

# **AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA**



## **ANNUAL REPORT**

**2006-2007**



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# AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA

## STATEMENT OF COMPLIANCE

For the year ended 30th June 2007

**Hon Kim Chance MLC**

**Minister for Agriculture and Food; Forestry; the Mid West and Wheatbelt; Great Southern**

In accordance with Section 61 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Practices Board of Western Australia for the financial year ended 30 June 2007.

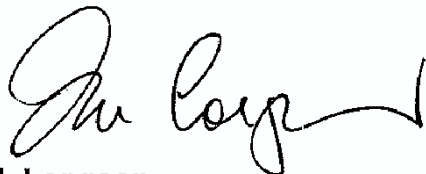
The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and;

### **Enabling Legislation**

The Agricultural Practices Board of Western Australia is established under the Agricultural Practices (Disputes) Act 1995 and;

### **Legislation impacting on the Board's activities**

- Anti-Corruption Commission Act 1988
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1996
- Statutory Corporations (Liability of Directors) Act 1996
- Workers Compensation and Rehabilitation Act 1981
- Workers Compensation and Rehabilitation (Acts of Terrorism) Act 2001
- Work Place Agreements Act 1993



**I. Longson**

Director General Department of Agriculture and Food

Date: 9 August 2007

# AGRICULTURAL PRACTICES DISPUTES BOARD

## CHAIRMAN'S REPORT 2007

A review of the Agricultural Practices (Disputes) Act 1995 and the Agricultural Practices Board established under it found there was no need for its continuation and recommended repeal in March 2002. Drafting of a Bill to repeal the Act was approved by Cabinet, however because of the many Bills with higher priority, this Bill has not progressed.

The term of office of all previous Board members expired on 30 June 2006. The Treasurer appointed the Director General Department of Agriculture and Food as the Accountable Authority of the statutory authority under Section 55(2) of the Financial Management Act 2006.

The Department of Agriculture and Food has provided all services required of the Agricultural Practices Disputes Board in a professional manner.

The Registrar received 12 enquiries during the year concerning disputes of which one went on to a mediation process.



Ian Longson  
DIRECTOR GENERAL  
DEPARTMENT OF AGRICULTURE AND FOOD WESTERN AUSTRALIA

## **THE BOARD'S OBJECTIVES**

The Agricultural Practices (Disputes) Act 1995 was proclaimed in June 1996 to:

“make provision for the resolution of disputes related to the carrying on, or management, of agriculture.”

The Board (or accountable authority) can appoint a mediator to assist in the settlement of disputes between farmers and their neighbours that may arise from farming nearby land.

The Board (or accountable authority) seeks to provide a fair and equitable process to resolve farm disputes which is both cost-efficient and accessible to the community.

To assist in planning, promotion and service delivery, the Board (or accountable authority) defines its mission as:

- To provide quick, cost effective, practical, win-win solutions to disputes at a local level thus avoiding lengthy and costly legal proceedings.

## KEY ACHIEVEMENTS

The Agricultural Practices Board has continued to assist those seeking an alternative dispute resolution system.

<b>Activity</b>	<b>Number</b>
General Inquiry	12
Information Kits and Brochures Distributed	48
Applications for Mediation	1
New Mediations	1

Of the 12 enquiries received spray drift and odour nuisances were predominant. The application for mediation related to spray drift alleged to have occurred during contract weed sprays on Crown Land adjacent to a commercial horticultural operation.



## **MEMBERS OF THE BOARD**

The terms of office of the Chairman and Board Members expired on 30 June 2006.

The Director General of the Department of Agriculture and Food Western Australia was the Accountable Authority for the Statutory Authority for the year ended 30 June 2007.

## **MEETING DATES**

There have been no meetings during the year.

## **SERVICES AND STAFF**

All services are provided by the Department of Agriculture and Food Western Australia.

### **Freedom of Information (FOI)**

The FOI requirements of the Agricultural Practices Board are managed by the Department of Agriculture and Food. The Department of Agriculture and Food holds a record of the Board correspondence and publications, and co-ordinates FOI applications for the statutory authority. FOI applications may be forwarded to:

FOI Coordinator, Department of Agriculture and Food,  
3 Baron-Hay Court, South Perth WA 6151  
Telephone (08) 9368 3387 Fax (08) 9368 1205

### **Customer Service Charter**

All services of the statutory authority are delivered by the Department of Agriculture and Food under that Department's Customer Service Charter, which is available from the Department of Agriculture and Food, 3 Baron-Hay Court, South Perth, WA 6151 or any regional office of the Department of Agriculture and Food.

