

Part 4

Jobs and Economic Development

Introduction

The Jobs and Economic Development portfolio is creating jobs for Western Australians and promoting a strong and diverse economy that delivers benefits to all areas of the State. The portfolio facilitates investment in the State, supports the development of export markets and opportunities, and promotes the State as an attractive tourist destination. It also has a focus on innovation and technological developments and overall support for businesses around the State.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs;
- A Bright Future
 - increasing participation in STEM; and
- Regional Prosperity
 - delivering strong regional economies.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Jobs, Tourism, Science and Innovation		
– Total Cost of Services	194,379	211,083
– Asset Investment Program	670	1,146
Primary Industries and Regional Development		
– Total Cost of Services	468,077	483,243
– Asset Investment Program	1,804	25,743
Mines, Industry Regulation and Safety		
– Total Cost of Services	286,229	279,716
– Asset Investment Program	5,023	4,722
Western Australian Meat Industry Authority		
– Asset Investment Program	450	350

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Small Business Development Corporation		
– Total Cost of Services	13,144	14,570
– Asset Investment Program	273	120
Rural Business Development Corporation		
– Total Cost of Services	643	488
– Asset Investment Program	-	-
Economic Regulation Authority		
– Total Cost of Services	13,496	14,992
– Asset Investment Program	-	315
Forest Products Commission		
– Asset Investment Program	6,704	1,405
Racing and Wagering Western Australia		
– Asset Investment Program	11,786	16,201
Western Australian Greyhound Racing Association		
– Asset Investment Program	300	300
Burswood Park Board		
– Asset Investment Program	260	190

Ministerial Responsibilities

Minister	Agency	Services
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests Minister for Housing; Veterans Issues; Youth; Asian Engagement Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Jobs, Tourism, Science and Innovation	1. Development of Industry Sectors and Facilitate Investment
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Jobs, Tourism, Science and Innovation	2. Destination Marketing 3. Event Tourism 4. Tourism Destination Development
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Primary Industries and Regional Development	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 6. Agricultural and Aquatic Biosecurity and Integrity 7. Agricultural and Fisheries Natural Resource Management
Minister for Mines and Petroleum; Energy; Industrial Relations Attorney General; Minister for Commerce	Mines, Industry Regulation and Safety	1. Resources Advice and Regulation 2. Safety Advice and Regulation 3. Industry Advice and Regulation
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade	Western Australian Meat Industry Authority Rural Business Development Corporation	n/a 1. Farm Business Development
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Small Business Development Corporation Racing and Wagering Western Australia Western Australian Greyhound Racing Association Burswood Park Board	1. Information, Guidance, Referral and Business Development Services 2. Access to Justice for Small Business n/a n/a n/a
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Economic Regulation Authority	1. Submissions to the Economic Regulation Authority Governing Body
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Forest Products Commission	n/a

Division 15 **Jobs, Tourism, Science and Innovation**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 42 Net amount appropriated to deliver services.....	137,786	151,419	146,078	152,441	148,022	142,286	142,890
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	684	681	681	1,502	1,508	1,520	1,533
Total appropriations provided to deliver services	138,470	152,100	146,759	153,943	149,530	143,806	144,423
ADMINISTERED TRANSACTIONS							
Item 43 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	21,983	22,236	22,255	22,279	22,684	22,827	20,174
CAPITAL							
Item 121 Capital Appropriation	150	150	150	150	150	150	150
TOTAL APPROPRIATIONS	160,603	174,486	169,164	176,372	172,364	166,783	164,747
EXPENSES							
Total Cost of Services	168,872	193,918	194,379	211,083	183,016	175,098	168,987
Net Cost of Services (a).....	161,931	187,464	182,765	194,904	175,276	167,528	160,911
CASH ASSETS (b).....	30,380	19,958	23,277	20,740	19,014	19,562	19,002

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Aboriginal Tourism	-	900	900	900	900
Aviation New Market Development	1,740	2,610	1,750	1,650	2,250
Future Energy Exports Cooperative Research Centre	-	1,100	1,100	1,200	1,200
International Marketing Boost.....	2,750	7,000	-	-	-
National Collaborative Research Infrastructure Strategy.....	-	4,610	3,010	2,904	-
Perdaman Chemicals Technical Studies.....	300	-	-	-	-
Ongoing Initiatives					
Election Commitment - Office of Defence West	-	-	3,003	-	-
Perth USAsia Centre	-	600	600	600	-
Other					
Indexation for Non-Salary Expenses	-	-	-	-	1,104
Review of Overseas Trade and Investment Offices	701	350	-	-	-
Transfer of Scholarships from the Department of Education.....	107	109	109	109	109

Significant Issues Impacting the Agency

Western Australian Jobs

1. The Department has a lead role in delivering a stronger economy - part of the Government's Our Priorities - with the aim of increasing employment by an additional 150,000 jobs in Western Australia by 2023-24, including 30,000 jobs in regional areas as part of the regional prosperity priority.
2. The Western Australian Industry Participation Strategy (WAIPS), developed under the *Western Australian Jobs Act 2017* (the Act), is designed to ensure Western Australian businesses get a greater share of the contracts to supply goods, services and works to the Government. The Department has identified nine pilot projects to test the WAIPS and associated tendering system, including the METRONET Railcar Procurement project - a strategic project under the Act. The Department, with the Public Transport Authority, seeks to ensure a 50% local content target for the METRONET railcars.
3. Consistent with the WA Plan for Jobs, the Department will work to develop the Skilled Local Jobs Bill. The Bill seeks to leverage key industry sectors to create a skilled local workforce to increase local participation opportunities across industry sectors such as steel fabrication.

State Development

4. Under current agreements, gas flow from the North West Shelf (NWS) will decline over the next decade. In response, the NWS Joint Venture is looking to extend the NWS State Agreement to provide certainty for large third-party gas tolling projects, such as Browse. The Department is facilitating these and other major gas projects and seeking to secure new jobs, regional development and domestic gas commitments for the State's economy.
5. With Western Australia being one of the world's largest LNG producers, the Department is supporting the Premier's LNG Jobs Taskforce to leverage the high level of knowledge and expertise in the LNG industry, and promote Western Australia as a global energy hub, creating new jobs for Western Australians. This year's Budget includes funding for one of the LNG Jobs Taskforce's priority actions of co-investing with the Commonwealth to establish the Future Energy Exports Cooperative Research Centre, and LNG Futures Facility to develop and demonstrate new LNG and hydrogen production technologies, and processes on an industrial scale.
6. In January 2019, the Government launched the Future Battery Industry Strategy, which focuses on opportunities across the battery value chain through investment attraction, project facilitation, research and technology, and the adoption of battery technologies.
7. Global demand for lithium-ion battery minerals is driving the demand for strategic industrial land. The Department continues to manage this demand by having project-ready strategic industrial areas throughout the State suitable for new industrial activities, and by offering project facilitation services to projects that diversify the economy and create jobs and regional economic opportunities.

International Education, Trade and Investment

8. The Department is coordinating the implementation of the International Education Strategy (the Strategy) for Western Australia that seeks to increase the number of international students coming to Perth. The Government's commitment will support the implementation of the Strategy in collaboration with StudyPerth and universities.
9. The Department is progressing Brand WA and the Asian Engagement Strategy to realise overseas opportunities that will lead to jobs growth in Western Australia. The Department is also establishing key changes to provide a focal point to attract and facilitate investment and trade opportunities for Western Australia.
10. The Department will finalise its review into the operation of the Government's International Trade office network to ensure they are operating efficiently and effectively in delivering on the Government's objectives.

Defence

11. The Department, through Defence West, will continue to promote and facilitate the development of the Western Australian defence industries sector through the implementation of the WA Defence and Defence Industries Strategic Plan released in October 2018. The Strategic Plan outlines the State's vision to grow and support the defence industries sector and maximise the opportunities for the Western Australian industry to contribute to the national and international defence needs. The Strategic Plan recognises the industries' potential to become a key pillar of the Western Australian economy, driving long-term job creation and economic diversification.
12. The Department is progressing key actions outlined in the Strategic Plan, including making a case to the Commonwealth Government, to secure Western Australia as the pre-eminent base for all maintenance and sustainment requirements of Australia's submarine and frigate fleets, including the full-cycle docking of the Collins Class Submarines. This also includes identifying future infrastructure upgrades, within the Australian Marine Complex and Henderson that are required to support this focus and the needs of defence and industry, which will be determined through the Henderson Masterplan currently being progressed by the Department.
13. The 2019-20 Budget also includes funding for the Defence Science Centre (DSC), which is a national collaboration between the Western Australian Government, the Defence Science and Technology Group and the State's four public universities to undertake research leading to the enhancement of Australia's defence capability. The DSC is expected to be operational by mid-2019.

Growth of the Western Australian Tourism Industry

14. Tourism generates \$10.4 billion for the Western Australian economy and supports more than 104,000 jobs. Tourism is a major focus for the State Government and forms an important part of its plan to create jobs and diversify the economy.
15. The State Government is committed to further growing Western Australia's visitor economy and is allocating more than \$100 million to tourism in 2019-20. Tourism WA is in the second year of its two year action plan, which outlines how the industry will capitalise on the ongoing transformation of Perth and Western Australia, including new hotels and other tourism infrastructure. Since 2012, 35 new or redeveloped hotels have opened in and around Perth, adding more than 3,600 new rooms to the local market. The 60,000-seat Optus Stadium opened in January 2018, and more than two million attendees visited the venue in its first 12 months of operation. The stadium has created new opportunities to attract and host major international events, providing a boost to the economy through visitor spend and showcasing Western Australia to the rest of the world through international media coverage. More than 29,000 out-of-State visitors for the 2018 AFL season alone contributed more than \$31 million to the State's economy.
16. Included in the 2019-20 Budget is an additional \$10 million in aviation funding over five years to help attract new routes to Western Australia and grow the State's reputation as Australia's western gateway. The State Government works with the Federal Government and Perth Airport to develop new routes from emerging and existing key international markets. On 26 December 2018, the State Government announced it had secured direct flights from Tokyo to Perth commencing from 1 September 2019. The State Government is also actively pursuing a new direct route from India and an additional air service between China and Perth.
17. To support aviation attraction and to grow the number of international visitors to Western Australia, the State Government has also committed to a \$12 million international marketing boost, including \$9.8 million in new funding. The additional funding is expected to attract more international visitors to Western Australia and provide a substantial jobs boost for the State.
18. Tourism WA will continue to market the State as a tourism destination with substantial work being undertaken during 2019-20. Building on the success of the two year action plan, Tourism WA will continue to work on a long-term tourism strategy for Western Australia, which will align with the national strategy being developed by Tourism Australia.
19. Aboriginal tourism is a key focus for the State Government, with funding for the Western Australian Indigenous Tourism Operators Council continuing for a further four years to 2022-23. Tourism WA is working with key stakeholders to grow this important part of the tourism industry.

Science and Innovation

20. The importance of science, technology, engineering and mathematics (STEM) skills for future jobs is increasingly being recognised. The Government’s ‘Our Priority for A Bright Future’ includes a target of 85% of Year 12 students completing two or more STEM courses by 2024. The State STEM Skills Strategy is designed to enhance STEM skills across the State through various initiatives designed to prepare Western Australia’s workforce for future jobs.
21. The national and international space industry sector is expanding significantly in relation to civil and defence applications. The Government is committed to growing Western Australia’s space industry to take advantage of this opportunity and is collaborating with the Australian Space Agency, industry and universities to strengthen the State’s capability and capacity in the sector.
22. The National Collaborative Research Infrastructure Strategy is a Commonwealth program delivering major national-scale, collaborative research infrastructure. The State Government will leverage \$20 million of Commonwealth funds for research infrastructure in Western Australian science and innovation priority areas.

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 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	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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.....	76,259	100,059	95,486	109,324	90,156	82,577	75,515
2. Destination Marketing.....	48,428	48,358	59,478	58,791	48,830	48,566	49,306
3. Event Tourism.....	33,122	39,099	33,402	38,419	39,520	39,472	39,700
4. Tourism Destination Development.....	11,063	6,402	6,013	4,549	4,510	4,483	4,466
Total Cost of Services.....	168,872	193,918	194,379	211,083	183,016	175,098	168,987

Outcomes and Key Effectiveness Indicators (a)

	2017-18	2018-19	2018-19	2019-20	Note
	Actual	Budget	Estimated Actual	Budget Target	
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.....	80%	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.....	\$9.5 billion	\$10 billion	\$9.9 billion	\$10.2 billion	
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia.....	98.5%	90%	97.4%	90%	
Value of cooperative marketing funds provided by the tourism industry.....	\$9.9 million	\$7.5 million	\$7.3 million	\$12 million	1
Direct economic impact of major events sponsorship (b).....	\$56.8 million	\$50 million	\$52.7 million	\$48 million	
Direct media impact of major events sponsorship (b).....	\$122.3 million	\$110 million	\$141.7 million	\$94.5 million	

(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. Furthermore, the methodology for the measurement of media impact of events has been amended for the 2019-20 Budget Target to exclude the impact of local media for Perth-based events. This matches the methodology for the economic impact of events whereby only out-of-State impacts are reported for Perth-based events. The 2019-20 Budget Target for events media impact is therefore not comparable with previous years.

Explanation of Significant Movements

(Notes)

- Cooperative marketing funds are expected to be greater in 2019-20 due to the international marketing boost. Third-party funds will be sought to leverage the Government's investment in tourism promotion opportunities.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 76,259	\$'000 100,059	\$'000 95,486	\$'000 109,324	1, 2
Less Income	3,943	5,164	5,785	5,505	
Net Cost of Service	72,316	94,895	89,701	103,819	
Employees (Full-Time Equivalents)	149	183	176	185	
Efficiency Indicators ^(a)					
Average cost per project facilitated ^(b)	\$439	\$638	\$608	\$614	
Average cost per identified major State initiative	n/a	n/a	n/a	n/a	

(a) Efficiency indicators are under review and will be developed in 2019-20.

(b) 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 2018-19 Estimated Actual and the 2019-20 Budget Target is driven by the inclusion of funding for several significant initiatives at higher individual value than the prior year average. New funding for the National Collaborative Research Infrastructure Strategy increases the Total Cost of Service by \$4.8 million and the Future Energy Cooperative Research Centre increases the Total Cost of Service by a further \$1.1 million. Variations in pre-existing project cost forecasts embedded in the budget and repositioning of funding from 2018-19 to 2019-20, to match expense profiles with actual project milestones, account for the remainder of the variance.
- The variation in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily the result of movement in the timing of expenditure profiles for specific projects, including re-profiling of the Onslow Community Development Fund (\$1.7 million), Science Grants (\$1.9 million), and New Industries Fund (\$0.6 million). In addition, there were several minor re-profiles of other project funds, offset by budget increases resulting from carryover for the Australia China Natural Gas Technology Partnership Fund (\$0.4 million) and new funding for the audit and review of overseas offices (\$0.7 million in 2018-19).

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 48,428	\$'000 48,358	\$'000 59,478	\$'000 58,791	1
Less Income	1,216	973	4,762	10,403	
Net Cost of Service	47,212	47,385	54,716	48,388	
Employees (Full-Time Equivalents)	54	53	60	64	
Efficiency Indicators					
Tourism Destination Marketing administrative costs as a proportion of Total Cost of Service allocated to Destination Marketing.....	21%	21%	20%	22%	

Explanation of Significant Movements

(Notes)

- The expenditure increase in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional funding for aviation and market development as well as a boost to international marketing. There was also a redirection of expenditure to Destination Marketing activities from the uncommitted Event Tourism budget during 2018-19.

3. Event Tourism

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 33,122	\$'000 39,099	\$'000 33,402	\$'000 38,419	1
Less Income	196	159	861	154	
Net Cost of Service	32,926	38,940	32,541	38,265	
Employees (Full-Time Equivalents)	20	21	20	20	
Efficiency Indicators					
Event Tourism administrative costs as a proportion of Total Cost of Service allocated to Event Tourism	10%	10%	11%	10%	

Explanation of Significant Movements

(Notes)

- The Total Cost of Service for the 2017-18 Actual and the 2018-19 Estimated Actual compared to the 2018-19 Budget are lower due to the redirection of uncommitted Event Tourism budget to other tourism-related activity (mainly Destination Marketing).

