



# AGRICULTURAL PRODUCE COMMISSION

*Encouraging Producer Initiative*

**ANNUAL REPORT  
FOR YEAR ENDED 30 JUNE 2010**

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## STATEMENT OF COMPLIANCE

For the year ended 30th June 2010

**Hon Terry Redman MLA**  
**Minister for Agriculture and Food**

In accordance with Section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Produce Commission for the financial year ended 30 June 2010.

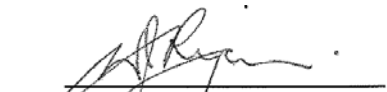
The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and;

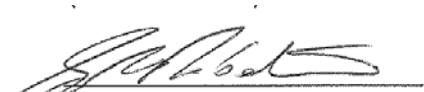
### Enabling Legislation

Agricultural Produce Commission is established under the Agricultural Produce Commission Act 1988; and

### Legislation impacting on the Commission'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
- Work Place Agreements Act 1993
- Workers Compensation and Rehabilitation Act 1981
- Workers Compensation and Rehabilitation (Acts of Terrorism) Act 2001

  
\_\_\_\_\_  
William Ryan  
Chairman  
Dated: 5th August 2010.

  
\_\_\_\_\_  
Graeme Robertson  
Member  
Dated: 5th August 2010

## ***Mission Statement***

*The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.*

*APC Producers' Committees are established with the object of enhancing and protecting the producer's investment in their industry through facilitating and managing producer industry based programmes in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.*

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## CHAIRMAN'S REPORT

This year has been one for change, both at the Commission and the Committee level.

Taking over in January of this year as the new Chairman, and as one of three new Commissioners, my first duty is to express my thanks to Peter Wells, the outgoing Chairman, and Roger O'Dwyer and Ken Boughton, outgoing Commissioners, for their great work in ensuring that the Commission functions as a highly professional organization. They embarked on a transition process to achieve this objective and with the help of other Commissioners we will endeavour to continue that process.

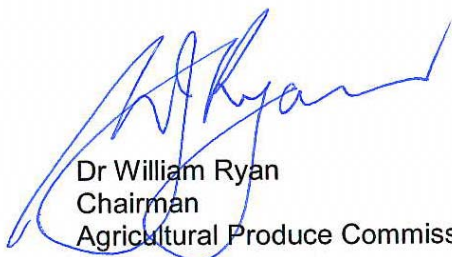
At the Committee level there have been a number of highlights during the past year. The first was the successful inclusion of tomatoes into the APC Vegetable Producers' Committee – this will allow for the provision of much needed services to the tomato industry. This was only achieved through a lot of hard work by many people to ensure a representative poll was achieved.

The second was the successful resumption of the provision of administrative services by the fruit Committee, now known as *Fruit West*, in order to provide more effective services to the citrus, pome and stone fruit industries. This again was only achieved through a lot of hard work by many people and we look forward to this Committee making great progress in the forthcoming year. As part of the changes to the fruit Committee the Commission has, for the first time, directly employed staff who have then been seconded to Fruit West.

The final highlight was the general meeting held in May 2010 where all members of all of the Producers' Committees were invited to meet with the Commissioners. We were also very fortunate to have both the Minister for Agriculture, Hon Terry Redman MLA, and the newly appointed Director General of Agriculture, Rob Delane, attend the meeting and outline their vision for both agriculture in general, and the Commission and its activities in particular.

Through this year the Commission has also worked very closely with the Wine Industry Association of Western Australia and we have now reached the stage where this Association plans to undertake an industry poll, and if successful establish a Committee to service their industry.

In closing, I would like to thank my fellow Commissioners for their tremendous contribution to the Commission. They collectively bring great experience and foresight to our deliberations. I would also like to express my sincere thanks to Ingrid Smith for the dedication, experience and professionalism she brings to her role as the Commission's Executive Officer.



Dr William Ryan  
Chairman  
Agricultural Produce Commission

## **AGRICULTURAL PRODUCE COMMISSION ACT**

The Agricultural Produce Commission (the “Commission”) was established by the *Agricultural Produce Commission Act 1988* (the “Act”) which was proclaimed on 1 September 1989.

The Commission is a body corporate with perpetual succession and a common seal. The Commission is not an agent of the Crown, nor is it part of the Public Service. The Commission reports to the Minister for Agriculture.

### **MISSION STATEMENT**

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.

APC Producers’ Committees are established with the object of enhancing and protecting the producer’s investment in their industry through facilitating and managing producer industry based programmes in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.

### **COMMISSION FUNCTIONS**

- a. Establish Producers’ Committees in relation to agricultural produce.
- b. Appoint members to Producers’ Committees.
- c. Advertise for the formation of Producers’ Committees.
- d. Conduct polls as prescribed under the Act, for the purposes of the establishment and operation of Producers’ Committees.
- e. Dissolve Producers’ Committees and appoint liquidators for the winding up of Producers’ Committees.
- f. Provide such services in relation to the functioning of Producers’ Committees as are necessary from time to time.
- g. Direct, coordinate and supervise the functioning and expenditure of Producers’ Committees.
- h. Provide such other service to producers’ committees as the Minister may direct.

*Section 6.1 Agricultural Produce Commission Act*

### **OPERATIONAL STRUCTURE**

The Agricultural Produce Commission is comprised of four Commissioners appointed by the Minister for Agriculture. The Minister appoints one member of the Commission to be the Chairperson. Appointments are for a period not exceeding three years, but on expiry of tenure the incumbent can apply for a further term.

In January 2010 the terms of all Commissioners expired. After following an advertising process as prescribed by the Act, the Minister appointed new members to the Commission.

The Commission acknowledges and gratefully thanks outgoing members of the Commission – Peter Wells (Chair), Ken Boughton and Roger O’Dwyer (members) for their valued work on behalf of the Commission.

Commissioners at the date of this report were:

Dr William Ryan –	Chairman
Prof Graeme Roberston –	Member
Ms Yvonne Fahl –	Member
Mr Ray Moir -	Member

The term of office for Crs Ryan and Moir expire in January 2013 and the term of office for Crs Robertson and Fahl expires in July 2011.

The Commission’s Executive Officer is engaged under a secondment agreement with the Department of Agriculture and Food.

As at 30 June 2010 there were:

- 10 active Producers' Committees;
- 3 Producers' Committees in recess.

Remuneration and expenses for Commissioners and Committee Members is available at approved rates, however, Committees use their discretion on whether to claim remuneration or not, and a number of Committees have decided not to claim remuneration for their members.

### COMMISSION FUNDING

The Commission is funded by producers through Fee for Service, under section 14 of the Act and supporting Regulations.

All functions of the Commission and Producers' Committees, including general administration, financial management, accounting for Fee for Service collection, administration of the Act and legislative compliance, are funded on broad 'user pays' principles.

At its 2010 review of the administration charge to Committees the Commission approved revised rates. The new rates provided a decrease to most Committees, with only two committees experiencing a minor increase in rates. This change was made as part of a move towards a more comprehensive user-pays system.

Committee	Admin Charge 10/11	Change from 09/10
Avocado	13%	Up 1%
Banana	11%	Down 1%
Bees	13%	Up 1%
Eggs	\$5,000	No change
Fruit	10%	Down 5%
Pork	8%	Down 2%
Potato	8%	Down 6%
Potato Promo	2%	No change
Strawberry	14%	No change
Table Grapes	14%	No change
Vegetables	9%	Down 6%

Should a Committee suspend Fee for Service collections, an annual fee is charged to cover APC fixed overheads and other costs associated with providing ongoing financial and support services.

### COMMISSION MEETINGS

The Commission meets as necessary. Most meetings are face to face, although telephone or video conference technology is also used. During the year under review Commissioners participated in meetings as below:

#### COMMISSION MEETINGS 2009/2010

Commissioner	Eligible to Attend	Attended	Leave of Absence
Yvonne Fahl	6	6	
Ken Boughton	3	3	
Peter Wells	3	3	
Roger O'Dwyer	3	3	
William Ryan	3	3	
Graeme Robertson	3	3	
Ray Moir	3	3	



### **ANNUAL MEETING WITH COMMITTEE CHAIRS AND MEMBERS**

Commissioners meet with Producers' Committees annually in order to review the past year and discuss future needs. The last meeting, which was expanded to include all Committee members, was held on Thursday 6 May 2010.

Participants valued the opportunity for cross pollination of ideas between the varied industries present, and requested that the Commission consider holding meetings in this manner on a more regular basis.

### **COMMITTEE ADMINISTRATION**

Committees, working within regulations issued by the Commission, have the autonomy to meet as they determine necessary for the efficient running of their Committee. The primary focus of the Commission's oversight of Committee activities is to ensure due diligence is conducted on Committee projects and there is sound financial governance and compliance with the Act. The Commission encourages every Committee to seek input from producers and in turn communicate with all producers on Committee activities.

Fee for Service charges are determined by the respective Committee, and reviewed annually. The Committee takes into account the ability of producers to pay the Fee for Service measured against the benefits delivered through the provision of industry based services. The Fee for Service is applied to all produce of a particular commodity, usually at the first point of sale.

Fee for Service returns also capture industry specific data enabling Committees to plot the changing production profile and needs of their industry. As an example, the Pome, Citrus & Stone Fruit Committee can monitor apple production by variety.

The Commission is responsible for administering collection and expenditure of the Fee for Service.

The Commission maintains separate accounts for each Producers' Committee, providing Committees with comprehensive quarterly management revenue and expenditure reports. A number of Committees receive funding from other sources, such as matching research funds from national bodies, these funds are also administered by the Commission..

### **COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES**

During the 2009/10 year no compliance issues arose in relation to public sector standards, the WA Code of Ethics or the Commission's Code of Conduct.

### **APC COMMITTEE DIRECTIONS**

The Commission, under section 11.3 of the APC Act, provides Producers' Committees with Directions which govern Committee operations.

### **APC CODE OF CONDUCT**

In June 2007 the Commission adopted an enhanced and up-dated *Code of Conduct*. The APC Code of Conduct uses the WA Code of Ethics as its basis. The APC Code of Conduct applies to Commissioners and Commission staff, as well as Producers' Committee members and officers.