### **Contact details**

The Registrar  
Agricultural Practices Board  
C/- Department of Agriculture and Food  
Locked Bag 4  
BENTLEY DELIVERY CENTRE WA 6983

Tel: (08) 9368 3468  
Fax: (08) 9368 1205

# AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA

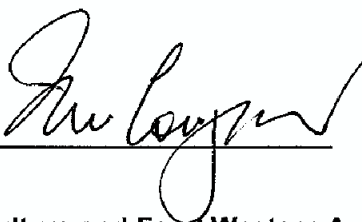
## CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2007

The accompanying financial statements of the Agricultural Practices Board of Western Australia have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2007 and the financial position as at 30 June 2007.

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

Ian Longson  
Director General



Date:

9 August 2007

Department of Agriculture and Food Western Australia

Joe Murgia  
Chief Finance Officer



Date:

9 August 2007

# THE AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA


## PERFORMANCE INDICATORS

For the year ending 30<sup>th</sup> June 2007

Following a review of the Agricultural Practices (Disputes) Act 1995 it was decided to transfer the functions of the Act to Consolidated Funds, cost centre 220 management for Executive Director Plant Industries.

A Bill to repeal the Act has been drafted and will be presented to Parliament at a date to be determined.

Given that the functions of the Act are reduced and the legislation is waiting to be repealed it was inappropriate to complete Performance Indicators for the fiscal year ending 30 June 2003 and this was re-confirmed for the fiscal years ending 30 June 2004, 30 June 2005, 30 June 2006 and 30 June 2007.

  
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Ian Longson  
Director General  
Department of Agriculture and Food

Date: 9 August 2007

**AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA**  
**Income Statement**  
**for the year ended 30 June 2007**

	Notes	2007	2006
		\$	\$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Supplies & Services	4	7,104	-
<b>Total cost of services</b>		<u>7,104</u>	<u>-</u>
<b>Income</b>			
<b>Revenue</b>			
User Charges and Fees	5	100	200
<b>Total Revenue</b>		<u>100</u>	<u>200</u>
<b>NET COST OF SERVICES</b>		<u>7,004</u>	<u>(200)</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>(7,004)</u>	<u>200</u>

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

**AGRICULTURAL PRACTICES BOARD OF WESTERN  
AUSTRALIA**  
Balance Sheet  
as at 30 June 2007

	Notes	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,509	2,313
Accounts receivable		-	-
<b>Total Current Assets</b>		<u>1,509</u>	<u>2,313</u>
<b>Total Assets</b>		<u>1,509</u>	<u>2,313</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		<u>6,200</u>	<u>-</u>
<b>Total Current Liabilities</b>		<u>6,200</u>	<u>-</u>
<b>Total Liabilities</b>		<u>6,200</u>	<u>-</u>
<b>Net Assets</b>		<u>(4,691)</u>	<u>2,313</u>
<b>EQUITY</b>			
Accumulated surplus/(deficit)	8	<u>(4,691)</u>	<u>2,313</u>
<b>Total Equity</b>		<u>(4,691)</u>	<u>2,313</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

**AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2007**

	Note	2007 \$	2006 \$
<b>Balance of equity at start of period</b>		2,313	2,113
<b>ACCUMULATED SURPLUS (RETAINED EARNINGS)</b>			
Surplus/(deficit) or profit/(loss) for the period		(7,004)	200
Balance at end of period		<u>(4,691)</u>	<u>2,313</u>
<b>Balance of equity at end of period</b>	8	<u><u>(4,691)</u></u>	<u><u>2,313</u></u>

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

**AGRICULTURAL PRACTICES BOARD OF WESTERN  
AUSTRALIA**  
**Cash Flow Statement**  
**for the year ended 30 June 2007**

	Notes	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Supplies & services		904	-
		<u>904</u>	<u>-</u>
<b>Receipts</b>			
Other receipts		100	200
		<u>100</u>	<u>200</u>
<b>Net cash provided by / (used in) operating activities</b>	7 (b)	<u>(804)</u>	<u>200</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(804 )	200
Cash and cash equivalents at the beginning of period		<u>2,313</u>	<u>2,113</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7 (a)	<u>1,509</u>	<u>2,313</u>

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



AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA  
Notes to the Financial Statements  
for the year ended 30 June 2007

**1 Australian equivalents to International Financial Reporting Standards**

**General**

The Authority's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

**Early adoption of standards**

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2007.

