



# **AGRICULTURAL PRODUCE COMMISSION**

*Encouraging Producer Initiative*

**ANNUAL REPORT  
FOR YEAR ENDED 30 JUNE 2015**

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Agricultural Produce Commission

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**AGRICULTURAL PRODUCE COMMISSION**

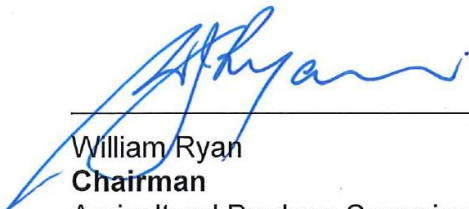
**STATEMENT OF COMPLIANCE**

**For year ended 30th June 2015**

**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 2015.


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: 15 September 2015



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Graeme Robertson  
**Member**  
Agricultural Produce Commission

Date: 15 September 2015

## AGENCY OVERVIEW

### EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

Commission membership saw three changes during the 2014/15 year, with Cr Steve Tilbrook's term on the Commission coming to an end, with the resignation of Ms Sue Middleton and the appointment of Ms Samantha Tough. Sue resigned from the Commission to take up a position on another government board. Both Sue and Steve are wished well in their future endeavours and thanked for the contributions to the Commission. The Commission had no other significant changes in staff or manner of operation during the year.

The manner of preparation of the APC Financial Statements was reviewed during the year, with particular reference to the funds of APC Producers' Committees. The outcome of the review was that funds, held by the Commission for Producers' Committees, are monies held on trust and as such should not be reported in the Commission's annual financial reporting. This change in reporting has been commenced as of the 2014/15 financial year.

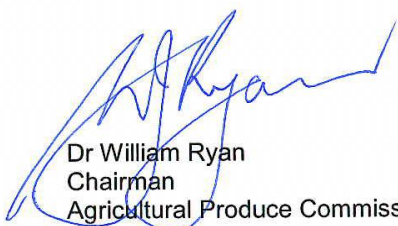
The requested amendments to the APC Act continue to be progressed. During 2014/15 the Commission continued to undertake education of, and consultation with, broadacre cropping and grazing industries with respect to the request for the removal of the exclusion on broadacre cropping and grazing industries forming Producers' Committees. The requested amendments to the Act include amendments other than the request for the removal of the exclusion on broadacre cropping and grazing and the Commission will continue in the coming year to pursue the amendments to the Act, as these other amendments will improve the operation of the Act and the services which the Commission can provide to APC Producers' Committees.

The change in the manner of operation for the Pome, Citrus and Stone Fruit Producers' Committee was further progressed during the 2014/15 year, with three sub-committees, one for each of the Commodities, commencing operation. It is the intention that the sub-committees will be able to more effectively provide targeted services to their particular industries.

All APC Producers' Committees are aware of the need for industries to better identify and fund the provision of services in light of reduced capability within the Department of Agriculture and Food. Biosecurity has been identified as an area of particular concern for growers, with the pome and citrus sub-committees commencing services targeted in the biosecurity area. Producers' Committees are actively looking at ways in which they can address cross industry issues in a fair and equitable manner.

The Commission has continued to work with other WA industries to encourage the formation of Producers' Committees where the formation of these Committees would be of benefit to the industry producers. There has been favourable response from work carried out with the WA wine industry and the Commission is hopeful of receiving a request to consider the formation of an APC Wine Producers' Committee in the 2015/16 year.

The Commission is of the opinion that the value provided to producers through APC Producers' Committees will become increasingly important over the coming years as the face of agriculture changes in Australia and globally.



Dr William Ryan  
Chairman  
Agricultural Produce Commission

## **OPERATIONAL STRUCTURE**

The Agricultural Produce Commission operates under 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**

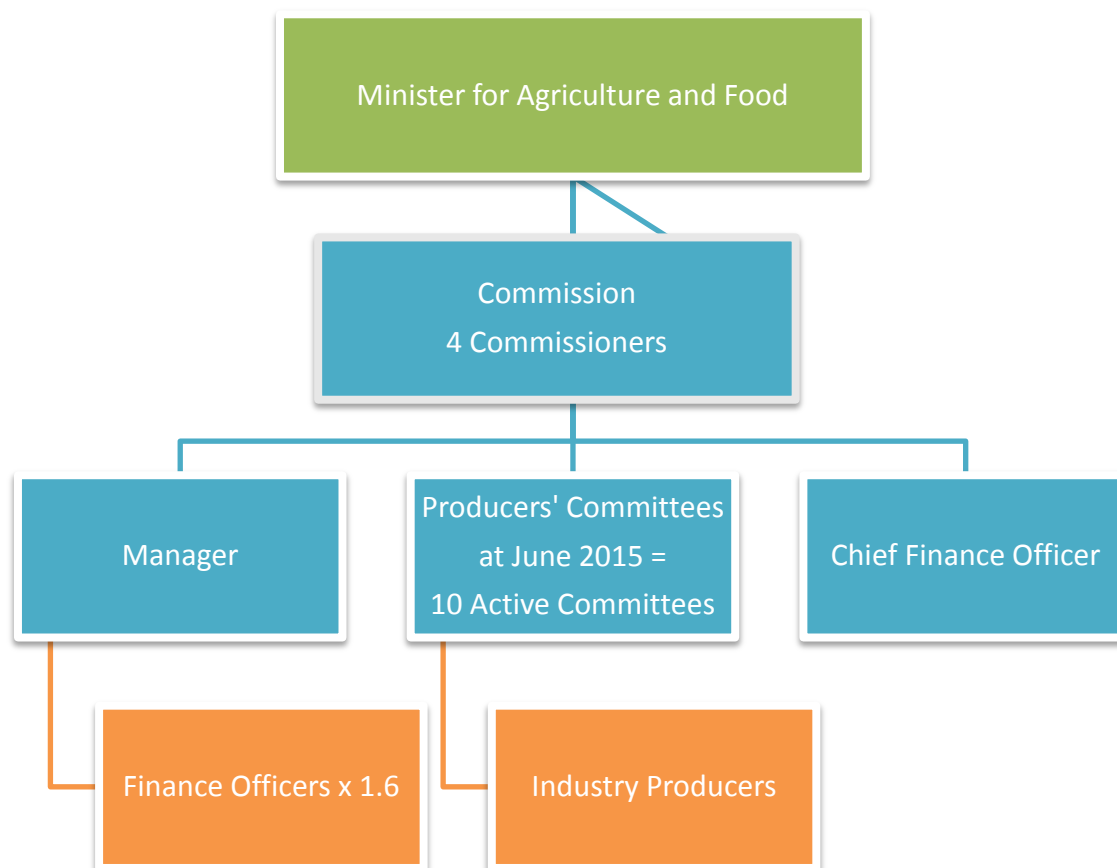
The Hon Kenneth Baston, MLC, Minister for Agriculture and Food.