### **COMMITTEE AND PROCEDURAL MANUAL**

The Commission has developed and published a Procedural Manual to assist Producers' Committee members in the effective operation of their Committee. The Manual is a "living document" being reviewed on a regular basis. The Manual details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

### **SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT**

A Producers' Committee can provide, or cause to be provided, any of the following services in relation to the agricultural produce for which it was established —

- promote agricultural produce including sales and marketing promotion;
- develop means of controlling pests and diseases;

- conduct research that advantages producers;
- conduct educational programmes relating to production;
- develop/expand markets for Western Australia agricultural produce;
- establish voluntary insurance schemes for the benefit of producers;
- provision of supply and demand forecasts;
- formulate schemes to accredit producers;
- establish quality control, inspection, grading, packing, transport and storage systems;
- address market failure issues, developing industry based solutions; and
- establish compensation schemes for crops lost or destroyed as part of pest or disease control measures.

*Source: Agricultural Produce Commission Act 1988, Section 12.1*

### **PUBLICITY AND COMMUNICATION**

The APC web site ([www.apcwa.org.au](http://www.apcwa.org.au)) provides extensive information about the Commission i.e. current Fee for Service rates, how to join the APC, Annual Reports and the Act and Regulations. Each Producers' Committee has its own web page providing information about the Committee and related industry organizations. The Commission encourages Committees to utilize the web site as a tool to communicate with their industry and interested parties.

### **CONFIDENTIALITY OF INFORMATION HELD BY THE COMMISSION**

To give effect to the objects of the Act and Producers' Committee Charters, the Commission applies the information relating to Fee for Service for the benefit of the industry. Commissioners and members of Producers' Committees are bound by the APC Code of Conduct to protect any commercial sensitivity associated with that information. The Commission is cognisant of its obligations under the Privacy Act.

The Commission publishes aggregated information relating to the quantity of produce on which the Fee for Service has been collected.

Requests for information should be addressed to: The Chairman, Agricultural Produce Commission, 3 Baron-Hay Court, South Perth WA 6151.

### **INSURANCE**

Commissioners, Chairpersons and members of Producers' Committees, and Commission staff are covered against accidents that may occur during performance of official business.

### **LEGAL PROTECTION OF COMMISSIONERS**

Section 24 of the Act provides that a person who is or was a member of the Commission or an employee is not personally liable for any act done or omitted to be done in good faith by the Commission.

### **LEGAL ADVICE**

The Commission is not entitled to obtain advice from the Crown Solicitors Office and therefore seeks legal advice, when and as required, from the private sector.

In the year under review the Commission obtained legal advice from a legal firm specializing in employment law.

This advice was to assist the Commission, and provide assurance, that the Commission was complying with State, Federal and APC Act requirements when directly employing members of staff.

**SIGNIFICANT EVENTS DURING THE YEAR****CHANGES TO FEE FOR SERVICE FOR 09/10**

The following changes were made to Fee for Service during the 09/10 year.

<b>Committee</b>	<b>Commodity</b>	<b>Old Rate \$</b>	<b>New Rate \$</b>	<b>UOM</b>	<b>Effective</b>
Pome, Citrus & Stone Fruit	Pome	0.0067	0.015	Kg	1 Nov 09
	Citrus	0.013/0.010	0.02	Kg	1 Nov 09
	Stone Fruit	0.0090	0.015	Kg	1 Nov 09
Vegetable	Tomato	N/A	0.04	Package up to 100kg	1 Aug 09
		N/A	0.15	Package 101 to 500 kgs	1 Aug 09
		N/A	0.30	Increments of .15 per 500 kgs thereafter	1 Aug 09

**TOMATOES COMMENCE FEE FOR SERVICE**

In May of 2009 the Commission successfully conducted a poll of Western Australian tomato growers and in August 2009 a Fee for Service on tomatoes was introduced into the APC Vegetable Producers' Committee.

**DIRECT EMPLOYMENT OF STAFF**

In the 2009/10 year, with the approval of the Minister, the APC directly employed two staff members, both of whom have been seconded to the APC Fruit West Committee.

**FEE FOR SERVICE INITIATIVES**

Details of individual Committee Fee for Service initiatives are provided in the section 'Committee Reports'.

Overall, Committees provide services to their industries in the form of:

- Industry Development and Training Officers who are available to producers to assist them on industry issues.
- Research projects (some jointly funded with other organisations).
- Funding for Industry Associations – West Australian Pork Producers Association (WAPPA), Potato Growers Association (PGA), Vegetable Growers Association (vegWA), Commercial Egg Producers Association (CEPA). These associations carry out functions on behalf of the Producers' Committee, as allowed by the Service Functions of the APC Act.
- Promotion and advertising of produce.
- Quality assurance of produce.
- Communication with Industry.
- Compensation in identified instances.
- Marketing of produce.

**FEE FOR SERVICE COMPLIANCE**

To ensure producers and their respective industry can maximise the service benefits, the Act requires all producers to pay Fee for Service on produce grown in Western Australia. Non-compliance by producers is of concern to all Committees as it limits an industry's capacity to extract maximum return from research and development into improved production techniques, bio security systems, product and market development.

During the year under review the Commission maintained its vigilance in ensuring Fee for Service compliance.

The Commission continues to promote to Committees the importance of maintaining producer and industry knowledge of Committee activities and funding initiatives.

In order to ensure the fairness and equity in Fee for Service collections, the Commission pursues non-compliance to the full extent of its resources and abilities. Committee initiatives benefit the producers' industry as a whole, with non-compliance placing an unfair burden on those producers who do comply. Non-compliance can also lead to Committees being forced to cancel – permanently or temporarily – vital industry projects.

### **ESTABLISHING PRODUCER COMMITTEES**

The economic climate of 2009/10 saw the APC receiving more than double the interest of previous years from industries on the abilities and possibilities of forming APC Committees. Industries were generally more aware that they needed to assume a greater responsibility for their sustainability and growth, and appeared confident in making this change.

The Commission has renewed its research into and negotiations with possible industries and has participated in discussions with representatives from the wine industry, the marron industry and the cut flower industry on the possible formation of producers' committees.

### **FEE FOR SERVICE RATES**

<u>Avocados</u>	\$0.015 per kilogram
<u>Beekeepers</u>	\$15.00 per beekeeper per annum (calendar year 2010) plus \$1.10 per hive per annum (calendar year 2010)
<u>Carnarvon bananas</u>	\$0.0154 per kilogram
<u>Citrus</u>	\$0.02 per kilogram
<u>Citrus (processing)</u>	\$0.01 per kilogram
<u>Pome fruit</u>	\$0.015 per kilogram
<u>Pome (processing)</u>	\$0.005 per kilogram
<u>Pork</u>	\$0.008 per kilogram carcass weight
<u>Potatoes</u>	
Processing, seed and ware export	\$5.00 per tonne
Domestic ware	\$25.75 per tonne
<u>Strawberries</u>	\$0.01 per kilogram
<u>Stone fruit</u>	\$0.015 per kilogram
<u>Stone fruit (processing)</u>	\$0.006 per kilogram
<u>Table grapes</u>	\$0.007 per kilogram
<u>Vegetables and tomatoes</u>	\$0.04 per individual package of 100kg or less \$0.20 per individual package of 101kg to 1000kg \$2.00 per individual package of over 1001kg
	Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables
	As at 1 August 2010

**INDUSTRY SECTOR STATISTICS**

<b>Industry/Sector</b>	<b>Gross value of production (\$m)</b>	<b>Percentage</b>
<b>Member Industries Coverage</b>		
Avocado	20.90	2.62
Carnarvon Banana	17.80	2.23
Fruit	136.60	17.10
Potatoes	59.60	7.46
Strawberries	16.40	2.05
Table Grapes	25.00	3.13
Vegetables (excluding potato, mushrooms, herbs)	245.70	30.75
<b>TOTAL</b>	<b>522.00</b>	<b>65.34</b>
<b>Potential Industry Coverage</b>		
Olives	13.00	1.63
Wine Grapes	56.70	7.10
Floriculture (undercover and cut)	18.40	2.30
Nurseries/Turf	165.40	20.70
Fruit/Nuts - Other (including Kiwi and other tropical fruits other than that grown in Kununurra and Carnarvon Bananas)	12.90	1.61
Vegetables - Other (herbs, mushrooms)	10.50	1.31
<b>TOTAL</b>	<b>276.90</b>	<b>34.66</b>
<b>GRAND TOTAL</b>	<b>798.90</b>	<b>100.00</b>

*NOTE: Statistics for the above are based on ABS and Department of Agriculture and Food figures, both of which carry disclaimers on accuracy. Data for prescribed industries not included.*

## ACTIVE APC PRODUCERS' COMMITTEES AT DATE OF PUBLICATION

Producers' Committee	Functions Adopted	Members
APC Avocado Producers' Committee (Established 1991)	(a) to (k)	Dudley Mitchell (Chair) Alan Blight Phil Minchin Dave Duncan Wayne Franceschi Ken Gwynne
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Colin Fleay (Chair) Afon Edwards Leilani Leyland Kim Fewster Rod Pavy
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Michael Andreoli Ivan Bilcich Tom Day Darryl Hardman John Thomas
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Cameron Bell Joe Sacca Terry Woodard John Simpson
APC Pome, Citrus & Stone Fruit Producers' Committee (Fruit West) (Established 1994)	(a) to (m)	Ben Darbyshire (Chair) Bevan Eatts Bruce Wharton Geoff Fawcett Diane Fry Michael Giblett Terry Martella Sue Middleton
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Sam Calameri (Chair) Dom Della Vedova Herbert Russell Terry Ackley
APC Pork Producers' Committee (Established 2002)	(a) to (m)	Neil Ferguson (Chair) Dr Rob Wilson Dr. Chris Brennan Graeme Dent Errol Howard Ronald Penn
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Gerry Verheyen (Chair) Neil Handasyde Kerry Langlands Wes Tweedie Anthony Yewers
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Roger Fahl (Chair) Trevor Carter Matt Katich Tony Lovreta Peter Nuich Kim Taylor Allan Price
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) Paul Humble Joyce Babun Michael Le James Wringe

### COMMITTEE MEMBERSHIP

The Commission appoints the inaugural Committee Chairperson for a three-year term; the Committee appoints subsequent Chairpersons. To preserve continuity of service and experience, Committee tenures are usually arranged so only about half of the members retire in any given year.

