



AGRICULTURAL PRODUCE COMMISSION

*Encouraging Producer Initiative*

ANNUAL REPORT  
**FOR YEAR ENDED 30 JUNE 2014**



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Agricultural Produce Commission

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## AGRICULTURAL PRODUCE COMMISSION

### STATEMENT OF COMPLIANCE

For year ended 30th June 2014

**Hon Kenneth Baston MLC**  
**Minister for Agriculture and Food**

In accordance with Section 63 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 2014.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and any other relevant written law.



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William Ryan  
**Chairman**  
Agricultural Produce Commission

Date: 5 September 2014



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Sue Middleton  
**Member**  
Agricultural Produce Commission

Date: 5 September 2014

## OVERVIEW

### EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

There were no changes in membership of the Commission during the year and no new Producers' Committees were formed during the year under review.

The review of the Commission's Key Performance Indicators was concluded and revised Key Performance Indicators are included in this year's annual report. The Commission believes that the revised Key Performance Indicators will be more relevant as tools to gauge Commission performance.

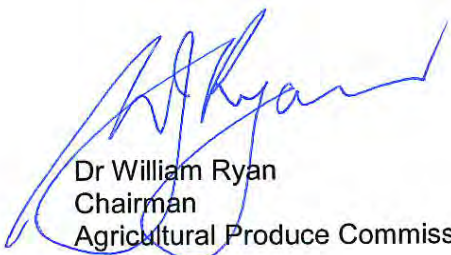
The requested amendments to the APC Act continue to be progressed. During 2013/14 the Commission undertook further education of, and consultation with, broadacre cropping and grazing industries with respect to the request for the removal of the exclusion on broadacre cropping and grazing industries forming Producers' Committees.

The Commission had a high level of involvement with the Pome, Citrus and Stone Fruit Producers' Committee during the year. Issues revolved around the operations of the Committee and Commission activities in regard to the Committee and growers, mainly within the Perth Hills. Largely as a result of concerns raised, the manner in which the Committee operates has changed. The Commission is hopeful that the changes will improve the delivery of services on behalf of the producers, as well as provide producers with greater interaction and sense of ownership in their Producers' Committee and its activities. The Commission continues to work with the Committee and growers to achieve the best outcome for all pome, citrus and stone fruit growers in WA.

Overall, the APC Producers' Committees continued to provide services to their industries in an efficient and well considered manner. The changing economic climate, whereby agricultural industries are increasingly being required to be more self-sufficient, with reduced likelihood of receiving funding and support from outside bodies and organisations, places industries with APC Producers' Committees in a favourable position. These industries have considered their strategic future and needs and have identified the APC funding model as an appropriate vehicle for the growth and security of their industries.

The Commission is continuing to work with other WA industries to ascertain whether the APC model is suitable for their industry. In particular the WA wine industry is undertaking an education and consultation process with wine producers.

In closing, we look forward to continuing, and improving on, the positive contributions of the Commission and its Producers' Committees to Western Australian agricultural industries in the coming year.



Dr William Ryan  
Chairman  
Agricultural Produce Commission

## **OPERATIONAL STRUCTURE**

The Agricultural Produce Commission establishes Producers' Committees to provide services to Fee for Service paying producers via the following Functions, as provided for in Section 6.1 of the Agricultural Produce Commission Act 1988.

- 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.

## **ENABLING LEGISLATION**

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 Agricultural Produce Commission is listed as a statutory authority on Schedule 1 of the *Financial Management Act 2006*.

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.

## **RESPONSIBLE MINISTER**

The Hon Kenneth Baston, MLC, Minister for Agriculture and Food.

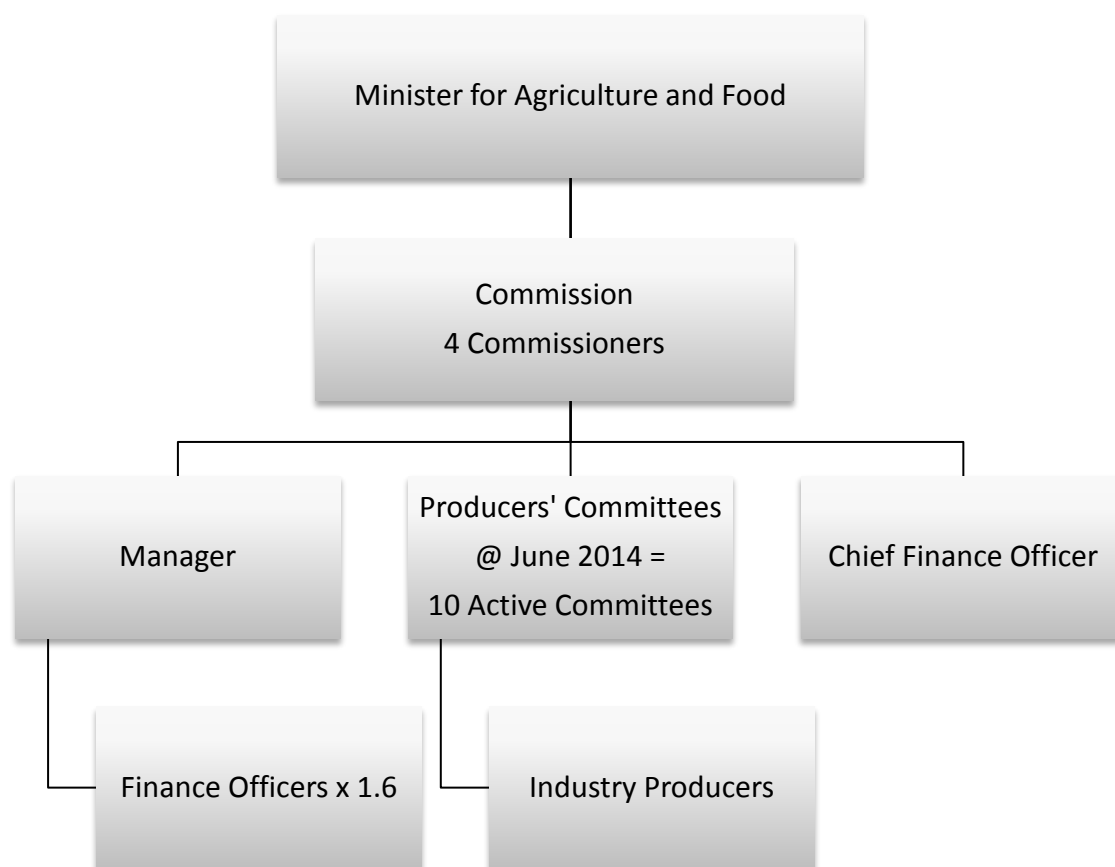
## **ORGANISATIONAL STRUCTURE**

### **MISSION STATEMENT**

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producers' 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.



**ORGANISATIONAL CHART****THE COMMISSION**

The Agricultural Produce Commission is comprised of four Commissioners appointed by the Minister for Agriculture and Food. 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.

Commissioners during the year under review were:

AGRICULTURAL PRODUCE COMMISSION					
Position	Name	Type of Remuneration	Period of Membership		Gross/actual Remuneration
Chairman	Dr William Ryan	Annual	18/01/10 to 08/01/16		22,000
Member	Dr Graeme Robertson	Annual	08/08/11 to 09/07/14		11,500
Member	Mr Steve Tilbrook	Annual	08/08/11 to 09/07/14		11,500
Member	Ms Sue Middleton	Annual	10/12/12 to 08/01/16		11,500

Commissioners are remunerated at rates set by the Public Sector Commission, and approved by the Minister for Agriculture and Food. Remuneration rates for the Commission were last reviewed in 2012.

The Commission's employs a Manager who is engaged under a secondment agreement with the Department of Agriculture and Food, and two finance officers at 1.6 full time equivalent.

#### **LEGAL PROTECTION OF COMMISSIONERS**

The APC 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.

#### **PRODUCERS' COMMITTEE MEMBERSHIP**

The Commission appoints the inaugural Committee Chairperson for a three-year term; thereafter the Committee nominates subsequent Chairpersons to the Commission, which appoints the Chairperson. To preserve continuity of service and experience, Committee tenures are usually arranged so that not all terms fall due in the same.

Each year the Commission advertises Committee vacancies in appropriate newspapers and industry newsletters. Committee Members whose term of office is expiring can apply for appointment for a further term.

Remuneration and expenses for Committee Members is available at approved rates. Committees use their discretion on whether to claim remuneration or not. A number of Committees do not presently claim remuneration for their members.

#### **PRODUCERS' 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.

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.

