitally important to Western Australia's economy. Advocating for fairer contracting practices and improved security of payments for small business subcontractors and suppliers in the State's building and construction industry remains a major focus and the Corporation continues to work with government agencies to develop enhanced protections for subcontractors.
- The Corporation has developed a range of small business friendly initiatives that put the needs of small businesses first, in line with the Government's focus on creating jobs and strengthening the State's economy. The Small Business Friendly Local Government program now covers almost 37% of all small businesses in the State through the participation of 20 local governments dedicated to actively supporting small businesses in their area. The new Small Business Friendly Projects program aims to assist government works agencies to engage with small businesses to minimise impacts of their construction and redevelopment projects. The Corporation is also exploring opportunities to progress other small business friendly initiatives, including better practice government procurement, payment terms and regulation making.
- Following collaboration on the national inquiry into payment practices in Australia, the Corporation continues to advocate for large organisations, including government, to pay small business suppliers promptly. As strong cash flow is typically heavily relied upon, excessive and late payments can have a devastating impact on small business viability. During the year, the Corporation worked with government agencies and trading enterprises to pay small business accounts within 30 days, while options to improve the transparency of payment times and move to a 15 business day payment period are being explored.
- The Corporation continues to collaborate with government agencies to support the growth of local small businesses. In 2017-18, this included working with the Office of Multicultural Interests to deliver business skills workshops to migrants from culturally and linguistically diverse backgrounds, the Department of Justice to deliver workshops for people exiting the prison system and Tourism WA on initiatives for tourism-based businesses to navigate the regulatory environment.
- The Corporation's Business Local outreach service delivers small business advice and guidance through a network of third party providers around the State. Recently redesigned and retendered, the service will be provided in regional Western Australia through one-to-one and one-to-many delivery, whilst the metropolitan service will focus on bespoke training designed to address demonstrated small business needs at the local level. The new service providers will commence delivering Business Local from 2 July 2018 for an initial three year period.
- The highly successful Business Migration program is expected to deliver record capital inflow into the State of well over \$250 million during 2017-18. The Corporation provides State nominations to business migrants in a range of business and investment visa categories and actively promotes Western Australian opportunities in prime overseas markets.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcome	Service
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Development of new and existing small business in Western Australia.	1. Information, Guidance, Referral and Business Development Services

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Information, Guidance, Referral and Business Development Services	12,708	13,735	14,167	12,644	12,363	12,412	12,467
Total Cost of Services.....	12,708	13,735	14,167	12,644	12,363	12,412	12,467

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Development of new and existing small business in Western Australia:					
A random sample of clients was asked to rate the usefulness of the information/guidance provided to them by the Corporation:					
Very or somewhat useful	93%	93%	93%	93%	
Not very or not at all useful	7%	5%	7%	5%	
Neutral	0%	2%	0%	2%	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Services and Key Efficiency Indicators ^(a)**1. Information, Guidance, Referral and Business Development Services**

Provision of specialised information, referral, and business facilitation services for the effective development of enterprises in Western Australia.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	12,708	13,735	14,167	12,644	1
Less Income	1,584	852	352	322	
Net Cost of Service	11,124	12,883	13,815	12,322	
Employees (Full Time Equivalents)	51	55	53	52	
Efficiency Indicators					
Average Cost per Direct Client Contact/Equivalent ^(b)	\$39.89	\$38.91	\$40.72	\$33.63	2
Average Cost per Indirect Client Contact ^(c)	\$5.86	\$5.86	\$6.61	\$5.81	3
Average Cost per Business Local Client Contact ^(d)	\$145.84	\$147.24	\$140.39	\$137.83	
Cost per Unit of Policy Advice ^(e)	\$1,202,180	\$1,268,718	\$1,243,869	\$1,290,541	

(a) Further detail regarding efficiency indicators is provided in the agency's Annual Report.

(b) Direct client contacts have contacted the Corporation for guidance or information either by a personal visit, by telephone, have attended the Corporation's workshops, downloaded a licence pack from the Business Licence Finder or have visited the Corporation's websites for four minutes or more.

(c) Indirect client contacts are exposed to a range of advisory, information, referral and business services that would impact on their growth and business development. It includes those who have attended expos, forums or award functions which the Corporation has organised, has been the major sponsor where the focus has been on business development or where a Corporation's representative has given an address on small business matters. This also includes Corporation website visits of between two and four minutes.