4. Tourism Destination Development

This service focuses on tourism supply side issues; working across Government and 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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,063	\$'000 6,402	\$'000 6,013	\$'000 4,549	1
Less Income	1,586	158	206	117	
Net Cost of Service	9,477	6,244	5,807	4,432	
Employees (Full-Time Equivalents)	22	20	13	13	
Efficiency Indicators					
Tourism Destination Development administrative costs as a proportion of Total Cost of Service allocated to Tourism Destination Development	31%	63%	43%	59%	2

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget was mainly the result of three finite programs ceasing in 2017-18: Caravan and Camping program, Regional Visitor Centres program and the Tourism Demand-Driver Infrastructure grant program. The decrease in the 2019-20 Budget when compared to the 2018-19 Estimated Actual is the result of the transfer of Tourism WA's Aviation Development and Policy function to the Destination Marketing service area and one-off funding in 2018-19 for the Ferguson Valley Wellington Forest Marketing program.
2. The increase between the 2017-18 Actual and the 2018-19 Budget was mainly due to the cessation in 2017-18 of three finite programs (see note 1 above) without a proportionate decrease in administration costs. The 2018-19 Estimated Actual is lower than the 2018-19 Budget due to additional programs added during the year with little or no administration overheads. The 2019-20 Budget Target is higher due to a decreased program budget without a proportionate decrease in administrative overheads.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Information and Communications Technology (ICT)							
Replacement							
Perth Offices	1,431	686	640	20	-	100	625
Overseas Offices	299	89	30	25	45	70	70
NEW WORKS							
ICT Asset Replacement Development and Other							
Infrastructure							
2019-20 Program	1,036	-	-	1,036	-	-	-
2020-21 Program	625	-	-	-	625	-	-
2021-22 Program	625	-	-	-	-	625	-
2022-23 Program	100	-	-	-	-	-	100
Motor Vehicles Replacement							
2019-20 Program	65	-	-	65	-	-	-
2020-21 Program	65	-	-	-	65	-	-
2021-22 Program	175	-	-	-	-	175	-
2022-23 Program	175	-	-	-	-	-	175
Total Cost of Asset Investment Program	4,596	775	670	1,146	735	970	970
FUNDED BY							
Capital Appropriation			150	150	150	150	150
Drawdowns from the Holding Account			520	585	585	820	820
Internal Funds and Balances			-	411	-	-	-
Total Funding			670	1,146	735	970	970

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase of \$16.7 million in the Total Costs of Services from the 2018-19 Estimated Actual to the 2019-20 Budget Estimate primarily reflects the impact of new programs coming on line and reflows of existing programs between years.
 - 2.1. New programs in 2019-20 include the commencement of the State's involvement with the National Collaborative Research Infrastructure Strategy with a budget of \$4.6 million, and the Future Energy Cooperative Research Centre which commences with a budget of \$1.1 million;
 - 2.2. Expenditure for tourism-related activities increases by \$2.9 million;
 - 2.3. The Royalties for Regions funded Western Australian Branding Project budget is profiled to increase by \$1.8 million over 2018-19 levels; and
 - 2.4. The remainder of the movement between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is represented by several smaller new initiatives and variations in original and re-profiled timelines for other existing projects.

Income

3. The increase in revenue from the 2018-19 to the 2019-20 Budget Estimate includes an increase in Burswood Park Board funding for international marketing (\$5 million) and aviation and market development (\$0.9 million).

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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)	39,586	39,185	39,332	40,200	40,050	38,819	39,297
Grants and subsidies ^(c)	31,997	38,176	37,359	45,650	40,156	36,195	28,489
Supplies and services	79,611	104,038	104,137	106,566	89,685	87,213	88,408
Accommodation	5,787	6,352	6,352	911	858	497	497
Depreciation and amortisation	852	1,011	1,011	6,771	6,775	6,726	6,484
Finance and interest costs	22	28	28	858	680	452	260
Other expenses	11,017	5,128	6,160	10,127	4,812	5,196	5,552
TOTAL COST OF SERVICES	168,872	193,918	194,379	211,083	183,016	175,098	168,987
Income							
Sale of goods and services	-	1,961	1,961	1,961	1,961	1,961	1,961
Grants and subsidies	1,482	438	4,277	9,624	1,750	1,650	2,250
Other revenue	5,459	4,055	5,376	4,594	4,029	3,959	3,865
Total Income	6,941	6,454	11,614	16,179	7,740	7,570	8,076
NET COST OF SERVICES	161,931	187,464	182,765	194,904	175,276	167,528	160,911
INCOME FROM STATE GOVERNMENT							
Service appropriations	138,470	152,100	146,759	153,943	149,530	143,806	144,423
Resources received free of charge	531	1,164	1,164	1,164	1,164	1,164	1,164
Royalties for Regions Fund:							
Regional Community Services Fund	15,142	22,369	23,442	23,220	17,420	16,320	12,670
Regional Infrastructure and Headworks Fund	-	5,267	5,267	5,245	-	-	-
Other appropriations	-	-	-	5,710	4,110	4,104	1,200
TOTAL INCOME FROM STATE GOVERNMENT	154,143	180,900	176,632	189,282	172,224	165,394	159,457
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(7,788)	(6,564)	(6,133)	(5,622)	(3,052)	(2,134)	(1,454)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 245, 269 and 282 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Collie Future Fund	-	-	3,656	4,631	4,631	4,632	-
Future Energy Exports Cooperative Research Centre	-	-	-	1,100	1,100	1,200	1,200
Gorgon Gas CO ₂ Injection Project	-	100	100	100	100	100	100
Industry Development Grants							
Local Capability Fund	134	800	800	800	800	800	800
Medical Research Centre Fund	110	110	110	110	110	110	110
Oil and Gas Resources Centre (National Energy Resources Australia)	250	275	275	-	-	-	-
Other Industry	160	-	-	-	-	-	-
International Education	1,411	1,319	1,426	109	109	109	109
National Collaborative Research							
Infrastructure Strategy	-	-	-	4,610	3,010	2,904	-
New Industries Fund	500	4,918	4,270	4,949	4,894	-	-
Onslow Social Infrastructure Projects							
Wheatstone Construction	1,044	1,877	1,700	103	-	-	-
Wheatstone Post-End Construction	-	1,500	-	1,500	1,500	1,500	2,250
Other Grants	325	-	-	-	-	-	-
Perth USAsia Centre	-	-	-	600	600	600	-
Science and Agribusiness Connect Program ...	744	945	945	710	-	-	-
Science Grants	22,806	24,819	22,264	24,353	22,040	23,090	23,120
Science, Technology, Engineering and Mathematics Strategy	6	713	713	1,175	462	350	-
Tourism WA							
Caravan and Camping Grants	1,477	-	-	-	-	-	-
Demand-Driver Infrastructure Grants	1,382	-	-	-	-	-	-
Ferguson Valley Wellington Forest Marketing	-	-	300	-	-	-	-
Other Industry Grants and Contributions	430	800	800	800	800	800	800
Regional Visitor Centre Grants	1,218	-	-	-	-	-	-
TOTAL	31,997	38,176	37,359	45,650	40,156	36,195	28,489

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	26,082	18,850	16,471	11,612	9,435	10,077	10,530
Restricted cash.....	4,049	855	5,571	5,373	5,373	5,373	4,623
Holding account receivables.....	475	546	509	543	571	571	571
Receivables.....	2,352	2,861	1,914	1,914	1,914	1,914	1,914
Other.....	18,675	8,649	11,334	11,677	12,044	10,895	10,067
Total current assets.....	51,633	31,761	35,799	31,119	29,337	28,830	27,705
NON-CURRENT ASSETS							
Holding account receivables.....	7,820	8,097	8,277	8,664	9,051	9,231	9,411
Property, plant and equipment.....	37,940	44,036	37,749	57,105	51,346	45,778	40,147
Intangibles.....	507	957	507	507	507	507	507
Restricted cash.....	249	253	337	429	429	429	429
Other.....	242	6,898	9,184	6,074	4,579	2,608	1,295
Total non-current assets.....	46,758	60,241	56,054	72,779	65,912	58,553	51,789
TOTAL ASSETS.....	98,391	92,002	91,853	103,898	95,249	87,383	79,494
CURRENT LIABILITIES							
Employee provisions.....	7,386	7,186	7,477	7,659	7,659	7,659	7,659
Payables.....	8,202	3,675	8,527	8,352	8,177	8,035	8,035
Other.....	2,225	1,514	1,525	1,525	1,525	1,525	1,525
Total current liabilities.....	17,813	12,375	17,529	17,536	17,361	17,219	17,219
NON-CURRENT LIABILITIES							
Employee provisions.....	1,401	1,602	1,401	1,401	1,401	1,401	1,401
Borrowings and leases.....	-	-	-	20,224	15,024	9,284	2,699
Other.....	5	816	5	5	5	5	5
Total non-current liabilities.....	1,406	2,418	1,406	21,630	16,430	10,690	4,105
TOTAL LIABILITIES.....	19,219	14,793	18,935	39,166	33,791	27,909	21,324
EQUITY							
Accumulated surplus/(deficit).....	79,172	66,173	72,918	64,732	61,458	59,474	58,170
Reserves.....	-	11,036	-	-	-	-	-
Total equity.....	79,172	77,209	72,918	64,732	61,458	59,474	58,170
TOTAL LIABILITIES AND EQUITY.....	98,391	92,002	91,853	103,898	95,249	87,383	79,494

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	137,617	151,074	145,748	152,937	148,530	142,806	143,423
Capital appropriation	150	150	150	150	150	150	150
Holding account drawdowns	475	520	520	585	585	820	820
Royalties for Regions Fund:							
Regional Community Services Fund	15,142	22,369	23,442	23,220	17,420	16,320	12,670
Regional Infrastructure and Headworks Fund	-	5,267	5,267	5,245	-	-	-
Administered appropriations	-	-	-	5,710	4,110	4,104	1,200
Net cash provided by State Government	153,384	179,380	175,127	187,847	170,795	164,200	158,263
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(38,615)	(39,094)	(39,241)	(40,018)	(40,050)	(38,819)	(39,297)
Grants and subsidies	(31,968)	(38,176)	(37,359)	(45,650)	(40,156)	(36,195)	(28,489)
Supplies and services	(56,302)	(73,800)	(70,509)	(62,071)	(55,520)	(51,929)	(53,885)
Accommodation	(5,751)	(6,082)	(6,082)	(641)	(827)	(827)	(827)
GST payments	(10,437)	(5,792)	(5,792)	(4,827)	(4,827)	(4,827)	(4,827)
Finance and interest costs	(22)	(28)	(28)	(858)	(680)	(482)	(260)
Other payments	(26,988)	(34,407)	(39,929)	(53,903)	(38,238)	(37,952)	(38,905)
Receipts ^(b)							
Grants and subsidies	1,382	438	4,277	9,624	1,750	1,650	2,250
Sale of goods and services	1,859	1,961	1,961	1,961	1,961	1,961	1,961
GST receipts	10,567	5,792	5,792	4,827	4,827	4,827	4,827
Other receipts	3,602	3,815	4,318	4,072	3,602	3,602	3,602
Net cash from operating activities	(152,673)	(185,373)	(182,592)	(187,484)	(168,158)	(158,991)	(153,850)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(687)	(670)	(670)	(1,146)	(735)	(970)	(970)
Proceeds from sale of non-current assets	34	-	-	-	-	-	-
Other receipts	-	1,032	1,032	3,032	1,032	-	-
Net cash from investing activities	(653)	362	362	1,886	297	(970)	(970)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(4,992)	(5,114)	(5,474)	(6,144)
Other payments	-	(1,032)	(1,032)	(3,032)	(1,032)	-	-
Other proceeds	-	-	1,032	3,238	1,486	1,783	2,141
Net cash from financing activities	-	(1,032)	-	(4,786)	(4,660)	(3,691)	(4,003)
NET INCREASE/(DECREASE) IN CASH HELD	58	(6,663)	(7,103)	(2,537)	(1,726)	548	(560)
Cash assets at the beginning of the reporting period	-	26,621	30,380	23,277	20,740	19,014	19,562
Net cash transferred to/from other agencies	30,322	-	-	-	-	-	-
Cash assets at the end of the reporting period	30,380	19,958	23,277	20,740	19,014	19,562	19,002

(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 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)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
International Aviation Development	-	-	1,740	2,610	1,750	1,650	2,250
International Marketing	-	-	2,000	7,000	-	-	-
Event Sponsorships	-	-	700	-	-	-	-
National Partnership Payment Revenue							
Delivery of Tourism Demand Driver							
Infrastructure	1,382	-	-	-	-	-	-
Commonwealth Grants							
National Water	-	438	-	-	-	-	-
Aboriginal Tourism Initiatives	-	-	99	14	-	-	-
Sale of Goods and Services							
Industry Development Revenue	1,859	1,961	1,961	1,961	1,961	1,961	1,961
GST Receipts							
GST Receipts	10,567	5,792	5,792	4,827	4,827	4,827	4,827
Other Receipts							
Premier's Science Awards and Innovator of							
the Year Contributions	372	-	315	315	315	315	315
Interest Receipts - Tourism	328	250	250	250	250	250	250
Tourism Revenue - Other	1,752	1,040	1,040	800	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	429	-	-	-
Other Receipts	620	495	421	678	637	637	637
TOTAL	17,410	12,006	16,348	20,484	12,140	12,040	12,640

(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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Appropriations.....	21,983	22,236	22,255	22,279	22,684	22,827	20,174
Interest Received - Commonwealth Scientific and Industrial Research Organisations (CSIRO) Loan	57	136	136	136	136	136	136
Loan Discount Unwinding CSIRO.....	581	509	509	509	509	509	509
Millennium Chemicals	133	189	189	189	189	189	189
Onslow Social and Critical Infrastructure Funds (Wheatstone).....	69,562	71,200	54,232	66,265	4,090	4,236	-
TOTAL ADMINISTERED INCOME	92,316	94,270	77,321	89,378	27,608	27,897	21,008
EXPENSES							
Grants to Charitable and Other Public Bodies							
Onslow Social and Critical Infrastructure Funds	52,184	71,200	71,610	66,265	4,090	4,236	-
Qantas Hub Infrastructure.....	2,800	2,800	2,800	2,800	2,800	2,800	-
Statutory Authorities							
Pilbara Ports Authority - Burrup Port Infrastructure Subsidy	8,680	9,102	9,121	8,887	9,027	9,170	9,317
Water Corporation - Burrup Water System Subsidy.....	10,081	10,334	10,334	10,592	10,857	10,857	10,857
Other							
Loan Discounting	-	-	-	-	-	666	-
Payments to Consolidated Account - CSIRO Principal and Interest Receipts	1,176	136	136	136	136	136	136
TOTAL ADMINISTERED EXPENSES	74,921	93,572	94,001	88,680	26,910	27,865	20,310

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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	1,421	1,037	1,054	667
Receipts:				
Other	430	430	430	430
	1,851	1,467	1,484	1,097
Payments	797	817	817	796
CLOSING BALANCE.....	1,054	650	667	301

Division 16 **Primary Industries and Regional Development**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 44 Net amount appropriated to deliver services.....	189,484	166,301	154,454	163,598	175,527	170,683	173,160
Amount Authorised by Other Statutes							
- Biosecurity and Agriculture Management Act 2007	2,462	5,397	5,397	5,375	3,824	5,311	5,311
- Salaries and Allowances Act 1975.....	3,182	3,182	3,182	3,182	3,182	3,198	3,210
Total appropriations provided to deliver services	195,128	174,880	163,033	172,155	182,533	179,192	181,681
ADMINISTERED TRANSACTIONS							
Item 45 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1,600	1,550	1,550	1,550	1,550	1,550	-
CAPITAL							
Item 122 Capital Appropriation	1,085	285	525	16,496	11,260	7,175	7,449
TOTAL APPROPRIATIONS	197,813	176,715	165,108	190,201	195,343	187,917	189,130
EXPENSES							
Total Cost of Services	499,664	517,704	468,077	483,243	416,319	389,499	408,924
Net Cost of Services (a).....	378,621	421,359	366,056	380,032	318,752	292,448	310,419
CASH ASSETS (b).....	145,694	82,883	115,168	90,461	87,858	92,215	90,669

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Capability Review					
Core Business Systems Replacement.....	(13,419)	169	1,926	2,889	2,930
Core Funding	-	15,246	35,663	45,115	45,468
Refurbishment of Laboratory Facilities - South Perth	-	-	-	150	150
Election Commitments					
Albany Artificial Surf Reef Project.....	250	250	-	-	-
Entry Statement and Signage for Bunbury	200	-	-	-	-
Fitzroy River Management Plan.....	-	731	666	-	-
Geraldton Marine Finfish Nursery Facility	-	-	450	1,825	1,822
Thomas Little Memorial Hall (Our Lady of Lourdes) Restoration	250	250	-	-	-
Withers Urban Renewal Project.....	-	671	-	-	-