The Commission advertises Committee vacancies in appropriate newspapers and industry newsletters. Committee Members whose term of office is expiring can, if qualified, apply for appointment for a further term.

The Commission actively encourages producers to nominate for Committee positions. It is through participation, the sharing of ideas and the combining of different skills that Committees deliver the best outcome for their producers.

**APC AVOCADO PRODUCERS' COMMITTEE**

*Chairperson: Dudley Mitchell*

The avocado industry in WA is in a transitional phase where we are becoming a major player in the national supply chain in terms of production over our harvest period. However, we are still facing problems of consistent supply due to biennial bearing patterns in our major production areas. Provided we can address this issue to some extent, the short to medium term looks good for our industry.

There has been serious debate in the industry as to the future role of the APC Committee. Our industry has a very effective national body to whom we pay levies and the question that has arisen is, is there a need for a state fee for service in addition to the national levy?

We have had limited success in the projects funded from the APC with two of the major recipients of funding being wound up prematurely this year due to lack of value to the industry. We have an ongoing commitment to local promotions which is under review this year in light of discussions with our national body to fund a similar program. As a result the committee has decided to collect fees for one more season after which we will discuss with our members the need to continue. If we can draw any positives out of this it is that there seems to be renewed enthusiasm and debate in the industry which has certainly been lacking in the recent past. We look forward to a productive year in 2010-2011.

**APC BEEKEEPERS PRODUCERS' COMMITTEE**

*Chairperson: Colin Fleay*

*Secretary: Leilani Leyland*

*Enhanced Disease and Pest Surveillance & Monitoring*

The Committee again funded the enhanced Disease and Pest Surveillance & Monitoring program, which is conducted in conjunction with the Department of Agriculture Food WA. This program remains one of the largest and best value components of the FFS. As in previous years, the program focused on targeted apiary inspections; export inspections involving live bees and Southern Port Surveillance. State wide honey samples were taken (Honey Culture Tests) to test for European and American Foulbrood disease.

*Bee Informed Newsletter*

The *Bee Informed* industry Newsletter continues to be an important communication tool for both the industry and Government departments dealing with industry issues.

*Initiatives*

The Committee is committed to raising awareness within the agricultural industry, as a whole, of the importance of bees to all sectors and the effect that a bio security occurrence, such as varroa mite, could have on the agricultural sector.

The Committee is looking to establish symbiotic relationships between beekeepers and other agricultural industry sectors, in line with world wide trends in this area. Thanks are extended to other APC Committees which have already signalled their support for this initiative.

*Committee*

This year has seen few changes to the Committee, but thanks are extended to Leilani Leland for her willingness to take on the role of Secretary to the Committee when Lucy Radzikowska, the Committee's long standing secretary resigned. Thanks also to Lucy for her valued work in past years.

**APC CARNARVON BANANA PRODUCERS' COMMITTEE**

*Chairperson: Bruce Munro*

*Executive Officer: Alexandra Harper*

*The Industry*

The banana industry has remained stable at 53 growers over the year and the area under production remained similar at 168ha at December 2009. District average production was 32 tonnes per hectare which was a decrease of 15% on 2008.

Rainfall of 108.2mm was recorded over 47 days at Gascoyne Research Station. Significant falls were recorded in February, June, July and August. The recordings for the rest of the year were very light. The long term annual average is 230mm.

The Gascoyne River has not flowed since April 2009 when it peaked at 6.21m. On April 9 of 2010 drought conditions were declared by the Department of Water with the department continually monitoring salinity and water levels.

No cyclones were recorded in 09/10.

#### *Committee*

Dave Parr, as executive officer for the Carnarvon Banana Producer's committee sadly passed away in February 2010. The committee extend their condolences to Dave's wife Joan and are extremely grateful for Dave's outstanding contribution to not only the banana industry in Carnarvon but the horticultural region as a whole. Dave will be sadly missed.

Alex Harper was appointed unopposed at the last committee meeting in June to be employed as the executive officer for the committee. Alex has an agriculture consultancy business in Carnarvon.

#### *Newsletter*

A newsletter was sent to all members in February 2010 advising members of committee activities with members being provided with annual production statistics and the planting plans for each property in February 2009.

#### *Mapping*

The committee are looking into utilising a new mapping system to measure new banana patches in the region. It is hoped that this mapping program will be in place by September 2010.

### **APC EGG PRODUCERS' COMMITTEE**

*Chairperson: Ian Wilson*

*Secretary: Lucy Radzikowska*

The APC Egg Producers committee this year contracted The Commercial Egg Producers Association of WA Inc, to undertake projects on the Committee's behalf. The Association liaised with the Department of Local Government and RSPCA on Animal Welfare Guidelines and Standards; liaised with The Department of Agriculture and Food on Biosecurity and Emergency Response Plans; identified Industry Liaison Officers who undertook training on behalf of the industry; made a number of submissions on behalf of the egg industry dealing with food security, labeling of foods, genetically modified organisms, best before date, right to farm; water security related issues and promotion of training for industry participants.

Funds were allocated for the publishing of a quality *Buy West Eat Best Cookbook* with recipes created using West Australian ingredients and featuring editorial on producers, products and nutritional information. The books will be sold through bookstores and direct to consumers. The project aimed at long term generic promotion of WA eggs by: advocating increasing consumption of WA laid eggs; promoting the health benefits of consuming eggs and; versatility of egg recipes.

Funding was provided for the development of the Commercial Egg Producers Association of WA Inc website which provides all egg producers information on association activities and links to industry resources.

The egg industry has funded, through the Department of Agriculture and Food Surveillance and Diagnostic Services for Newcastle Disease.

The Committee paid registration costs to any W.A. egg producers who attended the Poultry Information Exchange Conference which provided an opportunity for egg producers to hear about up to date research; see new technologies for their industry and build future relationships with the trade.

There were no changes to committee members in the past 12 months.



**APC POME, CITRUS AND STONE FRUIT PRODUCERS' COMMITTEE (FRUIT WEST)**

*Chairperson: Ben Darbyshire*

*Executive Manager: Jonathan Cutting*

The 2009/10 year was a “change over “year during which contracted services, which were previously provided by the Western Australian Fruit Growers' Association (WAFGA), were moved to Fruit West (the name adopted by the Pome, Citrus & Stone Fruit Producers' Committee) which now carries out these activities in its own right. As a part of this process, a new Committee was appointed in September 2009, with the Committee conducting its first meeting in November 2009. The change was completed in March 2010.

During the 2009/10 year the committee funded a range of activities covering:

- Industry communication including the launch of a new quarterly Fruit West Magazine and launching a new website
- Dealing with bio-security issues including participation in HortGuard, on-going apple scab issues and maintaining WA codling moth area freedom
- Strategic planning
- Water policy activity
- Meetings with the Minister for Agriculture and the Minister for Water
- Interaction with government agencies including DAFWA, Department of Planning and Infrastructure, Department of Conservation and Department of Water
- Peak body relationship building with Citrus Australia Limited and Apple and Pear Limited
- An industry-wide citrus fruit quality programme
- An effective stone fruit promotional campaign
- Numerous submissions on local issues such as water allocation plans, cockatoos, gas guns in Donnybrook and the bio waste power plant in Manjimup
- Setting up Leadership Groups for the apple and pear and citrus sectors
- Numerous industry development activities on behalf of FFS paying growers.

Fruit West employs two staff members, an industry executive manager and an executive officer. In addition, Fruit West funds Industry Development Officers who work closely with growers to assist them in new cultural practice adoption and refinement which will ultimately lead to a more effective, competitive and efficient fruit industry.

The committee is thanked for their contributions and willingness to embrace the change that was necessary to improve fee for service outcomes and we are optimistic for our industry as we look forward to 2009/10.

*Fee for Service* – In November 2009, after industry consultation, the Committee introduced new Fee for Service rates. The Committee is satisfied with FFS collection for the year, but will continue with targeted compliance exercises in the coming year.

**APC PORK PRODUCERS' COMMITTEE**

*Chairperson: Neil Ferguson*

*Fee for Service funded activities* - The Committee is charged with the responsibility of ensuring funds generated from the industry on a fee for service basis supports activities or programs that directly benefit producers in Western Australian. This year the committee supported activities covering: Technology Transfer; Industry Training; Production Research; Veterinary Research; Nutritional Research as well as Industry Administration.

*Production Research* – The core project in this area is the \$50,000 per annum commitment the APC Pork Committee makes to the Pork CRC. This commitment was made for the life of the current Pork CRC. With the term of this Pork CRC coming towards an end and the Pork CRC going through a rebid process to extend its life. The APC Pork Committee has provided in principle support to continuing its contributing for the life of the Pork CRC rebid.

Please refer to the Pork CRC website [www.porkcrc.com.au](http://www.porkcrc.com.au) for a full list of the projects and activities that the Pork CRC supports.

*Nutritional Research* – The two projects supported in this area have not concluded as at the end of the financial year. The projects are:

- Sow Herd Iron and Mineral Status Dr Barb Frey
- Alternative feed ingredients and strategies for weaner pigs Dr John Pluske

These projects are near completion and the APC expect the researchers to be putting forward their results to industry during the second half of 2010.

*Industry Administration* - The West Australian Pork Producers Association (WAPPA) is the peak industry body representing the interests of all WA pig producers on matters of industry importance. This year WAPPA had the Fit to Load Guide adopted by Australian Pork Limited with its rollout due to be completed by year end. In terms of advocacy WAPPA has been heavily involved in negotiations/discussion surrounding loading densities, overseas labour requirements, biosecurity issues and industry planning and development.

APC Pork Committee/WAPPA continues to financially support members of the APBA in putting together the extremely popular pig display at the Perth Royal Show. Both WAPPA and the APC Pork Committee would like to thank Bill Scott, Kevin Frost and Allan Webse for their efforts in organising this popular display.

Please refer to the WAPPA Annual report for a full list of their activities.