## **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 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, WA 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

Appointments to Producers' Committees are made by the Commission. Each year the Commission advertises Committee vacancies in appropriate newspapers and industry newsletters, calling for nominations from industry producers. Committee Members whose term of office is expiring can apply for appointment for a further term.

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.

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 Commission's oversight of Committee activities includes ensuring that the services provided by Committees are those supported by FFS paying producers., that due diligence is conducted with relation to expenditure and that Committees are compliant 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 2015 the Commission had 10 active Producers' Committees and 4 Producers' Committees in recess. Members at 31 July 2015 were:

<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) Geoff Defrenne Kim Fewster Rod Pavy Tiffane Bates Gary Templeman
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Darryl Hardman John Thomas John Kearney Chris Collins Michael Andreoli
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Joe Sacca Terry Woodard John Simpson Katie Mason

Producers' Committee	Functions Adopted	Members
APC Pome, Citrus & Stone Fruit Producers' Committee (Established 1994). Pome Sub-Committee  Citrus Sub-Committee  Stone Fruit Interim Sub-committee	(a) to (m)	Harvey Giblett (Chair) John Gregorovich Terry Martella Mario Casotti Mark Scott Bruce Wharton (Chair) Mick Mann Joseph Ling Andrew Pergoliti Tim Byl (Chair) Kim Tucker Anthony Fullam Steven Giumelli Robert Taddei Bruno DelSimone Danny Di Marco
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) Rob Wilson Graeme Dent Errol Howard Ronald Penn
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Neil Handasyde (Chair) Anthony Yewers Jamie Michael Peter Doan Trung Do
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Allan Price (Chair) Roger Fahl Trevor Carter Matt Katich Darryl Trease 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.

**PERFORMANCE MANAGEMENT FRAMEWORK**

**OUTCOME BASED MANAGEMENT FRAMEWORK**

<b>Government Goal</b>	<b>Desired Outcome</b>	<b>Services</b>	<b>Effectiveness Indicators</b>	<b>Efficiency Indicators</b>
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.	Commission Effectiveness – APC Producers’ Committee’s satisfaction with services provided by the Commission	Commission Efficiency - APC Administration Charge as % of fee for service Income.

**CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK**

No changes were made to the APC’s Outcome Based Management Framework during the 2014/15 year.

**AGENCY PERFORMANCE AND SIGNIFICANT ISSUES IMPACTING THE AGENCY**

**ACTUAL RESULTS VS BUDGET ESTIMATES 2014/15 AND BUDGET ESTIMATES 2015/16**

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides budget comparatives for the 2014/15 year and budget estimates for the 2015/16 financial year. Further explanations for variations are available in the financial statements at Note 21 – Explanatory Statements.

In 2015, the Commission, with assistance from the Department of Agriculture and Food, the Office of the Auditor General and the Department of Treasury, reviewed the presentation of the APC’s financial statements, with particular regard to the funds of Producers’ Committees and their disclosure in the APC financial statements.

The conclusion of the review was that Producers’ Committee moneys (defined as ‘other money’) which the Commission holds in trust for Producers’ Committees need only be reported in the notes to the APC financial statements – that is, Commission financial statements should not include money received by the Commission, on behalf of the Producers’ Committee.

This change in reporting has required a change in the presentation format of the Commission’s budget. The budget comparatives and estimates for 2015/16 are provided in the new format, which no longer includes income or expenditure for Producers’ Committees.

This table is unaudited

<b>EXPENDITURE</b>	<b>2014/15 Budget</b>	<b>2014/15 Actual Estimates</b>	<b>2015/16 Budget</b>
DAFWA Contracted Services – Commission Administration	145,027	141,096	148,786
Employee Benefits	92,646	85,362	101,118
Commissioners Sitting Fees	56,500	56,106	56,500
Other Expenses	105,850	103,616	116,334
<b>Total Expenditure</b>	<b>400,023</b>	<b>386,180</b>	<b>422,738</b>
<b>REVENUE</b>			
Admin Charge from Committees	246,846	264,383	264,972
Contributions	26,458	26,836	26,729
Interest	7,746	5,867	6,972
<b>Total Revenue</b>	<b>281,050</b>	<b>297,086</b>	<b>298,673</b>
<b>Net Cost of Services</b>	<b>-118,973</b>	<b>-89,094</b>	<b>-124,065</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Resources Received Free of Charge/Income from State Government	65,000	70,859	74,384
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>-53,973</b>	<b>-18,235</b>	<b>-49,681</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

Committee	Admin Charge 14/15	Change from 13/14
Avocado	\$5,000	No change
Banana	11%	No change
Bees	13%	No change
Eggs	\$5,000	No change
Fruit	9%	No change
Pork	9%	No change
Potato	8%	No change
Potato Promo	Nil	Reduced \$1,250
Strawberry	14%	No change
Table Grapes	14%	No change
Vegetables	9%	No change

## COMMISSION MEETINGS 2014/15

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	6	6	-
Samantha Tough	6	5	1
Graeme Robertson	6	5	1
Sue Middleton	6	6	-

During the 2014/15 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 2015 annual meeting was held at the Innovation Centre of WA, Bentley on Friday 27 March 2015.