(d) The Business Local service delivers small business services in 12 key areas across the State (including nine in regional Western Australia).

(e) Policy advice includes policy and regulatory submissions, industry liaison, small business sector advocacy, investigative research and ministerial correspondence. The cost of policy advice includes salaries and related staffing costs and all other direct costs associated with the Policy and Advocacy section of the Corporation, together with a notional allocation of corporate overheads.

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service between the 2017-18 Estimated Actual and the 2018-19 Budget Target is mainly due to additional expenses in 2017-18 from the Voluntary Targeted Separation Scheme and the return of unspent funds for the On-demand Transport Project, and a reduction in salary costs in 2018-19 from the Voluntary Targeted Separation Scheme.
2. The reduction in Average Cost per Direct Client Contact/Equivalent in the 2018-19 Budget Target is generally due to the return of unspent funds for the On-demand Transport Project and additional expenditure under the Voluntary Targeted Separation Scheme in 2017-18, along with a corresponding reduction in salary costs in 2018-19.
3. The reduction in Average Cost per Indirect Client Contact in the 2018-19 Budget Target is due to additional salary expenditure under the Voluntary Targeted Separation Scheme in 2017-18 and a corresponding reduction in salary costs in 2018-19.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Furniture and Office Equipment Replacement							
2016-17 Program.....	120	120	51	-	-	-	-
2017-18 Program.....	120	120	120	-	-	-	-
NEW WORKS							
Furniture and Office Equipment Replacement							
2018-19 Program.....	120	-	-	120	-	-	-
2019-20 Program.....	120	-	-	-	120	-	-
2020-21 Program.....	120	-	-	-	-	120	-
2021-22 Program.....	120	-	-	-	-	-	120
Total Cost of Asset Investment Program	720	240	171	120	120	120	120
FUNDED BY							
Capital Appropriation.....			60	60	60	60	60
Drawdowns from the Holding Account			60	60	60	60	60
Internal Funds and Balances.....			51	-	-	-	-
Total Funding.....			171	120	120	120	120

Financial Statements

Income Statement

Expenses

Employee benefits expenses reduce in 2018-19 as a result of the Voluntary Targeted Separation Scheme.

Grants and subsidies relate to the Business Local service. The expense has been reclassified to supplies and services commencing in 2018-19, to better reflect the fee-for-service method of delivery.

Other expenses in 2017-18 includes \$0.8 million in unspent On-demand Transport Project funding returned to the Department of Transport.

Statement of Financial Position

The reduction in cash assets in 2017-18 relates to the return of surplus cash of \$1.8 million to the Consolidated Account.

Statement of Cashflows

A reclassification of the Business Local service has increased supplies and services and decreased grants and subsidies from 2018-19.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	6,021	6,638	6,769	6,306	6,145	6,199	6,257
Grants and subsidies ^(c)	3,586	3,540	3,540	-	-	-	-
Supplies and services	1,555	1,938	1,401	4,713	4,540	4,491	4,505
Accommodation	1,150	1,219	1,219	1,261	1,303	1,347	1,347
Depreciation and amortisation	111	140	140	140	140	140	140
Other expenses	285	260	1,098	224	235	235	218
TOTAL COST OF SERVICES	12,708	13,735	14,167	12,644	12,363	12,412	12,467
Income							
Sale of goods and services	312	292	292	292	292	292	292
Grants and subsidies	1,000	-	-	-	-	-	-
Other revenue	272	560	60	30	30	30	30
Total Income	1,584	852	352	322	322	322	322
NET COST OF SERVICES	11,124	12,883	13,815	12,322	12,041	12,090	12,145
INCOME FROM STATE GOVERNMENT							
Service appropriations	12,706	12,439	10,751	12,111	11,830	11,879	11,934
Resources received free of charge	124	190	190	190	190	190	190
Royalties for Regions Fund: Regional Community Services Fund	216	224	224	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	13,046	12,853	11,165	12,301	12,020	12,069	12,124
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,922	(30)	(2,650)	(21)	(21)	(21)	(21)