#### **PRODUCERS' COMMITTEE DIRECTIONS**

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

**ACTIVE APC PRODUCERS' COMMITTEES**

As at 30 June 2014 the Commission had 10 active Producers' Committees and 4 Producers' Committees in recess.

<b>Producers' Committee</b>	<b>Functions Adopted</b>	<b>Members</b>
APC Avocado Producers' Committee (Established 1995)	(a) to (k)	Alan Blight Ken Gwynne Neil Delroy
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Colin Fleay (Chair) Leilani Leyland Kim Fewster Rod Pavy Tiffane Bates
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Darryl Hardman John Thomas John Kearney Chris Collins
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Joe Sacca Terry Woodard John Simpson Katie Mason
APC Pome, Citrus & Stone Fruit Producers' Committee (Fruit West) (Established 1994)	(a) to (m)	Ben Darbyshire (Chair) Bevan Eatts Bruce Wharton Ned Taddei Harvey Giblett Terry Martella Shane Kay Mario Casotti Joseph Ling Mark Wilkinson
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Sam Calameri (Chair) Dom Della Vedova Herbert Russell Terry Ackley Glen Ryan
APC Pork Producers' Committee (Established 2002)	(a) to (m)	Neil Ferguson (Chair) Dr Rob Wilson Graeme Dent Errol Howard Ronald Penn
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Gerry Verheyen (Chair) Neil Handasyde Anthony Yewers Jamie Michael
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Allan Price (Chair) Roger Fahl Trevor Carter Matt Katich Tony Lovreta Peter Nuich Kim Taylor
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) Joyce Babun James Wringe Dane Capogrecco Lisa Tana

## **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.

## **ADMINISTERED LEGISLATION**

### **SCOPE OF THE AGRICULTURAL PRODUCE COMMISSION 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.*

### **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 —

- (a) advertise and promote the agricultural produce;
- (b) control or develop the means of controlling pests and diseases if there is a likelihood of those pests or diseases affecting the quality or volume of output of the agricultural produce;
- (c) conduct research in relation to any matter, if in the opinion of the producers' committee that research is of advantage to producers of the agricultural produce;
- (d) conduct educational or instructional programmes relating to the production of agricultural produce;
- (e) develop and expand markets for the agricultural produce in Western Australia and elsewhere;

- (f) establish a voluntary insurance scheme for the benefit of producers of the agricultural produce including insurance relating to crops;
- (g) undertake and provide market forecasting for the agricultural produce;
- (h) establish systems of inspection for the agricultural produce for the purpose of quality control or pest and disease control;
- (i) formulate schemes for declaring producers of the agricultural produce to be accredited producers;
- (j) establish systems to facilitate inspection of grading, packaging and storage of the agricultural produce including weight and uniformity (including uniformity of ripeness) within packages;
- (k) support, with or without grant of financial aid, and whether or not initiated by the committee or the Commission, any scheme or activity which in the committee's opinion is capable of assisting in the promotion or sale of the agricultural produce;
- (l) provide such other services for the agricultural produce as may be prescribed;
- (la) establish a compensation scheme for the benefit of producers whose agricultural produce is destroyed as a result of action taken to control a pest or disease of that produce;
- (m) arrange for the provision of all or any of the services or the exercise of any of the functions referred to in paragraphs (a) to (la) in whole or in part by another person or organization or in conjunction with the Commission or any other person or organization.

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

#### **AGRICULTURAL INDUSTRIES PRESCRIBED UNDER THE ACT**

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being 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 being 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 being services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

#### **DECLARED PESTS AND DISEASES**

Section 19a of the Act allows for pests and diseases to be declared a pest or disease in relation to the control of certain pests or diseases, and applies to commercial and non-commercial producers.

- *Mediterranean fruit fly (Ceratitis Capitata) is a pest to which Section 19a of the Act is to apply.* Notice gazetted on 19 September 2000.
- *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).* Notice gazetted on 9 January 2004.

- *American foul brood and European foul brood.* Notice gazetted on 9 January 2004.

**FEE FOR SERVICE REGULATIONS**

*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.

*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*.

*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.

*Agricultural Produce (Egg Production Industry) Regulations 2006* provide for Fee for Service collection direct from egg producers. However, as at 30 June 2014, the industry had not instituted a Fee for Service charge for eggs.

**Voluntary Fee for Service** – Horticultural groups can institute a voluntary Fee for Service under Section 19 of the Act, however Section 14 of the Act and the *Agricultural Produce (Horticultural Industry) Regulations 2001* do not apply.

**OTHER KEY LEGISLATION IMPACTING ON THE APC’S ACTIVITIES**

- Auditor General Act 2006
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- Workers Compensation and Injury Management Act 1981

**PERFORMANCE MANAGEMENT FRAMEWORK**

**OUTCOME BASED MANAGEMENT FRAMEWORK**

Government Goal	Desired Outcome	Services	Effectiveness Indicators	Efficiency Indicators
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission.	Establishment of, and support for, Producers’ Committees.	1. Commission Effectiveness – APC Producers’ Committee’s satisfaction with services provided by the Commission	1. Commission Efficiency - APC Administration Charge as % of fee for service Income.

**CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK**

The APC’s Outcome Based Management Framework was reviewed during the 2013/14 year, with revised Key Performance Indicators introduced for the 2013/14 reporting year.

**SHARED RESPONSIBILITIES WITH OTHER AGENCIES**

The APC did not share any responsibilities with other agencies during the 2013/14 year.



## AGENCY PERFORMANCE

### REPORT ON OPERATIONS AND SIGNIFICANT EVENTS DURING THE YEAR

#### COMMISSION MEETINGS 2013/14

The Commission meets as necessary during the year. 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:

Commissioner	Eligible to Attend	Attended	Leave of Absence
William Ryan	9	9	-
Steve Tilbrook	9	7	2
Graeme Robertson	9	9	-
Sue Middleton	9	7	2

During the 2013/14 year the Commission also attended meetings of some Producers' Committees, as well as meetings with growers where required.

#### ANNUAL MEETING WITH COMMITTEE CHAIRPERSONS' & MEMBERS

Commissioners meet with Producers' Committees annually in order to review the past year and discuss future needs. The 2014 annual meeting was held at Technology Park, Bentley on Friday 28 March 2014.

The meeting was open to all members of APC Committees, with all but the Carnarvon Banana Producers' Committee being represented by members at the meeting.

#### CHANGES TO THE APC ACT

The Commission continues to progress amendments to the APC Act and is hopeful that the amendments will be passed in the 2014 year.

#### ESTABLISHING PRODUCERS' COMMITTEES

During the 13/14 year the Commission continued dialogue with industries which might be interested in forming APC Producers' Committees.

Consultation with the WA wine industry progressed with favourable progress being made.

#### 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.
- Bio-security initiatives.
- Marketing of produce.

#### **FEE FOR SERVICE COMPLIANCE**

To ensure producers and their respective industries can maximise 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 undertake and support initiatives identified as required by the industry. Non-compliance also places those who are compliant at a disadvantage as they are funding services intended to benefit whole of industry.

During the year under review the Commission maintained its processes 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 service provision.



## PRODUCERS' COMMITTEE REPORTS 2013/14

### APC AVOCADO PRODUCERS' COMMITTEE

The Avocado Producers' Committee did not collect Fee for Service or provide any services to producers in the 2013/14 year.

### APC BEEKEEPERS PRODUCERS' COMMITTEE

*Chairperson: Colin Fleay*

*Secretary: Leilani Leyland*

*Disease and Pest Surveillance & Monitoring* - The APC Beekeepers Committee contribution to the Department of Agriculture Food WA (DAFWA) continues to be one of the largest components of the FFS. The 2013 program has examined sentinel hives for external parasites and beetle pests. Samples have been taken for detecting American Foul Brood and European Foul Brood using the Honey Culture Test.

*Bee Informed Newsletter* - The *Bee Informed* industry Newsletter is sent out three times per year and continues to supply valuable information to industry of all events and biosecurity issues that ensure beekeepers are kept up to date.

*Committee* - Committee in 2013/14 was Mr Colin Fleay (Chairman) Mrs Leilani Leyland, Mr Kim Fewster and Mr Rod Pavy, Ms Tiffane Bates.

*Reimbursement Scheme* - The Committee continues to put aside funds for the purpose of reimbursement to beekeepers for hives destroyed in the event of an eradication attempt of an exotic pest or disease.

Signs have been made and are now displayed at Symond Seeds, John Guilfoyle and The Honey Shop explaining the importance of having beehives registered.

The Evidence Framework for Owner Replacement Costs is nearly complete and will be forwarded to DAFWA for inclusion in the Industry Biosecurity Plan.