*Veterinary Research/Extension* - Two of the three projects supported in this area were concluded with the third project being carried forward into 2010/11. The results of the two concluded projects have been circulated amongst the veterinary fraternity servicing producers in this state. The concluded projects covered:

- A Study Superficial Inguinal Lymph Nodes Dr John Carr
- Changes in the Prevalence of PCV2 Dr John Carr

Portec Australia will conclude the final project during 2010, which is investigating “The effect of dam parity on maternally-derived IgG antibodies in piglets”.

*Technology Transfer* – The Department of Agriculture and Food facilitates extension to all WA pork producers. DAFWA plays a key role in providing research within the state. This year DAFWA conducted five producer seminars, a number of on farm assessments and individual site inspections all designed to either improve the skill base of WA producers or provide methods of reducing the industry’s Cost of Production.

*Pork Training* – The new Model Code for pigs requires that all producers will need to demonstrate a level of competency for people looking after the animals under their care. Pork Training WA has been very successful in securing funds for so that producers can have their staff accredited to Certificate Three level through recognition of prior learning program. The first of two rounds is coming towards a conclusion, with over 20 people being accredited through the program. Producers interested in nominating staff for round two should contact Pork Training WA for further information.

*Financial Position* – The fee for service has remained stable since the inception of the APC. The current fee stands at 0.08c/kg dressed weight. In terms of overall collection the current practise is for the buyer to submit the grower’s returns to the APC. With the consolidation of abattoir sector towards two abattoirs, the APC is looking to change the point of collection and place the responsibility on the abattoir sector, rather than the buyer. In doing this the level of collection within the industry will be maintained at almost 100%.

*With Gratitude* - The APC Pork committee could not support the projects we do without the contribution and support of all WA producers, for that the committee wishes to thank all producers in Western Australia for their valuable contribution.

#### **APC POTATO PRODUCERS’ COMMITTEE**

*Chairperson: Sam Calameri*

*Executive Officer: Jim Turley*

The Committee continued its support of the marketing and promotion of fresh potatoes in Western Australia through ongoing funding of Western Potatoes. This was the fifth year the committee provided funding to Western Potatoes.

## ***APC – Encouraging Producer Initiative***

The peak industry body, the Potato Growers Association of WA (Inc) received funding to continue with its provision of services in representing and developing the Western Australian potato industry on behalf of the Committee and producers.

Projects funded (some with contributed funding from other organisations) in 09/10 included: Improving the visual quality of fresh potatoes, virus testing of seed potatoes, funding of the WA seed scheme, funding of the WA seed potato evaluation, Carnarvon PSTvD survey, export of seed potatoes to Mauritius.

### **APC STRAWBERRY PRODUCERS' COMMITTEE**

*Chairperson: Gerry Verheyen*

*Increasing the shelf life of Australian strawberries*

The final report of the project funded by the APC fee for service was submitted to Horticulture Australia In June 2010.

The aim of this project was to investigate a range of factors, potentially affecting fruit quality, both on and off-farm with a view to improving market out-turn, industry profitability and removing barriers to increased market share in eastern states and overseas markets.

This project has given all those involved in the strawberry supply chain a much clearer understanding of the impact of their activities on berry quality and shelf-life. It has also provided guidelines on how practices can be improved to achieve the best result for consumers, whether local, inter-state or overseas.

*The role of soil factors and transmission on propagation material of fungal pathogens in the severity of strawberry root and crown disorders in Western Australia*

This ARC linkage project that was funded over three years from 2006/07 to 2009/10. All ARC funds have been expended with the final contribution being made in 2008/09.

Funding for the project from ARC was substantially less than originally requested, but most of the planned objectives were achieved.

A number of new innovations for strawberry growers have arisen out of this project, with a full copy of the report being available through the APC website.

The Agricultural Produce Commission, through the Strawberry Growers Association of Western Australia, was closely involved in all field aspects of this project and actively participated in field studies. All project participants attended and contributed to the Strawberry Growers Association of Western Australia grower field days held prior to and during each growing season.

The Department of Agriculture Western Australia, was actively involved in all grower crop surveys, grower field days and in planning the controlled environment experiments.

The close involvement of both Strawberry Growers Association of Western Australia and the Department of Agriculture and Food Western Australia was a key reason for the success of the research undertaken and for the effective extension of all significant findings from this research directly to strawberry growers for immediate uptake within their disease management strategies.

### **APC TABLE GRAPE PRODUCERS' COMMITTEE**

*Chairperson: Roger Fahl*

The table grape season for 2009/2010 finished well, with grape prices received being good throughout the season. The APC committee was again focused on delivering the minimum maturity system to growers in Western Australia. This system is unique and seen as a benefit for both consumers of grapes and growers.

Table grape consumption in Western Australia leads the nation and prices received by growers are higher than any other state. The APC committee is focused on keeping the system in place and reviewing each season to ensure changes are made to improve the system each year.

Promotional activity plans were put in place to work with the retailers in the state to combine promotions, this work fell apart with the agency we were using and we will review the promotional activity this year as we do not feel we are getting any service or return on

the Fee for Service we are investing in promotion. The committee will consider joining the national promotion program this year as they are expanding the system, and we would be better off financially in this system.

Overall the Table Grape committee maintain a steady approach to our work as our systems have been in place now for many years.

I would like to thank all growers for their support of the APC and look forward to a prosperous season for all.

#### **APC VEGETABLE PRODUCERS' COMMITTEE**

*Chairperson: Maureen Dobra*

*Secretary: Jim Turley*

This year saw the Committee commence collection of Fee for Service on tomatoes for the first time. Overall the Committee is satisfied with compliance, but will continue with its compliance exercises to ensure that all growers are paying and receiving benefits equally.

The Committee reviewed its Fee for Service rates and methodology during the year, and implemented revised rates. The Committee felt that with the large diversity in vegetable weights, sizes and packing methods it was important to make sure that the Fee for Service was fair to all producers.

The Committee carried out projects as follows (some with contributed funding from other organisations): Communication and Innovation, Marketing and promotion of WA vegetables, PSTvD survey for Carnarvon, Carrot market access proposal, funding for vegWA, funding for growers to attend the hydroponic and greenhouse conference, Translation of information into Vietnamese for Vietnamese growers, Field Extension Officer.

## **SCOPE OF THE ACT**

For the purposes of the Act 'agricultural industry' means a horticultural industry and such other agricultural industry as may be prescribed but excluding broadacre cropping and grazing industries (section 3.1).

Regulations to the Act define horticulture as:

- a) *Wine, fruit and the juices of fruit, whether fresh or processed.*
- b) *Vegetables and the juices of vegetables, whether fresh or processed.*
- c) *Nuts including processed nuts.*
- d) *Flowers, whether fresh or dried.*
- e) *Plants, including grass and other herbaceous plants, grown for sale as living plants.*

## **PRESCRIBED AGRICULTURAL INDUSTRIES TO WHICH THE ACT IS TO APPLY**

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services, services that a Producers' Committee may provide in relation to the pork production industry (Gazetted 3 July 2001).
- **beekeeping industry** - prescribed as an agricultural industry under section 3.1 of the Act with section 12.1 (b), (c), (d), (h), (l), (la) and (m) services, services that a producers' committee may provide in relation to the beekeeping industry (Gazetted 23 October 2001).
- **egg production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services, services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

## **Pests and Diseases declared under Section 19a of the Act**

*Application to commercial and non-commercial producers of provisions relating to the control of certain pests or diseases:*

- Notice gazetted on 19 September 2000 under Section 19a of the Act declaring that *Mediterranean fruit fly (Ceratitis Capitata) is a pest to which Section 19a of the Act is to apply.*
- Notice gazetted on 9 January 2004 under Section 19a of the Act declaring that Section 19a of the Act is to apply to the following bee pests and diseases:
  - *Pests – Acarine (Tracheal mite, Acarapis Woodi), Africanised honey bee, Asian honey bee, Tropilaelaps mite (Tropilaelaps clareae), Bruala fly, Small hive beetle and Varroasis (Varroa destructor and Varroa jacobsoni).*
  - *Diseases – American foul brood and European foul brood.*

## **FEE FOR SERVICE REGULATIONS**

**Horticulture Industry** - *Agricultural Produce (Horticultural Industry) Regulations 2001.*

Regulation 5 notifies of the liability for producers to pay charges. Regulation 8 allows for the submission of returns by dealers and producers. For APC community fruit fly baiting committees Regulations 6 provides for local government authority to collect fees. Penalties apply for non-compliance.

**Beekeeping Industry** - *Agricultural Produce (Beekeeping Industry) Regulations 2003.* Under the Regulations, the Department of Agriculture and Food collects the Fee for Service on behalf of the APC in conjunction with the beekeeper registration fees collected under the *Beekeepers Act 1963.*

**Pork Industry** – *Agricultural Produce (Pork Production Industry) Regulations 2004* require abattoirs to collect and remit Fee for Service to the Commission not later than 14 days after the end of the month.

**Egg Industry** – *Agricultural Produce (Egg Production Industry) Regulations 2006* provide for Fee for Service collection direct from egg producers. However, as at 30 June 2009 the industry was still to decide on a commencement date for Fee for Service charges for eggs.

**Voluntary Fee for Service** – Fee for Service can be provided for voluntary horticultural groups under Section 19 of the Act, however Section 14 and Regulations do not apply.

## ESTIMATES, DISCLOSURES, STATEMENTS

### ESTIMATES FOR 2010/11

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides its estimates for the 2009/10 financial year.