The meeting was open to all members of APC Committees, with all active Producers' Committees being represented at the meeting.

### **AMENDMENTS TO THE APC ACT 1988**

The Commission has submitted a request to the Minister for the printing of the APC Act Amendment Bill 2015.

### **ESTABLISHING PRODUCERS' COMMITTEES**

During the 14/15 year the Commission continued dialogue with industries which might be interested in forming APC Producers' Committees.

Consultation with the WA wine industry has reached a point where it is hoped that there will be a poll for the formation of a WA Wine Industry Producers' Committee in the latter part of the 2015 year.

Commission representatives also attended a number of meetings during the year, with organisations such as the Grower Group Alliance, The Pastoralists and Graziers Association, The West Australian Farmers Federation and the Nursery Association to provide these organisations and industries with a better understanding of the APC and the abilities of APC Producers' Committees.

### **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 FFS paying producers. Non-compliance also places those who are compliant at a disadvantage as they are funding services intended to all producers.

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 2014/15**

### **APC Avocado Producers' Committee**

The Avocado Producers' Committee did not collect Fee for Service during the 2014/15 year.

The Committee funded one research project into controlling greenhouse thrips with parasitic wasps in Western Australian avocado orchards. Based on the outcomes from this project, a follow on project is being considered for the 2015/6 year.

### **APC Beekeepers Producers' Committee**

Chairperson: Colin Fleay

Secretary: Tarsh Bates

**Disease and Pest Surveillance & Monitoring** – The longstanding contract between the Committee and DAFWA regarding surveillance of beehives in WA has been under negotiation over the last year. The State wide surveillance has been deemed a high priority by DAFWA and will now continue in a collaborative manner with the Committee. The Committee funded the development of a bio-security course for new beekeepers and provided assistance for the running of the course. Bee bio-security remains a high priority for the Committee. At the request of the three beekeeping organisations, the Committee has requested the support of other APC committees for the development of a Government Bee Policy in WA and for the fumigation of all produce from the Kimberley's.

**Bee Informed Newsletter** – The Bee Informed industry Newsletter is sent out three times per year to all registered beekeepers and continues to supply valuable information to industry of all events and biosecurity issues that ensure beekeepers are kept up to date. Long term editor Linda Manning stepped down and we thank her for her hard work. Geoff Croker is taking on the job.

**Industry Unity Discussions** - In February the APC Committee hosted delegates from the three main industry bodies, West Australian Farmers Federation (Beekeepers) (WAFF), Western Australian Beekeepers Association and Western Australian Apiarists Society, in an effort to unify the beekeeping industry. It was concluded that a unified industry under one umbrella was not probable but a unified opinion could be voiced with improved communication between the different organisations. WAFF agreed to make their meetings open to representatives from other organisations to facilitate this objective.

**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. The Evidence Framework for Owner Replacement Costs was forwarded to DAFWA for inclusion in the Industry Biosecurity Plan.

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

**Support Funding** – The Committee provided funding in support of “Honey Sunday” and a Centre for Integrative Bee Research (CIBER) project analysing chemical residues in honey, pollen, wax and bee bread from honeybee colonies placed on Canola fields.

**Committee** members were Colin Fleay (Chairman), Leilani Leyland (to May 2015), Kim Fewster, Rod Pavy, Tiffane Bates, Geoff Defrenne, Gary Templeman (appointed June 2015). The Committee thanks Mrs Leilani Leyland for her contribution to the Committee and her work as the Committee secretary.

## **APC Carnarvon Banana Producers' Committee**

Chairperson: Bruce Munro

Secretary: Alexandra Maslen

**Compensation** - The Carnarvon Banana Producers' committee held a meeting on the 23<sup>rd</sup> February 2015 to discuss the extensive widespread damage that had been caused by excessive heat to the banana patches in Carnarvon from the 27<sup>th</sup> of December 2014 to the 21<sup>st</sup> of February 2015.

In this 2 month period (56 days) the Gascoyne Research Weather Station recorded 16 days over 40C, with 5 of these days being over 44C, with the hottest day reaching a record breaking 48.9C on the 21st January 2015. This extreme heat coupled with evaporation rates which averaged out at 9.9 mm/d, including days in excess of 14 mm/d, led to extensive bunch and patch damage on Carnarvon plantations.

A claim was being sought for the heat damage to these plantations prior to Cyclone Olwyn coming through Carnarvon on the 13<sup>th</sup> March. The Cyclone caused complete devastation to the banana industry flattening 100% of crops. Compensation was sought for all properties at 100% (except for 0.269 hectares at 75%) and the total payout figure was \$2.6 million. With the industry in 2014 worth around \$9 million this payout figure does not reflect the value of the industry.

**Biosecurity Fund** - The Committee did not expend any funds on biosecurity in the 14/15 year. The Committee has however been working with DAFWA on a project to update the industry biosecurity plan. Funding for this project is currently being sought from Horticulture Innovation Australia (HIA).

**Industry overview** – The Scheme started 2014 with 52 growers and ended the year with 49 growers. The total area of banana crops (producing and non-producing) at the end of 2014 was 164 hectares. In 2013 it was 178 hectares. Total production was 3,946 tonnes of bananas for 2014. The district average was 27.65 tonnes per hectare.

Water restrictions had been in place since October 2013 until the river flowed on the 6<sup>th</sup> March 2014 and unrestricted pumping was declared.