### APC CARNARVON BANANA PRODUCERS' COMMITTEE

*Chairperson: Bruce Munro*

*Secretary: Alexandra Maslen*

*Committee* - members for 2013/14 were Bruce Munro (Chairman), Darryl Hardman, Chris Collins, John Kearney and John Thomas.

*Compensation* - No claims for compensation were made in the 2013/2014 financial year.

*Biosecurity Fund* – Horticulture Australia Limited (HAL) have approved a funding application to manage on farm biosecurity within the Carnarvon banana area. This has been approved for three years to the value of \$36,000. The Committee is currently working with the Department of Agriculture and Food on receiving this funding.

*Industry overview* - The Carnarvon banana industry suffered greatly in 2013 with significant heat damage experienced across all properties in January and February. The Carnarvon Banana Producers' Committee and the Agricultural Produce Commission agreed on 25% blanket damage across all patches held by members of the Compensation and Protection Scheme. As such 54 growers were paid compensation, worth a total of \$842,000, in June 2013.

There has been a significant drop in not only the number of hectares of bananas being grown but also in the yields for 2013/14. This is due to two major factors. The first being the heat damage in January/February of 2013, the second factor has been the lack of water available to growers, with no river flow since early 2011

to December 2013. As such water restrictions have been in place since October 2013.

In 2013 the area of bananas in production was 178 hectares compared to 223 hectares in 2012. Tonnes per hectare in 2013 was 25.231 whereas in 2012 it was 33.386 tonnes to the hectare.

Total banana production in 2012 was 6,160 tonnes and in 2013 total banana production was 4,074 tonnes. There are now 52 members of the Scheme with 2 growers pulling out their bananas.

*Newsletter* - A newsletter was sent to all members in January 2014 advising members of committee activities with members being provided with annual production statistics and the planting plans for their property.

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

*Chairperson: Ian Wilson*

*Secretary: Lucy Radzikowska*

*Committee* - Mr John Simpson and Mr Joe Sacca were re-appointed onto the Committee while Ms Kate Mason was appointed to the committee after Mr Cameron Bell regretfully resigned from the Committee during the year.

*Promoting Egg Industry Matters* - The Committee again provided funding to the Commercial Egg Producers' Association of WA (CEPA) to fund the provision of services on behalf of WA egg producers. CEPA continues to be WA's premier producer organisation representing and promoting the best interests of commercial egg producers in dealings with government, non-government bodies and their representatives. The APC Egg Producers' Committee Secretariat is provided through the Association which continues to secure uniformity of action on matters affecting the common interests of egg producers. It has promoted and upheld industry codes of practice for Quality Assurance, Bio-Security, Environmental, Labelling and Transport of Live Poultry. It has also been involved in promoting the consumption of WA laid eggs to WA consumers through various activities.

Some of the main areas that the Association has done work on for the benefit of industry in the past 12 months is as follows:

- Met with the Minister for Agriculture and Food on a number of occasions promoting issues of importance to the commercial egg industry.
- As a member of Egg Farmers of Australia it has been working on the definition of "free range" on a national level.
- Agreed to review the current Model Code of Practice Domestic Poultry 4<sup>th</sup> Edition and the development of a new Australian Animal Welfare Standards and Guidelines for Poultry.
- Represents growers on the Department of Agriculture and Food WA Avian Industries Consultative Group (biosecurity matters), Agrifood Alliance WA Committee (red tape, workforce development, trade) and Poultry Manure Regulatory Reference Group.
- Is working closely with Australian Egg Corporation to ensure that the strategic plan addresses R&D and Marketing initiatives that will benefit the egg industry.
- Currently working with the Department of Health on the implementation of new Health Regulations to ensure all producers are stamping individual eggs for traceability purposes in the event of a food poisoning outbreak.
- Participation at the Farm 2 Food Pavilion during the 2013 Perth Royal Show. It was an opportunity for the general public with a focus on children to learn facts about eggs and have any questions answered by egg producers on the

day. The display was very interactive to promote the two way communication on the benefits of eating eggs as part of a healthy diet.

### **APC POME, CITRUS AND STONE FRUIT PRODUCERS' COMMITTEE**

*Chairperson: Ben Darbyshire*

The 2013/14 year saw many changes within the Pome, Citrus and Stone Fruit Producers' Committee.

The Committee underwent a change in operations which has seen a sub-committee structure put in place. Under the sub-committee structure growers from pome, citrus and stone will be responsible for the decisions regarding the expenditure of FFS raised for their particular commodity. Commodities will still be able to undertake joint projects with other FFS paying commodities, but the decision will be made directly by the commodity.

The citrus and pome commodities have commenced operating as sub-committees, with the sub-committee for stone fruit still being refined.

With the change in operations the Committee is no longer using the name 'FruitWest'.

The initial request for the change came from Citrus producers and the citrus industry, who believe that they will be able to provide better service to their producers when operating in this manner.

The Committee (whilst still operating as FruitWest) was called upon by growers in the Perth Hills to re-consider and justify some of its operations in connection with the medfly / fenthion debate.

This issue is a significant issue for Perth Hills' stone fruit growers and has generated a high intensity of involvement and feeling amongst stone fruit and other growers.

Throughout this change in operations a range existing projects have continued to be carried out during the year, these include - value chain coordinator (Citrus), codling moth (pome), Medfly Project (stone and pome) Flavenoid project (pome), commercialization project – new apple variety (pome), promotion and publicity (pome, citrus and stone), quality management (citrus), industry development officer (pome, stone), maturity testing (stone).

### **APC PORK PRODUCERS' COMMITTEE**

*Chairperson: Neil Ferguson*

*Fee-for-Service Funded Activities* – The APC Pork Producers' Committee is charged with the responsibility of ensuring funds generated from the industry on a fee-for-service basis support activities or programs that directly benefit Western Australian producers. The Committee continues to direct funds towards four key areas: Research and Development; Industry Administration; Technology Transfer; as well as Industry Training and Education.

*Research and Development* – The Pork CRC is the core project in this area. The Committee contributes \$75,000 annually, qualifying the WA Industry as an essential partner within the Pork CRC. As this will be the last CRC the Committee is looking to develop some form of partnership arrangement with the Department of Agriculture and Food WA (DAFWA), with the view to supporting local pig research. If successful, some of the funds currently being invested in the Pork CRC will be redirected towards this local initiative.

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

*Industry Administration* – The West Australian Pork Producers' Association (WAPPA) is the peak industry body representing the pork sector in WA.

Previously we reported on how WAPPA successfully attained a Labour Agreement for Western Australian producers. This year WAPPA assisted Australian Pork Limited in successfully developing a National Labour Agreement Template that allows all Australian pork producers' access to skilled overseas workers.

WAPPA's role in advocacy and service is ever evolving as it continues to work cohesively with various government agencies in the areas of:

- Animal Welfare/Livestock Compliance Unit (DAFWA)
- Animal Welfare/Pig Industry Regulations (DAFWA)
- Environmental Regulations
- Research & Development (DAFWA)
- Land Transport of Pigs/WA Regulations
- Veterinary Surgeons Board
- Department of Immigration & Citizenship/Workforce Planning & Development.

WAPPA's objective is to develop supply chain efficiencies that enable producers to compete effectively by utilising the available technologies in production, allowing the industry to exploit current and potential markets for pork products.

*Technology Transfer* – DAFWA facilitates extension to all WA pork producers. DAFWA plays a key role in providing research within the state. Each year DAFWA conducts a number of producer seminars, 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* – Pork Industry Training (WA) continues to facilitate training courses designed around Certificate III in Pork Production. Under the Industry's Model Code, all pork producers are required to have competent people caring for their pigs, with competency being assessed at Certificate III level.

**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 and will remain so for the 2014/15 financial year. In terms of overall collection, the current practice is for the buyer to submit the growers' returns to the APC. It is pleasing to report the level of collection within the industry is almost 100%.

As has been the case in recent years, the Committee ran a modest deficit of \$51,761. Total income for the 2013/14 financial year was \$334,725. Project expenditure amounted to \$386,485 and the equity position of the APC Pork Producers' Committee came in at \$1,413,028 (unaudited figures).

The Committee maintains a minimum reserve policy of \$1.2m. On the basis that the Committee continues to run at a deficit, the committee shall look for a modest increase in the Fee for Service in the 2015/16 or the 2016/17 financial year.

*With Gratitude* – The APC Pork Producers' Committee is funded by the fee-for-service paid by every producer in Western Australia. The Committee wishes to thank each and every producer for their ongoing support of the APC and allowing us to support locally based projects and initiatives.