### AGRICULTURAL PRODUCE COMMISSION ESTIMATES FOR 10/11

<b>Expenses</b>	<b>2009/10 Budget</b>	<b>2009/10 Actual</b>	<b>2010/11 Budget</b>
DAFWA Contracted Services – Commission Administration	71,000	73,620	87,532
Producers' Committee Operating Costs	3,103,327	2,596,108	3,206,313
Employee Benefits	84,700	78,893	78,653
Other Expenses	97,300	194,703	123,150
<b>Total Expenses</b>	<b>3,356,327</b>	<b>2,943,325</b>	<b>3,495,648</b>
<b>Revenue</b>			
Fee for Service	3,062,259	3,046,649	3,180,250
Grants	42,000	30,000	42,000
Interest	324,822	316,528	416,060
Other Revenue	13,634	124,828	12,500
<b>Total Revenue</b>	<b>3,442,715</b>	<b>3,518,005</b>	<b>3,650,810</b>
<b>Net Cost of Services</b>	<b>86,388</b>	<b>574,680</b>	<b>155,162</b>
<b>Income from State Government</b>			
Resources Received Free of Charge	8,000	8,764	8,200
<b>Total Income from State Government</b>	<b>8,000</b>	<b>8,764</b>	<b>8,200</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>94,388</b>	<b>583,443</b>	<b>163,362</b>

### 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 Produce Commission of Western Australia reports that during the 2009/10 financial year, the Commission incurred expenditure in the following areas.

Advertising agencies	62,794
Media advertising organizations	27,722
<b>Total Expenditure</b>	<b>\$90,516</b>

# AGRICULTURAL PRODUCE COMMISSION

## CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2010

The accompanying financial statements of the Agricultural Produce Commission 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 2010 and the financial position as at 30 June 2010.

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.

W Ryan  
Chairman of Accountable Authority

Date: 5th August 2010

G Robertson  
Member of Accountable Authority

Date: 5th August 2010

R Lucas  
Chief Finance Officer

Date: 5/8/10

**AGRICULTURAL PRODUCE COMMISSION**

**CERTIFICATION OF PERFORMANCE INDICATORS**

**For year ended 30 June 2010**

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agricultural Produce Commission's performance, and fairly represent the performance of the Agricultural Produce Commission for the financial year ended 30 June 2010.

**W Ryan**

**Chairman of Accountable Authority**

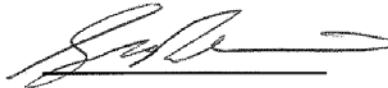


**Date:**

*5<sup>th</sup> August 2010.*

**G Robertson**

**Member of Accountable Authority**



**Date:**

*5<sup>th</sup> August 2010*





## Auditor General

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### AGRICULTURAL PRODUCE COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accounts, financial statements, controls and key performance indicators of the Agricultural Produce Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### **Commission's Responsibility for the Financial Statements and Key Performance Indicators**

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators 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, controls and key performance indicators 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. This document is available on the OAG website under "How We Audit".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

**Agricultural Produce Commission**

**Financial Statements and Key Performance Indicators for the year ended 30 June 2010**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Agricultural Produce Commission at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission 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; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2010.



COLIN MURPHY  
AUDITOR GENERAL  
26 August 2010

FINANCIAL STATEMENTS

AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Department of Agriculture and Food contracted services			
- Administration	6	73,620	57,800
Producers' Committee operating costs	7	2,762,521	2,475,716
Employee benefits expense	8	78,893	74,545
Other expenses	9	194,703	78,260
<b>Total cost of services</b>		<u>3,109,737</u>	<u>2,686,321</u>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	10	3,046,649	2,708,678
Grants		30,000	37,105
Polling deposit		-	8,000
Other revenue		124,826	2,217
Interest revenue		316,528	409,635
<b>Total Revenue</b>		<u>3,518,003</u>	<u>3,165,635</u>
<b>Total income other than income from State Government</b>		3,518,003	3,165,635
<b>NET COST OF SERVICES</b>		<u>(408,266)</u>	<u>(479,314)</u>
<b>INCOME FROM STATE GOVERNMENT</b>			
Resources received free of charge	11	8,764	5,998
<b>Total income from State Government</b>		<u>8,764</u>	<u>5,998</u>
<b>SURPLUS FOR THE PERIOD</b>		<u>417,030</u>	<u>485,312</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		-	-
Gains/(losses) recognised directly in equity		-	-
<b>Total other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>417,030</u>	<u>485,312</u>

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

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Note	30/06/2010 \$	30/06/2009 \$	1/07/2008 \$
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	19	8,698,341	8,102,663	7,569,717
Receivables	12	307,355	238,476	203,004
Other current assets	13	100,310	67,104	145,313
<b>Total Current Assets</b>		<u>9,106,006</u>	<u>8,408,243</u>	<u>7,918,034</u>
<b>Non-Current Assets</b>				
Loans and advances	14	-	86,000	86,000
<b>Total Non Current Assets</b>		<u>-</u>	<u>86,000</u>	<u>86,000</u>
<b>TOTAL ASSETS</b>		<u>9,106,006</u>	<u>8,494,243</u>	<u>8,004,034</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	15	142,260	30,254	28,834
Accrued Salaries	16	-	-	430
Provisions	17(a)	9,837	9,685	9,300
<b>Total Current Liabilities</b>		<u>152,097</u>	<u>39,939</u>	<u>38,564</u>
<b>Non Current Liabilities</b>				
Provisions	17(b)	14,117	10,954	7,432
Other	15	79,412	-	-
<b>Total Non Current Liabilities</b>		<u>93,529</u>	<u>10,954</u>	<u>7,432</u>
<b>TOTAL LIABILITIES</b>		<u>245,625</u>	<u>50,893</u>	<u>45,996</u>
<b>NET ASSETS</b>		<u><u>8,860,380</u></u>	<u><u>8,443,350</u></u>	<u><u>7,958,038</u></u>
<b>EQUITY</b>				
Contributed equity	18(a)	3,682,697	3,682,697	3,682,697
Accumulated surplus	18(a)	5,177,683	4,760,653	4,275,341
<b>TOTAL EQUITY</b>		<u><u>8,860,380</u></u>	<u><u>8,443,350</u></u>	<u><u>7,958,038</u></u>

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

## AGRICULTURAL PRODUCE COMMISSION

### STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2010

	Note	Contributed Equity \$	Reserves \$	Accumulated Surplus \$	Total Equity \$
<b>Balance at 1 July 2008</b>	18(a)	3,596,697	-	4,275,341	7,872,038
Changes in accounting policy or correction of prior period errors	14	86,000	-	-	86,000
<b>Restated balance at 1 July 2008</b>		<u>3,682,697</u>	<u>-</u>	<u>4,275,341</u>	<u>7,958,038</u>
Total comprehensive income for the year		-	-	485,312	485,312
Transactions with owners in their capacity as owners:		-	-	-	-
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distribution to owners		-	-	-	-
Total		<u>-</u>	<u>-</u>	<u>485,312</u>	<u>485,312</u>
<b>Balance at 30 June 2009</b>		<u><b>3,682,697</b></u>	<u><b>-</b></u>	<u><b>4,760,653</b></u>	<u><b>8,443,350</b></u>
<b>Balance at 1 July 2009</b>	18(a)	3,682,697	-	4,760,653	8,443,350
Total comprehensive income for the year		-	-	417,030	417,030
Transactions with owners in their capacity as owners:		-	-	-	-
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		<u>-</u>	<u>-</u>	<u>417,030</u>	<u>417,030</u>
<b>Balance at 30 June 2010</b>		<u><b>3,682,697</b></u>	<u><b>-</b></u>	<u><b>5,177,683</b></u>	<u><b>8,860,380</b></u>

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

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(75,579)	(71,068)
Supplies and services		(2,744,662)	(2,604,357)
<b>Receipts</b>			
Receipts from producers		2,977,770	2,673,205
Receipts from others		154,828	47,322
Interest received		<u>283,321</u>	<u>487,844</u>
<b>Net cash provided by operating activities</b>	19(b)	<u>595,678</u>	<u>532,946</u>
<b>Net increase in cash and cash equivalent</b>		595,678	532,946
Cash and cash equivalent at the beginning of period		8,102,663	7,569,717
<b>CASH AND CASH EQUIVALENT AT THE END OF PERIOD</b>	19(a)	<u><b>8,698,341</b></u>	<u><b>8,102,663</b></u>

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

## INDEX OF NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

Subject	Policy Note	Disclosure Note	Title of the Policy note
General	1		Australian Accounting Standards
General	1		General
General	1		Early adoption of standards
General	2		<i>Summary of significant accounting policies</i>
General	2(a)		General statement
General	2(b)	3,4	Basis of preparation
General	2(c)	25	Reporting entity
General	2(d)	18	Contributed equity
Income	2(e)		<i>Income</i>
Income	2(e)		Revenue recognition
Income	2(e)		Provision of services
Income	2(e)		Interest
Income	2(e)		Grants, donations, gifts and other non-reciprocal contributions
Assets/Liability	2(f)	22	Financial instruments
Assets	2(g)	22(b)	Cash and cash equivalents
Assets	2(h)	16	Accrued salaries
Assets	2(i)	12	Receivables
Liability	2(j)	15	Payables
Liability	2(k)	17	<i>Provisions</i>
Liability	2(k)	17(a),(b)	Provisions – Employee Benefits
Liability	2(k)	17(a),(b)	Annual Leave and Long Service Leave
Liability	2(k)	8	Superannuation
Liability	2(k)	17(b)	Provisions – Other
Liability	2(k)	17(b)	Employee benefit on-costs
Expense	2(l)	8	Superannuation expense
Revenue/Asset	2(m)	11	Resources received free of charge or for nominal cost
General	2(n)		Comparative figures
General	3		Judgements made by management in applying accounting policies
General	4		Key sources of estimation uncertainty
Liability	4	17(b)	Long service leave
General	5		Disclosure of changes in accounting policy estimates
General	5		Initial Application of an Australian Accounting Standard
General	5		Future impact of Australian Accounting Standards not yet operative
Expense	5(o)	6	Administration expense
Expense	5(p)		Goods and Services Tax

**This index does not form part of the financial statements.**

# AGRICULTURAL PRODUCE COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS 2010

### For the year ending 30 June 2010

#### Note 1. Australian Accounting Standards

##### General

The Commission's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

##### Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Commission for the annual reporting period ended 30 June 2010.

#### Note 2. Summary of Significant Accounting Policies

##### (a) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with 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 the Commission's 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 had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

##### (b) Basis of preparation

These 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 and all values are rounded to the nearest dollar.

The judgements that have been made in the process of applying the Commission's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

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

##### (c) Reporting Entity

The reporting entity comprises the Commission and entities listed at Note 25 "Related bodies".