**Newsletter** - A newsletter was sent to all members in March 2015 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

There were no changes to the composition of the Committee during the financial year. The Committee provided funding to the Commercial Egg Producers' Association of WA to undertake work in area of policy, regulation, promotion and representation at a State and Federal level in dealings with Government, non-government bodies and their representatives. The Association provided Secretariat to the APC Egg Producers Committee and works hard to secure uniformity of action on matters affecting the common interests of egg producers in Western Australia.

This year, some of the main areas that the Association has done work on for the benefit of industry are:

- Assisted the Department of Health in the implementation of the new Health Regulations to ensure that each individual egg is stamped for trace back to place of origin.
- Represented growers on the Department of Agriculture and Food WA Avian Industries Consultative Group (biosecurity matters) and Poultry Manure Regulatory Reference Group.



- Worked closely with Australian Egg Corporation to ensure that the strategic plan addresses R&D and Marketing initiatives that will benefit the egg industry.
- Participated at the Farm 2 Food Pavilion during the 2014 Perth Royal Show providing consumers the opportunity to meet egg producers.
- Working with Animal Health Australia, Egg Farmers of Australia and Australian Egg Corporation on the review of the 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.
- Working with the Minister for Agriculture and Minister for Commerce on the National Information Standard on Egg Labelling.
- Organised a number of workshops for members to gain skills and information on production matters.
- Made a number of submissions that impact on the industry:
  - State Planning Policy 4.3 (Poultry Farms)
  - Certified Trade Mark PROOF – Pasture Raised on Open Fields
  - Royalties for Regions Program
  - Land Transport of Livestock – Standards and Guidelines Version 1-1-21
  - Senate Select Committee into the operations of The Royal Society for the Prevention of Cruelty to Animals WA Inc (RSPCA WA)
  - Supermarket Code of Conduct Senate Inquiry
  - State Biosecurity Strategy
  - Workforce Shortages Strategy
  - Identification of red tape in the industry
  - Education and training
  - State Government on Animal Welfare Investment and Administration – Animal Welfare Act 2002.

### **APC Pome, Citrus and Stone Fruit Producers' Committee**

In September 2014, the manner of operation for the Pome Citrus & Stone Fruit Producers' Committee (sometimes known as FruitWest) changed. This change resulted in the formation of three 'Sub-committees', one for each of the industries for which this Committee collects FFS. A report is provided below for each of the Sub-committees.

#### **Pome Fruit Sub-Committee**

Chairperson: Harvey Giblett

Executive Officer: Nardia Shaw

The Pome Sub-committee of the Pome, Citrus and Stone Fruit Producers' Committee was established at a growers meeting in Bunbury, September 2014. The Pome Sub-committee has chosen to use 'Pomewest' as its recognised name. At the meeting it was also decided to continue the provision services to pome growers through the collection Fee for Service. Pomewest has adopted the following Mission Statement "to provide a profitable and sustainable industry that meets market requirements and consistently satisfies consumers with high quality fruit".

Chair Harvey Giblett, Terry Martella, Mark Scott, Mario Casotti and John Gregorovich are the appointed Committee and represent the major production areas within WA. Nardia Stacy continues her role as Executive Office to support these activities. The Sub-committee under direction from FFS paying producers, via regular meetings open to all FFS paying members, identifies and approves services to be provided.

To further supplement this process Pomewest is developing a new pome specific Strategic Plan for 2015 – 2020. This Strategic Plan will provide even better guidance and direction to protect and grow the investment of FFS paying producers in the pome industry.

There have been many achievements realised this year, however the most notable has been the implementation of a Biosecurity FFS fund in January 2015. This action has empowered this industry with a definitive tool to harness, maintain and protect production and market access against an ever changing biosecurity platform. This initiative has been enhanced with the development of a Biosecurity Strategic Plan, a guide to assist with risk assessment, recommendation and action if required.

In addition, Pomewest continues to support its other major project the Commercialisation of the ANAPB 01 Variety. This exciting project has been supported to advantage WA FFS paying pome producers by owning the right to manage the variety to benefit the grower. This venture is progressing well and promises sound success with over 100,000 trees now established across Australia and the potential for future revenue streams to enhance both the industry and the variety.

The Sub-committee has also implemented and built on previous quality assessment work to develop a Maturity Standards project. It is hoped that this will provide data sets to enforce minimum standards under the legislation of the BAM Act. This will improve the quality of fruit for consumers and progress industry to constantly strive for excellence and better eating experiences for the public.

Support of Medfly, Apple Looper and Mite Projects continue, with the weight of collaboration with other groups, strengthening outcomes and benefits across industries.

Codling Moth surveillance, Flavonoid assessment, Promotion projects also continue, as well as the development of improved communication strategies, all designed to assist growers and other industry stakeholders with the power of information.

Pomewest looks forward to continued success by developing a strong and unified industry. We remain mindful of identifying and progressing strategies which add value to not only FFS paying pome producers but to the horticulture family in general.

#### Citrus Sub-Committee

Chairperson: Bruce Wharton

The move to operate as a Citrus Sub-committee caused the WA industry to review the manner in which the citrus FFS is utilized, and the manner in which services are provided to FFS paying producers.

As a result of this review, FFS funding for services, such as communication and education, is now provided to the WA citrus peak grower body (WA Citrus), with WA Citrus carrying out these services on behalf of the APC Citrus Sub-Committee. In this process, the operations of the WA citrus grower peak body were also reviewed, resulting in a better industry aligned body, with an industry elected committee.

A 20 year strategic plan for the WA citrus industry was developed through the WA Citrus mechanism.

A citrus biosecurity FFS was implemented as of January 2015. This FFS will see funds collected specifically for biosecurity matters. The Citrus Sub-committee views biosecurity as an important issue for all WA citrus growers and intends to, where possible, to encourage and assist in preventative and best practice processes on biosecurity matters.

The Citrus Sub-committee has also been actively involved in progressing a collaborative approach to cross-industry biosecurity matters.