**APC POTATO PRODUCERS' COMMITTEE***Chairperson: Sam Calameri**Executive Officer: Jim Turley*

The Committee continued their support for the Seed Potato Industry by funding the Seed Certification and Virus testing program and funding the West Australian Seed Potato Producers Association (WASP).

Soil improvement projects continued with positive results in the growers gradings which led to improved returns per hectare.

Funding continued for the Manjimup-Pemberton growers group who are also driving soil improvements and the formulation and introduction of other best practices.

Funding was provided to the Potato Growers Association of WA for the provision of services on behalf of the Committee. These services included communication, management of projects such as another Horticultural Precinct Analyses that may attract Royalty for regional funding for Water for Food.

The Committee did not collect Fee for Service for the promotion of potatoes during the year under review.

**APC STRAWBERRY PRODUCERS' COMMITTEE***Chairperson: Gerry Verheyen*

*WA Strawberry Improvement Program* - This project is in its third assessment season. Germination was good and 4,875 seedling lines (3,386 plants from SAI Victoria and 1,489 plants from DAFF Queensland) were planted out.

This year plants were placed under cloches to prevent the high levels of damage seen in 2013. Assessments started at the end of July and plants are now fruiting well.

A limited number of lines from last year were also planted out for further assessment and these are more advanced in fruiting however size and shape is generally poor.

*A focus on Irrigation and fertiliser practices to improve production efficiency for languages other than English strawberry growers*

This three year project funded jointly by APC and HAL is in its second year. At the end of last season eleven irrigation assessments were completed. None fulfilled the acceptable design criteria.

The best practice site has been established on a growers' property in Wanneroo. The crop commenced harvesting in July, the grower is keeping the trial fruit separate and is counting trays of large and medium fruit. Each treatment is also being kept aside each week for firmness and Brix monitoring.

*Strawberry Field Day* - A major field day was held in February 2014. A Vietnamese interpreter was employed for the afternoon.

The field day already seems to have had impact with growers indicating they may move change practices as a result of the insights gained from the field day.

We were delighted to have some interstate visitors for the field day. George Weda and Diane Davies from Toolangi Growers Co-operative came over with Scott Mattner. Some useful discussions, facilitated in Vietnamese, were able to be had regarding the quarantine issues with runner importation, the treatment of runners



early in the season and in particular, Scott, having previously worked on fumigation trials, was able to pass on his experiences and comments.

*Fumigation practices* - In the course of talking to growers early in 2014 about their irrigation designs and their fumigation practices it became apparent that there were major issues with the way in which fumigants were being used.

The outcome of the meeting was an agreement that Dow and SA Rural would conduct a training course in WA in the second half of November. They are also producing a video of the training course which will have a voiceover in Vietnamese.

This year we have only two sets of moisture monitoring equipment installed at growers. We have deliberately not installed equipment where irrigation design is poor and scheduling is not therefore possible.

*Plant establishment* - This year we also looked at plant establishment on two properties to document the effect of poor overhead sprinkler uniformity during plant establishment. Sprinkler spacings are variable and pressures generally low leading to up to 25% plants losses and another 25% poor quality plants in lines receiving the worst overhead application rates.

*Gnomoniopsis* - Some monitoring of the incidence of this disease was done in the early part of the season. Some sites have also been set up to monitor Fusarium incidence over the season.

A new set of notes on this disease has been written, translated into Vietnamese and distributed to the growers.

*Future work* - Another set of irrigation assessments will be carried out at the end of the season.

A field day will be held at the end of the season in which we will present the results from the grower demonstration site. We also intend to deconstruct some beds to illustrate the rooting patterns of strawberry plants in relation to drippers.

Written material is being prepared to translate into Vietnamese on plant establishment and aspects of irrigation including filtration which is a major problem area.

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

*Chairperson: Allan Price*

The 2013/14 season has been both interesting and trying for WA table grape growers.

For the first time in over 90 years grapes were allowed into the state. In June 2013, the Department of Agriculture, Fisheries and Forestry (DAFF) lifted the import restrictions allowing grapes from California to enter Western Australia, despite strong arguments from both the table grape and wine grape industries.

*Projects supported by the Committee were:* - *Minimum Maturity Standards* - The mainstay of our activities is the setting of minimum maturity standards and the employment of inspectors to enforce the standards.

One large grower was found with 848 cartons of grapes under grade. The grower tried to have the standards reduced to allow the marketing of the fruit but the Committee held firm. The grower was offered the options to dump or export the fruit. It was sent to the eastern states following fumigation, with all movements supervised under Biosecurity Agriculture Management Act Orders. Some small lines of product were also held for Sugar:acid testing but no fruit was dumped.

Generally the system is working well unless a grower fails to have procedures in place to ensure they are compliant. A small sum of money is allocated to the Department of Agriculture and Food, Western Australia to do sugar acid testing for growers at Carnarvon, Forrestfield and Bunbury.

The Committee would like to thank the inspectors for their diligence and efforts in becoming certified under the requirements of the BAM Act.

*Table Grapes WA* - Table Grapes WA, the peak grower body applied to the Committee for funds to investigate the potential of the imported fruit entering WA to harbour pests or diseases not currently present in WA, and the effects this may have on the industry. A program of buying fruit from retail and testing for chemical residues, destructive pathogens and viruses was implemented.

Results showed two samples contained residues of chemicals not allowed for use on grapes in Australia, but were compliant with import maximum residue levels.

A fungus, *Botriosphaeria* sp., was isolated from one sample of decaying fruit purchased. While the strain was not identified, it did prove that the use of the United States Department of Agriculture export regulations as “science” would ensure healthy fruit was invalid.

A number of samples were purchased from South Australian stores for testing for viruses of quarantine able concern. No positives were found on the 12 samples.

*Mealybugs* - Further monies have been supplied to the Department of Agriculture and Food, Western Australia for a study of life cycles and controls for mealybugs in grapes. This has highlighted a second species of mealybug requiring some variations to normal control measures. Co-funding from chemical companies has also been forthcoming and reduced the commitment from Committee funds.

*Promotion of Table Grapes* - No money was spent on promotions as we joined the national program two seasons ago due to the problems associated with bringing federal levies back to WA and adding our Fee for Service portion. Unfortunately last year's national program was not auditable to determine efficacy, but WA sales stood up to previous years despite no obvious inputs. This season the national program went to a social media campaign with even less exposure in WA.

As such, it is the Committee's intention to review the promotions in WA. The biggest drawback is obtaining the share of Federal Levies for which we are entitled to add to our Fee for Service component.

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

*Chairperson: Maureen Dobra*

*Executive Officer: John Shannon*

The Agricultural Produce Commission's Vegetable Producers Committee (APC-VPC) approved a range of projects to support the West Australian vegetable industry in the 2014-15 financial year.

Projects that were funded included: managing stable fly in vegetable crop residues; marketing and promotion of vegetables grown in WA; continuing farm improvements through good practice workshops and field days; tomato disinfestation and the vegetable growers association, vegetablesWA.

Our committee along with the Department of Agriculture and Food WA and Royalty for Regions funding employed a Vietnamese Field Extension Officer.

This appointment has been highly successful in that other stakeholders i.e. our state government local government and other service industry are using this officer to support the 227 Vietnamese Vegetable growers in Western Australia.

Also once again our vegetablesWA Field Extension Officer was funded and her work has certainly been appreciated by the growers.

Through support for the vegetable growers association a platform has been provided for a partnership with the Department of Agriculture and Food to employ a dedicated Export Development Manager who works across all horticulture industries.

There were other smaller funding assistance to growers i.e attending conferences and learning new technological practices.

The Committee has been able to significantly leverage the Fee For Service contribution to access other funds for projects which wouldn't otherwise be available. These funds come from the national research and development corporation (Horticulture Australia Limited) and other partnerships and grants. In fact, for those projects already initiated across 2013-17 and managed by vegetablesWA alone the Committee have leveraged the Fee For Service by 300% to attract an additional investment of \$1.85 million in the WA vegetable industry.



## DISCLOSURES AND LEGAL COMPLIANCE

### ACTUAL RESULTS VS BUDGET ESTIMATES 2013/14 AND BUDGET ESTIMATES 2014/15

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides its budget estimates for the 2014/15 financial year. Further explanations for variations are available in the financial statements at Note 22 – Explanatory Statements.