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 51, 53 and 52 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Business Local Service - Operational Grants ...	3,586	3,540	3,540	-	-	-	-
TOTAL	3,586	3,540	3,540	-	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	3,324	2,165	1,445	1,429	1,413	1,397	1,381
Restricted cash.....	806	53	-	-	-	-	-
Holding account receivables.....	60	60	60	60	60	60	60
Receivables.....	116	86	116	116	116	116	116
Other.....	261	140	189	228	233	213	193
Total current assets.....	4,567	2,504	1,810	1,833	1,822	1,786	1,750
NON-CURRENT ASSETS							
Holding account receivables.....	579	674	625	720	815	910	1,005
Property, plant and equipment.....	79	58	49	19	44	69	49
Intangibles.....	236	260	246	256	211	166	166
Other.....	-	-	51	51	51	51	51
Total non-current assets.....	894	992	971	1,046	1,121	1,196	1,271
TOTAL ASSETS.....	5,461	3,496	2,781	2,879	2,943	2,982	3,021
CURRENT LIABILITIES							
Employee provisions.....	1,135	1,002	989	989	989	989	989
Other.....	87	210	150	209	234	234	234
Total current liabilities.....	1,222	1,212	1,139	1,198	1,223	1,223	1,223
NON-CURRENT LIABILITIES							
Employee provisions.....	263	289	256	256	256	256	256
Other.....	1	2	1	1	1	1	1
Total non-current liabilities.....	264	291	257	257	257	257	257
TOTAL LIABILITIES.....	1,486	1,503	1,396	1,455	1,480	1,480	1,480
EQUITY							
Contributed equity.....	1,359	1,419	1,419	1,479	1,539	1,599	1,659
Accumulated surplus/(deficit).....	2,616	574	(34)	(55)	(76)	(97)	(118)
Total equity.....	3,975	1,993	1,385	1,424	1,463	1,502	1,541
TOTAL LIABILITIES AND EQUITY.....	5,461	3,496	2,781	2,879	2,943	2,982	3,021

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	12,551	12,284	10,596	11,956	11,675	11,724	11,779
Capital appropriation.....	60	60	60	60	60	60	60
Holding account drawdowns.....	60	60	109	60	60	60	60
Royalties for Regions Fund:							
Regional Community Services Fund.....	216	224	224	-	-	-	-
Net cash provided by State Government	12,887	12,628	10,989	12,076	11,795	11,844	11,899
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,099)	(6,587)	(6,767)	(6,255)	(6,094)	(6,148)	(6,206)
Grants and subsidies	(3,586)	(3,540)	(3,540)	-	-	-	-
Supplies and services.....	(1,412)	(1,828)	(1,291)	(4,534)	(4,361)	(4,312)	(4,326)
Accommodation.....	(1,150)	(1,219)	(1,219)	(1,261)	(1,303)	(1,347)	(1,347)
Other payments	(1,080)	(890)	(924)	(934)	(945)	(945)	(928)
Receipts							
Grants and subsidies	1,000	-	-	-	-	-	-
Sale of goods and services.....	312	292	292	292	292	292	292
GST receipts.....	760	690	690	690	690	690	690
Other receipts	246	560	60	30	30	30	30
Net cash from operating activities	(11,009)	(12,522)	(12,699)	(11,972)	(11,691)	(11,740)	(11,795)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(178)	(120)	(171)	(120)	(120)	(120)	(120)
Net cash from investing activities	(178)	(120)	(171)	(120)	(120)	(120)	(120)
NET INCREASE/(DECREASE) IN CASH HELD.....	1,700	(14)	(1,881)	(16)	(16)	(16)	(16)
Cash assets at the beginning of the reporting period	2,430	2,232	4,130	1,445	1,429	1,413	1,397
Net cash transferred to/from other agencies	-	-	(804)	-	-	-	-
Cash assets at the end of the reporting period	4,130	2,218	1,445	1,429	1,413	1,397	1,381

(a) Full audited financial statements are published in the agency's Annual Report.

Division 19 Rural Business Development Corporation

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 47 Net amount appropriated to deliver services	236	235	235	235	233	233	233
Total appropriations provided to deliver services	236	235	235	235	233	233	233
TOTAL APPROPRIATIONS	236	235	235	235	233	233	233
EXPENSES							
Total Cost of Services	623	736	736	643	485	485	485
Net Cost of Services ^(a)	502	632	632	545	393	393	393
CASH ASSETS ^(b)	5,313	4,891	4,916	4,606	4,446	4,286	4,126

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
2018-19 Streamlined Budget Process Incentive Funding.....	-	2	-	-	-