**2 Summary of significant Accounting Policies**

**(a) General Statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

**(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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

The financial statements are presented in Australian dollars rounded to the nearest dollar.

**(c) Contributed Equity**

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non discretionary and non reciprocal.

AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA  
Notes to the Financial Statements  
for the year ended 30 June 2007

**(d) Income**

Revenue recognition

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

*Rendering of services*

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion.

Revenue is raised in accordance with section 20 (1) of the Agricultural Practices (Disputes) Act 1995. A fee of \$100 is charged for processing applications.

**(e) Financial Instruments**

The Authority has two categories of financial instrument:

- Loans and receivables (cash and cash equivalents, receivables); and
- Non trading financial liabilities (finance leases, payables, Treasurer's advance).

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

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

**(f) Cash and Cash Equivalents**

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

**(g) Comparative Figures**

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

**3 Disclosure of changes in accounting policy and estimates**

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Authority does not currently undertake these types of transactions, resulting in no financial impact in applying the Standard.

2. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At balance sheet date, the Authority has not entered into any arrangements as specified in the Interpretation, resulting in no impact in applying the Interpretation.

3. UIG Interpretation 9 'Reassessment of Embedded Derivatives'. This Interpretation requires an embedded derivative that has been combined with a non-derivative to be separated from the host contract and accounted for as a derivative in certain circumstances. At balance sheet date, the Authority has not entered into any contracts as specified in the Interpretation, resulting in no impact in applying the Interpretation.

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

2005-1	'Amendments to Australian Accounting Standard' (AASB 139 – Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	'Amendments to Australian Accounting Standards [AASB 121]'
2006-3	'Amendments to Australian Accounting Standards [AASB 1045]'
2006-4	'Amendments to Australian Accounting Standards [AASB 134]'
2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraph 9
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'
UIG 8	'Scope of AASB 2'

AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA  
Notes to the Financial Statements  
for the year ended 30 June 2007

3 Disclosure of changes in accounting policy and estimates (continued)

**Future impact of Australian Accounting Standards not yet operative**

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Authority's exposure to risks, enhanced disclosure regarding components of the Authority's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Authority does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Authority does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Authority is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

4. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Department has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

5. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Department if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Department has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

6. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Department has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Authority as they will have no impact or do not apply to not for-profit-entities:

AASB Standards and Interpretations

AASB 8:	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'

AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA  
Notes to the Financial Statements  
for the year ended 30 June 2007

	2007	2006
	\$	\$
<b>4 Supplies and services</b>		
Audit Fees	6,200	-
Other	904	-
	<u>7,104</u>	<u>-</u>
<b>5 User Charges and Fees</b>		
Fees	100	200
	<u>100</u>	<u>200</u>
<b>6 Cash and cash equivalents</b>		
<b>Current</b>		
Cash	1,509	2,313
	<u>1,509</u>	<u>2,313</u>
<b>7 Notes to Cash Flow Statement</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	1,509	2,313
	<u>1,509</u>	<u>2,313</u>
<b>(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	7,004	(200)
	<u>7,004</u>	<u>(200)</u>
<b>Increase/(decrease) in liabilities</b>		
Payables	(6,200)	-
Net cash provided by/(used in) operating activities	(804)	(200)
	<u>(804)</u>	<u>(200)</u>
<b>8 Equity</b>		
Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
<b>Accumulated surplus/(deficit)</b>		
Balance at start of year	2,313	2,113
Result for the year	(7,004)	200
Balance at end of year	(4,691)	2,313
	<u>(4,691)</u>	<u>2,313</u>

**9 Financial Instruments**

**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Authority are cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and receivables, and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

*Credit risk*

The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

*Liquidity risk*

The Authority has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

*Cash flow interest rate risk*

The Authority's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations. The Authority's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Otherwise, the Authority is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing) and finance leases (fixed interest rate).

AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA  
Notes to the Financial Statements  
for the year ended 30 June 2007

9 (b) Financial Instrument disclosures

*Interest Rate Risk Exposure*

The following table details the Authority's exposure to interest rate risk as at the reporting date:

	Weighted Average			
	Effective Interest Rate %	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
<b>30 June 2007</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	5.98%	-	1,509	1,509
<b>Total financial assets</b>		-	1,509	1,509
<b>Financial Liabilities</b>				
<b>Net financial assets (liabilities)</b>		-	(4,691)	(4,691)
<b>30 June 2006</b>				
<b>Financial Assets</b>				
	5.55%	-	2,313	2,313

*Fair Values*

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

10 Remuneration of Members of the Accountable Authority and Senior Officers

**Remuneration on Members of the Accountable Authority**

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$	2007	2006
0 - 10,000	1	2

The total remuneration of the members of the Accountable Authority is:

-	-
---	---

No members of the Accountable Authority are members of the pension scheme.

No senior officers are paid by The Trust.

11 Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$1,000.

**2007 budget versus 2007 actual and 2006 actual versus 2007 actual**

	Budget 2007	Actual 2007	Variance Between 2007 Budget & 2007 Actual	Note	Actual 2006	Variance Between 2006 Actual & 2007 Actual	Note
	\$	\$	\$		\$	\$	
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Supplies and Services	-	7,104	7,104		-	7,104	
<b>Total cost of services</b>	-	7,104	7,104		-	7,104	
<b>Income</b>							
<b>Revenue</b>							
User charges and fees	-	100	100		200	(100)	
<b>Total Revenue</b>	-	100	100		200	(100)	
<b>NET COST OF SERVICES</b>	-	7,004	7,004		(200)	(7,204)	
<b>INCOME FROM STATE GOVERNMENT</b>							
<b>Total income from State Government</b>	-	-	-		-	-	
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	-	(7,004)	(7,004)		200	7,204	

11 Explanatory Statement (continued)

**(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year and (ii) Significant variations between estimates and actual results for the financial year.**

Details and reasons for significant variations between actual results and budget results with the corresponding items of the preceding year are as detailed below.

**All Variances**

The significant cost for the current year is the Office of the Auditor General's audit fee. The Agricultural Practices Board is obliged to provide the services of the Board whilst the Agricultural Practices (Disputes) Act 1995 remains in place. It does this by conducting its normal business of servicing enquiries through the Registrar. One application in 2007 was received by the Board.

12	<b>Remuneration of auditor</b>	2007	2006
		\$	\$
	Remuneration to the Auditor General for the financial year is as follows:		
	Auditing the accounts, financial statements and performance indicators	6,200	-
13	<b>Contingent liabilities</b>		
	There are no known contingent liabilities or contingent assets as at reporting date, not otherwise for or disclosed in the financial statements.		
14	<b>Commitments</b>		
	(a) <b>Capital expenditure commitments</b>		
	There are no known capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements.		
	(b) <b>Other expenditure commitments</b>		
	There are no known other expenditure commitments contracted for at the reporting date, not otherwise provided for in these financial statements.		
	(c) <b>Guarantees and undertakings</b>		
	There are no guarantees and undertakings at the reporting date, not otherwise provided for in these financial statements.		
15	<b>Events occurring after the balance sheet date</b>		
	There are no events in particular that occurred after balance sheet date which would materially affect the financial statements or disclosures.		
16	<b>Related bodies</b>		
	There are no related bodies to the Agricultural Practices Board of Western Australia.		
17	<b>Affiliated bodies</b>		
	There are no affiliated bodies with the Agricultural Practices Board of Western Australia		
18	<b>Write-offs, losses and gifts</b>		
	There were no write-offs, losses or gifts during the financial year 2006/07.		



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements and controls of the Agricultural Practices Board of Western Australia.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

#### **Accountable Authority's Responsibility for the Financial Statements**

The Accountable Authority is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements and controls based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Agricultural Practices Board of Western Australia at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions; and
- (ii) the controls exercised by the Agricultural Practices Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

COLIN MURPHY  
AUDITOR GENERAL  
14 September 2007

**Attachment (i)**

**DISCLOSURE PURSUANT TO SECTION 175ZE(1)  
OF THE ELECTORAL ACT 1907**

In accordance with the disclosure requirements of Section 175ZE of the Electoral Act 1907, the Agricultural Practices Board of Western Australia reports a nil return for the 2006/2007 financial year.