This table is unaudited

<b>Expenditure</b>	<b>2013/14 Budget</b>	<b>2013/14 Actual</b>	<b>2014/15 Budget</b>
DAFWA Contracted Services – Commission Administration	140,802	132,653	145,027
Employee Benefits	96,530	104,060	92,646
Other Expenses	167,050	148,587	162,350
Producers' Committee Operating Costs	3,050,792	2,734,413	2,694,555
<b>TOTAL EXPENDITURE</b>	<b>3,455,174</b>	<b>3,119,714</b>	<b>3,094,578</b>
<b>Revenue</b>			
Fee for Service	2,516,360	2,628,159	2,582,900
Grants	233,355	186,942	229,000
Other Revenue	38,990	76,762	22,653
Contributions	25,379	26,141	26,458
Interest	230,875	230,436	204,129
<b>TOTAL REVENUE</b>	<b>3,044,959</b>	<b>3,148,440</b>	<b>3,065,140</b>
<b>Net Cost of Services</b>	<b>-410,214</b>	<b>28,727</b>	<b>-29,438</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Resources Received Free of Charge	60,000	65,456	65,000
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>-350,214</b>	<b>94,183</b>	<b>35,562</b>

### COMMISSION ADMINISTRATION CHARGE

The Commission is principally funded through an administration charge to its Producers' Committees. This charge is reviewed annually and is based on a full cost recovery methodology.

As part of its prudent budget management the Commission has a policy to maintain reserves of between 25 – 35% of annual expenditure.

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. 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.

This table is unaudited

<b>Committee</b>	<b>Admin Charge 13/14</b>	<b>Change from 12/13</b>
Avocado	\$5,000	No change
Banana	11%	Increased 1%
Bees	13%	No Change
Eggs	\$5,000	No Change
Fruit	9%	Increased 1%

Pork	9%	Increased 1%
Potato	8%	No Change
Potato Promo	\$1,250	Set amount as promotional FFS not collected in 13/14
Strawberry	14%	No Change
Table Grapes	14%	No Change
Vegetables	9%	Increased 1%

**FEE FOR SERVICE RATES FOR 2013/14**

Fee for Service (FFS) 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 (Fruit West) can monitor apple production by variety.

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

The following table provides rates for 13/14

This table is unaudited

APC Industry Committee	Rate
Avocado	\$0.00 per kilogram
Beekeepers	\$15.00 per beekeeper per annum (calendar year 2014) plus \$1.10 per hive per annum (calendar year 2014)
Carnarvon bananas	\$0.0154 per kilogram
Citrus Citrus (processing)	\$0.02 per kilogram \$0.01 per kilogram
Pome Fruit Pome Fruit (processing)	\$0.015 per kilogram \$0.005 per kilogram
Pork	\$0.008 per kilogram carcass weight
Potatoes Processing Ware export Domestic ware Seed	\$5.00 per tonne \$6.00 per tonne \$6.00 per tonne \$5.00 per tonne (\$125 per hectare based on average yield of 25 tonnes per hectare)
Strawberries	\$0.01 per kilogram
Stone Fruit Stone Fruit (processing)	\$0.015 per kilogram \$0.006 per kilogram
Table Grapes	\$0.007 per kilogram
Vegetables and Tomatoes	\$0.05 per individual package of 100kg or less \$0.40 per individual package of 101kg to 1,000kg \$0.70 per tonne contained within trailers/trucks
Vegetables applies to all vegetables sold by producers except herb, potato, mushroom,	

and Kununurra vegetables

### COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

During the 2013/14 year there was concern expressed by individuals that one particular Producers' Committee was not operating within the APC Code of Conduct. The Commission is of the view that no breach of conduct has occurred. It is currently seeking independent advice to confirm.

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 and is incorporated into the APC Code of Conduct and Committee Manual.

The APC manual assists Producers' Committee members in the effective operation of their Committee. It details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

### EMPLOYMENT AND INDUSTRIAL RELATIONS

This table is unaudited

Staff Profile	2013/14 FTE	2012/13 FTE
Seconded to APC or an APC Committee from Department of Agriculture and Food	2.6	2.6
Full time contract employed by APC	1	1
Full time contract employed by APC and seconded to an APC Committee	2.4	3.4

### STAFF DEVELOPMENT

During the year under review staff development was limited to internal development.

### OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Performance against Government Targets

This table is unaudited

Indicator	Government Target 2013/14	APC Actual	Target Achieved
Number of fatalities	0	0	Y
Lost time injury/disease (LTI/D) incidence rate	0 or 10% improvement on the previous 3 years	0	Y
Percentage of injured workers returned to work within (1) 13 Weeks (2) 26 Weeks	Greater than or equal to 80% return to work within 26 weeks	N/A	Y
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	100%	Y

The Commission, under its MOU arrangement with the Department of Agriculture and Food (the Department), utilizes and applies the occupational safety, health and injury management training, policies and procedures of the Department. The Department reviews its occupational safety and health policies at least every three years.

The Department has an injury management system and return to work program which are documented in an injury management policy. The Department’s early intervention injury management program exceeds the requirements of the *Workers Compensation and Injury Management Act 1981*.

The Commission is committed to the education of its officers in occupational safety health and injury management and mandatory training is provided through the Department.

The consultation process for Commission staff is through the Commission’s manager, who then accesses the Department’s system for OSH management and consultation.

**WORKERS COMPENSATION**

No compensation claims were recorded during the year under review.

**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 2013/14 financial year, the Commission and its Producers’ Committees incurred expenditure in the following areas.

This table is unaudited

<b>Commission</b>	<b>Expenditure 2013/14</b>
Advertising agencies	\$ Nil
Media advertising organizations	\$Nil
<b>Total Expenditure</b>	<b>\$Nil</b>

APC Producers’ Committees are entirely externally funded, receiving no income from the state government. Where advertising is undertaken it is in relation to services provided to industry.

This table is unaudited

<b>Producers’ Committees</b>	<b>Expenditure 2013/14</b>
Advertising agencies	\$ Nil
Media advertising organisations (Fresh Finesse)	\$38,821
<b>Total Expenditure</b>	<b>\$38,821</b>

**MINISTERIAL DIRECTIVES**

No Ministerial directives were received during the financial year under review.

**GOVERNANCE DISCLOSURES**

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

## AGRICULTURAL PRODUCE COMMISSION

### CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2014

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 2014 and the financial position as at 30 June 2014.

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.

Joseph Murgia

Chief Finance Officer  
Agricultural Produce Commission

Date: 5 September 2014

William Ryan

Chairman  
Agricultural Produce Commission

Date: 5 September 2014

Sue Middleton

Member  
Agricultural Produce Commission

Date: 5 September 2014



## AGRICULTURAL PRODUCE COMMISSION

### CERTIFICATION OF KEY PERFORMANCE INDICATORS

For year ended 30 June 2014

We hereby certify that the Key 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 2014.

William Ryan  
Chairman  
Agricultural Produce Commission



Date: 5 September 2014

Sue Middleton  
Member  
Agricultural Produce Commission



Date: 5 September 2014





**AUDIT OPINION****Auditor General****INDEPENDENT AUDITOR'S REPORT**

To the Parliament of Western Australia

**AGRICULTURAL PRODUCE COMMISSION****Report on the Financial Statements**

I have audited the accounts and financial statements of the Agricultural Produce Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

*Commission's Responsibility for the Financial Statements*

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 for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Agricultural Produce Commission at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.



### **Report on Controls**

I have audited the controls exercised by the Agricultural Produce Commission during the year ended 30 June 2014.

Controls exercised by the Agricultural Produce Commission are those policies and procedures established by the Commission to ensure 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.

#### *Commission's Responsibility for Controls*

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Agricultural Produce Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the controls exercised by the Agricultural Produce Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2014.

### **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

#### *Commission's Responsibility for the Key Performance Indicators*

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.



An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

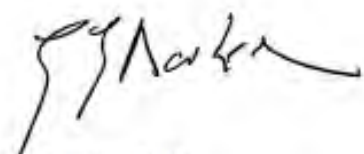
In my opinion, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2014.