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon -					
Gwoonwardu Mia.....	1,041	561	487	614	-
Jawun Partnership Agreement.....	-	280	-	-	-
Koombana Bay Park Facilities.....	500	-	-	-	-
Lock Hospitals Memorial Project.....	140	-	-	-	-
Murujuga Aboriginal Corporation - Murujuga Living Knowledge Centre and Tourism Precinct Planning.....					
	335	1,004	-	-	-
New External Funding - Agricultural Research and Development Projects.....	2,906	3,645	3,680	1,180	531
Ord-East Kimberley Expansion Project.....	4,000	4,000	1,000	1,000	-
Shark Hazard Mitigation - SMART Drumline Trial.....	1,924	1,620	-	-	-
Ongoing Initiatives					
Albany Wave Energy Project.....	(2,902)	(5,087)	(5,086)	-	-
Community Resource Centres.....	-	5,000	5,000	5,000	5,000
Shark Hazard Mitigation					
Community Awareness Campaign.....	1,116	-	-	-	-
Shark Deterrent Initiatives.....	-	130	-	-	-
Surf Life Saving Western Australia Aerial and Beach Patrols and Response.....	-	3,810	3,905	-	-
Southern Forests Food Council.....	595	480	425	-	-
Other					
2019-20 Tariffs, Fees and Charges.....	-	(1,763)	(1,758)	(1,723)	(1,664)
Government Office Accommodation Reform Program.....	(202)	(364)	(364)	(374)	(374)
Government Regional Officer Housing.....	(100)	(237)	(250)	(851)	(194)
Indexation for Non-Salary Expense.....	-	-	-	-	729
Voluntary Targeted Separation Scheme.....	(2,849)	(2,443)	(2,469)	(2,497)	(2,807)

Significant Issues Impacting the Agency

1. Regional Western Australia and primary industries are key drivers of the State's economy; the regionally based resources sector delivers 80% of Western Australia's traded economy, with food and fibre the next largest export earners. There are significant prospects for growth owing to international demand, the State's strong reputation for dependable, high-quality food and the significant untapped potential to increase value-add and expand markets, food and tourism in both the agriculture and fisheries industries.
2. Following the completion of the Department's capability review, the Government has re-confirmed its commitment to our primary industries and regions. The provision of additional funding will enable the Department's contribution to the Government's Our Priorities, with a particular focus on a strong economy, a liveable environment and prosperous regions. In 2019-20, the Department will deliver a Primary Industries Strategy and Aquaculture Plan and will work with industry and the regions to attract investment and support jobs growth.
3. The Government's agenda for primary industries and regional development is focused on jobs and local content outcomes for the regions. To support this, the Government introduced the *Jobs Act 2017*, which has seen the implementation of the Western Australia Industry Participation Strategy and Western Australia Industry Link. Part of the Department's commitment to the Western Australia Industry Link was the establishment of the Local Content Adviser Network (LCAN). The LCAN takes a lead role in maximising the participation of regional businesses in regional contracting opportunities, leading to jobs and economic growth in regional Western Australia. The LCAN will play an increasingly important role in driving the contribution of the regions to the State's economy.
4. Strong biosecurity underpins Western Australia's reputation as a world-class producer of food and our access to markets. Growth in national and international trade, passenger movements and biosecurity incidents will place further pressure on the Department's biosecurity functions. The Department will work closely with industry, the community and relevant authorities to ensure it continues to efficiently and effectively respond to biosecurity threats to protect Western Australia's market access, environment and lifestyles.
5. Access to world-leading research, development and innovation is essential for the international competitiveness of the State's primary industries. Through a \$48 million scientific research partnership with the Grains Research and Development Corporation, the Department will continue to deliver world-leading grains research and development, driving Western Australian grains jobs, productivity and exports.

6. Climate change and climate variability continues to be a significant challenge for natural resource management and primary industry production. The Department will support primary industries in responding to this challenge. 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. 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.
7. Improving support for the development of Western Australia's emerging aquaculture industry will be a priority in 2019-20. Industry growth will create additional upstream and downstream business growth and employment opportunities, particularly in the State's 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 multi-species mollusc hatchery in Albany and the transfer of the Australian Centre for Applied Aquaculture Research to the Department. In addition, \$7 million will be spent to establish a purpose-built marine finfish nursery and broodstock facility for yellowtail kingfish in Geraldton.
8. As an export-dependent State, future growth in Western Australia will need to be driven by leveraging export markets. Realising the sector's full potential will require the Government's support in working with industry to build on export readiness, as well as to engage on behalf of industry with the Commonwealth Government to ensure our priorities are included in free trade agreement negotiations. Western Australia is unique in that agrifood exports are dominated by the bulk commodity-based trade, as opposed to processed, value added food items. The Department is committing efforts to growing both our trade market access, and trade and food industry to ensure that we can capture more value, drive economic growth and create jobs through processing our agricultural produce.
9. In late 2017, the Auditor General identified issues with the way Western Australia's pastoral estate is administered, including concern that it does not optimise environmental outcomes. At around the same time, consultations by the Pastoral Lands Board identified concerns about the administrative system unnecessarily constraining economic development, particularly as it provided a lack of security of tenure for investment. The Department, in close collaboration with the Department of Planning, Lands and Heritage, is progressing Pastoral Lands Reform to deliver enhanced social, environmental and economic outcomes in Western Australia's pastoral rangelands.
10. The Department will continue to ensure its service delivery model supports the State's primary industries and regions to capitalise on their growth potential. In 2019-20, the Department will finalise its organisational design, so that its people and activities are focused on targeted actions that will accelerate or protect that growth potential. The Department will also continue to deliver on the Government's and the public's expectations regarding efficiency improvements by integrating its core corporate business systems and streamlining its internal business practices, so that it delivers better value for the Western Australian community.

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

A new Outcome Based Management structure was implemented in 2018-19 and therefore no key performance indicator (KPI) data is available for the 2017-18 Actual and several 2018-19 Budget KPIs. In addition, some KPIs were changed for 2019-20.

The Department continues to develop its financial modelling for the attribution of costs, income and FTEs to services. The allocation of costs, income and FTEs by service for the 2018-19 Budget was done at a high level following Machinery of Government changes and limited integration of core systems and reporting tools. The allocation of costs, income and FTEs by service for the 2019-20 Budget is on a project basis where possible; this has resulted in a large discrepancy between the 2018-19 Budget and all other financial years. This has impacted on the calculation of the key efficiency indicators and one of the key effectiveness indicators as described further below.

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
	Regional Development Commissions contribute to the economic development of regions.	5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions
	Western Australia agriculture and fishing protect their biosecurity advantages and integrity.	6. Agricultural and Aquatic 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	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	197,465	109,851	179,715	187,601	144,954	127,266	138,361
2. Regional Technical and Technological Development	97,808	107,010	89,065	92,975	71,839	63,073	68,572
3. Regional Skills and Knowledge Development	21,824	92,683	19,873	20,746	16,030	14,074	15,300
4. Regional Social Amenity Development.....	18,726	14,846	18,726	18,913	19,103	19,294	19,486
5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions	25,729	45,401	23,599	24,472	24,472	24,472	24,472
6. Agricultural and Aquatic Biosecurity and Integrity.....	79,807	78,004	78,211	78,993	79,783	80,581	81,387
7. Agricultural and Fisheries Natural Resource Management	58,305	69,909	58,888	59,543	60,138	60,739	61,346
Total Cost of Services.....	499,664	517,704	468,077	483,243	416,319	389,499	408,924

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Regional Western Australia has the investment to grow and create jobs:					
Percentage of co-investment that Department attracts to its industry and community development initiatives	n/a	n/a	n/a	9%	1
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	8.5%	139%	15%	2
Outcome: Regional Western Australia has the skills and knowledge to grow and create jobs:					
Percentage of clients satisfied with Department's capability initiatives.....	n/a	n/a	n/a	70%	1
Outcome: Regional Western Australia has the social amenity, through recreational fisheries, to grow and create jobs:					
Percentage of clients satisfied with Department's social amenity initiatives....	n/a	n/a	n/a	85%	1
Outcome: Regional Development Commissions contribute to the economic development of regions:					
Number of Regional Development Commissions supported through business plans	n/a	9	9	9	
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	60%	57%	60%	
Percentage of invasive aquatic pests and exotic diseases resolved appropriately.....	n/a	75%	n/a	60%	3
Outcome: Western Australia agriculture and fishing protect the sustainability of the natural resources on which they rely and impact:					
Spatial extent of acid soils does not increase in target landscapes ^(b)	n/a	n/a	n/a	0%	1

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health	n/a	n/a	n/a	>0%	1
Number of soil health extension workshops held	n/a	30	30	30	
Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	n/a	95%	97%	97%	
Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved	n/a	90%	92.5%	90%	

- (a) Further detail in support of the key effectiveness indicators is provided in the agency’s Annual Report.
 (b) Reported as percentage change in the spatial extent of acidity. The 2019-20 Budget Target and the 2018-19 Estimated Actual are a single measure each to describe the ‘State-wide’ trend for soil acidity for the grainbelt of the State’s south western region. A value of 0% indicates that on average soil pH has not deteriorated.

Explanation of Significant Movements

(Notes)

1. This new effectiveness indicator was introduced for the 2019-20 financial year. The 2019-20 Budget Target has been set on available and relevant data.
2. This indicator focuses on how clients access the Department’s extensive weather database through application programming interfaces. The improvement in clients’ satisfaction between the 2018-19 Budget and the 2018-19 Estimated Actual has been significantly higher than expected, indicating its value to clients.
3. As at March 2019, no aquatic biosecurity incidents had been declared in 2018-19. If an incident is declared before the end of the financial year, the 2018-19 Estimated Actual will likely be not applicable owing to the fact that not all biosecurity incidents can be resolved within the space of a financial year (or less depending on the date of detection). This indicator decreases for 2019-20 as it is becoming more prevalent that incidents are taking longer to resolve (noting the complexity of the State’s biosecurity functions), and the target is now aligned with the effectiveness indicator for percentage of exotic terrestrial weed, pest and disease threats resolved appropriately, as the nature of the indicators is similar.

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 intergovernment contacts with potential investors and investees; leveraging Government’s investment by attracting research provider and industry co-investment; and other development activities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	197,465	109,851	179,715	187,601	
Less Income	27,243	20,443	18,657	19,175	
Net Cost of Service	170,222	89,408	161,058	168,426	
Employees (Full-Time Equivalents)	396	207	390	364	
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	26.17%	0%	0%	1

Explanation of Significant Movements

(Notes)

1. Non-government co-investment in the Department for the 2018-19 Estimated Actual and 2019-20 Budget Target has been allocated principally to Service 2 (Regional Technical and Technological Development), resulting in this efficiency indicator being less than 1%. Although these projects are allocated to Service 2, they do result in significant investment in the development of Regional Western Australia of approximately \$20 million.

The Department's approach for leveraging its funding for industry and community development initiatives is reflective of the Department co-investing in initiatives led by other organisations, rather than attracting the co-investment into the Department.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 97,808	\$'000 107,010	\$'000 89,065	\$'000 92,975	
Less Income	26,633	19,915	18,241	18,748	
Net Cost of Service	71,175	87,095	70,824	74,227	
Employees (Full-Time Equivalents)	263	291	259	242	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.11%	0.07%	0.08%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 21,824	\$'000 92,683	\$'000 19,873	\$'000 20,746	
Less Income	5,190	17,248	3,555	3,654	
Net Cost of Service	16,634	75,435	16,318	17,092	
Employees (Full-Time Equivalents)	56	109	56	52	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.09%	0.02%	0.02%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 18,726	\$'000 14,846	\$'000 18,726	\$'000 18,913	
Less Income	9,692	2,763	10,584	10,584	
Net Cost of Service	9,034	12,083	8,142	8,329	
Employees (Full-Time Equivalents)	129	107	127	127	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.01%	0.01%	0.01%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

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

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 25,729	\$'000 45,401	\$'000 23,599	\$'000 24,472	
Less Income	578	8,449	-	-	
Net Cost of Service	25,151	36,952	23,599	24,472	
Employees (Full-Time Equivalents)	133	191	131	131	
Efficiency Indicators					
Net cost of this service as a factor of RDCs support	n/a	\$157.62/hr	\$130.74/hr	\$134.94/hr	

6. Agricultural and Aquatic 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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 79,807	\$'000 78,004	\$'000 78,211	\$'000 78,993	
Less Income	17,587	14,517	17,400	17,400	
Net Cost of Service	62,220	63,487	60,811	61,593	
Employees (Full-Time Equivalents)	367	371	361	361	
Efficiency Indicators					
Agricultural portion of net cost of this service as a factor of gross value of agricultural production ^(a)	n/a	0.67%	0.69%	0.7%	
Fisheries portion of net cost of this service per hour of aquatic biosecurity services	n/a	\$174.40	\$138.65	\$136.98	

(a) Based on the gross value of agriculture production three year average of \$8.35 billion, calculated from the Australian Bureau of Statistics reporting.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 58,305	\$'000 69,909	\$'000 58,888	\$'000 59,543	
Less Income	34,120	13,010	33,584	33,650	
Net Cost of Service	24,185	56,899	25,304	25,893	
Employees (Full-Time Equivalents)	320	378	315	315	
Efficiency Indicators					
Agricultural portion of net cost of this service as a factor or gross value of agricultural production ^(a)	n/a	0.15%	0.08%	0.09%	
Fisheries portion of net cost of this service per hour of fisheries management services ^(b)	n/a	\$73.5	\$33.10	\$31.07	

(a) Based on the gross value of agriculture production three year average of \$8.35 billion, calculated from the Australian Bureau of Statistics reporting.

(b) The wording of this indicator has been amended for the 2019-20 financial year for the purpose of clarity.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) 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.
2. In 2019-20, the Department will undertake extensive asset investment which seeks to contemporise its ageing systems and provide critical infrastructure and building upgrades.
3. Central to the AIP is a \$12.2 million investment to integrate and update the Department's core business systems, including the Human Resource Management Information System, Finance Management Information System, and Enterprise Documents and Records Management System. The upgrading of the Department's core business systems was identified as a critical component in delivering Machinery of Government efficiencies and to becoming a fully amalgamated agency. In addition:
 - 3.1. \$6 million will be invested to support the development of a Geraldton Aquaculture Nursery facility at the Batavia Coast Marine Institute; and
 - 3.2. \$3 million will be invested in upgrading the Department's laboratories at its South Perth site to ensure consistency with national standards.

Primary Industries and Regional Development - continued

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Abrolhos Islands							
Airstrips Rolling Program	1,074	674	100	100	100	100	100
General Rolling Program	2,322	1,522	200	200	200	200	200
Boosting Grains Research and Development.....	9,936	8,436	1,596	1,500	-	-	-
Coral Bay Seasonal Staff Accommodation.....	387	187	187	200	-	-	-
Equipment Replacement							
Equipment Replacement Program.....	39,544	25,745	2,653	2,793	2,793	2,653	2,653
Fit-out Furniture and Office Equipment Rolling Program	6,084	3,684	600	600	600	600	600
Operational Equipment Rolling Program	5,102	3,446	686	414	414	414	414
Small Boats and Trailers Rolling Program	14,645	8,401	1,520	1,561	1,561	1,561	1,561
Great Kimberley Marine Park	430	105	-	325	-	-	-
Help Grain Growers to Better Manage Risk (e-Connected)	2,829	2,649	939	180	-	-	-
Information Systems Upgrade							
Computing Hardware and Software Rolling Program	4,000	3,400	266	150	150	150	150
Information System Development Rolling Program	3,592	1,992	722	400	400	400	400
Information Management Systems Upgrade	32,219	29,969	1,989	2,250	-	-	-
Shark Monitoring Network	925	625	75	75	75	75	75
Regional Natural Resource Management Program.....	9,752	6,650	2,000	1,778	1,324	-	-
Wild Dogs Action Plan	8,852	2,550	2,550	3,070	3,232	-	-
COMPLETED WORKS							
Australian Centre for Applied Aquaculture Research	200	200	200	-	-	-	-
Boosting Biosecurity Defences.....	477	477	219	-	-	-	-
Dolphin Discovery Centre.....	12,255	12,255	7,024	-	-	-	-
Equipment Replacement							
2018-19 Program	91	91	91	-	-	-	-
Election Commitment - Fish Health Laboratory							
Watermans Research Facility	1,000	1,000	445	-	-	-	-
Shark SMART Drumline Trial	150	150	150	-	-	-	-
NEW WORKS							
Asset Investment Underspend Provision ^(a)	(52,803)	(22,849)	(22,849)	(29,954)	-	-	-
Building Grains Research and Development Capacity.....	4,000	-	-	1,000	1,000	1,000	1,000
Capability Review							
Core Systems Upgrade							
Financial Management Information System.....	4,700	-	-	3,523	1,077	50	50
Human Resource Management Information System	4,141	-	-	3,031	1,010	50	50
Enterprise Document and Records Management System							
System	3,358	240	240	2,543	575	-	-
Laboratory Upgrades - Kensington Site.....	3,000	-	-	1,000	2,000	-	-
Election Commitment - Geraldton Marine Finfish Nursery Facility							
.....	6,000	-	-	2,000	4,000	-	-
Equipment Replacement - 2019-20 Program	91	-	-	91	-	-	-
Global Provision ^(b)	35,549	201	201	10,170	16,098	9,080	-
Industry Attraction and Development Fund - Collie	42,108	-	-	-	30,100	12,008	-
North West Aboriginal Housing Initiative	60,296	-	-	16,743	21,448	14,186	7,919
Total Cost of Asset Investment Program	266,306	91,800	1,804	25,743	88,157	42,527	15,172
FUNDED BY							
Capital Appropriation			525	10,182	4,747	475	475
Drawdowns from the Holding Account			4,897	5,846	5,846	5,778	5,778
Administered Funds			(22,648)	(19,784)	16,098	9,080	-
Internal Funds and Balances.....			6,079	19,235	7,959	-	-
Other			45	255	255	-	-
Drawdowns from Royalties for Regions Fund			12,906	10,009	53,252	27,194	8,919
Total Funding.....			1,804	25,743	88,157	42,527	15,172

- (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

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The reduction in Total Cost of Services from the 2018-19 Budget to the 2018-19 Estimated Actual of \$49.6 million (9.6%) primarily relates to the repositioning of Royalties for Regions and external funding, following revisions to timelines and deliverables for multiple projects.