Thanks and acknowledgment is provided to all who worked together to provide such a positive outcome in this very difficult year – this includes members of the previous FruitWest Committee, current members of the Citrus Sub-committee, APC staff, WA Citrus committee members and, most importantly, all WA citrus growers.

#### Stone Fruit Sub-Committee

Chairperson: Tim Byl

Secretary: Wilma Byl

The interim stone fruit sub-committee was formed on the 24 September 2014. The interim sub-committee was provided with a Terms of Reference which called for the interim sub-committee to consult with all WA stone fruit producers on:

- Identifying the most appropriate operating model/structure for the Stone Fruit Sub-committee
- The continued collection of stone fruit FFS
- The manner of appointment of producers to the Stone Fruit Sub-committee.
- Issues raised in relation to governance – both with the Commission and the Pome, citrus and stone fruit Producers' Committee.

Consultation was carried out with stone fruit FFS paying producers with respect to the terms of reference, with the Stone Fruit Producers' Sub-committee Governing Procedures being adopted at the annual general meeting with FFS paying producers.

Consultation was carried out via post to gauge FFS paying producers sentiment on the continued collection of stone fruit FFS. The continuation of the stone fruit FFS was strongly supported by growers.

A grower representational system was introduced for appointments to the sub-committee, with four geographic regions identified – North, Perth Hills, Central and South. Members were appointed to this Sub-committee in August 2015.

The Sub-committee is keen to proceed with projects identified in the budget, and is focussed on providing value to growers for FFS dollars collected.

#### **APC Pork Producers' Committee**

*Chairperson: Neil Ferguson*

The Committee supported the following during the 2014/15 year:

Funding to the West Australian Pork Producers Association (WAPPA) for WAPPA to carry out services on behalf of the Committee.

The Pork CRC which has been ongoing for a number of years, research carried out through DAFWA and research into the future of the pork industry in Western Australia.

#### **APC Potato Producers' Committee**

Chairperson: Sam Calameri

Executive Officer: Ross Ryan

The APC-PPC Committee continued their support for the Seed Potato Industry by funding the Seed Certification and Virus testing program.

The Western Australian Seed Schemes continue to supply the potato industry with seed of exceptional quality. This program includes visual crop inspections, tuber inspections, compliance measures, disease management strategies, seed grower training and laboratory testing. This program has resulted in quality WA potato seed that is sold and used both locally and in export markets.

It is worth noting that the rejection rate was considerably lower than the previous year down from 11.4% to 2.9%. The reason for this reduction is suspected to be due to the removal of virus infected seed stocks from the seed schemes in 2012/2013 and the fact

that aphid and thrips numbers in seed crops inspected were recorded to have been very low. This exceptional result reinforces that rejection of crops under seed schemes is an integral part of ensuring that high quality seed comes out of these schemes. Testing of G2 sown seed potato crops under the industry funded G2survey continues to show low virus levels in both WA seed schemes.

The survey and testing programme continues to provide the potato industry with confidence that future seed stocks will be of high quality.

Funding continued for the Manjimup-Pemberton potato growers(MPPG) who are driving soil improvements and other best practices in the potato industry. More growers in the group actively participated in implementing green/brown manuring; compost application and lime/dolomite/gypsum applications. Growers who have embraced the soil health philosophy have generally experienced improved results. More interest has been shown in soil testing and many growers are now testing more than 6 months in advance of their potato crop with others 1 or more years in advance.

Overall the MPPG meetings have been well attended and discussion have revolved predominantly around growing conditions (soil condition) to reduce bruising, improving soil condition for general crop improvement through increased pH and break crops, improving irrigation practices, looking at different methods of measuring irrigation sufficiency in crop, alternative break crops, seed quality and age at planting, harvesting methods to reduce bruising and different crop rotations between potato plantings.

Funding was again provided to the Potato Growers Association of WA (PGAWA) for the PGAWA to carry out services to producers on behalf of the APC PPC. Services which were carried out included the safeguarding of WA potato growers interests, enhancing opportunities for industry growth and development, communication and education. An awareness campaign on the health and other benefits of potatoes and the importance of the WA Potato Industry was also carried out. This campaign resulted from detailed research that showed too many people still viewed potatoes as “fattening” and “unhealthy”, whereas in reality potatoes are almost the perfect food providing vitamins, minerals, essential enzymes and complex carbohydrates. Potatoes are also low-medium based on the “GI” index. The campaign was featured on television and newspapers. It is interesting to note that WA is the only state where potato consumption is no longer declining.

The West Australian Seed Potato Producers Association (WASPP) was funded by the PGAWA this year. WASPP has successfully introduced a new Summer Harvest Protocol. They also sponsored the Seed Potato Aging Field Day on the 18<sup>th</sup> February 2015 for the visiting professor Rick Knowles from the USA this was held at Manjimup Horticulture Research Institute

As we move into the 2015/2016 year the potato industry is preparing itself for the transition to deregulation of the WA potato industry.

### **APC Strawberry Producers’ Committee**

Chairperson: Neil Handasyde

**WA Strawberry Improvement Program** - This project is now finalised. A decision to terminate the project early was made when for the second year in a row over-held the lines were lost over the summer period. This is a major disappointment given three very promising lines from the northern node had been marked for further assessment. In 2014 the southern node fruit size and shape has also changed dramatically for the better, but flavour and softness are disappointing.

There had been real signs of progress with several lines consistently outperforming Albion (our comparator) in terms of flavour. If the problem of over-summering could be solved and yields evaluated we may have some winners. However, each year where promising lines have been carried forward we have seen a major decline in fruit size and shape in the following season. This is a concern and may indicate more work is required to determine if this is simply the result of heat stress over summer or if some other processes or conditions are required for vegetative propagation.