#### **Independence**

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

#### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2014 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE  
DEPUTY AUDITOR GENERAL  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
12 September 2014

## FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME

## Agricultural Produce Commission

Statement of Comprehensive Income  
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>COST OF SERVICES</b>			
<b>Expenses-Commission</b>			
Department of Agriculture and Food contracted services			
-Administration	4	132,653	145,508
Employee benefits expense	5	104,060	95,539
Other expenses	6	148,587	149,390
<b>Expenses-Producer's Committees (10 in total)</b>			
Compensation payments	7	-	842,375
Promotion, publicity and advertising		52,154	73,938
Professional services		60,727	111,642
Research and development		1,158,156	1,080,114
Grant funding		929,400	1,530,500
Board fees		30,298	45,294
Wages, salaries and mileage		356,898	420,755
Management consulting		59,616	65,046
Other		87,164	133,803
<b>Total cost of services</b>		<b>3,119,713</b>	<b>4,693,905</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	8	2,628,159	3,105,422
Grants		186,942	126,775
Other revenue		76,762	306,086
Contributions		26,141	23,703
Interest revenue		230,436	302,547
<b>Total Revenue</b>		<b>3,148,440</b>	<b>3,864,533</b>
<b>Total income other than income from State Government</b>		<b>3,148,440</b>	<b>3,864,533</b>
<b>NET COST OF SERVICES</b>		<b>(28,727)</b>	<b>829,372</b>
<b>Income from State Government</b>			
Services received free of charge	9	65,456	62,934
<b>Total income from State Government</b>		<b>65,456</b>	<b>62,934</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>94,183</b>	<b>(766,438)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>94,183</b>	<b>(766,438)</b>

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



**STATEMENT OF FINANCIAL POSITION**  
**Agricultural Produce Commission**

Statement of Financial Position  
 As at 30 June 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14	8,127,858	8,098,686
Receivables	10	393,113	453,225
Other current assets		57,782	67,457
<b>Total Current Assets</b>		<b>8,578,753</b>	<b>8,619,368</b>
<b>TOTAL ASSETS</b>		<b>8,578,753</b>	<b>8,619,368</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	169,743	295,824
Provisions	12	15,619	28,574
<b>Total Current Liabilities</b>		<b>185,362</b>	<b>324,398</b>
<b>Non-Current Liabilities</b>			
Provisions	12	16,135	11,897
<b>Total Non-Current Liabilities</b>		<b>16,135</b>	<b>11,897</b>
<b>TOTAL LIABILITIES</b>		<b>201,497</b>	<b>336,295</b>
<b>NET ASSETS</b>		<b>8,377,256</b>	<b>8,283,073</b>
<b>EQUITY</b>			
Contributed equity	13	3,682,697	3,682,697
Accumulated surplus		4,694,559	4,600,376
<b>TOTAL EQUITY</b>		<b>8,377,256</b>	<b>8,283,073</b>

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





## STATEMENT OF CHANGES IN EQUITY

## Agricultural Produce Commission

Statement of Changes in Equity  
For the year ended 30 June 2014

	Note	Contributed equity	Accumulated surplus	Total equity
		\$	\$	\$
<b>Balance at 1 July 2012</b>		3,682,697	5,366,814	9,049,511
Surplus/(deficit)			(766,438)	(766,438)
Total comprehensive income for the year		-	(766,438)	(766,438)
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distributions to owners		-	-	-
Total		-	-	-
<b>Balance at 30 June 2013</b>		<b>3,682,697</b>	<b>4,600,376</b>	<b>8,283,073</b>
<b>Balance at 1 July 2013</b>	13	3,682,697	4,600,376	8,283,073
Surplus/(deficit)			94,183	94,183
Total comprehensive income for the year		-	94,183	94,183
Transactions with owners in their capacity as owners:				
Capital appropriations		-	-	-
Other contributions by owners		-	-	-
Distributions to owners		-	-	-
Total		-	94,183	94,183
<b>Balance at 30 June 2014</b>		<b>3,682,697</b>	<b>4,694,559</b>	<b>8,377,256</b>

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



**STATEMENT OF CASH FLOWS****Agricultural Produce Commission**

Statement of Cash Flows  
For the year ended 30 June 2014

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(112,777)	(70,003)
Supplies and services		(3,054,306)	(4,499,011)
<b>Receipts</b>			
Receipts from producers		2,666,299	3,068,616
Receipts from others		289,845	456,564
Interest received		240,111	329,245
<b>Net cash provided by/(used in) operating activities</b>	14	<u>29,172</u>	<u>(714,590)</u>
Net increase/(decrease) in cash and cash equivalents		29,172	(714,590)
Cash and cash equivalents at the beginning of period		8,098,686	8,813,276
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	14	<u>8,127,858</u>	<u>8,098,686</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 2014

Subject	Policy Note	Disclosure Note	Title of the Policy note
General	1		<i>Australian Accounting Standards</i>
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)		Basis of preparation
General	2(c)		Reporting entity
General	2(d)	13	Contributed equity
Income	2(e)		<i>Income</i>
Income	2(e)	8	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)		<i>Financial instruments</i>
Assets	2(g)	14	<i>Cash and cash equivalents</i>
Assets	2(h)		<i>Accrued salaries</i>
Assets	2(i)	10	<i>Receivables</i>
Liability	2(j)	11	<i>Payables</i>
Liability	2(k)	12	<i>Provisions</i>
Liability	2(k)	12	Provisions – Employee Benefits
Liability	2(k)	12	Annual Leave and Long Service Leave
Liability	2(k)		Superannuation
Liability	2(k)		Provisions – Other – Employee On-costs
Expense	2(l)		<i>Superannuation expense</i>
Revenue/Asset	2(m)	9	<i>Assets and services received free of charge or for nominal cost</i>
Expense	2(n)		<i>Comparative figures</i>
	2(o)	4	<i>Administration Expense</i>
	2(p)		<i>Goods and Services Tax</i>
General	3		<i>Disclosure of changes in accounting policy estimates</i>
General	6		Initial Application of an Australian Accounting Standard
General	6		Future impact of AASs not yet operative

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

## AGRICULTURAL PRODUCE COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS 2014

#### Agricultural Produce Commission

#### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 1. Australian Accounting Standards

##### General

The Commission's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards 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*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2014.

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

##### (a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

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

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

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





**Agricultural Produce Commission****Notes to the Financial Statements for the year ended 30 June 2014****Note 2. Summary of Significant Accounting Policies (continued)****(b) Basis of preparation (continued)**

Management make judgements in the application of accounting policies, and do not consider that any of these judgements result in a significant effect on amounts recognised in the financial statements, nor are there any 'Key sources of estimation uncertainty' that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(c) Reporting entity**

The reporting entity comprises the Commission only, as there are no Related or affiliated bodies of the Commission.

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

**(e) Income**Revenue recognition

Revenue is recognised and 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 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.





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 2. Summary of Significant Accounting Policies (continued)

##### (f) Financial instruments

In addition to cash, the Commission has two categories of financial instruments:

- Loans and receivables
- 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.

##### (g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, 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.

##### (h) Accrued salaries

Accrued salaries (see Note 10 'Payables') represent the amount due to staff but unpaid at 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 its fair value.

##### (i) Receivables

Receivables are recognised 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 fair value as it is due for settlement within 30 days.

##### (j) 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 settlement is generally within 30 days.



**Agricultural Produce Commission****Notes to the Financial Statements for the year ended 30 June 2014****Note 2. Summary of Significant Accounting Policies (continued)****(k) 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

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

*Annual Leave*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as 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.

The provision for annual leave is classified as a current liability as the Commission does not have an unconditional right to the defer settlement of the liability for at least 12 months after the end of the reporting period.

*Long Service Leave*

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary component such as employer superannuation contributions, as well as 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.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 2. Summary of Significant Accounting Policies (continued)

##### (k) Provisions (continued)

###### *Superannuation*

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

The Commission makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges.

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

The Commission has no liabilities under the GSS. All GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

###### Provisions – other

###### *Employment on-costs*

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

##### (l) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

##### (m) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the Commission would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.



**Agricultural Produce Commission**

**Notes to the Financial Statements for the year ended 30 June 2014**

**Note 2. Summary of Significant Accounting Policies (continued)**

**(n) Comparative figures**

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

**(o) 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.

**(p) Goods and Services Tax**

In accordance with the grouping provisions the right to receive GST and the obligation to pay GST rests with the Agricultural Produce Commission with regard to all GST transactions incurred by members of the group.

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 3. 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 2013 that impact on the Commission.

AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.</p> <p>The Commission assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 &amp; 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>





**Agricultural Produce Commission****Notes to the Financial Statements for the year ended 30 June 2014****Note 3. Disclosure of changes in accounting policy and estimates (continued)**

**AASB 2012-5** *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]*

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

**AASB 2013-9** *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.*

Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

**Future impact on 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 of the 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
<i>Int 21</i>	<i>Levies</i>	1 Jan 2014
	This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at reporting date.	