Income

3. The reduction in Royalties for Regions - Regional Community Services Fund moneys from the 2018-19 Budget to the 2018-19 Estimated Actual of \$35.4 million (25.9%) primarily reflects revisions to timelines and deliverables for multiple projects, including the State Agricultural Telecommunication Infrastructure Fund, Albany Wave Energy Project and the Regional Aged Accommodation Program.

Statement of Financial Position

4. The reduction in total current assets from the 2018-19 Budget to the 2018-19 Estimated Actual of \$25.6 million (15.2%) primarily reflects the reclassification of assets held for sale to property, plant and equipment consistent with the accounting treatment reflected in the Department's 2017-18 Annual Report, offset by an increase in cash balances, mainly arising from revisions to timelines and deliverables for multiple projects.

Statement of Cashflows

5. The increase in net cash from investing activities from the 2018-19 Budget to the 2018-19 Estimated Actual of \$16.1 million (39.8%) primarily relates to the repositioning of Royalties for Regions capital expenditure following revisions to timelines and deliverables for multiple projects.

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

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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)	212,788	199,117	207,502	191,248	191,953	193,214	194,381
Grants and subsidies ^(c)	90,982	136,790	100,436	114,676	65,218	55,174	67,897
Supplies and services	96,711	124,913	98,711	114,955	96,922	80,285	90,166
Accommodation	12,224	14,139	13,937	7,948	8,085	8,537	8,420
Depreciation and amortisation	19,209	22,484	22,484	31,829	33,817	32,887	28,791
Finance and interest costs	1,892	1,521	2,194	3,368	2,680	2,019	1,760
Other expenses	65,858	18,740	22,813	19,219	17,644	17,383	17,509
TOTAL COST OF SERVICES	499,664	517,704	468,077	483,243	416,319	389,499	408,924
Income							
Sale of goods and services	12,460	5,325	5,325	5,325	5,525	6,400	7,725
Regulatory fees and fines	36,930	50,920	50,920	52,489	52,329	53,999	54,058
Grants and subsidies	32,156	29,099	30,758	34,930	31,765	29,153	29,257
Other revenue	39,497	11,001	15,018	10,467	7,948	7,499	7,465
Total Income	121,043	96,345	102,021	103,211	97,567	97,051	98,505
NET COST OF SERVICES	378,621	421,359	366,056	380,032	318,752	292,448	310,419
INCOME FROM STATE GOVERNMENT							
Service appropriations	195,128	174,880	163,033	172,155	182,533	179,192	181,681
Resources received free of charge	1,801	2,162	2,162	2,166	1,849	1,849	1,849
Royalties for Regions Fund:							
Country Local Government Fund	-	4,000	-	4,000	-	-	-
Regional Community Services Fund	82,970	137,051	101,616	126,185	83,503	66,753	67,526
Regional Infrastructure and Headworks Fund	39,743	41,648	39,052	10,306	8,475	8,437	18,323
Regional and State-wide Initiatives	43,076	45,266	36,652	42,100	40,628	40,573	40,409
TOTAL INCOME FROM STATE GOVERNMENT	362,718	405,007	342,515	356,912	316,988	296,804	309,788
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(15,903)	(16,352)	(23,541)	(23,120)	(1,764)	4,356	(631)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,664, 1,639 and 1,592 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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.....	-	594	513	471	-	-	-
Agricultural Telecommunications Infrastructure Fund	-	14,928	3,000	10,850	3,000	3,000	2,000
Agriculture Research Grant Allocations.....	5,352	17,102	4,602	4,655	4,709	16,879	16,879
Albany Artificial Surf Reef Project.....	-	-	250	250	-	-	-
Carnarvon Fascine Revitalisation - Completion - Independent Project Manager							
Advisor Services.....	-	85	85	-	-	-	-
Carnarvon Flood Mitigation Works - Stage 2....	-	3,028	300	2,828	-	-	-
Collie Motorplex.....	314	-	-	-	-	-	-
Esperance Indoor Stadium.....	-	-	4,060	-	-	-	-
Expansion of Aged Care for the Esperance Community	1,000	-	561	-	-	-	-
Feasibility Study (Yara Pilbara and Sahara Forest)	100	-	-	-	-	-	-
Fisheries Research Grant Allocations	620	1,002	1,002	1,002	1,002	1,002	-
Goldfields Esperance Revitalisation Unit.....	-	578	578	459	-	-	-
Grants to Fishers with Disabilities Association Inc.....	127	100	100	100	100	-	-
Growing the Capacity of Drug and Alcohol Detoxification and Rehabilitation Program....	200	-	-	-	-	-	-
Jawun Indigenous Corporate Partnership Program	260	300	300	120	-	-	-
Jawun Partnership Agreement.....	-	-	-	280	-	-	-
Karratha Arts and Community Precinct	5,000	5,000	5,000	-	-	-	-
Karratha Enterprise Hub/Business Centre.....	1,000	1,000	-	-	-	-	-
Killarney Retirement Living.....	-	-	359	-	-	-	-
Kimberley Schools.....	1,196	-	-	-	-	-	-
Living Lakes (Stage 3).....	2,000	1,400	1,400	-	-	-	-
Margaret River Hub of Entertainment Arts Regional Tourism Project	2,500	550	550	-	-	-	-
Murujuga Aboriginal Corporation - Living Knowledge Centre and Tourism Precinct Planning.....	-	-	335	1,004	-	-	-
Myalup Primary Industry Reserve	3,500	-	-	-	-	-	-
New Industries Fund - Regional Component....	-	2,000	-	-	-	-	-
Norseman: The Heart of the Great Western Woodlands.....	1,200	399	399	-	-	-	-
North West Aboriginal Housing Initiative	-	-	-	2,677	2,482	2,437	12,023
Ord-East Kimberley Expansion Project	-	-	4,000	4,000	1,000	1,000	-
Other Fisheries Grants	375	1,602	1,602	1,402	1,402	677	-
Pilbara Aboriginal Town Based Reserves - Unallocated.....	-	2,000	1,000	2,000	4,000	6,000	6,300
Rawa Aboriginal Independent Community School - Student Engagement Program	120	-	-	-	-	-	-
Regional Aged Accommodation Program	1,845	13,200	9,700	11,155	-	-	-
Regional Centres Development Plan - Stage 2	-	4,500	-	4,500	-	-	-
Regional Development Commissions - Grants ...	26,505	6,478	11,275	13,632	5,599	250	-
Regional Development Grants	3,682	-	-	-	-	-	-
Regional Development Leverage Unit.....	1,020	5,000	3,000	6,000	6,000	5,000	5,000
Regional Economic Development Scheme	-	6,250	6,250	6,250	6,350	5,000	5,000
Regional Grants Scheme	-	6,181	4,234	3,083	1,084	-	-
Regional Investment Initiative.....	2,344	200	1,085	1,477	1,352	-	-
Regional Local Content Initiative	-	-	100	100	100	-	-
Regional Telecommunications Project	-	21,273	16,478	9,150	-	-	-
Remote Rural and Regional Women's Network ...	500	250	250	-	-	-	-
Shark Hazard Mitigation	3,980	-	-	130	-	-	-
Subsidies and Other Grants	21,101	15,790	15,068	14,319	11,098	13,929	20,695
The Strelley Community School - Engagement Program	141	-	-	-	-	-	-
Victoria Hotel Redevelopment.....	1,000	-	-	-	-	-	-
Water for Food - Myalup-Wellington and South Forest Project.....	-	3,000	-	9,782	15,940	-	-
Western Australian Regional Film Fund	4,000	3,000	3,000	3,000	-	-	-
TOTAL	90,982	136,790	100,436	114,676	65,218	55,174	67,897

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	13,949	6,381	16,636	21,480	26,270	30,627	29,081
Restricted cash.....	130,672	74,962	96,959	66,909	59,017	59,017	59,017
Holding account receivables.....	4,897	4,270	4,627	4,386	5,374	7,272	9,190
Receivables.....	7,604	7,327	7,904	8,342	8,852	8,852	8,852
Other.....	17,623	16,129	17,008	19,027	13,386	12,400	12,400
Assets held for sale.....	-	59,711	-	-	-	-	-
Total current assets.....	174,745	168,780	143,134	120,144	112,899	118,168	118,540
NON-CURRENT ASSETS							
Holding account receivables.....	123,323	142,753	142,395	168,476	195,399	220,002	240,769
Property, plant and equipment.....	289,987	270,180	290,537	351,626	395,632	403,536	397,341
Intangibles.....	14,186	16,950	16,156	26,001	23,669	19,381	15,073
Restricted cash.....	1,073	1,540	1,573	2,072	2,571	2,571	2,571
Other.....	36,717	42,335	30,117	19,907	17,903	17,903	17,403
Total non-current assets.....	465,286	473,758	480,778	568,082	635,174	663,393	673,157
TOTAL ASSETS.....	640,031	642,538	623,912	688,226	748,073	781,561	791,697
CURRENT LIABILITIES							
Employee provisions.....	39,942	42,306	40,186	40,374	40,536	40,536	40,536
Payables.....	8,830	6,336	8,510	8,543	8,576	8,576	8,576
Borrowings and leases.....	6,598	6,010	5,966	14,674	9,545	9,867	8,170
Other.....	10,343	8,109	10,269	10,269	9,035	9,035	9,035
Total current liabilities.....	65,713	62,761	64,931	73,860	67,692	68,014	66,317
NON-CURRENT LIABILITIES							
Employee provisions.....	8,330	8,703	8,318	8,335	8,335	8,335	8,335
Borrowings and leases.....	21,070	10,048	15,599	48,725	41,989	34,549	28,664
Other.....	131	78	116	116	116	116	116
Total non-current liabilities.....	29,531	18,829	24,033	57,176	50,440	43,000	37,115
TOTAL LIABILITIES.....	95,244	81,590	88,964	131,036	118,132	111,014	103,432
EQUITY							
Contributed equity.....	548,567	345,979	561,977	607,047	681,270	717,520	735,869
Accumulated surplus/(deficit).....	(15,903)	(43,993)	(39,444)	(62,564)	(64,328)	(59,972)	(60,603)
Reserves.....	12,123	258,962	12,415	12,707	12,999	12,999	12,999
Total equity.....	544,787	560,948	534,948	557,190	629,941	670,547	688,265
TOTAL LIABILITIES AND EQUITY.....	640,031	642,538	623,912	688,226	748,073	781,561	791,697

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	170,956	151,181	139,334	140,469	148,776	146,913	153,218
Capital appropriation.....	1,085	285	525	16,496	11,260	7,175	7,449
Holding account drawdowns.....	5,743	4,897	4,897	5,846	5,846	5,778	5,778
Royalties for Regions Fund:							
Country Local Government Fund	-	4,000	-	4,000	-	-	-
Regional Community Services Fund.....	87,554	141,121	108,671	132,216	87,735	67,753	68,526
Regional Infrastructure and Headworks Fund	39,264	46,485	44,903	14,284	57,495	34,631	26,242
Regional and State-wide Initiatives	43,077	45,267	36,653	43,922	42,487	42,454	42,390
Net cash provided by State Government	347,679	393,236	334,983	357,233	353,599	304,704	303,603
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(217,858)	(198,981)	(207,507)	(191,293)	(191,956)	(192,956)	(194,800)
Grants and subsidies	(90,967)	(136,810)	(100,572)	(114,702)	(65,218)	(55,174)	(67,897)
Supplies and services.....	(84,591)	(116,510)	(90,308)	(110,548)	(94,346)	(77,186)	(82,619)
Accommodation.....	(11,840)	(13,965)	(13,763)	(7,944)	(8,090)	(8,542)	(8,420)
GST payments.....	(22,964)	(27,144)	(27,144)	(16,233)	(15,788)	(15,788)	(15,788)
Finance and interest costs.....	(1,551)	(1,252)	(1,925)	(3,190)	(2,680)	(2,019)	(1,760)
Other payments	(22,767)	(22,374)	(22,944)	(19,826)	(18,176)	(17,957)	(18,969)
Receipts ^(b)							
Regulatory fees and fines	36,930	50,920	50,920	52,489	52,329	53,999	54,058
Grants and subsidies	31,481	29,099	30,758	34,930	31,765	29,153	29,257
Sale of goods and services.....	12,203	8,815	8,815	8,815	9,015	9,890	7,725
GST receipts.....	23,311	27,100	27,100	16,260	15,788	15,788	15,788
Other receipts	39,234	6,334	10,351	5,698	3,545	3,097	3,063
Net cash from operating activities	(309,379)	(394,768)	(336,219)	(345,544)	(283,812)	(257,695)	(280,362)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(15,127)	(40,517)	(24,452)	(45,527)	(72,059)	(33,447)	(15,172)
Other payments	(3,000)	-	-	-	-	-	-
Proceeds from sale of non-current assets	229	152	152	362	362	362	255
Net cash from investing activities	(17,898)	(40,365)	(24,300)	(45,165)	(71,697)	(33,085)	(14,917)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(4,790)	(6,598)	(6,598)	(14,102)	(14,673)	(9,567)	(10,370)
Other payments	-	-	(3,000)	-	-	-	-
Proceeds from borrowings.....	-	-	3,000	-	-	-	-
Other proceeds	4,790	4,790	4,790	5,966	5,966	-	500
Net cash from financing activities	-	(1,808)	(1,808)	(8,136)	(8,707)	(9,567)	(9,870)
NET INCREASE/(DECREASE) IN CASH HELD.....							
	20,402	(43,705)	(27,344)	(41,612)	(10,617)	4,357	(1,546)
Cash assets at the beginning of the reporting period	-	106,426	145,694	115,168	90,461	87,858	92,215
Net cash transferred to/from other agencies	125,292	20,162	(3,182)	16,905	8,014	-	-
Cash assets at the end of the reporting period	145,694	82,883	115,168	90,461	87,858	92,215	90,669

(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 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Regulatory Fees and Fines							
Regulatory Fees	27	12,075	12,075	13,544	13,084	14,754	14,813
Grants and Subsidies							
Direct Grants and Subsidies Revenues							
Commonwealth - Recurrent	2,517	1,796	1,796	1,766	1,766	1,766	1,766
Direct Grants and Subsidies Revenues							
Recurrent	26,186	26,331	27,990	33,164	29,999	27,387	27,491
Sale of Goods and Services							
Sale of Goods and Services	12,203	8,815	8,815	8,815	9,015	9,890	7,725
GST Receipts							
GST Input Credits	17,918	21,396	21,396	10,556	9,327	9,327	9,327
GST Receipts on Sales	5,393	5,704	5,704	5,704	6,461	6,461	6,461
Other Receipts							
National Partnership Payments - Managing							
Established Pest Animals and Weeds	2,778	972	972	-	-	-	-
Interest Received - Moneys Held in							
Participating Trust Funds	-	1,009	1,009	1,009	1,058	1,058	1,058
Other Revenue	36,520	1,520	4,864	1,513	1,440	1,440	1,440
Receipts from Service Delivery Agreement ...	512	2,189	2,189	1,862	107	107	107
TOTAL	104,054	81,807	86,810	77,933	72,257	72,190	70,188