Significant Issues Impacting the Agency

- The Corporation (on behalf of the State Government) administers a number of assistance schemes through the *Rural Business Development Corporation Act 2000*. The Corporation currently administers five schemes, including the State initiated Farm Debt Mediation Scheme, and four Commonwealth Government initiated and funded concessional loans schemes. The Corporation currently administers 46 loans, with a total of \$16.7 million in outstanding loan principal. The first loan is scheduled for repayment in April 2019, and the last for April 2022.
- At the request of the Commonwealth Government, the State Government has commenced negotiations for two new loans schemes to be in place as transitional arrangements before the Commonwealth Government establishes its own Regional Investment Corporation, from 1 July 2018. The two new loan schemes will be the Drought Assistance Loans and the Business Improvement Concessional Loans, both available under the Farm Business Concessional Loans Scheme. The new schemes are to offer loans with 10 year terms. Further engagement and consultation in relation to administration of the loans, with the responsible authority, is required ahead of any agreement being entered into between the State and Commonwealth Governments.
- The State Government commenced the Farm Debt Mediation Scheme (the Scheme) through the Corporation in June 2015, which is expected to remain open on an ongoing basis. The Scheme is voluntary for both the financier and the farmer, and has been modelled around schemes operating in New South Wales and Victoria. The Western Australian Scheme allows additional flexibility of earlier adoption of the mediation process than the legislated models with the aim of preserving equity and earlier resolution.
- The Commonwealth Government is seeking a nationally consistent approach to farm debt mediation via a legislative approach as already adopted by New South Wales and Victoria, and recently Queensland. Western Australia is currently reviewing how farm debt mediation is functioning locally, and how it compares to the legislative models in place nationally. A decision on the future of the Scheme is expected before 30 June 2018.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcome	Service
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Improved ecologically sustainable development of agri-industry.	1. Farm Business Development

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Farm Business Development.....	623	736	736	643	485	485	485
Total Cost of Services.....	623	736	736	643	485	485	485

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17	2017-18	2017-18	2018-19	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Improved ecologically sustainable development of agri-industry:					
The extent to which recipients were satisfied with the way schemes are administered	89%	90%	89%	90%	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Services and Key Efficiency Indicators

1. Farm Business Development

This service provides financial assistance to farmers who have been significantly impacted by exceptional seasonal events. It assists them to enhance their management skills in order to improve and sustain long-term profitability and be better equipped and prepared to manage the risks and challenges inherent in farming.

The Corporation aims to implement the industry support within the funding guidelines to maximise the protection and sustainability of resources associated with the agri-industries.

	2016-17	2017-18	2017-18	2018-19	Note
	Actual	Budget	Estimated Actual	Budget Target	
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	623	736	736	643	1
Less Income	121	104	104	98	
Net Cost of Service	502	632	632	545	
Efficiency Indicators					
Administrative Cost per Loan Advanced Amount	\$4,267	\$5,000	\$4,742	\$4,700	
Administrative Cost as a Percentage of Loan Advanced Amount	1.2%	1.2%	1.3%	1.3%	

Explanation of Significant Movements

(Notes)

- The decrease in Total Cost of Service from the 2017-18 Estimated Actual to the 2018-19 Budget Target primarily reflects a decrease in budgeted grants and subsidies due to no new grant schemes being established in 2017-18, and a reduction in other expenses due to improved operating efficiencies delivered by the Corporation in administering and managing loans.

Financial Statements

Statement of Financial Position

The increase in receivables between the 2017-18 Budget and the 2017-18 Estimated Actual of \$84,000 is due to a one-off overpayment of salaries costs in 2016-17, together with unutilised grant moneys paid to external parties which is required to be returned. The Corporation will undertake recovery action for these two issues over forward estimates period.

The estimated decrease in current liabilities between the 2017-18 Budget and the 2017-18 Estimated Actual of \$33,000 reflects a reduction in accrued expenses for administration costs incurred by the Corporation during the year.

Statement of Cashflows

Cash assets at the end of the reporting period will continue to decline over the forward estimates period. This reflects the cost of administration for the Commonwealth's Farm Finance Concessional Loans and Drought Concessional Loans Schemes, where the cash was received in previous periods.