**Agricultural Produce Commission**

**Notes to the Financial Statements for the year ended 30 June 2014**

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

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2017. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 1031	<p><i>Materiality</i></p> <p>This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>	1 Jan 2014
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2009-11	<p><i>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 &amp; 1038 and Int 10 &amp; 12]</i></p> <p><i>[modified by AASB 2010-7]</i></p>	1 Jan 2015





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

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

	Operative for reporting periods beginning on/after
<p><i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
<p><i>AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
<p><i>AASB 2013-9 Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C).</p> <p>The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p>	1 Jan 2014 1 Jan 2017
<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2014 1 Jan 2015 1 Jan 2016 1 Jan 2018



## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 4. 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). 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>2014</u>	<u>2013</u>
	\$	\$
<b>Administration</b>		
Department of Agriculture and Food contracted services	<u>132,653</u>	<u>145,508</u>

#### Note 5. Employee benefits expense - Commission

	<u>2014</u>	<u>2013</u>
	\$	\$
Wages and salaries <sup>(a)</sup>	97,972	59,657
Change in employee entitlement provision	(3,824)	25,538
Superannuation <sup>(b)</sup>	9,911	10,344
Total employee expenses	<u>104,060</u>	<u>95,539</u>

<sup>(a)</sup> Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

<sup>(b)</sup> Defined contribution plans include West State, Gold State, GESB and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 6 'Other expenses'.

Employment on-costs liability is included at Note 12 'Provisions'.

#### Note 6. Other expenses - Commission

	<u>2014</u>	<u>2013</u>
	\$	\$
Audit fees	16,100	15,280
Employment on-costs	829	725
Commissioner fees and related costs	54,333	56,790
Travel expenses	401	1,118
Resources received free of charge	65,456	62,934
Public Notice fees	-	4,601
Other expenses	11,468	7,942
	<u>148,587</u>	<u>149,390</u>





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 7. APC - Producers' Committees operating costs

	Carnarvon									Total 2014
	Avocado 2014	Beekeepers 2014	Banana 2014	Egg 2014	Fruit West 2014	Pork 2014	Potato 2014	Strawberry 2014	Table Grape 2014	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compensation payments	-	-	-	-	-	-	-	-	-	-
Promotion, publicity & advertising	-	12,383	-	-	37,168	-	1,896	-	-	707
Professional Services	-	55	-	-	39,308	-	-	6,364	15,000	60,727
Research and development	-	3,155	23,111	-	407,238	93,083	151,122	129,239	33,736	317,471
Grant Funding	-	-	-	50,000	-	266,900	278,500	-	-	334,000
Board Fees	-	1,870	-	-	25,468	-	1,350	-	-	1,610
Wages, salaries and mileage	-	-	-	-	353,459	-	1,077	-	-	2,363
Management Consulting	-	-	-	-	58,919	-	-	698	-	-
Other	-	355	3,162	-	56,242	-	22,144	332	-	4,930
<b>Total</b>	<b>-</b>	<b>17,818</b>	<b>26,273</b>	<b>50,000</b>	<b>977,802</b>	<b>359,983</b>	<b>456,089</b>	<b>130,269</b>	<b>40,100</b>	<b>676,080</b>

	Carnarvon									Total 2013
	Avocado 2013	Beekeepers 2013	Banana 2013	Egg 2013	Fruit West 2013	Pork 2013	Potato 2013	Strawberry 2013	Table Grape 2013	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compensation payments	-	-	842,375	-	-	-	-	-	-	-
Promotion, publicity & advertising	-	21,440	-	-	48,454	1,027	1,437	-	-	1,580
Professional Services	-	76	-	-	77,335	-	-	9,231	-	25,000
Research and development	-	956	24,350	-	393,670	119,450	274,166	25,480	48,588	193,454
Grant Funding	-	8,000	-	50,000	-	255,000	899,500	-	-	318,000
Board Fees	-	1,470	4,100	-	31,484	1,440	4,040	-	-	2,760
Wages, salaries and mileage	-	-	1,350	-	416,118	444	1,599	-	-	1,244
Management Consulting	-	-	-	-	64,350	-	-	696	-	-
Other	187	1,040	196	-	119,402	93	4,542	5,616	83	2,810
<b>Total</b>	<b>187</b>	<b>32,982</b>	<b>872,371</b>	<b>50,000</b>	<b>1,150,812</b>	<b>377,454</b>	<b>1,185,284</b>	<b>41,023</b>	<b>48,505</b>	<b>544,848</b>

#### Note 8. User Charges and fees

	<u>2014</u>	<u>2013</u>
	\$	\$
Fee for service	<u>2,628,159</u>	<u>3,105,422</u>

#### Note 9. Income from State Government

Services received free of charge<sup>(a)</sup> from other State government agencies during the period:

	<u>2014</u>	<u>2013</u>
	\$	\$
Department of Agriculture and Food	<u>65,456</u>	<u>62,934</u>

<sup>(a)</sup> Assets or services received free of charge or for nominal cost are recognised as revenue at the fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised directly in equity.

#### Note 10. Receivables

	<u>2014</u>	<u>2013</u>
	\$	\$
Current		
Receivables	23,099	58,871
Accrued revenue	346,836	374,889
GST receivable	23,178	18,488
Other debtor	-	977
<b>Total Current</b>	<u>393,113</u>	<u>453,225</u>

The Commission does not hold any collateral or other credit enhancements as security for receivables.



## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

<b>Note 11. Payables</b>	<b>2014</b>	<b>2013</b>
Current	\$	\$
Trade payables	22,172	113,638
Other payables	8,667	4
Accrued expenses	127,364	167,845
Accrued salaries	11,540	14,337
<b>Total Current</b>	<b><u>169,743</u></b>	<b><u>295,824</u></b>

<b>Note 12. Provisions</b>	<b>2014</b>	<b>2013</b>
Current	\$	\$
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	11,842	18,409
Long service leave <sup>(b)</sup>	-	4,102
	<u>11,842</u>	<u>22,511</u>
<i>Other provision</i>		
Employment on-costs <sup>(c)</sup>	3,777	6,063
	<u>15,619</u>	<u>28,574</u>
Non-current		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	14,201	10,474
<i>Other provision</i>		
Employment on-costs <sup>(c)</sup>	1,934	1,423
	<u>16,135</u>	<u>11,897</u>
	<b><u>31,754</u></b>	<b><u>40,471</u></b>

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	11,842	24,197
More than 12 months after the reporting period	-	-
	<u>11,842</u>	<u>24,197</u>

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after end of reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	-	-
More than 12 months at the end of the reporting period	14,201	16,274
	<u>14,201</u>	<u>16,274</u>

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 13. Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

	<u>2014</u>	<u>2013</u>
Contributed equity	\$	\$
<b>Total contributed equity</b>	<u>3,682,697</u>	<u>3,682,697</u>

There have been no distributions to owners in the current or comparative period.

#### Note 14. Notes to the Statement of Cash Flows

##### Reconciliation of cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ <u>8,127,858</u>	\$ <u>8,098,686</u>

##### **Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities**

	<u>2014</u>	<u>2013</u>
Net cost of services	\$ 28,727	\$ (829,372)
<u>Non-cash items:</u>		
Services received free of charge	65,456	62,934
Bad debts written off	21,972	-
<u>(Increase)/decrease in assets:</u>		
Current receivables <sup>(a)</sup>	38,140	(36,805)
Other current assets	9,675	26,698
<u>Increase/(decrease) in liabilities:</u>		
Current payables <sup>(a)</sup>	(126,081)	36,419
Current provisions	(12,955)	21,253
Non current provisions	4,238	4,284
<b>Net cash provided by/(used in) operating activities</b>	<u>29,172</u>	<u>(714,590)</u>

<sup>(a)</sup> Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.



## Agricultural Produce Commission

Notes to the Financial Statements for the year ended 30 June 2014

### Note 15. 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:

Remuneration band	2014	2013
\$0 - \$10,000	-	2
\$10,001 - \$20,000	3	2
\$20,001 - \$30,000	1	1
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Base remuneration and superannuation	59,011	61,901
Annual leave and long service leave accruals	-	-
Other benefits	-	-
<b>The total remuneration of the members of the Commission</b>	<b>59,011</b>	<b>61,901</b>

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Commission.

### Note 16. Commitments

#### Capital expenditure commitments

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

#### Other expenditure commitments

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

### Note 17. Financial instruments

#### (a) Accounting classifications

	2014	2013
	\$	\$
Financial assets not measured at fair value		
Cash and cash equivalents	8,127,858	8,098,686
Loans and receivables <sup>(a)</sup>	369,935	502,194
	<u>8,497,793</u>	<u>8,600,880</u>
Financial liabilities not measured at fair value		
Other liabilities: Trade payables	<u>158,203</u>	<u>295,824</u>

<sup>(a)</sup> The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

#### (b) Financial risk management

The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.





## Agricultural Produce Commission

### Notes to the Financial Statements for the year ended 30 June 2014

#### Note 17. Financial instruments (continued)

##### (i) 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.

Credit risk associated with the Commission's financial assets is minimal as the main receivable relates to amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The commission has policies in place to ensure that any sales of products and services are made to customers with an appropriate credit history. Furthermore, receivables 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.