(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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Appropriation.....	1,600	1,550	1,550	1,550	1,550	1,550	-
Interest Revenue.....	1,392	1,173	1,704	1,410	1,113	903	70
Other Revenue.....	66	-	-	-	-	-	-
Recreational Licence Fees.....	279	-	-	-	-	-	-
Revenue from Regional and State-wide Initiatives - Recurrent	-	(70,667)	(44,080)	(76,360)	34,655	22,876	29,400
Revenue from Regional Community Services Fund - Recurrent	2	10,750	6,200	6,200	6,200	6,200	6,200
Revenue from Regional Infrastructure and Headworks Fund - Recurrent	6,205	469	469	-	-	-	-
TOTAL ADMINISTERED INCOME	9,544	(56,725)	(34,157)	(67,200)	43,518	31,529	35,670
EXPENSES							
Grants to Charitable and Other Public Bodies							
Commonwealth Grants	2,167	-	-	-	-	-	-
Grants and Subsidies Expenses Essential and Municipal Services Improvement in Remote Aboriginal Communities	2,000	25,000	9,124	12,271	16,576	8,055	3,974
Royalties for Regions Program Global Provision ^(a)	1,660	36,894	17,051	40,696	49,531	23,986	30,629
State Contribution to Natural Resource Management	7,870	7,750	10,621	7,750	7,750	7,750	6,200
Other							
Royalties for Regions Program Underspend Provision	-	(73,210)	(44,123)	(89,109)	-	-	-
Royalties for Regions Project Savings	-	19,100	-	-	-	-	-
Supplies and Services.....	1,249	1,218	1,359	475	413	228	19
Western Australia Co-operatives Loan Scheme - Interest Expense to Western Australian Treasury Corporation	1,033	862	1,252	1,042	829	675	51
TOTAL ADMINISTERED EXPENSES	15,979	17,614	(4,716)	(26,875)	75,099	40,694	40,873

(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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	551	551	522	522
Receipts:				
Other	6,174	8,481	8,481	7,881
	6,725	9,032	9,003	8,403
Payments	6,203	8,481	8,481	7,881
CLOSING BALANCE.....	522	551	522	522

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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	1,060	1,519	1,516	2,417
Receipts:				
Appropriations	39,767	41,740	42,901	46,620
Other	37,769	37,685	37,685	38,535
	78,596	80,944	82,102	87,572
Payments	77,080	78,090	79,685	84,464
CLOSING BALANCE	1,516	2,854	2,417	3,108

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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	2,500	2,500	2,500	2,500
Receipts:				
Appropriations	9,340	6,896	6,896	7,748
Other	8,463	9,850	9,850	9,932
	20,303	19,246	19,246	20,180
Payments	17,803	16,746	16,746	17,680
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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	99,830	86,500	96,170	70,038
Receipts:				
Appropriations	-	-	-	-
	99,830	86,500	96,170	70,038
Payments	3,660	54,800	26,132	40,218
CLOSING BALANCE	96,170	31,700	70,038	29,820

Division 17 Mines, Industry Regulation and Safety

Part 4 Jobs and Economic Development

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Service Appropriation							
Base Component	131,233	114,338	110,782	108,435	104,354	103,750	105,675
Services to Industry Component (Mining Tenement Rentals) (MTR) ^(a)	5,650	10,730	10,730	15,910	15,910	15,910	15,910
Item 46 Net amount appropriated to deliver services	136,883	125,068	121,512	124,345	120,264	119,660	121,585
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	1,827	1,494	1,494	1,494	1,494	1,502	1,507
Total appropriations provided to deliver services	138,710	126,562	123,006	125,839	121,758	121,162	123,092
ADMINISTERED TRANSACTIONS							
Item 47 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	63,301	43,630	100,232	87,398	43,761	41,683	41,278
Amount Authorised by Other Statutes - Petroleum (Submerged Lands) Act 1982.....	457	232	363	215	179	151	133
CAPITAL							
Item 123 Capital Appropriation ^(b)	350	-	-	8,403	9,065	9,788	10,527
TOTAL APPROPRIATIONS	202,818	170,424	223,601	221,855	174,763	172,784	175,030
EXPENSES							
Total Cost of Services	280,302	292,757	286,229	279,716	277,146	278,356	280,286
Net Cost of Services ^(c)	112,732	119,918	111,654	104,510	105,213	105,907	107,837
CASH ASSETS ^(d)	330,085	314,552	334,255	355,660	377,882	398,797	419,979

(a) The Department will collect additional revenue for MTR from 2019-20 onwards. The increased revenue will fully fund the continuation of the Exploration Incentive Scheme at \$10 million per annum, which 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.

(b) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program 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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Inquiry into Wage Theft in Western Australia	200	-	-	-	-
Ongoing Initiatives					
Home Indemnity Insurance Contract Extension to 30 June 2020 ^(a)	333	500	-	-	-
Resolution of Native Title in the South West of Western Australia	-	182	-	-	-
Royalties for Regions Funding Update	(6)	(6)	(6)	(6)	225
Transfer of Labour Relations Officers from Public Sector Commission	166	-	-	-	-
Transfer of the Western Australian Building and Construction Code Monitoring Unit to Small Business Development Corporation	(1,500)	(1,954)	(1,954)	(1,954)	(1,954)
Other					
2019-20 Tariffs, Fees and Charges - Native Vegetation Clearing Permits	-	950	950	950	950
Indexation for Non-Salary Expenses	-	-	-	-	387
Streamlined Budget Process Incentive Funding	-	1,199	-	-	-
Voluntary Targeted Separation Scheme	(5,721)	(5,777)	(5,835)	(5,916)	(5,916)

(a) The figures above reflect the impact of the Home Indemnity Insurance contract extension to 30 June 2020 on the controlled statements. The impact on the administered statements is reflected in the Details of Administered Transactions table.

Significant Issues Impacting the Agency

1. The Department will continue to support the Western Australian community and business with improved service delivery across a wider range of regulatory functions and support services, including through strategic business innovation and enhanced digital delivery. During 2018, the Department received a total of 7,762 mining and petroleum applications, 91% of which were finalised within agreed timeframes. Across other industry sectors the Department issued or renewed approximately 108,000 licences during the same year.
2. The development of 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 is a high priority for the Government. The Department has conducted an extensive consultation process and the Work Health and Safety Bill is expected to be introduced into Parliament in 2019 for consideration by Parliament during 2019-20. The Act will be supported by three separate sets of regulations applying to workplaces generally in Western Australia, the mines sector, and the petroleum and geothermal sector. In mid-2019, the Department will undertake comprehensive State-wide consultations to provide recommendations for the development of the three sets of regulations.
3. A total of 11 work-related traumatic injury fatalities were recorded during 2018 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.
4. 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, 2019 has seen the Department release the code of practice for mentally healthy workplaces for FIFO workers in the Western Australian resources and construction sectors. Health and hygiene management plans are now required for mining operations and are maintained on the safety regulation system. Mining companies have six months to comply with this requirement. 'Towards 2020', a regulatory strategy that envisions a safe and healthy resources sector for Western Australian workers, is continuing and will be reviewed to update the initiative into the future.
5. On 27 June 2017, the Legislative Council's Standing Committee on Public Administration (the Committee) announced the commencement of an inquiry into WorkSafe. The Department is cooperating fully with the inquiry and will continue to commit the resources necessary to service the requirements of the Committee until the inquiry is concluded.

6. Following a spike in reports of silicosis cases among stonemasons in Queensland, the Department, with the Commission for Occupational Safety and Health (Commission), has placed a significant focus on silica exposure and is undertaking a project aimed at raising awareness of practical control measures to prevent silicosis and lung cancer within the stone benchtop industry. The Department also supported the development of the Commission's Guidance Note - Safe Stone Product Fabrication and Installation. Exposure to respirable crystalline silica is a national issue and the Department will continue to work collaboratively with other State and Territory Government regulators to address this issue.
7. The Agricultural Working Group (AWG) overseen by the Commission has been established to develop an industry-funded, agricultural safety education campaign. The Department has committed to assist the AWG in the development of its campaign, which aims to reduce work-related agricultural based injuries and fatalities and increase accountability.
8. The Department will be implementing the recommendations of the Ministerial Review of the State Industrial Relations System that have been adopted by the Government. The Government is seeking to provide a way forward for the State industrial relations system that is fair, accessible and contemporary.
9. The Department will be supporting the Inquiry into Wage Theft and progressing the recommendations that are adopted by the Government.
10. The Department is responsible for implementing several of the Government's public sector workforce commitments, including, but not limited to, conversion and appointment to permanency framework, a review of the redeployment and redundancy framework, and improving agency practices. Thirty-two industrial agreements covering over 116,000 public sector employees have now been settled under the \$1,000 Public Sector Wages Policy Statement with minimal industrial disputation.
11. The resource sector continues to be a strong contributor to the Western Australian economy, recording record sales of \$127.4 billion in 2018. This was a 16% increase on 2017 due largely to increasing LNG sales. Direct employment in the mining sector also grew to more than 120,000 people while royalty receipts totalled \$6.1 billion in 2018. Investment in the sector remains strong with an estimated \$113 billion worth of resource projects in the pipeline. The Government will continue the successful Exploration Incentive Scheme (EIS) from 2019-20 onwards. This program promotes continued resource sector investment in the State; creates jobs, including in regional areas; and strengthens the State's economy. The EIS supports exploration activity and acquisition of precompetitive geoscience data crucial for the identification of new resources and the longevity of the resources sector.
12. As part of the 2018-19 Mid-year Review, the Government announced an extension of the Magnetite Financial Assistance Program by 12 months until 31 December 2019. For the first six months, January to June 2019, the royalty rebate continues at 50% and, for the final six months of the program, July to December 2019, it reduces to 25%.
13. The protection of subcontractors is a key election commitment for the Government. In February 2018, Mr John Fiocco and the Hon Matthew Swinbourn MLC were appointed to undertake an inquiry and targeted consultation with key industry stakeholders and provide a report with recommendations for law reform to improve payment protections in the building and construction industry.
14. The Government has committed to introduce a system of full private certification of single residential building approvals in Western Australia. In response to the Lacrosse apartments in Melbourne and the London Grenfell Tower fires, Professor Peter Shergold AC and Ms Bronwyn Weir were commissioned to review the effectiveness of compliance and enforcement systems for the building and construction industry across Australia. The final report was released in April 2018. The Department is preparing a Consultation Regulatory Impact Assessment (CRIS) which will outline options to meet the Government's election commitment and will include safeguards recommended in the final report. The CRIS is expected to be released before July 2019.
15. The Lacrosse and Grenfell Tower fires also highlighted international concerns about the use of certain types of cladding and the effectiveness of building approval processes. In Australia, the Building Ministers' Forum agreed to upgrade standards and processes to deal with non-conforming building products and improving cooperation between building regulators nationally. This has required ongoing allocation of significant departmental resources to a widespread audit of building cladding in Western Australia and the development of a plan to accelerate reforms and improvements to building regulation.

16. The Government's commitment to introduce ticket scalping legislation restricting the resale of event tickets and providing additional protections to consumers purchasing tickets on the ticket re-sale market is being advanced. The Ticket Scalping Bill 2018 has been introduced to Parliament and is expected to pass in 2019. The Department will undertake a program of community engagement and compliance activities to implement the new measures. The new legislation will give the Commissioner for Consumer Protection the power to enforce anti-ticket scalping measures with breaches of the legislation seeing individuals fined up to a maximum of \$20,000 and body corporates fined up to a maximum of \$100,000.
17. The following areas of consumer protection regulations will be developed and/or community and industry education undertaken to support new legislation:
 - 17.1. support to roll out amendments to the *Residential Tenancies Act 1987* to enable victims of family and domestic violence to exit a tenancy agreement or to stay and have the perpetrator removed from the agreement;
 - 17.2. amendments to the *Fair Trading Act 2010* to provide a more efficient way to adopt changes to the Australian Consumer Law within Western Australia;
 - 17.3. amendments to the *Residential Parks (Long-stay Tenants) Act 2006* to implement the recommendations of the statutory review, which will provide greater certainty and transparency about contracts and costs; and
 - 17.4. amendments to various Acts to improve efficiencies and promote consumer protection.
18. In response to the Government's commitment to undertake a review of the *Residential Tenancies Act 1987* and the *Commercial Tenancy (Retail Shops) Agreements Act 1985*, the Department will commence public consultation on the review of each of these Acts throughout the release of consultation papers. The Department will also engage with stakeholders during the review to inform reform options and policy settings for consideration by Government.
19. A review of the *Motor Vehicle Dealers Act 1973* and the *Motor Vehicle Repairers Act 2003* has concluded and recommendations made to improve regulation of the sectors. Legislation will be developed to implement the recommendations from the review. The regulatory framework for the motor vehicle sector in Western Australia will be improved for the benefit of consumers, dealers and repairers.
20. Proposed reforms to the Western Australian plumbing regulatory framework will deliver much needed legislative change and ensure that Western Australia has a modern, flexible and efficient regulatory framework for plumbing that provides the necessary public health protections while, at the same time, enabling industry to innovate and adopt new technologies and practices.
21. The Department will implement a Government commitment to introduce a code of conduct for prepaid funerals. The code of conduct will govern the management of prepaid funeral funds, improve protections for consumers and address current issues in the provision of prepaid funerals.
22. A review of the operation of the *Disposal of Uncollected Goods Act 1970* will be undertaken and recommendations to remove unnecessary regulatory processes and modernise the Act will be advanced. This will result in a simplified and streamlined process for disposing of uncollected or abandoned goods.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Ministers, 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 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 Goal	Desired Outcome	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Supporting a safe, fair and responsible future for the community, industry and resources sector.	1. Resources Advice and Regulation 3. Industry Advice and Regulation
Strong Communities: Safe communities and supported families.		2. Safety Advice and Regulation 3. Industry Advice and Regulation

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Resources Advice and Regulation.....	104,652	108,424	106,259	104,686	103,560	104,006	104,871
2. Safety Advice and Regulation.....	70,700	73,837	71,509	69,888	69,551	69,868	69,770
3. Industry Advice and Regulation.....	104,950	110,496	108,461	105,142	104,035	104,482	105,645
Total Cost of Services.....	280,302	292,757	286,229	279,716	277,146	278,356	280,286

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18	2018-19	2018-19	2019-20	Note
	Actual	Budget	Estimated Actual	Budget Target	
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	86%	86%	86%	
Number of work-related traumatic injury fatalities.....	13 ^(c)	nil	7 ^(d)	nil ^(e)	
Stakeholder satisfaction with the Department as an effective industry regulator ^(b)	n/a	75%	75%	75%	

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

(b) This effectiveness indicator was introduced for the 2018-19 financial reporting year. Figures show estimates only as the stakeholder satisfaction survey is yet to be conducted.

(c) Comprises 13 confirmed work-related traumatic injury fatalities and relate to fatalities within the jurisdictions of Acts administered by the Department (nine investigated by the WorkSafe Directorate and four by the Mines Safety Directorate).

(d) Actual work-related fatalities reported as at 15 April 2019.

(e) As the desired outcome is to have no work related traumatic injury fatalities, the 2019-20 Budget Target is again set at nil.

Services and Key Efficiency Indicators

The 2018-19 Budget data for the Total Cost of Service, income and Net Cost of Service across each of the Department's services has been recast due to improved internal cost allocation processes following the Machinery of Government changes.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	104,652	108,424	106,259	104,686	
Less Income	46,330	47,582	48,664	49,926	
Net Cost of Service	58,322	60,842	57,595	54,760	
Employees (Full-Time Equivalents)	523	503	562	585	1
Efficiency Indicators					
Average cost of resource regulation per live title ^(a)	\$5,197	\$4,967	\$5,033	\$4,768	

(a) As this efficiency indicator was introduced for the 2018-19 reporting period, the 2017-18 Actual has been recast for comparability purposes.

Explanation of Significant Movements

(Notes)

- The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (16%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	70,700	73,837	71,509	69,888	
Less Income	53,232	52,278	53,965	52,702	
Net Cost of Service	17,468	21,559	17,544	17,186	
Employees (Full-Time Equivalents)	394	375	397	400	1
Efficiency Indicators					
Cost of work-related lost time injury and disease claims in relation to cost of service	11.58:1 ^(a)	10.78:1 ^(b)	10.62:1 ^(c)	11.38:1 ^(b)	
Percentage of high-risk work licence applications determined within agreed timeframes	97%	100%	97%	100%	

(a) Ratio is based on the 2015-16 WorkCover WA data for compensable claim costs.

(b) Based on five year average of WorkCover WA data (excluding preliminary data) for compensable claim costs.

(c) Ratio is based on the 2016-17 WorkCover WA data for compensable claim costs.

Explanation of Significant Movements

(Notes)

- The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (7%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 104,950	\$'000 110,496	\$'000 108,461	\$'000 105,142	
Less Income	68,008	72,979	71,946	72,578	
Net Cost of Service	36,942	37,517	36,515	32,564	
Employees (Full-Time Equivalents)	584	559	591	593	1
Efficiency Indicators					
Average cost per transaction to deliver industry advice and regulation services ^(a)	\$144	\$158	\$157	\$153	

(a) Since this efficiency indicator was introduced for the 2018-19 reporting period, the 2017-18 Actual has been recast for comparability purposes. The methodology has been refined during 2018-19 and as such the 2018-19 Budget figure has also been recast.