##### (d) Contributed Equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognized as equity contributions. Capital 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.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.



## **(e) Income**

### Revenue recognition

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

#### *Provision of Services*

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

#### *Interest*

Revenue is recognised as the interest accrues.

Interest is calculated on a daily balance and credited to the Commission quarterly. Committees are then credited with their interest on a quarterly basis.

#### *Grants, donations, gifts and other non-reciprocal contributions*

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

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

## **(f) Impairment of assets**

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

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

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

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

## **(g) Financial Instruments**

In addition to cash and bank overdraft, the Commission has two categories of financial instrument:

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

Financial instruments have been disaggregated into the following classes:

Financial Assets  
Cash and cash equivalents  
Receivables  
Financial Liabilities  
Payables

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.

**(h) Cash and cash equivalents**

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

**(i) Accrued salaries**

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

**(j) Receivables**

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

**(k) Payables**

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

**(l) Provisions**

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

Provisions – Employee Benefits

*Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

*Superannuation*

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

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

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members

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

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

#### Provisions – Other

##### *Employee benefit on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

##### **(m) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

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

##### **(n) Resources received free of charge or for nominal cost**

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

##### **(o) Comparative figures**

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

#### **Note 3. Judgements made by management in applying accounting policies**

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

#### **Note 4. Key sources of estimation uncertainty**

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

#### **Long Service Leave**

In calculating the Commission's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

#### **Note 5. Disclosure of changes in accounting policy and estimates**

##### **Initial Application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Commission.

AASB 101 Presentation of Financial Statements (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statements of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

AASB 2007 -10 Further Amendments to Australian Accounting Standards arising from AASB 101. This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.

AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]. This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Commission where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Commission does not expect any financial impact when the Standard is first applied prospectively.

AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023, & AASB 1038. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

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

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

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

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].* 1 Jan 2013

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

**(p) Administration Expense**

Each Producer's Committee pays a percentage of the 'Fee for Service' collected to the administration account which is eliminated on consolidation for reporting purposes. The administration account bears all the administration expenses.

**(q) Goods and Services Tax**

In accordance with the grouping provisions the right to receive GST and the obligation to pay GST rests with the Department of Agriculture and Food Western Australia in regard to all GST transactions incurred by members of the group. As a result separate GST transactions are not recognised within the individual Commission financial statements as they are all brought to account in the Department of Agriculture and Food financial statements.

The Commission is GST exempt, a determination issued by the Federal Treasurer in March 2000 listed the Agricultural Produce Commission GST free under Section 81-5 of the A New Tax System (Goods and Services) Act 1999.

**Note 6 Department of Agriculture and Food Contracted Service Costs**

Effective 1 July 2000 the Agricultural Produce Commission ("the Commission") entered into a Memorandum of Understanding with the Department of Agriculture and Food (the Department) which is reviewed annually. The objective of this arrangement is to establish the types and standards of services to be provided, the basis for determining the level and the costs of the services and the responsibilities of the Commission and the Department.

The costs of the above mentioned services are disclosed below:

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>Administration</b>		
Department of Agriculture and Food contracted services	73,620	57,800

	<u>2010</u>	<u>2009</u>
	\$	\$
<b>Note 7</b>		
<b>Producers' Committees operating costs</b>		
Compensation payments	-	11,241
Promotion, publicity and advertising	90,136	67,948
Polling costs	-	13,617
Research Grants	614,231	524,587
Grant funding	1,547,431	1,753,978
Committee sitting fees and allowances	35,560	22,471
Wages, salaries and mileage	79,991	3,720
Department of Agriculture and Food contracted services - apple scab	252,413	-
Other	142,759	78,154
	<u>2,762,521</u>	<u>2,475,716</u>

<b>Note 8</b>		
<b>Employee benefits expense - Commission</b>		
Wages and salaries <sup>(a)</sup>	70,685	66,413
Change in employee entitlement provision	3,317	3,905
Superannuation <sup>(b)</sup>	4,168	3,447
Annual Leave & Long Service Leave Expense <sup>(c)</sup>	723	780
Total employee expenses	<u>78,893</u>	<u>74,545</u>

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

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

(c) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at Note 9 'Other Expenses'. The employment on-costs liability is included in Note 17 'Provisions'.

<b>Note 9</b>	<b>Other expenses - Commission</b>	<u>30/06/10</u>	<u>30/06/09</u>	<u>1/07/08</u>
	Audit fees	13,000	14,000	-
	Employment on-costs <sup>(a)</sup>	1,484	1,152	-
	Commissioner fees and related costs	46,780	40,499	-
	Polling costs	-	7,426	-
	Administration costs	38,675	9,185	-
	Resources received free of charge	8,764	5,998	-
	Change to provision for doubtful debts	86,000	-	-
		<u>194,703</u>	<u>78,260</u>	-

<sup>(a)</sup>Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 17 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

<b>Note 10</b>	<b>APC - Fees for Service revenue</b>		
	Fee for Service	<u>3,046,649</u>	<u>2,708,678</u>
	Total APC Fees for Service	<u>3,046,649</u>	<u>2,708,678</u>

<b>Note 11</b>	<b>Income from State Government</b>	<u>2010</u>	<u>2009</u>
		\$	\$
	Resources received free of charge		
	Determined on the basis of the following estimates provided by agencies:		
	Department of Agriculture and Food	8,764	5,998

Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Commission makes an adjustment direct to equity.

**Note 12 Receivables**

Current

Receivables	303,757	237,634
Accrued revenue	3,598	842

See also **note 2(j)** 'Receivables' and **note 22** 'Financial Instruments'.

307,355	238,476
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Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	-	-
Amounts written off during the year	-	-
Balance at end of year	-	-

The Commission does not hold any collateral as security or other credit enhancements relating to receivable.

**Note 13 Other Current Assets**

Current

Accrued Interest	100,310	67,104
	100,310	67,104

**Note 14 Non Current Assets**

Loans and advances

Loans and advances	86,000	86,000	86,000
Less allowances for impairment of loans and advances <sup>(a)</sup>	(86,000)	-	-

-	86,000	86,000
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In 1999/00 the Minister approved a loan of \$190,000 from Pig Industry Compensation Fund to WA Pig Skills Centre Pty Ltd. In 2004/5 the Pig Industry Compensation Act was repealed and transferred to APC. However the loan was not transferred. The balance of \$86,000 has now been recognised by APC as an outstanding loan. In October 2005 repayments from WA Pig Skills Centre Pty Ltd were suspended.

<sup>(a)</sup> **Reconciliation of changes in the allowance for impairment of loans and advances**

Balance at start of year	-	-	-
Doubtful debts expense recognised in the income statement	86,000	-	-
Amounts written off during the year	-	-	-
Balance at end of year	86,000	-	-



Note 18 (a)	<b>Equity</b>	<u>30/06/10</u>	<u>30/06/09</u>	<u>1/07/08</u>
	Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.	\$	\$	\$
	<b>Contributed equity</b>			
	Balance at start of period	3,682,697	3,682,697	3,596,697
	Correction of prior period errors <sup>(a)</sup>	-	-	86,000
	<b>Total Contributed equity</b>	<u>3,682,697</u>	<u>3,682,697</u>	<u>3,682,697</u>
	<u>Contribution by owners</u>			
	Capital appropriation	-	-	-
	<u>Other contributions by owners</u>			
	Royalties for Regions Fund - Regional Infrastructure and	-	-	-
	Headworks Account	-	-	-
	Royalties for Regions Fund - Regional Community Services Account	-	-	-
	<u>Transfer of net assets from other agencies</u>			
	<b>Total contributions by owners</b>	<u>3,682,697</u>	<u>3,682,697</u>	<u>3,682,697</u>
	<u>Distributions to owners</u>			
	Transfer of net assets to other agencies			
	Net assets transferred to Government			
	<b>Total distributions to owners</b>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Balance at end of period</b>	<u>3,682,697</u>	<u>3,682,697</u>	<u>3,682,697</u>
	<b>Accumulated surplus/(deficit)</b>			
	Balance at start of year	4,760,653	4,275,341	4,275,341
	Result for the period	417,030	485,312	-
	Income and expense recognised directly in equity			
	<b>Balance at end of year</b>	<u>5,177,683</u>	<u>4,760,653</u>	<u>4,275,341</u>
	<sup>(a)</sup> The correction of prior period errors of \$86,000 is represented by: The recognition of the Pigskills loan that has been included in the year ended 2009 figures. Refer to <b>Note 14</b> .			

Note 19	<b>Notes to the Cash Flow Statement</b>	<u>2010</u>	<u>2009</u>
	<u>(a) Reconciliation of cash</u>	\$	\$
	Cash at the end of financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:		
	Cash and cash equivalents	<u>8,698,341</u>	<u>8,102,663</u>
	<u>(b) Reconciliation of net cost of services to net cash flows provided by operating activities</u>		
	Net cost of services	408,266	479,314
	<b>Non-cash items:</b>		
	Resources received free of charge	8,764	5,998
	(Decrease)/Increase provision for doubtful debts	86,000	-
	<b>(Increase)/decrease in assets:</b>		
	Current receivables		
	Receivables	(68,879)	(35,471)
	Other current assets	(33,206)	78,209
	<b>Increase/(Decrease) in liabilities:</b>		
	Current payables	112,006	1,420
	Accrued Salaries	-	(430)
	Current Provisions	152	385



	<b>2010</b>	<b>2009</b>
Non Current Liabilities	79,412	-
Non current provisions	3,163	3,521
Net cash provided by operating activities	<u>595,678</u>	<u>532,946</u>

**Note 20 Remuneration of Members of the Commission**

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

	Number of Members	
	<u>2010</u>	<u>2009</u>
\$0 - \$10,000	6	1
\$10,001 - \$20,000	1	2
\$20,001 - \$30,000	<u>0</u>	<u>1</u>
The total remuneration of the members of the Commission is:	<u>50,948</u>	<u>40,499</u>

The superannuation included here represents the superannuation expense incurred in respect of members of the Commission. No members of the Commission are members of the Pension Scheme.

**Note 21 Commitments**

**(a) Capital expenditure commitments**

There are no known capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements.