The carrying amount of financial assets represents the Commission's maximum exposure to credit risk.

At the end of the reporting period, receivables are neither past due nor impaired and are due within 30 days of the end of the reporting period.

##### (ii) 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.

All Payables are due within 30 days of reporting date. Due to the short term nature of the payables, the fair value approximates the carrying amount as per the Statement of Financial Position.

##### (iii) 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 fair value of its financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks (for example, commodity price changes). The Commission's exposure to market risk for changes in interest rates relates primarily to the cash and cash equivalents.

If, at the end of the reporting period, there had been a 100 basis point increase/(decrease) in interest rates, held constant throughout the reporting period, then there would have been a resulting \$81,279 (2013: \$80,987) increase/(decrease) in profit or loss for the period.

##### (c) Fair value

All financial assets and liabilities recognised in the Statement of Financial Position are recognised at amounts that represent a reasonable approximation of fair value.



## Agricultural Produce Commission

Notes to the Financial Statements for the year ended 30 June 2014

### Note 18. Contingent liabilities and contingent assets

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

### Note 19. Events occurring after the end of the reporting period.

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

### Note 20. Affiliated bodies

There are no affiliated bodies with the Commission.

### Note 21. Remuneration of auditor

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

	<u>2014</u>	<u>2013</u>
	\$	\$
Auditing the accounts, financial statements and performance indicators	14,100	14,000

### Note 22. Explanatory Statement

Significant variations between estimates and actual results for 2014 and between the actual results for 2014 and 2013 are shown below. Significant variations are considered to be those greater than 10% and greater than \$20,000.

	<u>2014</u>	<u>2014</u>	<u>Variation</u>
	Estimate	Actual	
	\$	\$	\$
Grants	233,355	186,942	(46,413)
Other revenue	38,990	76,762	37,772

#### Grants

The under budget result for grants is due to funding from the Australian Banana Growers Council being delayed as a result of ongoing negotiations and delayed finalization of the new contract arrangements with Horticulture Australia for the Citrus Value Chain Coordinator project.

#### Other revenue

The over budget result for other revenue is mainly due to additional funding received for the apple promotion held at the Perth Royal Show.





## Agricultural Produce Commission

Notes to the Financial Statements for the year ended 30 June 2014

### Note 22. Explanatory Statement (continued)

#### Significant variances between actual results for 2014 and 2013

	2014 \$	2013 \$	Variation \$
<b>Income</b>			
Other revenue	76,762	306,086	(229,324)
Grants	186,942	126,775	60,167
Interest	230,436	302,547	(72,111)
<b>Expenses</b>			
Producers committees' operating costs	2,734,413	4,303,467	(1,569,054)

#### **Other revenue**

Other revenue decreased mainly due to the reclassification of the water use efficiency project (\$115k for 2014) which is reported under grants for 2014, two refunds were received in 2013 (one from the West Australian Fruit Growers Association and one from the Department of Agriculture and Food) which were not received in 2014.

#### **Grants**

Grants increased due to the water use efficiency project funding of \$115k for 2014 being reported under grants, this amount is down on the 2013 funding of \$173k. In 2013 funding of 25k was received from the Australian Banana Growers Council whilst no funding was received in 2014.

#### **Interest**

Interest decreased due to the reduction in the interest rate in the 2013/14 year over the 2012/13 year.

#### **Producers committees' operating costs**

In the prior year there were compensation payments to the Carnavon Banana Growers related to an extreme weather event and the Potato Producer's Committee expended funds on a potato promotion project which was not run in the current financial year.

### Note 23. Supplementary Information

#### **Write off**

During 2014, the Potato Producers' Committee approved a bad debt write off for the amount of \$22,000 (2013: \$0). This is included in Other in the Producers' Committees expenditure (refer Note 7).



## KEY PERFORMANCE INDICATORS 2014

### AGRICULTURAL PRODUCE COMMISSION

#### KEY PERFORMANCE INDICATORS 2014

#### 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, Producers' Committees.

#### EFFECTIVENESS INDICATORS

##### *Key Performance Indicator 1 - Commission Effectiveness*

The satisfaction of Producers' Committees with the service provided by the Commission, to its Producers' Committees, demonstrates the effectiveness of the Commission in meeting its obligation in the establishment and dissolution of Producers' Committees and of directing, coordinating and supervising the functions and expenditure of Producers' Committees.

##### *APC Producers' Committee's satisfaction with services provided by the Commission*

Producers' Committees are provided with a score card survey on an annual basis. The survey asks all Committee members to rate a range of essential services which are provided by the Commission to the Producers' Committee. These services are directly related to the functions of the Commission as per the APC Act.

The score card results are then aggregated into an overall satisfaction rating for all APC Committees.

**Target: An overall satisfaction rating of  $\geq$  to 85%.**

APC PRODUCERS' COMMITTEES	Target	2014	Variance
Overall satisfaction rating	85%	98%	- (see below)

No variance figure is available for 2014 as this is the first year this Key Performance Indicator has been used.

Total Committees Surveyed	10
Total Members Surveyed	55
Total Responses Received	30
<b>Percentage Response Rate</b>	<b>54%</b>





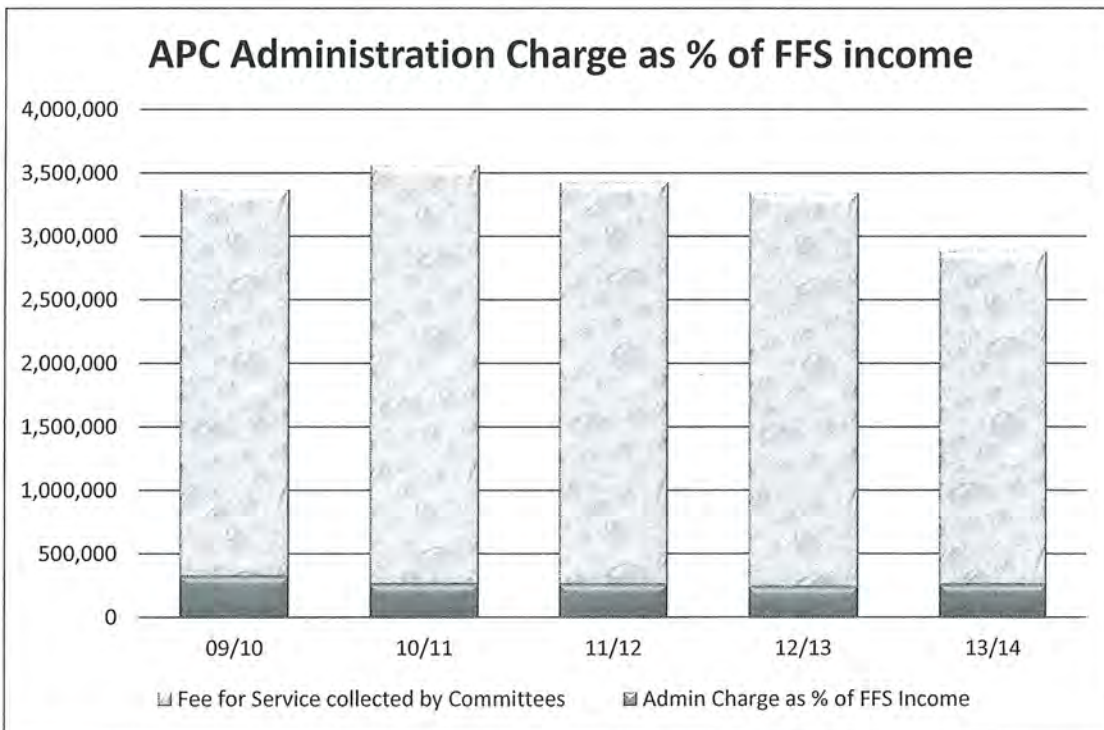
**EFFICIENCY INDICATOR**

**Key Performance Indicator 2 – Commission Efficiency**

**APC Administration Charge as % of Fee for Service (FFS) Income**

This indicator measures the administration charge paid to the Commission by Committees as a proportion of their total income. To ensure that funds received by the Commission from Committees do not exceed Commission requirements, the Commission reviews its administration charge to Committees on an annual basis.

**Target – Commission overall administration charge as % of FFS income <= 15%.**



Year	09/10	10/11	11/12	12/13	13/14
Admin Charge as % of Fee for Service Income	10.49	7.82	8.06	7.59	9.68

In the year under review the Commission exceeded the set target, keeping costs at 9.68%.

There was an increase over the previous year (7.59%), mainly attributable to the Commission costs remaining the same, whilst Fee for Service revenue reduced by 15% as the Potato Producers' Committee ceased Fee for Service collection for promotion of potatoes.