Explanation of Significant Movements

(Notes)

1. The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (6%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

Asset Investment Program

1. The 2019-20 Asset Investment Program (AIP) will continue to deliver a range of information and communications technology (ICT) projects in the Building and Energy Safety Divisions and Licensing Directorate that will improve online access to services and information and modernise the Department's ICT applications portfolio.
2. The AIP projects align to the Department's 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 rationalise 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.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
ICT Infrastructure							
Building Commission - Regulation Reform	2,435	2,201	807	234	-	-	-
EnergySafety Compliance Management System - Stage 2	1,907	1,140	526	250	250	267	-
Strategic Information Plan	15,557	12,233	2,776	3,324	-	-	-
COMPLETED WORKS							
Asset Replacement - Computer Hardware and Software - 2018-19 Program	914	914	914	-	-	-	-
NEW WORKS							
Asset Replacement - Computer Hardware and Software 2019-20 Program	914	-	-	914	-	-	-
2020-21 Program	914	-	-	-	914	-	-
2021-22 Program	914	-	-	-	-	914	-
2022-23 Program	914	-	-	-	-	-	914
Total Cost of Asset Investment Program	24,469	16,488	5,023	4,722	1,164	1,181	914
FUNDED BY							
Drawdowns from the Holding Account			3,010	3,577	914	914	914
Internal Funds and Balances			2,013	1,145	250	267	-
Total Funding			5,023	4,722	1,164	1,181	914

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. Employee benefits decreases by \$3.8 million from the 2018-19 Budget to the 2018-19 Estimated Actual. This is mainly due to savings measures resulting from the Voluntary Targeted Separation Scheme, Senior Executive Service reduction and the revised Public Sector Wages Policy. An increase of \$6.2 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate mainly reflects the impact of converting work undertaken by contractors into permanent positions, partially offset by the above savings measures.
3. Supplies and services is expected to decrease by \$12.1 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate. This mainly reflects the Department converting work undertaken by contractors into permanent positions (\$10 million). This reduction offsets an increase in employee benefits, resulting in no impact on the Total Cost of Services.

Income

4. Funding from the Regional Community Services Fund reduces by \$5 million in the 2019-20 Budget Estimate. This is due to ceasing Royalties for Regions funding for the Exploration Incentive Scheme (EIS). From 2019-20, the continuation of the EIS will be fully funded by increased Mining Tenement Rental (MTR) revenue.

Statement of Financial Position

5. Restricted cash is estimated to increase by \$20.3 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate, which is mostly due to an increase in the cash balance of the Mining Rehabilitation Fund (MRF). This is partially offset by a slight decline in cash balances from various Department special purpose accounts.

Statement of Cashflows

6. Repayment of borrowings is estimated to increase by \$6.5 million between the 2018-19 Budget and the 2018-19 Estimated Actual. This reflects the earlier than planned repayment of the Treasurer's Advance for the Mines Safety and Inspection Levy.

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

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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)	178,576	172,207	168,368	174,562	176,701	179,221	181,470
Grants and subsidies ^(c)	15,764	15,236	15,236	13,236	13,236	13,236	13,236
Supplies and services	46,083	63,025	60,336	48,281	42,848	41,413	41,094
Accommodation	14,189	19,172	19,172	9,067	9,402	9,871	10,210
Depreciation and amortisation	9,627	5,947	5,947	16,673	17,275	17,274	17,274
Finance and interest costs	-	-	-	2,901	2,615	2,272	1,933
Other expenses	16,063	17,170	17,170	14,996	15,069	15,069	15,069
TOTAL COST OF SERVICES	280,302	292,757	286,229	279,716	277,146	278,356	280,286
Income							
Sale of goods and services	126	855	855	855	855	855	855
Regulatory fees and fines							
Mines Safety and Inspection Levy	36,255	33,600	35,700	35,700	32,000	32,000	32,000
Mining Rehabilitation Fund Levy	29,036	28,000	30,000	30,000	30,000	30,000	30,000
Other	91,632	97,339	94,478	94,508	94,868	94,796	94,796
Grants and subsidies	483	613	613	624	479	479	479
Other revenue	10,038	12,432	12,929	13,519	13,731	14,319	14,319
Total Income	167,570	172,839	174,575	175,206	171,933	172,449	172,449
NET COST OF SERVICES	112,732	119,918	111,654	104,510	105,213	105,907	107,837
INCOME FROM STATE GOVERNMENT							
Service appropriations	138,710	126,562	123,006	125,839	121,758	121,162	123,092
Resources received free of charge	3,098	2,846	2,846	2,846	2,846	2,846	2,846
Royalties for Regions Fund:							
Regional Community Services Fund	10,199	5,227	5,221	223	225	225	225
Regional Infrastructure and Headworks Fund	623	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	152,630	134,635	131,073	128,908	124,829	124,233	126,163
SURPLUS/(DEFICIENCY) FOR THE PERIOD	39,898	14,717	19,419	24,398	19,616	18,326	18,326

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,501, 1,550 and 1,578 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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							
Employment Law Centre	330	-	-	-	-	-	-
Initiatives Enhancing Consumer Rights	258	68	68	68	68	68	68
Property Industry	6,659	6,470	6,470	6,470	6,470	6,470	6,470
Government Co-funded Exploration Drilling	4,287	5,800	5,800	5,800	5,800	5,800	5,800
Resources Sector Research	3,380	2,048	2,048	48	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	15,764	15,236	15,236	13,236	13,236	13,236	13,236

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	2,527	12,761	3,962	5,100	7,018	8,936	10,854
Restricted cash.....	326,486	301,190	329,221	349,488	369,792	388,789	408,053
Holding account receivables.....	3,010	3,577	4,011	2,220	2,216	2,212	2,208
Receivables.....	15,136	12,615	15,136	15,136	15,226	15,316	15,406
Other.....	10,586	5,471	10,586	10,586	10,586	10,586	10,586
Total current assets.....	357,745	335,614	362,916	382,530	404,838	425,839	447,107
NON-CURRENT ASSETS							
Holding account receivables.....	31,222	33,036	32,108	46,037	58,691	71,344	83,997
Property, plant and equipment.....	131,444	138,775	130,313	193,981	179,092	164,443	150,089
Intangibles.....	5,898	15,258	6,105	5,322	4,902	4,499	3,829
Restricted cash.....	1,072	601	1,072	1,072	1,072	1,072	1,072
Total non-current assets.....	169,636	187,670	169,598	246,412	243,757	241,358	238,987
TOTAL ASSETS.....	527,381	523,284	532,514	628,942	648,595	667,197	686,094
CURRENT LIABILITIES							
Employee provisions.....	35,649	36,268	35,251	34,853	34,455	34,057	33,659
Payables.....	10,857	12,512	10,910	11,053	11,196	11,339	11,482
Borrowings and leases.....	25,330	18,500	12,000	19,066	19,788	20,528	20,929
Other.....	14,404	14,816	14,404	14,404	14,404	14,404	14,404
Total current liabilities.....	86,240	82,096	72,565	79,376	79,843	80,328	80,474
NON-CURRENT LIABILITIES							
Employee provisions.....	6,750	6,893	6,900	7,050	7,200	7,350	7,500
Borrowings and leases.....	-	-	-	57,367	48,382	38,895	29,303
Other.....	11,418	9,961	11,418	11,418	11,418	11,418	11,418
Total non-current liabilities.....	18,168	16,854	18,318	75,835	67,000	57,663	48,221
TOTAL LIABILITIES.....	104,408	98,950	90,883	155,211	146,843	137,991	128,695
EQUITY							
Contributed equity.....	233,971	272,257	233,210	240,912	249,317	258,445	268,312
Accumulated surplus/(deficit).....	80,760	38,343	100,179	124,577	144,193	162,519	180,845
Reserves.....	108,242	113,734	108,242	108,242	108,242	108,242	108,242
Total equity.....	422,973	424,334	441,631	473,731	501,752	529,206	557,399
TOTAL LIABILITIES AND EQUITY.....	527,381	523,284	532,514	628,942	648,595	667,197	686,094

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

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

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	133,508	121,665	118,109	110,124	108,194	107,599	109,529
Capital appropriation.....	350	-	-	8,403	9,065	9,788	10,527
Holding account drawdowns.....	5,202	3,010	3,010	3,577	914	914	914
Royalties for Regions Fund:							
Regional Community Services Fund.....	10,199	5,227	5,221	223	225	225	225
Regional Infrastructure and Headworks Fund	623	-	-	-	-	-	-
Net cash provided by State Government	149,882	129,902	126,340	122,327	118,398	118,526	121,195
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(184,450)	(172,455)	(168,616)	(174,810)	(176,949)	(179,469)	(181,718)
Grants and subsidies	(15,222)	(15,236)	(15,236)	(13,236)	(13,236)	(13,236)	(13,236)
Supplies and services.....	(42,048)	(61,840)	(59,151)	(44,555)	(39,212)	(37,777)	(37,458)
Accommodation.....	(15,206)	(16,245)	(16,245)	(8,997)	(9,332)	(9,801)	(10,140)
GST payments.....	(7,362)	(7,507)	(7,507)	(7,507)	(7,507)	(7,507)	(7,507)
Finance and interest costs.....	-	-	-	(2,901)	(2,615)	(2,272)	(1,933)
Other payments.....	(17,294)	(18,533)	(18,533)	(15,951)	(16,024)	(16,024)	(16,024)
Receipts ^(b)							
Regulatory fees and fines							
Mines Safety and Inspection Levy	33,045	33,600	35,700	35,700	32,000	32,000	32,000
Mining Rehabilitation Fund Levy	29,036	28,000	30,000	30,000	30,000	30,000	30,000
Other.....	85,193	97,339	94,478	94,508	94,868	94,796	94,796
Grants and subsidies.....	511	613	613	624	479	479	479
Sale of goods and services.....	281	3,997	3,997	3,927	3,929	3,929	3,929
GST receipts.....	8,561	7,507	7,507	7,507	7,507	7,507	7,507
Other receipts.....	13,689	8,679	9,176	9,894	10,145	10,733	10,733
Net cash from operating activities	(111,266)	(112,081)	(103,817)	(85,797)	(85,947)	(86,642)	(88,572)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(2,398)	(4,916)	(5,023)	(4,722)	(1,164)	(1,181)	(914)
Proceeds from sale of non-current assets	25	-	-	-	-	-	-
Net cash from investing activities	(2,373)	(4,916)	(5,023)	(4,722)	(1,164)	(1,181)	(914)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	-	(6,830)	(13,330)	(10,403)	(9,065)	(9,788)	(10,527)
Proceeds from borrowings.....	20,000	-	-	-	-	-	-
Net cash from financing activities	20,000	(6,830)	(13,330)	(10,403)	(9,065)	(9,788)	(10,527)
NET INCREASE/(DECREASE) IN CASH HELD.....	56,243	6,075	4,170	21,405	22,222	20,915	21,182
Cash assets at the beginning of the reporting period	-	308,477	330,085	334,255	355,660	377,882	398,797
Net cash transferred to/from other agencies	273,842	-	-	-	-	-	-
Cash assets at the end of the reporting period	330,085	314,552	334,255	355,660	377,882	398,797	419,979

(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 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)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory Fees and Fines							
Licences and Other Regulatory Fees	11,089	18,544	17,146	17,190	17,206	17,287	17,287
Proceeds from Prospecting, Exploration and Other Mining Licences	7,837	6,618	6,949	7,301	7,338	7,338	7,338
Proceeds from Petroleum Permits and Licences	5,810	5,008	5,258	5,555	5,579	5,579	5,579
Regulatory Fees and Fines	60,457	67,169	65,125	64,462	64,745	64,592	64,592
Grants and Subsidies							
Grants and Subsidies	511	613	613	624	479	479	479
Sale of Goods and Services							
Proceeds from Departmental Fees and Charges	34	560	560	560	560	560	560
Sale of Goods and Services	247	3,437	3,437	3,367	3,369	3,369	3,369
GST Receipts							
GST Input Credits	8,561	7,507	7,507	7,507	7,507	7,507	7,507
Other Receipts							
Other Industry Regulation Receipts	7,678	5,175	5,508	5,236	5,223	5,221	5,221
Other Resources Sector Receipts	6,011	3,504	3,668	4,658	4,922	5,512	5,512
TOTAL	108,235	118,135	115,771	116,460	116,928	117,444	117,444

(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

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Royalties							
Alumina	108,625	103,815	134,675	119,842	117,767	115,371	116,384
Copper	63,991	76,729	65,136	81,060	79,717	65,094	48,597
Gold	278,695	315,193	317,230	343,574	304,135	288,600	230,350
Iron Ore	4,503,856	4,223,237	5,407,172	5,433,466	4,785,465	4,645,069	4,679,546
Lithium	93,915	130,670	93,621	157,132	192,352	198,053	202,159
Nickel	63,796	71,453	64,950	76,551	78,941	80,699	87,896
Other	110,638	130,594	137,349	155,369	151,739	135,247	129,868
Petroleum - State	7,032	5,657	5,824	7,734	3,758	3,071	2,520
Fines							
Regulatory Fines	245	254	254	254	254	254	254
Other							
Appropriations	63,758	43,862	100,595	87,613	43,940	41,834	41,411
Home Indemnity Insurance (HII) ^(a)	25,791	23,516	26,564	28,732	17,842	4,751	2,887
Mining Tenement Rentals (MTR) ^(b)							
Base Component	99,670	88,652	91,366	89,244	89,244	89,244	89,244
Services to Industry Component	5,650	10,730	10,730	15,910	15,910	15,910	15,910
Other Revenue	799	329	329	290	248	204	204
Rental Accommodation Account	7,729	6,436	7,501	7,499	7,941	8,073	8,272
TOTAL ADMINISTERED INCOME	5,434,190	5,231,127	6,463,296	6,604,270	5,889,253	5,691,474	5,655,502

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
EXPENSES							
Other							
Aboriginal Lands Trust - Remuneration for Mining on Aboriginal Lands	313	392	392	402	406	406	406
Coal Industry Development	252	-	-	-	-	-	-
HII	15,043	19,609	26,937	28,317	10,592	2,451	1,641
Koolyanobbing Mine Financial Assistance Program	-	-	17,008	36,911	30,090	28,012	27,607
Magnetite Financial Assistance Program (c)	57,347	31,500	71,094	36,828	-	-	-
Minerals Research Institute of Western Australia (d)	759	778	778	2,297	2,305	2,305	2,305
Mining Tenement Refunds	3,752	9,000	9,000	9,000	9,000	9,000	9,000
Other Administered Expenses	182	-	-	-	-	-	-
Petroleum (Submerged Lands) Act 1982....	457	232	363	215	179	151	133
Receipts Paid into the Consolidated Account	5,257,673	5,166,252	5,842,824	6,845,476	5,985,304	5,682,483	5,608,203
Refunds of Previous Years Revenues	1,418	1,960	1,960	1,960	1,960	1,960	1,960
Rental Accommodation Account	11,744	9,718	9,718	9,069	9,088	9,137	9,187
South West Hub	1,252	-	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES	5,350,192	5,239,441	5,980,074	6,970,475	6,048,924	5,735,905	5,660,442

- (a) The current HII arrangements are in place to 30 June 2020. As the HII policies cover a six year period after completion of the home, the associated revenues and expenses are accounted for over the life of the policy. This results in diminishing revenues and expenses from 2021-22.
- (b) The Department collects additional revenue for MTR. The increased revenue from 2019-20 onwards funds the continuation of the EIS with \$10 million per annum, which enables the Department to promote continued investment in the State and deliver services more effectively in response to industry needs.
- (c) The program ends on 31 December 2019.
- (d) The grant provided to the Minerals Research Institute of Western Australia (MRIWA) is now shown in the table from 2019-20 onwards to better reflect administered nature of the grant. An amount of \$3 million in 2017-18 and \$2 million in 2018-19 was provided to MRIWA through the Department's controlled appropriation.

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.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	92,000	122,000	122,000	147,700
Receipts: Other	31,000	31,000	33,000	34,000
	123,000	153,000	155,000	181,700
Payments (a)	1,000	2,000	7,300	2,000
CLOSING BALANCE.....	122,000	151,000	147,700	179,700

- (a) The increase in the 2018-19 Budget and the 2018-19 Estimated Actual reflects the repayment of the Treasurer's Advance provided to cover administration costs of the MRF. From 2019-20 onwards, administration costs will be fully funded from interest earnings.