INCOME STATEMENT ^(a) (Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits	-	10	10	10	10	10	10
Grants and subsidies ^(b)	-	190	190	150	150	150	150
Supplies and services	168	110	110	107	100	100	100
Other expenses	455	426	426	376	225	225	225
TOTAL COST OF SERVICES	623	736	736	643	485	485	485
Income							
Other revenue	121	104	104	98	92	92	92
Total Income	121	104	104	98	92	92	92
NET COST OF SERVICES	502	632	632	545	393	393	393
INCOME FROM STATE GOVERNMENT							
Service appropriations	236	235	235	235	233	233	233
TOTAL INCOME FROM STATE GOVERNMENT	236	235	235	235	233	233	233
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(266)	(397)	(397)	(310)	(160)	(160)	(160)

(a) Full audited financial statements are published in the agency's Annual Report.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Future Rural Support Schemes	-	100	100	150	150	150	150
Research Grants	-	90	90	-	-	-	-
TOTAL	-	190	190	150	150	150	150

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	5,313	4,891	4,916	4,606	4,446	4,286	4,126
Receivables.....	88	4	88	88	88	88	88
Other.....	23	34	23	23	23	23	23
Total current assets.....	5,424	4,929	5,027	4,717	4,557	4,397	4,237
TOTAL ASSETS	5,424	4,929	5,027	4,717	4,557	4,397	4,237
CURRENT LIABILITIES							
Other.....	30	63	30	30	30	30	30
Total current liabilities.....	30	63	30	30	30	30	30
TOTAL LIABILITIES	30	63	30	30	30	30	30
EQUITY							
Accumulated surplus/(deficit).....	5,394	4,866	4,997	4,687	4,527	4,367	4,207
Total equity	5,394	4,866	4,997	4,687	4,527	4,367	4,207
TOTAL LIABILITIES AND EQUITY	5,424	4,929	5,027	4,717	4,557	4,397	4,237

(a) Full audited financial statements are published in the agency's Annual Report.

**STATEMENT OF CASHFLOWS ^(a)
(Controlled)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	236	235	235	235	233	233	233
Net cash provided by State Government	236	235	235	235	233	233	233
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	-	(10)	(10)	(10)	(10)	(10)	(10)
Grants and subsidies	-	(190)	(190)	(150)	(150)	(150)	(150)
Supplies and services	(168)	(110)	(110)	(107)	(100)	(100)	(100)
Other payments	(572)	(426)	(426)	(376)	(225)	(225)	(225)
Receipts							
GST receipts	7	-	-	-	-	-	-
Other receipts	125	104	104	98	92	92	92
Net cash from operating activities	(608)	(632)	(632)	(545)	(393)	(393)	(393)
NET INCREASE/(DECREASE) IN CASH HELD	(372)	(397)	(397)	(310)	(160)	(160)	(160)
Cash assets at the beginning of the reporting period	5,685	5,288	5,313	4,916	4,606	4,446	4,286
Cash assets at the end of the reporting period	5,313	4,891	4,916	4,606	4,446	4,286	4,126

(a) Full audited financial statements are published in the agency's Annual Report.

Division 20 Economic Regulation Authority

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 48 Net amount appropriated to deliver services	2,704	2,640	2,627	2,056	1,592	1,642	1,650
Total appropriations provided to deliver services	2,704	2,640	2,627	2,056	1,592	1,642	1,650
TOTAL APPROPRIATIONS	2,704	2,640	2,627	2,056	1,592	1,642	1,650
EXPENSES							
Total Cost of Services	11,107	13,779	13,709	13,493	13,203	13,386	13,453
Net Cost of Services ^(a)	3,204	2,831	2,818	2,247	1,781	1,831	1,839
CASH ASSETS ^(b)	3,313	2,605	3,301	3,367	3,413	3,440	3,517

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
2018-19 Streamlined Budget Process Incentive Funding.....	-	20	-	-	-
New Public Sector Wages Policy	(63)	(132)	(203)	(277)	-
State Fleet Policy and Procurement Initiatives	(7)	(22)	(29)	(39)	(40)

Significant Issues Impacting the Agency

- The Authority will finalise the review of Western Power's access arrangement in 2018-19.
- The Authority will commence the review of proposed revisions to the access arrangements for the Goldfields Gas Pipeline and the Mid West and South West Gas Distribution System. This will ensure that these gas pipeline operators offer prices that are efficient and on reasonable terms and conditions for the period 2020-2024.
- As part of new functions taken over from the Independent Market Operator, the Authority will review the method used to assign certified reserve capacity to intermittent generators such as solar and wind farms. This method affects the level of income for generators of renewable energy.
- The Authority will collaborate with the Department of Treasury on the introduction of funding regulations for the recovery of costs associated with the Western Australian Rail Access Regime.
- Due to the increasing complexity of the energy market, the Authority will embark on the development of more sophisticated market monitoring tools, which will improve the Authority's market monitoring, compliance and enforcement obligations.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcome	Service
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	The efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the Economic Regulation Authority Governing Body