**(b) Other expenditure commitments**

There are no known other expenditure commitments contracted for at the reporting date, not otherwise provided for in these financial statements.

**(c) Guarantees and undertakings**

There are no guarantees and undertakings at the reporting date, not otherwise provided for in these financial statements.

**Note 22 Financial Instruments**

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

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

*Credit risk*

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 22 (c) 'Financial Instrument Disclosures' and Note 12 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the Commission trades only with recognised, creditworthy third parties. The Commission 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 Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 22 (c) 'Financial Instrument Disclosure'.

*Liquidity risk*

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

The Commission's exposure to market risk for changes in interest rates relates primarily to the cash and the cash equivalent.

Other than as detailed in the interest rate sensitivity analysis table at Note 22 (c), the Commission is not exposed to interest rate risk because the Commission have no borrowings.

### (b) Categories of Financial Instruments

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

	<u>30/06/10</u>	<u>30/06/09</u>	<u>1/07/08</u>
<i>Financial Assets</i>	\$	\$	\$
Cash and cash equivalents	8,698,341	8,102,663	7,569,717
Receivables	407,665	305,580	348,317
Loans	-	86,000	86,000
<i>Financial Liabilities</i>			
Financial liabilities measured at amortised cost	221,672	30,254	29,264

### (c) Financial Instrument Disclosures

#### Credit risk and interest rate risk exposure

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

#### Interest rate exposure and ageing analysis of financial assets

	Weighted average effective interest rate	Carrying amount	Variable interest rate	Non-interest bearing	Up to 3 months	3 - 12 months	Over 12 months	1-2 years	2-5 years	More than 5 years	Impaired financial assets
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>											
<b>30/06/2010</b>											
Cash and cash equivalents	4.00%	8,698,341	8,698,341	-	-	-	-	-	-	-	-
Receivables		407,665	-	407,665	30,000	1,573	-	-	-	-	-
Loans		86,000	-	-	-	-	-	-	86,000	-	86,000
		9,192,006	8,698,341	407,665	30,000	1,573	-	-	86,000	-	86,000
<b>30/06/2009</b>											
Cash and cash equivalents	5.39%	8,102,663	8,102,663	-	-	-	-	-	-	-	-
Receivables		305,580	-	305,580	-	-	-	-	-	-	-
Loans		86,000	-	86,000	-	-	-	-	86,000	-	-
		8,494,243	8,102,663	391,580	-	-	-	-	86,000	-	-
<b>1/07/2008</b>											
Cash and cash equivalents	7.03%	7,569,717	7,569,717	-	-	-	-	-	-	-	-
Receivables		348,317	-	348,317	-	-	-	-	-	-	-
Loans		86,000	-	86,000	-	-	-	-	86,000	-	-
		8,004,034	7,569,717	434,317	-	-	-	-	86,000	-	-

### Liquidity Risk

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

#### Interest rate exposures and maturity analysis of financial liabilities

	Interest rate exposure			Maturity dates			
	Weighted average effective interest rate	Carrying amount	Variable interest rate	Non-interest bearing	Up to 3 months	3 - 12 months	Over 12 months
<b>Financial Liabilities</b>							
<b><u>30/6/10</u></b>							
Payables	4.00%	142,260	-	142,260	142,260	-	-
Accrued salaries		-	-	-	-	-	-
Non Current Liabilities		79,412	-	79,412	-	-	79,412
		221,672	-	221,672	142,260	-	79,412
<b><u>30/06/2009</u></b>							
Payables	5.39%	30,254	-	30,254	30,254	-	-
Accrued salaries		-	-	-	-	-	-
		30,254	-	30,254	30,254	-	-
<b><u>1/07/2008</u></b>							
Payables	7.03%	28,834	-	28,834	28,834	-	-
Accrued salaries		430	-	430	430	-	-
		29,264	-	29,264	29,264	-	-

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

#### Interest rate sensitivity analysis

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

	Carrying amount	-100 basis point		+100 basis point	
		Profit	Equity	Profit	Equity
30/06/2010	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash and cash equivalents	8,698,341	(86,983)	(86,983)	86,983	86,983
	8,698,341	(86,983)	(86,983)	86,983	86,983
	Carrying amount	Profit	Equity	Profit	Equity
30/06/2009	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash and cash equivalents	8,102,663	(81,027)	(81,027)	81,027	81,027
	8,102,663	(81,027)	(81,027)	81,027	81,027
	Carrying amount	Profit	Equity	Profit	Equity
1/07/2008	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash and cash equivalents	7,569,717	(75,697)	(75,697)	75,697	75,697
	7,569,717	(75,697)	(75,697)	75,697	75,697

*Fair value*

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.

**23. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets which would affect the Commission

**24. Events occurring after reporting date**

There have been no events after reporting date which would cause the financial statements to be misleading.

**25. Related bodies**

There are no related bodies with the Commission.

**26. Affiliated bodies**

There are no affiliated bodies with the Commission

**27. Supplementary financial information** **2010** **2009**

Write-offs: Irrecoverable amounts

During the financial year \$ nil was written off in bad debts under the authority of:

- The Accountable authority - -

**28. Remuneration of auditor**

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

Auditing the accounts, financial statements and performance indicators 13,000 14,000  
*The expense is included at Note 9 'Other expenses'.*

**29. Explanatory statement**

Explanation of significant variations are considered to be those greater than 10% and greater than \$20,000.

	Budget 2010	Actual 2010	Variance Between 2010 Budget & 2010 Actual	Note	Actual 2009	Variance Between 2009 Actual & 2010 Actual	Note
	\$	\$	\$		\$	\$	
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Dept of Agriculture and Food contracted services							
- Administration	71,000	73,620	2,620		57,800	15,820	
Producers committees' operating costs	3,103,327	2,762,521	(340,806)	29.6	2,475,716	286,805	29.1
Employee benefits	84,700	78,893	(5,807)		74,545	4,348	
Other expenses	97,300	194,703	97,403	29.7	78,260	116,443	29.2
<b>Total cost of services</b>	<u>3,356,327</u>	<u>3,109,737</u>	<u>(246,590)</u>		<u>2,686,321</u>	<u>423,416</u>	
<b>Income</b>							
User charges and fees	3,062,259	3,046,649	(15,610)		2,708,678	337,971	29.3
Grants	42,000	30,000	(12,000)		37,105	(7,105)	
Polling deposit	-	-	-		8,000	(8,000)	
Interest	324,822	316,528	(8,294)		409,635	(93,107)	29.4
Other revenue	13,634	124,826	111,192	29.8	2,217	122,609	29.5
<b>Total revenue</b>	<u>3,442,715</u>	<u>3,518,003</u>	<u>75,288</u>		<u>3,165,635</u>	<u>352,368</u>	
<b>NET COST OF SERVICES</b>	<u>86,388</u>	<u>408,266</u>	<u>321,878</u>		<u>479,314</u>	<u>(71,048)</u>	
<b>INCOME FROM STATE GOVERNMENT</b>							
Resources received free of charge	8,000	8,764	764		5,998	2,766	
<b>Total Income from State Government</b>	<u>8,000</u>	<u>8,764</u>	<u>764</u>		<u>5,998</u>	<u>2,766</u>	
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<u>94,388</u>	<u>417,030</u>	<u>322,642</u>		<u>485,312</u>	<u>(68,282)</u>	

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

**29.1 Producers Committee Operating costs**

Producer Committee Operating Costs increased as a result of repayment of a debt associated with the apple scab bio security incursion.

**29.2 Other Expenses**

Other Expenses increased due to the Commission receiving in 2010 employment legal advice and incurring costs associated with undertaking a program of communication and consultation with Producers' Committees.

**29.3 User Fees and Charges**

User Fees and Charges increased due to the implementation of a tomato fee for Service and an increase in the fruit Fee for service.

**29.4 Interest**

Interest received declined as a result of a reduction in the interest rate compared to 2009.

**29.5 Other Revenue**

Other revenue increased as a result of:

- (a) the Fruit Committee commencing activities to generate income via newsletter subscriptions and provision of consultative services to industry organisation. Fruit Committee also received part payment from West Australian Fruit Growers Association in respect of apple scab activities carried out in 2006.
- (b) the Banana committee received the first payment from the Federal banana levy, to be used by the Committee for bio security activities.
- (c) Pork Committee received payment for lead testing undertaken by the Committee on behalf of the industry.

**(ii) Significant variations between 2009 estimates and 2009 actual results for the financial year.**

**29.6 Producers' committees operating costs**

The under budget result is due to Producers' Committees not implementing some projects which had been budgeted for the 09/10 year.

**29.7 Other Expenses**

Other Expenses increased as a result of recognition of a doubtful debt in relation to the Pig Skills Loan.

**29.8 Other revenue**

The over budget result is due to increases in revenue generation, outside of Fee for Service, by Producers' Committees.

## AGRICULTURAL PRODUCE COMMISSION

### PERFORMANCE INDICATORS

#### GOVERNMENT GOAL

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

#### DESIRED OUTCOME

Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission Act.

#### SERVICES

Establishment of, and support for, Producer Committees.

#### EFFECTIVENESS INDICATORS

##### ***PI1 - Commission Effectiveness – APC Producers' Committees coverage of the horticultural industry***

	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
The % of horticultural industry serviced by the APC based on production value.	46.1	41.5	43	46.5	64.0	63.1	61.6	66	64.6	65.34

**NOTE:** The APC's coverage of the Western Australian horticultural industry demonstrates the 'market share' held by the APC in the overall horticultural industry in Western Australia. By maintaining, and aiming to increase, its coverage of the industry the APC affirms its value to the greater industry through enabling growth and prosperity of the industry via the investment of producer funds.