**A focus on irrigation and fertiliser practices to improve production efficiency for LOTE strawberry growers.** - This project is also now finalised having been terminated a year early. The second year presented a very difficult operating environment. At the beginning of the strawberry season in Wanneroo a series of raids by the Australian Government was carried out on a property which operated a labour hire company using illegal labour. Although most of its operations impacted the vegetable industry, there was a flow-on effect for the strawberry industry and labour was in very short supply over the 2014 season. Significant additional plantings meant an oversupply of fruit and poor prices. Several growers we worked with in 2014 are not growing in 2015. The overall downturn in profitability means less impetus for extra investment.

Growers who attended field days now have better awareness of the poor lateral movement of water, and hence nutrients, in WA sands as seen in the dye demonstrations. Whether this will translate to changes in grower practice is doubtful. An unintended outcome of the project was retraining in fumigation practice for all growers.

**Determining the effectiveness of Orius predators for control of Western Flower Thrips (WFT)** - This trial is completed. Trials on three farms show that Orius can successfully control WFT in covered strawberries grown in Western Australia. Not only did Orius control the WFT better than the sprayed areas, it also did not require a single insecticide application to help gain WFT control. The sprayed trial areas received 7 – 9 sprays of pesticides for WFT. Growers now have a viable alternative to spraying insecticides of which the range registered for use on strawberries is limited and a high level of resistance exists.

### **APC Table Grape Producers' Committee**

Chairperson: Allan Price

Over the past two years the Committee allocated funding to a Mealybug Research project with DAFWA. While this determined some interesting advancements, it also opened up further work and the Committee is currently considering an application for further funding.

The Committee's standing funding for maturity testing continues to be supported, and for all intents is the best promotion program. For the first time this year maturity levels for two varieties had to be adjusted mid-season. This will probably happen more often with the number of new varieties coming through. DAFWA is helping with monitoring any problems and is testing fruit from Carnarvon to Bunbury to ensure minimum maturities are met.

Minimal retentions have been necessary this year following the major rejection of 848 cartons last season. Growers were more vigilant with their testing and start up dates. However, some agronomic practices, particularly in the Swan, are being questioned as to their effects on meeting the minimum standards. This will be monitored over the coming year or two.

The Committee has also received two applications from DAFWA for projects involving Fruit Fly. One is for a comprehensive project on Med Fly, the second is an 'across industry' Q Fly project. No decision on funding of these projects has as yet been made.

Fruit from the Swan Valley was a little difficult to move early due to import over runs and late Carnarvon fruit so it was decided to try a radio advertising campaign through Southern Cross radio. While fruit started to clear it is uncertain as to the effects of the radio campaign due to the restricted listening audience. Federal levy funds were also used for monthly adverts in the Fresh Magazine in The West Australian. Feedback from the Fresh Magazine adverts has been stronger than feedback from the radio advertising. Once again, the value of an advertising campaign can only be determined by another project of equivalent value to the campaign.

The 2014/15 table grape season once again failed to be “ordinary”.

With the period of imports from California extended to January, the Carnarvon growers were severely affected on prices received. While this can be partially attributed to small fruit as a result of restricted water allocations, the quality of early Carnarvon fruit did not match that of the main season Californian fruit. Late season imports were often breaking down on arrival and one shipment was sold at 3 boxes for \$10 at the Saturday clearance markets.

New varieties coming out of Carnarvon this season sold well and established a demand which continued as other regions came on stream. Increased production over the next few years will see these become mainstream in the supermarkets as well as supplying the increased export demand. The range of colours, flavours and textures available in the next few years is exciting. The sales for the 2014-5 season have been varied although late production areas are moving through their fruit faster than normal with reasonable quality despite recent rains

The table grape industry has been concerned at the number of biosecurity protocol breakdowns in the past 6 months- Cucumber Mosaic virus on melons in NT (2 year ban from growing cucurbits), Banana Freckle in NT (total tree removal), Panama Disease on Bananas in Queensland, Nematodes on Ginger root ex Fiji, Q fly into Adelaide from Victorian stone fruit, Q Fly into New Zealand from Australian produce, to name just some. The industry is eagerly awaiting the outcome of a pest risk assessment being undertaken by DAFWA on the importation of table grapes into WA from the eastern States.

### **APC Vegetable Producers’ Committee**

Chairperson: Maureen Dobra

Executive Officer: John Shannon

The APC-VPC Committee supported six projects in the financial year ending 30<sup>th</sup> June 2015. The main project funding went to vegetablesWA in order for the Association to provide services to FFS paying vegetable producers on behalf of the Committee. These services have proved to be extremely valuable with issues, such as labour, which have arisen during the 2014-15 year.

The other projects which the APC-VPC committee approved were the Vietnamese Field Extension Officer in conjunction with HIA & DAFWA.; Field Extension Officer in conjunction with HIA; Managing Biting Fly in Vegetable Crop Residues in conjunction with HIA and local shires; vegetablesWA website update and David Gray Carrot Tour in France.

The two Field Extension Officer positions provide our WA vegetable growers with much needed support and R&D assistance. Both positions work very closely with DAFWA, Department of Water, Worksafe, Ausveg to ensure that field days & workshops are relevant and providing excellent information to the WA vegetable growers.

Managing Biting Fly in Vegetable Crop Residues has been an ongoing project for several years and there have been numerous trials in Gingin Shire and more recently in

Capel. Through the project two solutions which work well for the growers without too much additional work have been found.

David Gray Carrot Tour in France, gave growers the opportunity to have their trip partly funded to attend the International Carrot Symposium in Anger's France. The tour had 700 delegates from all over the globe and presentations were held over 4 days in addition to the Field Days. The six WA carrot growers took a lot out of the symposium and speaking with carrot breeders and growers from France.

As we move into the 2015-16 year the Committee continues to move forward and fund service projects which will help the WA vegetable growers with their businesses and the overall market.