Service Summary

Expense	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
1. Submissions to the Economic Regulation Authority Governing Body.....	11,107	13,779	13,709	13,493	13,203	13,386	13,453
Total Cost of Services.....	11,107	13,779	13,709	13,493	13,203	13,386	13,453

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: The efficient, safe and equitable provision of utility services in Western Australia:					
Number of submissions made to the Authority's Governing Body.....	212	280	310	300	
Rating by the Authority's Governing Body as to the content, accuracy and presentation of these submissions ^(b)	4.1	4	3	3	1
Number (percentage) of submissions provided by the required deadline.....	94%	100%	100%	100%	
Rating by the Authority's Governing Body as to their perception of the timeliness of submissions ^(b)	4.1	4	3	3	1

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) Performance is rated as follows by the Authority's Governing Body: 1 = well below expectations; 2 = below expectations; 3 = satisfactory; 4 = above expectations; 5 = well above expectations.

Explanation of Significant Movements

(Notes)

- Two new Governing Body members joined the Authority in 2017-18. The Governing Body members recalibrated the rating scale and now rate submissions as satisfactory if they meet their expectations and if they are submitted on time.

Services and Key Efficiency Indicators

1. Submissions to the Economic Regulation Authority Governing Body

The Authority regulates monopoly aspects of the gas, electricity and rail industries and licenses providers of gas, electricity and water services. The Authority also enquires into matters referred to it by the State Government. In addition, the Authority has a range of responsibilities in the retailing of gas and surveillance of the wholesale electricity market in Western Australia.

The Authority's functions are designed to maintain a competitive, efficient and fair commercial environment, particularly where businesses operate as natural monopolies. In making its decisions, the Authority strives to benefit the Western Australian community by promoting an efficient and customer focused economy.

The requirement for the Authority to prepare performance indicators is limited to its management functions under section 23 of the *Economic Regulation Authority Act 2003*. As such, the quantity, quality and cost per submission that is prepared by the Authority's Secretariat for consideration by the Governing Body is used to determine its performance and service efficiency.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 11,107	\$'000 13,779	\$'000 13,709	\$'000 13,493	
Less Income	7,903	10,948	10,891	11,246	
Net Cost of Service	3,204	2,831	2,818	2,247	
Employees (Full Time Equivalents)	53	58	56	56	
Efficiency Indicators					
Cost per Submission Made to the Economic Regulation Authority Governing Body	\$52,396	\$49,210	\$44,222	\$44,976	1

Explanation of Significant Movements

(Notes)

- The 2017-18 Estimated Actual cost per submission of \$44,222 is less than the 2017-18 Budget of \$49,210 due to the higher than expected number of submissions to the Governing Body.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
NEW WORKS							
Computer Hardware and Software Replacement	305	-	-	-	295	-	-
Office Equipment Replacement	20	-	-	-	20	-	-
Total Cost of Asset Investment Program	325	-	-	-	315	-	-
FUNDED BY							
Drawdowns from the Holding Account			-	-	315	-	-
Total Funding			-	-	315	-	-

Financial Statements

Income Statement

Expenses

The increase in Total Cost of Services in 2017-18 is due to the transfer of functions that were previously undertaken by the Independent Market Operator to the Authority. In addition, the Western Power access arrangement review is taking place in 2017-18.

Income

The amount received for regulatory fees is affected by total expenditure and the amount of staff time spent on industry funded functions. The transfer of functions from the Independent Market Operator, and the costs of the review of Western Power's access arrangement, have increased the revenue that is recouped from industry.