Western Australian Meat Industry Authority

Part 4 Jobs and Economic Development

Asset Investment Program

1. The Authority's Asset Investment Program (AIP) supports the delivery of services at the Muchea Livestock Centre. The total AIP for 2019-20 is \$350,000 for plant and equipment to improve efficiency and worker safety.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Saleyard - 2018-19 Program	450	450	450	-	-	-	-
NEW WORKS							
Saleyard							
2019-20 Program	350	-	-	350	-	-	-
2020-21 Program	450	-	-	-	450	-	-
2021-22 Program	450	-	-	-	-	450	-
2022-23 Program	450	-	-	-	-	-	450
Total Cost of Asset Investment Program	2,150	450	450	350	450	450	450
FUNDED BY							
Internal Funds and Balances			450	350	450	450	450
Total Funding			450	350	450	450	450

Division 18 **Small Business Development Corporation**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 48 Net amount appropriated to deliver services.....	10,491	11,851	12,351	13,777	13,656	13,687	13,805
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	260	260	260	260	260	261	262
Total appropriations provided to deliver services	10,751	12,111	12,611	14,037	13,916	13,948	14,067
CAPITAL							
Item 124 Capital Appropriation ^(a)	60	60	60	753	810	871	934
TOTAL APPROPRIATIONS	10,811	12,171	12,671	14,790	14,726	14,819	15,001
EXPENSES							
Total Cost of Services	13,632	12,644	13,144	14,570	14,449	14,481	14,600
Net Cost of Services ^(b)	13,120	12,322	12,822	14,248	14,127	14,159	14,278
CASH ASSETS ^(c)	2,061	1,429	1,892	1,876	1,860	1,844	1,828

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	68
Streamlined Budget Process Incentive Funding	-	115	-	-	-
Transfer of the Western Australia Building and Construction Code Monitoring Unit from the Department of Mines, Industry Regulation and Safety	500	1,954	1,954	1,954	1,954

Significant Issues Impacting the Agency

1. In response to the Government's election commitment to improve security of payments in the building and construction industry, the Corporation is working with other agencies to develop a fairer business environment and enhanced protections for subcontractors. In line with this, a unit to support subcontractors is being created within the Corporation to receive and investigate complaints of non-payment and other unfair commercial activities.
2. The Corporation continues to work with all tiers of government to influence the policy and regulatory environment affecting the small business sector in Western Australia. This includes contributing to State and national reviews and inquiries, examining policy and regulatory proposals and advocating on behalf of small businesses to minimise compliance burdens and improve the operating environment. In line with this, the Corporation is involved in Streamline WA, a cross-government initiative to create better ways of developing and applying regulation to make it easier to do business in Western Australia, as well as progressing prompt payment reforms by the Government.
3. Collectively host to half of all small businesses in the State, 30 local governments are now participating in the Small Business Friendly Local Government initiative, which recognises those Local Government Authorities that are committed to actively supporting small businesses in their local area. Further, the Corporation is partnering with the Cities of Stirling and Canning on a Small Business Friendly Approvals pilot to streamline regulatory approvals for small businesses, with a view to extending the initiative to the network of small business friendly local governments.
4. The Small Business Friendly Projects initiative continues to be rolled out across State and local government construction projects, providing works agencies with better practice guides and tools to minimise disruptions to neighbouring small businesses. A guide for small business has also been developed to help them proactively prepare for the impacts of upcoming works.
5. The first full year of the Corporation's re-modelled Business Local outreach service provides small businesses with access to a range of timely and relevant enterprise skills development workshops. Since commencing on 2 July 2018, more than 2,500 prospective and existing small business operators throughout the State have attended workshops specifically aimed at improving their business acumen, including in the areas of financial literacy, digital literacy, contracting and procurement, strategic planning and project management. Regional small businesses have also benefitted from specialist one-to-one advisory services by contracted Business Local service providers.
6. The Government's Business Migration Program has delivered a record capital inflow into the State of more than \$800 million during 2018-19, and the creation of over 1,000 new jobs. Under the program, 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 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 Goal	Desired Outcome	Services
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment.	1. Information, Guidance, Referral and Business Development Services 2. Access to Justice for Small Business

Service Summary

Expense	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	12,178	11,283	11,157	10,873	10,783	10,807	10,895
2. Access to Justice for Small Business	1,454	1,361	1,987	3,697	3,666	3,674	3,705
Total Cost of Services.....	13,632	12,644	13,144	14,570	14,449	14,481	14,600

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18	2018-19	2018-19	2019-20	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment:					
The extent to which the information or guidance provided was useful	95%	93%	93%	93%	
The extent to which the information or guidance provided contributed to a decision to start or buy a business.....	85%	83%	83%	83%	
Total value of capital inflow to the State from the Business Migration program	\$396 million	\$300 million	\$800 million	\$350 million	1
Number of jobs created through the Business Migration program.....	257	175	1,075	175	2

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

Explanation of Significant Movements

(Notes)

1. The increase in capital inflow between the 2018-19 Budget and the 2018-19 Estimated Actual is due to two business migrants contributing more than \$340 million during the year. The 2019-20 Budget Target has been decreased relative to the 2018-19 Estimated Actual to reflect the expected capital inflow.
2. The increase in jobs created between the 2018-19 Budget and the 2018-19 Estimated Actual is due to two business migrants creating more than 850 new jobs during the year. The 2019-20 Budget Target has been decreased relative to the 2018-19 Estimated Actual to reflect the expected job creation from the program.

Services and Key Efficiency Indicators ^(a)

1. Information, Guidance, Referral and Business Development Services

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	12,178	11,283	11,157	10,873	
Less Income	476	310	310	310	
Net Cost of Service	11,702	10,973	10,847	10,563	
Employees (Full-Time Equivalents)	43	44	40	41	
Efficiency Indicators					
Cost per client serviced directly by the agency ^(b)	\$33.95	\$32.65	\$35.07	\$31.78	
Cost per client serviced through third-party delivery ^(c)	\$139.89	\$157.03	\$155.95	\$155.47	
Cost of policy development, advice and reform projects as a percentage of the total cost of service ^(d)	14.55%	12.65%	11.93%	10.53%	1

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

(b) Clients serviced directly include those that have contacted the Corporation for information either by a personal visit, email, telephone or have visited the Corporation's websites for two minutes or more. Clients serviced directly also include Corporation workshop attendees and outreach service clients.

(c) Third-party service delivery is generally undertaken through the Business Local service in the metropolitan area and nine key regional areas across the State.

(d) Policy development advice includes policy submissions, investigative research, ministerial correspondence, industry liaison along with finite small business sector reform projects.

Explanation of Significant Movements

(Notes)

1. The reduction between the 2018-19 Estimated Actual and the 2019-20 Budget Target is due to the finalisation of the 90 Day Regulation Reform Program in 2018-19.

2. Access to Justice for Small Business

The Corporation provides access to justice through the dispute resolution service and support for subcontractors.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,454	\$'000 1,361	\$'000 1,987	\$'000 3,697	1
Less Income	36	12	12	12	
Net Cost of Service	1,418	1,349	1,975	3,685	
Employees (Full-Time Equivalents)	9	8	10	16	
Efficiency Indicators					
Cost per client serviced directly in the provision of dispute resolution ^(a)	\$1181.27	\$1163.48	\$1184.69	\$1078.09	
Cost of subcontractor support services as a percentage of the total cost of service ^(b)	n/a	n/a	34.13%	65.88%	2

(a) Dispute resolution services comprise business-to-business and business-to-Government disputes, and includes intensive case management and mediation services.

(b) Subcontractor support is a new service targeted at subcontractors in the building and construction industry.

Explanation of Significant Movements

(Notes)

- The increase between the 2018-19 Budget and the 2018-19 Estimated Actual is due to the transfer of the Building and Construction Code Monitoring Unit (BCCMU) from the Department of Mines, Industry Regulation and Safety in February 2019. The further increase in the 2019-20 Budget Target relates to the full year impact of the transfer of the BCCMU.
- This new efficiency indicator was introduced during the 2018-19 financial year. The 2019-20 Budget Target has been set based on available and relevant data.

Asset Investment Program

- The Corporation's Asset Investment Program provides for the replacement, maintenance and upgrade of assets that support the delivery of services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Furniture and Office Equipment Replacement							
2016-17 Program	120	120	33	-	-	-	-
2017-18 Program	120	120	120	-	-	-	-
2018-19 Program	120	120	120	-	-	-	-
NEW WORKS							
Furniture and Office Equipment Replacement							
2019-20 Program	120	-	-	120	-	-	-
2020-21 Program	120	-	-	-	120	-	-
2021-22 Program	120	-	-	-	-	120	-
2022-23 Program	120	-	-	-	-	-	120
Total Cost of Asset Investment Program	840	360	273	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			153	-	-	-	-
Total Funding			273	120	120	120	120

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase in supplies and services expenditure between the 2018-19 Budget and the 2018-19 Estimated Actual is a result of the transfer of the Building and Construction Code Monitoring Unit (BCCMU) in February 2019. The increase in the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.
3. Grants and subsidies expenditure in the 2017-18 Actual related to the Business Local Services. This expense was reclassified to supplies and services in the 2018-19 Budget to better reflect the fee-for-service method of delivery.
4. Other expenses in the 2017-18 Actual included \$800,000 of one-off unspent On-demand Transport Project funding returned to the Department of Transport.

Income

5. The increase in service appropriations between the 2018-19 Budget and the 2018-19 Estimated Actual is a result of the transfer of the BCCMU in February 2019. The increase in the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.

Statement of Cashflows

6. The increase in supplies and services expenditure between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	6,377	6,306	6,556	6,873	6,927	6,985	7,069
Grants and subsidies ^(c)	3,668	-	-	-	-	-	-
Supplies and services	1,234	4,713	4,963	5,881	5,717	5,731	5,799
Accommodation	1,163	1,261	1,261	434	448	448	448
Depreciation and amortisation	116	140	140	990	991	992	992
Finance and interest costs	-	-	-	176	150	123	90
Other expenses	1,074	224	224	216	216	202	202
TOTAL COST OF SERVICES	13,632	12,644	13,144	14,570	14,449	14,481	14,600
Income							
Sale of goods and services	390	292	292	292	292	292	292
Other revenue	122	30	30	30	30	30	30
Total Income	512	322	322	322	322	322	322
NET COST OF SERVICES	13,120	12,322	12,822	14,248	14,127	14,159	14,278
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,751	12,111	12,611	14,037	13,916	13,948	14,067
Resources received free of charge	108	190	190	190	190	190	190
Royalties for Regions Fund: Regional Community Services Fund	224	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	11,083	12,301	12,801	14,227	14,106	14,138	14,257
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(2,037)	(21)	(21)	(21)	(21)	(21)	(21)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 52, 50 and 57 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Business Local Service - Operational Grants ...	3,668	-	-	-	-	-	-
TOTAL	3,668	-	-	-	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,036	1,429	1,867	1,851	1,835	1,819	1,803
Restricted cash.....	25	-	25	25	25	25	25
Holding account receivables.....	60	60	60	60	60	60	60
Receivables.....	109	138	109	109	109	109	109
Other.....	375	206	343	348	328	308	288
Total current assets.....	2,605	1,833	2,404	2,393	2,357	2,321	2,285
NON-CURRENT ASSETS							
Holding account receivables.....	625	720	720	1,665	2,611	3,558	4,505
Property, plant and equipment.....	36	70	159	4,326	3,515	2,680	1,808
Intangibles.....	181	256	191	146	101	101	101
Total non-current assets.....	842	1,046	1,070	6,137	6,227	6,339	6,414
TOTAL ASSETS.....	3,447	2,879	3,474	8,530	8,584	8,660	8,699
CURRENT LIABILITIES							
Employee provisions.....	1,127	1,065	1,053	1,078	1,078	1,078	1,078
Borrowings and leases.....	-	-	-	749	811	874	942
Other.....	59	133	93	93	93	93	93
Total current liabilities.....	1,186	1,198	1,146	1,920	1,982	2,045	2,113
NON-CURRENT LIABILITIES							
Employee provisions.....	261	256	289	289	289	289	289
Borrowings and leases.....	-	-	-	3,550	2,753	1,916	974
Other.....	2	1	2	2	2	2	2
Total non-current liabilities.....	263	257	291	3,841	3,044	2,207	1,265
TOTAL LIABILITIES.....	1,449	1,455	1,437	5,761	5,026	4,252	3,378
EQUITY							
Contributed equity.....	1,419	1,479	1,479	2,232	3,042	3,913	4,847
Accumulated surplus/(deficit).....	579	(55)	558	537	516	495	474
Total equity.....	1,998	1,424	2,037	2,769	3,558	4,408	5,321
TOTAL LIABILITIES AND EQUITY.....	3,447	2,879	3,474	8,530	8,584	8,660	8,699

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	10,596	11,956	12,456	13,032	12,910	12,941	13,060
Capital appropriation	60	60	60	753	810	871	934
Holding account drawdowns	109	60	60	60	60	60	60
Royalties for Regions Fund:							
Regional Community Services Fund	224	-	-	-	-	-	-
Net cash provided by State Government	10,989	12,076	12,576	13,845	13,780	13,872	14,054
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,387)	(6,255)	(6,505)	(6,822)	(6,876)	(6,934)	(7,018)
Grants and subsidies	(3,668)	-	-	-	-	-	-
Supplies and services	(1,276)	(4,534)	(4,784)	(5,702)	(5,538)	(5,552)	(5,620)
Accommodation	(1,167)	(1,261)	(1,261)	(434)	(448)	(448)	(448)
GST payments	(725)	(690)	(690)	(690)	(690)	(690)	(690)
Finance and interest costs	-	-	-	(176)	(150)	(123)	(90)
Other payments	(255)	(244)	(244)	(236)	(236)	(222)	(222)
Receipts							
Sale of goods and services	390	292	292	292	292	292	292
GST receipts	720	690	690	690	690	690	690
Other receipts	133	30	30	30	30	30	30
Net cash from operating activities	(12,235)	(11,972)	(12,472)	(13,048)	(12,926)	(12,957)	(13,076)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(18)	(120)	(273)	(120)	(120)	(120)	(120)
Net cash from investing activities	(18)	(120)	(273)	(120)	(120)	(120)	(120)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(693)	(750)	(811)	(874)
Net cash from financing activities	-	-	-	(693)	(750)	(811)	(874)
NET INCREASE/(DECREASE) IN CASH HELD	(1,264)	(16)	(169)	(16)	(16)	(16)	(16)
Cash assets at the beginning of the reporting period	4,130	1,445	2,061	1,892	1,876	1,860	1,844
Net cash transferred to/from other agencies	(805)	-	-	-	-	-	-
Cash assets at the end of the reporting period	2,061	1,429	1,892	1,876	1,860	1,844	1,828

(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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 49 Net amount appropriated to deliver services.....	235	235	235	236	233	233	235
Total appropriations provided to deliver services	235	235	235	236	233	233	235
TOTAL APPROPRIATIONS	235	235	235	236	233	233	235
EXPENSES							
Total Cost of Services	689	643	643	488	485	485	487
Net Cost of Services ^(a)	584	545	545	396	393	393	395
CASH ASSETS ^(b)	5,047	4,606	4,737	4,577	4,417	4,257	4,097

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	2
Streamlined Budget Process Incentive Funding	-	3	-	-	-

Significant Issues Impacting the Agency

1. The Corporation, on behalf of the 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 (the Scheme) and four Commonwealth Government initiated and funded concessional loans schemes. The Corporation currently administers 43 loans, with a total of \$15 million in outstanding loan principal. Three loans have been repaid to date, with the remainder scheduled for repayment as loan terms expire. The last is scheduled for repayment in April 2022.
2. The Government commenced the Scheme through the Corporation in June 2015. The Scheme is expected to remain open on an ongoing basis. The Scheme is voluntary for both financiers and primary producer businesses, and is consistent with the principles for schemes operating in other jurisdictions. The Scheme encourages earlier adoption of the mediation process than the legislated models, allowing the preservation of equity and early resolution.

3. The Commonwealth Government has sought a nationally consistent approach to farm debt mediation via a legislative approach as already adopted by New South Wales, Victoria, Queensland and recently South Australia. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry recommended a national scheme be developed, enacted and funded by the Commonwealth Government. Western Australia will review the current voluntary approach should the Commonwealth Government establish a national scheme.

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	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Farm Business Development.....	689	643	643	488	485	485	487
Total Cost of Services.....	689	643	643	488	485	485	487

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Improved ecologically sustainable development of agri-industry:					
The extent to which recipients were satisfied with the way schemes are administered	89%	90%	90%	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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 689	\$'000 643	\$'000 643	\$'000 488	1
Less Income	105	98	98	92	
Net Cost of Service	584	545	545	396	
Efficiency Indicators					
Administrative cost per loan advanced amount.....	\$4,972	\$4,700	\$4,190	\$4,074	2
Administrative cost as a percentage of loan advanced amount.....	1.4%	1.3%	1.2%	1.2%	

Explanation of Significant Movements

(Notes)

- The decrease in the Total Cost of Service from the 2018-19 Estimated Actual to the 2019-20 Budget Target primarily reflects a reduction in administration expenditure relating to the completion of the 2013-14 Farm Finance Concessional Loan Scheme.
- The reduction in administrative cost per loan advanced amount from the 2018-19 Budget to the 2018-19 Estimated Actual primary reflects improved operating efficiencies delivered by the Corporation in administering and managing loans.