## **DISCLOSURES AND LEGAL COMPLIANCE**

### **MINISTERIAL DIRECTIVES**

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

### **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.*

The Commission has subsidiary legislation in the form of:

Agricultural Produce (Beekeeping Industry) Regulations 2003  
Agricultural Produce (Egg Production Industry) Regulations 2006  
Agricultural Produce (Horticultural Industry) Regulations 2001  
Agricultural Produce (Pork Production Industry) Regulations 2004  
Agricultural Produce (Prescribed Agricultural Industries and Services) Regulations 2001  
Producers Committees (Polling) Regulations 1990

#### **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

#### **COMMISSION MEMBERSHIP AND REMUNERATION**

This table is unaudited

<b>Position</b>	<b>Name</b>	<b>Membership Term</b>	<b>Period of Membership 2015</b>	<b>Annual Remuneration</b>
Chairman	Dr William Ryan	18/01/10 to 08/01/16	Full year	22,000
Member	Dr Graeme Robertson	08/08/11 to 09/07/17	Full year	11,500
Member	Mr Steve Tilbrook	08/08/11 to 09/07/14	01 Jul 2014 to 09 Jul 2014	617
Member	Ms Sue Middleton	10/12/12 to 01/06/15	01 Jul 2014 to 1 Jun 2015	10,890
Member	Ms Samantha Tough	10/07/14 to 09/07/17	10 Jul 2014 to 30 Jun 2015	11,280

#### **FEE FOR SERVICE RATES FOR 2014/15**

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 can monitor apple production by variety.

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

The following table provides rates for 14/15

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	\$0.022 per kilogram
Citrus (processing)	\$0.011 per kilogram
Pome Fruit	\$0.017 per kilogram
Pome Fruit (processing)	\$0.006 per kilogram
Pork	\$0.008 per kilogram carcass weight
Potatoes	
Processing	\$6.00 per tonne
Ware export	\$6.00 per tonne
Domestic ware	\$6.00 per tonne
Seed	\$6.00 per tonne (\$150 per hectare based on average yield of 25 tonnes per hectare)
Strawberries	\$0.01 per kilogram
Stone Fruit	\$0.015 per kilogram
Stone Fruit (processing)	\$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 2014/15 year a complaint was received alleging that a Producers' Committee was not operating within the APC Code of Conduct. The Commission investigated the complaint and formed the view that no breach of conduct had occurred.

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.

### SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The APC did not share any responsibilities with other agencies during the year under review.

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.

### EMPLOYMENT AND INDUSTRIAL RELATIONS

This table is unaudited

Staff Profile	2014/15 FTE @ 30 June 2015	2013/14 FTE
Seconded to APC or an APC Committee from Department of Agriculture and Food	2.6	2.6
Full time contract employed by APC	2	1
Full time contract employed by APC and seconded to an APC Committee	1	2.4

### 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 2014/15	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 (DAFWA), utilizes and applies the occupational safety, health and injury management training, policies and procedures of the DAFWA. The DAFWA reviews its occupational safety and health policies at least every three years.

The DAFWA has an injury management system and return to work program which are documented in an injury management policy. The DAFWA'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 DAFWA.

The consultation process for Commission staff is through the Commission's manager, who then accesses the DAFWA'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 2014/15 financial year, the Commission incurred advertising expenditure in the following areas.

This table is unaudited

<b>Commission</b>	<b>Expenditure 2014/15</b>
Advertising agencies	\$ Nil
Media advertising organizations	\$ Nil
Market research organizations	\$ Nil
Polling Organizations	\$ Nil
Direct Mail Organizations	\$ Nil
<b>Total Expenditure</b>	<b>\$ Nil</b>

**RECORDKEEPING PLANS**

The Commission reviewed its recordkeeping during the 2015. It was decided that the Commission will integrate with the recordkeeping procedures employed by the Department of Agriculture and Food, WA and integrate into the Department’s ‘Objective’ recordkeeping system.

This is now taking place with the intention to be fully integrated by the end of the 2015/16 year.

All Commission employees have undertaken full training into the Objective recordkeeping system via the Department’s training program.

All Commission employees are provided with an induction into the Commission’s recordkeeping procedures on commencement of employment.

# FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS

## AGRICULTURAL PRODUCE COMMISSION

### CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2015

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 2015 and the financial position as at 30 June 2015.

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.

**Mandy Taylor**

Chief Finance Officer  
Agricultural Produce Commission



Date: 15 September 2015

**William Ryan**

Chairman  
Agricultural Produce Commission



Date: 15 September 2015



## 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 2015, 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 2015 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 2015.

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 2015.

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

I have audited the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2015.

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*

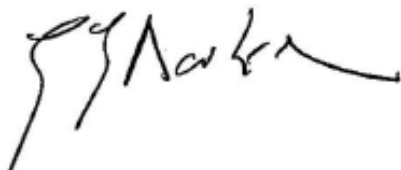
In my opinion, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2015.

#### **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 2015 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  
16 September 2015

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 2015

**STATEMENT OF COMPREHENSIVE INCOME**

		2015	2014
	Notes	\$	Restated* \$
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Department of Agriculture and Food contracted services - administration	5	141,096	132,653
Employee benefits expense	6	85,362	104,060
Other expenses	7	<u>159,722</u>	<u>148,588</u>
<b>Total cost of services</b>		<u>386,180</u>	<u>385,301</u>
<b>Income</b>			
<i>Revenue</i>			
Administration Charge Producers' Committees		264,383	254,381
Contributions		26,836	26,141
Interest revenue		<u>5,867</u>	<u>8,401</u>
<b>Total Revenue</b>		<u>297,086</u>	<u>288,923</u>
<b>Total income other than income from State Government</b>		<u>297,086</u>	<u>288,923</u>
<b>NET COST OF SERVICES</b>		<u>89,094</u>	<u>96,378</u>
<b>Income from State Government</b>			
Services received free of charge	8	<u>70,859</u>	<u>65,456</u>
<b>Total income from State Government</b>		<u>70,859</u>	<u>65,456</u>
<b>DEFICIT FOR THE PERIOD</b>		<u>(18,235)</u>	<u>(30,922)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>(18,235)</u>	<u>(30,922)</u>