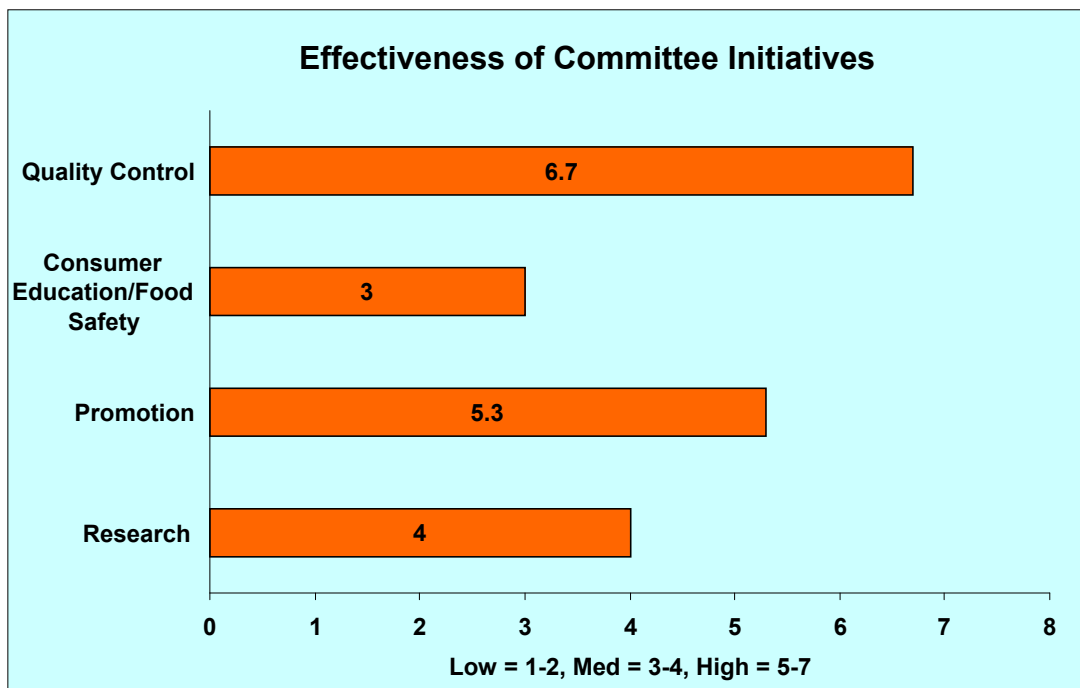
Prescribed industries for the purposes of the APC are not included in the data set. Prescribed industries are eggs, pork and beekeeping. Horticultural industries that have APC Committees include apple, avocado, Carnarvon banana, pear, citrus, stone fruit, strawberry, table grapes and most vegetable commodities.

On 1 August 2009, tomatoes joined the APC as a Fee for Service paying product thus increasing the APC Producers' Committee coverage of the horticultural industry.

**Target:** Maintain current and further increase percentage of industry serviced by APC Producers' Committees to 66 - 70%.

**NOTE:** Statistics for the above are based on ABS statistics for 2008/9 and the Department of Agriculture and Food (WAAFFI 09) publication.

**PI2 - Committee Effectiveness – APC Producers’ Committees focus and impact on key areas that contribute to their industry’s growth and prosperity**



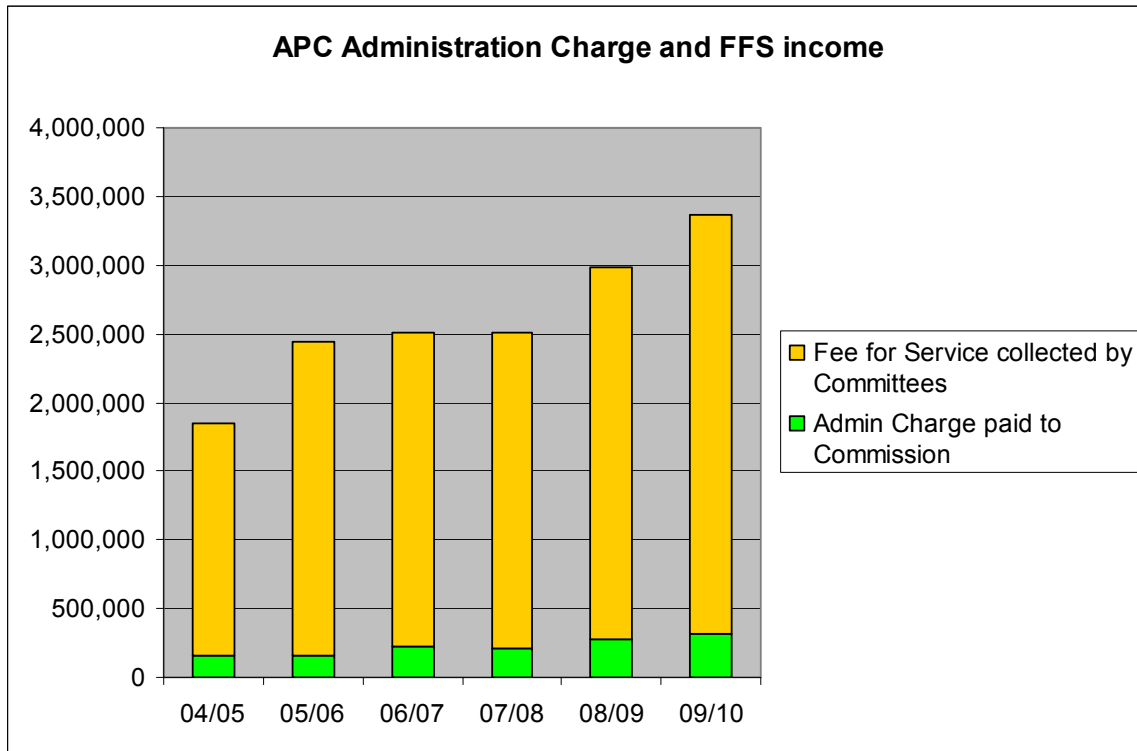
Results based on aggregated responses to survey of Committee activities for the 09/10 financial year, conducted with APC Committee members.

Results are based on a ‘yes’ response to surveys, where Committees have responded that they are undertaking the process being measured.

**Target:** To have Committees undertake initiatives in all targeted areas where their industry would benefit from the APC Producers’ Committee activities, and to have the impact for each initiative undertaken deliver a success rate of at least 4-6 (moderate to high success).

**EFFICIENCY INDICATORS**

**PI3 – Commission Efficiency - APC Administration Charge as % of Fee for Service (FFS) Income**



Year	04/05	05/06	06/07	07/08	08/09	09/10
<b>Admin Charge as % of Fee for Service Income</b>	9.21	6.66	10.05	9.29	10.35	10.49

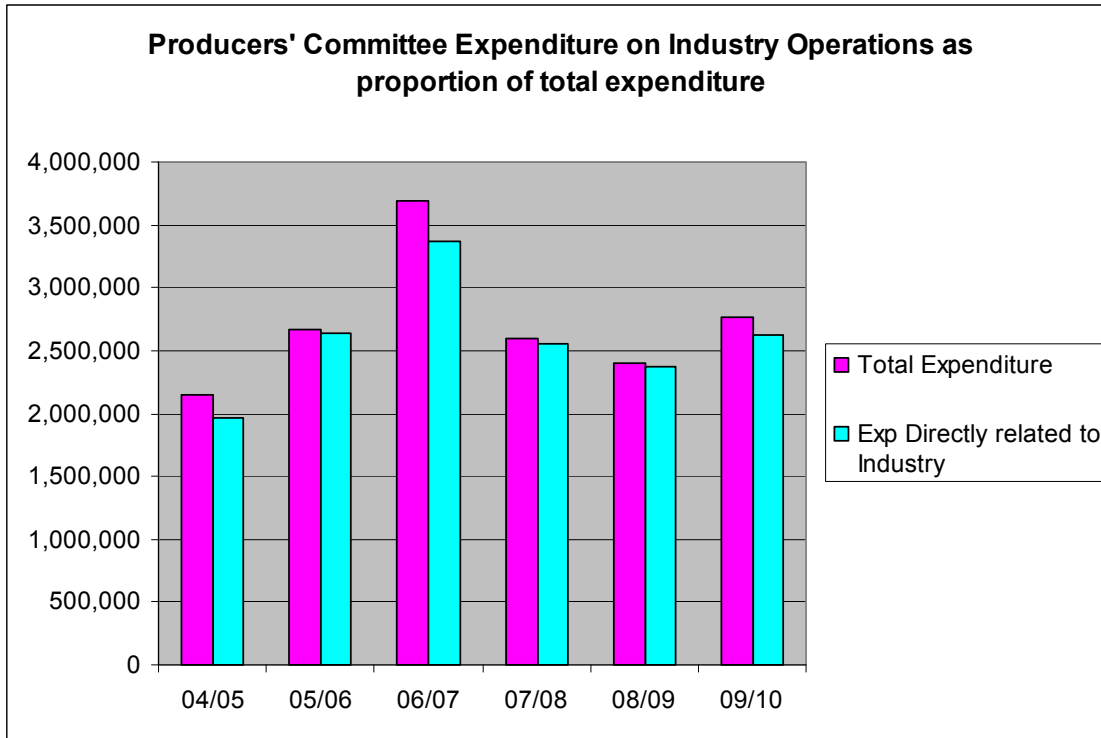
**Note:** This indicator measures the administration charge paid to the Commission by Committees as a proportion of their total income. In the 2009/10 year this income was the sole funding the Commission received to carry out its operations. To ensure that funds received by the Commission from Committees do not exceed Commission requirements, the Commission reviews its administration charge to Committees on a yearly basis.

In March 2010 the Commission reviewed the administration charge to Committees and, as of 2010/11, significantly reduced the % to be paid by a number of Committees.

**Target** – Commission operating costs kept within the 10 - 15% expenditure range in relation to overall FFS income.

**PI4 - Committee Effectiveness – Producer Committee expenditure on industry operations as proportion of total Committee expenditure.**





Year	04/05	05/06	06/07	07/08	08/09	09/10
<b>Producers' Committee Expenditure on Industry Operations as proportion of total expenditure</b>	91%	99%	92%	99%	99%	95%

**Note:** Cash outflow directly related to industry operations includes research, compensation, support for industry associations, promotion activities, bio-security operations.

Expenditure not considered directly related to industry operations are funds expended on Committee meetings, sitting fees, travel to/from meetings or expenditure directly related to the administrative operations of the Committee.

The APC Administration charge is excluded from this data.

**Target –** Committees are able to return 85 to 90% of collected FFS to industry