Financial Statements

Income Statement

Expenses

1. The reduction in grants and subsidies expense from the 2018-19 Budget to the 2018-19 Estimated Actual is as a result of there being no known new future rural support schemes in place.
2. The increase in other expenses from the 2018-19 Budget to the 2018-19 Estimated Actual reflects the reclassification of expenditure items (from grants and subsidies expense to administration expense) by the Corporation, following no new grant schemes being established in 2017-18 and 2018-19.

Statement of Financial Position

3. The reduction in receivables from the 2018-19 Budget to the 2018-19 Estimated Actual reflects an overestimation of one-off over-payments anticipated to be recovered in 2018-19. The 2018-19 Estimated Actual is more reflective of the Corporation's current position.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Grants and subsidies ^(b)	5	150	-	-	-	-	-
Supplies and services ^(c)	170	117	147	143	140	140	142
Other expenses	514	376	496	345	345	345	345
TOTAL COST OF SERVICES	689	643	643	488	485	485	487
Income							
Other revenue.....	105	98	98	92	92	92	92
Total Income	105	98	98	92	92	92	92
NET COST OF SERVICES	584	545	545	396	393	393	395
INCOME FROM STATE GOVERNMENT							
Service appropriations	235	235	235	236	233	233	235
TOTAL INCOME FROM STATE GOVERNMENT	235	235	235	236	233	233	235
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(349)	(310)	(310)	(160)	(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.

(c) The Department of Primary Industries and Regional Development provides all services under a Memorandum of Understanding agreement with the Corporation.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Future Rural Support Schemes ^(a)	5	150	-	-	-	-	-
TOTAL	5	150	-	-	-	-	-

(a) There has been no new State-initiated grant schemes since 2013-14 and there are no schemes currently being developed. As there are currently no proposed future schemes this item has been removed from the 2019-20 Budget Estimate.

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets	5,047	4,606	4,737	4,577	4,417	4,257	4,097
Receivables	29	111	29	29	29	29	29
Total current assets	5,076	4,717	4,766	4,606	4,446	4,286	4,126
TOTAL ASSETS	5,076	4,717	4,766	4,606	4,446	4,286	4,126
CURRENT LIABILITIES							
Other	31	30	31	31	31	31	31
Total current liabilities	31	30	31	31	31	31	31
TOTAL LIABILITIES	31	30	31	31	31	31	31
EQUITY							
Accumulated surplus/(deficit)	5,045	4,687	4,735	4,575	4,415	4,255	4,095
Total equity	5,045	4,687	4,735	4,575	4,415	4,255	4,095
TOTAL LIABILITIES AND EQUITY	5,076	4,717	4,766	4,606	4,446	4,286	4,126

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

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	235	235	235	236	233	233	235
Net cash provided by State Government	235	235	235	236	233	233	235
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Grants and subsidies	(5)	(150)	-	-	-	-	-
Supplies and services	(169)	(117)	(147)	(143)	(140)	(140)	(142)
GST payments	(4)	-	-	-	-	-	-
Other payments	(497)	(376)	(496)	(345)	(345)	(345)	(345)
Receipts							
GST receipts	2	-	-	-	-	-	-
Other receipts	172	98	98	92	92	92	92
Net cash from operating activities	(501)	(545)	(545)	(396)	(393)	(393)	(395)
NET INCREASE/(DECREASE) IN CASH HELD	(266)	(310)	(310)	(160)	(160)	(160)	(160)
Cash assets at the beginning of the reporting period	5,313	4,916	5,047	4,737	4,577	4,417	4,257
Cash assets at the end of the reporting period	5,047	4,606	4,737	4,577	4,417	4,257	4,097

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

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 50 Net amount appropriated to deliver services	2,763	2,056	2,129	2,439	2,170	1,644	1,662
Total appropriations provided to deliver services	2,763	2,056	2,129	2,439	2,170	1,644	1,662
TOTAL APPROPRIATIONS	2,763	2,056	2,129	2,439	2,170	1,644	1,662
EXPENSES							
Total Cost of Services	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Net Cost of Services ^(a)	2,625	2,247	2,320	2,676	2,406	1,863	1,861
CASH ASSETS ^(b)	2,975	3,367	3,041	3,077	3,075	3,121	3,166

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Election Commitment - Price Monitoring of the Container Deposit Scheme.....	87	623	540	-	-
Regulatory Functions - Additional Resourcing.....	-	967	976	989	1,002
Other					
Electricity Generation and Retail Corporation Scheme Review.....	-	236	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	4
Voluntary Targeted Separation Scheme	(84)	(85)	(86)	(87)	(87)

Significant Issues Impacting the Agency

1. The Authority will complete reviews of two access arrangements in 2019-20, for the Goldfields Gas Pipeline and Mid West and South West Gas Distribution Systems. These reviews will ensure that gas pipeline operators offer prices that are efficient and on reasonable terms and conditions for the period between 2020 and 2024. The Authority will also commence its review of the access arrangement for the Dampier to Bunbury Natural Gas Pipeline.
2. The Authority has finalised its investigation into Synergy's pricing behaviour in the Wholesale Electricity Market (WEM), and concluded that there was a potential breach of the WEM rules. The Authority has referred the matter to the Electricity Review Board for determination, and the process is expected to take between 18 months and two years.
3. In 2019-20, the Authority will review the method for deriving the benchmark reserve capacity price, which establishes the base price of capacity payments in the WEM. The Authority was allocated this review function after the Independent Market Operator was abolished in 2016.
4. The Authority will conduct a price monitoring function for the State Government's election commitment to deliver a Container Deposit Scheme. The scheme is due to commence in early 2020 and the Authority's role will continue into 2020-21.
5. The Authority is working with the Public Utilities Office in Treasury, which is introducing light-handed regulation of the North West Interconnected System. This regulation will mean additional functions for the Authority.

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	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Submissions to the Economic Regulation Authority Governing Body.....	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Total Cost of Services.....	11,488	13,493	13,496	14,992	14,863	14,425	14,529

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 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	276	300	237	250	1
Rating by the Authority's governing body as to the content, accuracy and presentation of these submissions ^(b)	3	3	3	3	
Number (percentage) of submissions provided by the required deadline	95%	100%	100%	100%	
Rating by the Authority's governing body as to their perception of the timeliness of submissions ^(b)	3	3	3	3	

(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)

- The governing body revised the submission process at the end of 2018-19. Briefing notes instead of submissions are now prepared early in a decision-making process, which has reduced the number of actual submissions being rated by the governing body.

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 licence providers of gas, electricity and water services. The Authority also inquires 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.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	11,488	13,493	13,496	14,992	
Less Income	8,863	11,246	11,176	12,316	
Net Cost of Service	2,625	2,247	2,320	2,676	
Employees (Full Time Equivalents)	54	56	62	64	
Efficiency Indicators					
Cost per submission made to the Economic Regulation Authority governing body	41,621	44,976	56,945	59,968	1

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual cost per submission of \$56,945 is more than the 2018-19 Budget of \$44,976 due to the lower than expected number of submissions to the governing body.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Computer Hardware and Software Replacement							
Records Scanner	10	-	-	10	-	-	-
Server Upgrade	285	-	-	285	-	-	-
Office Equipment Replacement - Printer/Copier.....	37	-	-	20	17	-	-
Total Cost of Asset Investment Program	332	-	-	315	17	-	-
FUNDED BY							
Drawdowns from the Holding Account			-	315	17	-	-
Total Funding.....			-	315	17	-	-

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

- The increase in Total Cost of Services in 2019-20 is due to an increase in FTEs to enable the Authority to meet its energy market monitoring and access responsibilities.

Income

- The amount received for regulatory fees is affected by total expenditure and the amount of staff time spent on industry-funded functions. The cost of the increase in FTEs to meet the Authority's responsibilities will increase the revenue that is recouped from industry.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	8,144	9,348	9,351	10,823	10,817	10,497	10,617
Supplies and services	1,730	2,498	2,498	2,615	2,544	2,444	2,448
Accommodation	1,059	1,173	1,173	358	388	388	388
Depreciation and amortisation	57	55	55	675	680	680	680
Finance and interest costs	-	-	-	75	61	43	23
Other expenses	498	419	419	446	373	373	373
TOTAL COST OF SERVICES	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Income							
Sale of goods and services	6	-	-	-	-	-	-
Regulatory fees and fines	8,780	11,163	11,093	12,233	12,372	12,477	12,583
Other revenue	77	83	83	83	85	85	85
Total Income	8,863	11,246	11,176	12,316	12,457	12,562	12,668
NET COST OF SERVICES	2,625	2,247	2,320	2,676	2,406	1,863	1,861
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,763	2,056	2,129	2,439	2,170	1,644	1,662
Resources received free of charge	252	266	266	266	266	266	266
TOTAL INCOME FROM STATE GOVERNMENT	3,015	2,322	2,395	2,705	2,436	1,910	1,928
SURPLUS/(DEFICIENCY) FOR THE PERIOD	390	75	75	29	30	47	67

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 54, 62 and 64 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	2,859	3,267	2,895	2,901	2,869	2,885	2,930
Restricted cash.....	58	12	58	58	58	58	58
Holding account receivables.....	-	315	315	17	-	-	-
Receivables.....	3,507	2,797	3,554	3,623	3,623	3,623	3,623
Other.....	138	146	138	138	138	113	113
Total current assets.....	6,562	6,537	6,960	6,737	6,688	6,679	6,724
NON-CURRENT ASSETS							
Holding account receivables.....	607	292	292	275	325	325	325
Property, plant and equipment.....	105	122	83	2,179	1,669	1,138	513
Intangibles.....	9	6	5	-	-	-	-
Restricted cash.....	58	88	88	118	148	178	178
Other.....	3	25	3	2	2	27	27
Total non-current assets.....	782	533	471	2,574	2,144	1,668	1,043
TOTAL ASSETS.....	7,344	7,070	7,431	9,311	8,832	8,347	7,767
CURRENT LIABILITIES							
Employee provisions.....	1,824	1,574	1,761	1,824	1,824	1,824	1,824
Payables.....	338	438	350	350	350	350	350
Borrowings and leases.....	-	-	-	532	551	571	34
Other.....	3	2	3	3	3	3	3
Total current liabilities.....	2,165	2,014	2,114	2,709	2,728	2,748	2,211
NON-CURRENT LIABILITIES							
Employee provisions.....	284	401	347	284	284	284	284
Borrowings and leases.....	-	-	-	1,319	791	239	129
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	285	402	348	1,604	1,076	524	414
TOTAL LIABILITIES.....	2,450	2,416	2,462	4,313	3,804	3,272	2,625
EQUITY							
Contributed equity.....	725	725	725	725	725	725	725
Accumulated surplus/(deficit).....	4,169	3,929	4,244	4,273	4,303	4,350	4,417
Total equity.....	4,894	4,654	4,969	4,998	5,028	5,075	5,142
TOTAL LIABILITIES AND EQUITY.....	7,344	7,070	7,431	9,311	8,832	8,347	7,767

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	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	2,708	2,056	2,129	2,439	2,120	1,644	1,662
Holding account drawdowns	-	-	-	315	17	-	-
Net cash provided by State Government	2,708	2,056	2,129	2,754	2,137	1,644	1,662
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(8,028)	(9,386)	(9,389)	(10,861)	(10,856)	(10,536)	(10,656)
Supplies and services	(1,832)	(2,465)	(2,465)	(2,330)	(2,272)	(2,174)	(2,178)
Accommodation	(150)	(950)	(950)	(379)	(401)	(401)	(401)
GST payments	(343)	(305)	(305)	(325)	(327)	(327)	(327)
Finance and interest costs	-	-	-	(75)	(61)	(43)	(23)
Other payments	(1,265)	(374)	(374)	(411)	(337)	(335)	(335)
Receipts							
Regulatory fees and fines	8,103	11,124	11,054	12,194	12,365	12,470	12,576
Sale of goods and services	40	-	-	-	-	-	-
GST receipts	343	293	293	293	300	300	300
Other receipts	77	73	73	73	74	74	74
Net cash from operating activities	(3,055)	(1,990)	(2,063)	(1,821)	(1,515)	(972)	(970)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	-	-	-	(315)	(17)	-	-
Net cash from investing activities	-	-	-	(315)	(17)	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(582)	(607)	(626)	(647)
Net cash from financing activities	-	-	-	(582)	(607)	(626)	(647)
NET INCREASE/(DECREASE) IN CASH HELD	(347)	66	66	36	(2)	46	45
Cash assets at the beginning of the reporting period	3,313	3,301	2,975	3,041	3,077	3,075	3,121
Prior period adjustments	9	-	-	-	-	-	-
Cash assets at the end of the reporting period	2,975	3,367	3,041	3,077	3,075	3,121	3,166

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

Forest Products Commission

Part 4 Jobs and Economic Development

Asset Investment Program

1. The Asset Investment Program provides for an ongoing program to update information and communications 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 the establishment of softwood estates.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Building Works	972	532	532	140	-	50	250
Softwood Estate Land Purchases	13,122	5,572	5,572	665	1,759	2,466	2,660
COMPLETED WORKS							
Computers, Plant and Equipment - 2018-19 Program.....	600	600	600	-	-	-	-
NEW WORKS							
Computers, Plant and Equipment							
2019-20 Program.....	600	-	-	600	-	-	-
2020-21 Program.....	600	-	-	-	600	-	-
2021-22 Program.....	600	-	-	-	-	600	-
2022-23 Program.....	600	-	-	-	-	-	600
Total Cost of Asset Investment Program	17,094	6,704	6,704	1,405	2,359	3,116	3,510
FUNDED BY							
Internal Funds and Balances.....			6,704	1,405	2,359	3,116	3,510
Total Funding.....			6,704	1,405	2,359	3,116	3,510

Racing and Wagering Western Australia

Part 4 Jobs and Economic Development

Asset Investment Program

1. The Authority's Asset Investment Program totals \$16.2 million in 2019-20 and remains focused on the ongoing development, enhancement and replacement of hardware, software and retail terminals. Future asset investment will be adjusted to reflect the transfer of the Authority's wagering function to a private operator under the proposed divestment of the TAB.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Business Systems and Products	25,253	20,772	3,547	1,716	1,035	340	1,390
Other Works	16,879	9,546	1,234	1,786	1,684	1,714	2,149
Racing Systems, Infrastructure and Minor Capital Works	8,689	689	689	5,200	1,600	600	600
Wagering Systems and Products	51,992	23,513	5,767	7,499	6,697	7,035	7,248
COMPLETED WORKS							
Retail Outlet Upgrade Program	18,378	18,378	549	-	-	-	-
Total Cost of Asset Investment Program	121,191	72,898	11,786	16,201	11,016	9,689	11,387
FUNDED BY							
Internal Funds and Balances			11,786	16,201	11,016	9,689	11,387
Total Funding			11,786	16,201	11,016	9,689	11,387

Western Australian Greyhound Racing Association

Part 4 Jobs and Economic Development

Asset Investment Program

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Plant and Equipment							
Cannington - 2018-19 Program	150	150	150	-	-	-	-
Mandurah - 2018-19 Program	150	150	150	-	-	-	-
NEW WORKS							
Plant and Equipment							
Cannington - 2019-20 Program	150	-	-	150	-	-	-
Mandurah - 2019-20 Program	150	-	-	150	-	-	-
Total Cost of Asset Investment Program	600	300	300	300	-	-	-
FUNDED BY							
Internal Funds and Balances			300	300	-	-	-
Total Funding			300	300	-	-	-

The Burswood Park Board

Part 4 Jobs and Economic Development

Asset Investment Program

1. A number of the Board's park assets require upgrades to enhance safety and security within the public open space, including: electrical pumps; irrigation pumps; sediment filters; a chemical spraying unit and a buggy. A rolling asset replacement program has been established to facilitate these upgrades.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Security Lighting - Shared Pathway	260	260	260	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	190	-	-	190	-	-	-
2020-21 Program	560	-	-	-	560	-	-
2021-22 Program	410	-	-	-	-	410	-
2022-23 Program	610	-	-	-	-	-	610
Total Cost of Asset Investment Program	2,030	260	260	190	560	410	610
FUNDED BY							
Internal Funds and Balances			260	190	560	410	610
Total Funding			260	190	560	410	610