INCOME STATEMENT ^(a) (Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	7,764	9,406	9,342	9,348	9,418	9,487	9,555
Supplies and services	1,729	2,700	2,700	2,498	2,038	2,203	2,203
Accommodation	1,151	1,171	1,171	1,173	1,203	1,234	1,234
Depreciation and amortisation	57	55	55	55	55	55	55
Other expenses	406	447	441	419	489	407	406
TOTAL COST OF SERVICES	11,107	13,779	13,709	13,493	13,203	13,386	13,453
Income							
Sale of goods and services	63	-	-	-	-	-	-
Regulatory fees and fines	7,762	10,866	10,809	11,163	11,339	11,470	11,529
Other revenue	78	82	82	83	83	85	85
Total Income	7,903	10,948	10,891	11,246	11,422	11,555	11,614
NET COST OF SERVICES	3,204	2,831	2,818	2,247	1,781	1,831	1,839
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,704	2,640	2,627	2,056	1,592	1,642	1,650
Resources received free of charge	281	266	266	266	266	266	266
TOTAL INCOME FROM STATE GOVERNMENT	2,985	2,906	2,893	2,322	1,858	1,908	1,916
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(219)	75	75	75	77	77	77

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 53, 56 and 56 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	3,261	2,545	3,231	3,267	3,283	3,280	3,327
Restricted cash.....	24	-	12	12	12	12	12
Holding account receivables.....	-	-	-	315	-	-	-
Receivables.....	2,771	3,273	2,750	2,797	2,866	2,866	2,866
Other.....	146	187	146	146	146	146	121
Total current assets.....	6,202	6,005	6,139	6,537	6,307	6,304	6,326
NON-CURRENT ASSETS							
Holding account receivables.....	552	607	607	292	292	342	342
Property, plant and equipment.....	166	136	144	122	405	405	405
Intangibles.....	14	10	10	6	-	-	-
Restricted cash.....	28	60	58	88	118	148	178
Other.....	25	-	25	25	25	25	50
Total non-current assets.....	785	813	844	533	840	920	975
TOTAL ASSETS.....	6,987	6,818	6,983	7,070	7,147	7,224	7,301
CURRENT LIABILITIES							
Employee provisions.....	1,582	1,610	1,582	1,519	1,519	1,519	1,519
Payables.....	505	606	426	438	438	438	438
Other.....	57	26	57	57	57	57	57
Total current liabilities.....	2,144	2,242	2,065	2,014	2,014	2,014	2,014
NON-CURRENT LIABILITIES							
Employee provisions.....	338	398	338	401	401	401	401
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	339	399	339	402	402	402	402
TOTAL LIABILITIES.....	2,483	2,641	2,404	2,416	2,416	2,416	2,416
EQUITY							
Contributed equity.....	725	725	725	725	725	725	725
Accumulated surplus/(deficit).....	3,779	3,452	3,854	3,929	4,006	4,083	4,160
Total equity.....	4,504	4,177	4,579	4,654	4,731	4,808	4,885
TOTAL LIABILITIES AND EQUITY.....	6,987	6,818	6,983	7,070	7,147	7,224	7,301

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,599	2,585	2,572	2,056	1,592	1,592	1,650
Holding account drawdowns	9	-	-	-	315	-	-
Net cash provided by State Government	2,608	2,585	2,572	2,056	1,907	1,592	1,650
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(7,794)	(9,406)	(9,342)	(9,386)	(9,456)	(9,526)	(9,594)
Supplies and services	(1,551)	(2,695)	(2,695)	(2,465)	(1,994)	(2,172)	(2,174)
Accommodation	(946)	(961)	(961)	(950)	(981)	(1,004)	(1,004)
Other payments	(970)	(727)	(721)	(679)	(781)	(700)	(697)
Receipts ^(b)							
Regulatory fees and fines	8,126	10,827	10,770	11,124	11,300	11,463	11,522
Sale of goods and services	75	-	-	-	-	-	-
GST receipts	330	293	293	293	293	300	300
Other receipts	79	72	72	73	73	74	74
Net cash from operating activities	(2,651)	(2,597)	(2,584)	(1,990)	(1,546)	(1,565)	(1,573)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(9)	-	-	-	(315)	-	-
Net cash from investing activities	(9)	-	-	-	(315)	-	-
NET INCREASE/(DECREASE) IN CASH HELD							
	(52)	(12)	(12)	66	46	27	77
Cash assets at the beginning of the reporting period	3,365	2,617	3,313	3,301	3,367	3,413	3,440
Cash assets at the end of the reporting period	3,313	2,605	3,301	3,367	3,413	3,440	3,517

(a) Full audited financial statements are published in the agency's Annual Report.

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

NET APPROPRIATION DETERMINATION ^(a)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Regulatory Fees and Fines							
Industry Funding	8,126	10,827	10,770	11,124	11,300	11,463	11,522
Sale of Goods and Services							
Indian Ocean Territories	75	-	-	-	-	-	-
GST Receipts							
GST Input Credits	330	293	293	293	293	300	300
Other Receipts							
Other Receipts	79	72	72	73	73	74	74
TOTAL	8,610	11,192	11,135	11,490	11,666	11,837	11,896

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

Forest Products Commission

Part 4 Jobs and Economic Development

Asset Investment Program

The Asset Investment Program provides for an ongoing program to update information technology and other equipment that supports the delivery of the Commission's services, replace key business systems, undertake building capital works upgrades and purchase land for softwood estates.

This includes:

- \$5 million in 2017-18 for the purchase of land to replace a fire-damaged plantation in Myalup, which the Department of Primary Industries and Regional Development will repurpose for a horticultural precinct; and
- \$14.6 million over 2018-19 to 2020-21 on the acquisition of land for the establishment of softwood plantations. This represents a move away from the current strategy of 30 year leases to the purchase of plantation land, which reduces administration and softwood estate costs over the life of the plantation.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Computers, Plant and Equipment - 2017-18 Program.....	600	600	600	-	-	-	-
Forest Planning and Management System.....	390	390	290	-	-	-	-
Myalup Replacement Land Purchase.....	5,000	5,000	5,000	-	-	-	-
NEW WORKS							
Building Works	300	-	-	250	-	-	50
Computers, Plant and Equipment							
2018-19 Program.....	600	-	-	600	-	-	-
2019-20 Program.....	600	-	-	-	600	-	-
2020-21 Program.....	600	-	-	-	-	600	-
2021-22 Program.....	600	-	-	-	-	-	600
Softwood Estate Land Purchases	14,572	-	-	6,864	6,583	1,125	-
Total Cost of Asset Investment Program	23,262	5,990	5,890	7,714	7,183	1,725	650
FUNDED BY							
Internal Funds and Balances.....			890	7,714	7,183	1,725	650
Other			5,000	-	-	-	-
Total Funding.....			5,890	7,714	7,183	1,725	650

Racing and Wagering Western Australia

Part 4 Jobs and Economic Development

Asset Investment Program

The Authority's Asset Investment Program across the forward estimates period remains focused on the ongoing development, enhancement and replacement of hardware, software and retail terminals along with other general business process improvements.

Investment in wagering assets will continue to be prioritised towards items that are necessary to enable the business to maintain and expand its product offerings, including significant investment in the mobile platform.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
Business Systems and Products	28,950	18,881	4,858	3,026	3,339	3,339	365
Other Works	14,335	7,843	1,521	1,624	1,577	1,577	1,714
Racing Systems, Infrastructure and Minor Capital	2,456	856	856	1,000	-	-	600
Retail Outlet Upgrade Program	20,523	18,519	2,126	702	300	300	702
Wagering Systems and Products	48,663	20,921	8,756	7,159	6,075	6,075	8,433
Total Cost of Asset Investment Program	114,927	67,020	18,117	13,511	11,291	11,291	11,814
FUNDED BY							
Internal Funds and Balances			18,117	13,511	11,291	11,291	11,814
Total Funding			18,117	13,511	11,291	11,291	11,814

Western Australian Greyhound Racing Association

Part 4 Jobs and Economic Development

Asset Investment Program

Asset investment consists of plant and equipment replacement at the Cannington and Mandurah racetracks.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Plant and Equipment							
Cannington - 2017-18 Program	309	309	309	-	-	-	-
Mandurah - 2017-18 Program	309	309	309	-	-	-	-
Total Cost of Asset Investment Program	618	618	618	-	-	-	-
FUNDED BY							
Internal Funds and Balances.....			618	-	-	-	-
Total Funding.....			618	-	-	-	-

Burswood Park Board

Part 4 Jobs and Economic Development

Asset Investment Program

In 2007, security lighting was installed along 600 metres of shared pathway leading from the WA Recreational Water Sports Association facility on the Swan River towards the Perth Causeway. The remaining 300 metres of pathway will be completed in 2018-19 at a cost of \$260,000, providing security lighting along the entire pathway.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
NEW WORKS							
Security Lighting - Shared Pathway.....	260	-	-	260	-	-	-
Total Cost of Asset Investment Program	260	-	-	260	-	-	-
FUNDED BY							
Internal Funds and Balances			-	260	-	-	-
Total Funding			-	260	-	-	-