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

\*Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
as at 2015

**STATEMENT OF FINANCIAL POSITION**

		<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>Notes</b>	<b>\$</b>	<b>Restated*</b>	<b>Restated*</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	12	104,506	112,638	219,543
Receivables	9	10,375	23,496	77,359
Other current assets		<u>1,217</u>	<u>1,904</u>	<u>2,011</u>
<b>Total Current Assets</b>		<u>116,098</u>	<u>138,038</u>	<u>298,913</u>
<b>TOTAL ASSETS</b>		<u>116,098</u>	<u>138,038</u>	<u>298,913</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	10	68,753	63,734	184,970
Provisions	11	<u>3,928</u>	<u>15,619</u>	<u>28,574</u>
<b>Total Current Liabilities</b>		<u>72,681</u>	<u>79,353</u>	<u>213,544</u>
<b>Non-Current Liabilities</b>				
Provisions	11	<u>19,102</u>	<u>16,135</u>	<u>11,897</u>
<b>Total Non-Current Liabilities</b>		<u>19,102</u>	<u>16,135</u>	<u>11,897</u>
<b>TOTAL LIABILITIES</b>		<u>91,783</u>	<u>95,488</u>	<u>225,441</u>
<b>NET ASSETS</b>		<u>24,315</u>	<u>42,550</u>	<u>73,472</u>
<b>EQUITY</b>				
Accumulated surplus		<u>24,315</u>	<u>42,550</u>	<u>73,472</u>
<b>TOTAL EQUITY</b>		<u>24,315</u>	<u>42,550</u>	<u>73,472</u>

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

\*Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year 2015

**STATEMENT OF CHANGES IN EQUITY**

	Note	Contributed equity \$	Accumulate d surplus \$	Total equity \$
<b>Balance at 1 July 2013</b>		3,682,697	4,600,376	8,283,073
Restatement of prior year *		(3,682,697)	(4,526,904)	(8,209,601)
<b>Restated balance at 1 July 2013</b>		-	73,472	73,472
Surplus/(deficit)		-	(30,922)	(30,922)
Total comprehensive income for the year		-	(30,922)	(30,922)
<b>Balance at 30 June 2014</b>		-	42,550	42,550
<b>Balance at 1 July 2014</b>		-	42,550	42,550
Surplus/(deficit)		-	(18,235)	(18,235)
Total comprehensive income for the year		-	(18,235)	(18,235)
<b>Balance at 30 June 2015</b>		-	24,315	24,315

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

\* Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION**  
**STATEMENT OF CASH FLOWS**  
for the year ended 2015

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**STATEMENT OF CASH FLOWS**

		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>\$</b>	<b>Restated*</b>
			<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(94,086)	(112,777)
Supplies and services		(224,940)	(337,021)
<b>Receipts</b>			
Receipts from producer committees		264,383	254,381
Receipts from others		39,957	80,004
Interest received		6,554	8,508
<b>Net cash provided by/(used in) operating activities</b>	12	<u>(8,132)</u>	<u>(106,905)</u>
Net increase/(decrease) in cash and cash equivalents		(8,132)	(106,905)
Cash and cash equivalents at the beginning of the period		112,638	219,543
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	12	<u>104,506</u>	<u>112,638</u>

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

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
for the year ended 30 June 2015

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

## **NOTES TO THE FINANCIAL STATEMENTS 2015**

### **Note 1: Australian Accounting Standards**

#### **General**

The Commission's financial statements for the year ended 30 June 2015 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 2015.

### **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.

## AGRICULTURAL PRODUCE COMMISSION

### Notes to the financial statements

for the year ended 30 June 2015

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#### **(b) Basis of preparation (continued)**

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

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 2015

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#### **(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.

#### **(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.

**(k) Provisions (continued)**

**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 2015

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#### **(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 GESB, 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.

#### **(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 Producers' Committee pays a percentage of the "Fee for Service" collected to the Commission, which bears all the administration expenses.

## AGRICULTURAL PRODUCE COMMISSION

### Notes to the financial statements

for the year ended 30 June 2015

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#### **(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*.

#### **(q) Key Source of Estimation Uncertainty**

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

#### ***Long service leave provision***

Several estimations and assumptions used in calculating the Authority's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

### **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 2014 that impact on the Commission.

#### **AASB 1031**

##### ***Materiality***

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality no available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.

#### **AASB 1055**

##### ***Budgetary Reporting***

This Standard requires specific budgetary disclosures in the 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.

#### **AASB 2013-9**

##### ***Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments***

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). Part B has no financial impact.

# AGRICULTURAL PRODUCE COMMISSION

## Notes to the financial statements

for the year ended 30 June 2015

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### 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

<b>AASB 9</b>	<b><i>Financial Instruments</i></b> This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.  The mandatory application date of this Standard was amended to 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<b>AASB 15</b>	<b><i>Revenue from Contracts with Customers</i></b> This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2017
<b>AASB 2010-7</b>	<b><i>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, 139, 1023 and 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></b> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.  The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<b>AASB 2013-9</b>	<b><i>Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments</i></b> Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017 (Part C). 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.	1 Jan 2015

## AGRICULTURAL PRODUCE COMMISSION

### Notes to the financial statements

for the year ended 30 June 2015

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<b>AASB 2014-1</b>	<b><i>Amendments to Australian Accounting Standards</i></b> Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.	1 Jan 2016
<b>AASB 2014-5</b>	<b><i>Amendments to Australian Accounting Standards arising from AASB 15</i></b> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2017
<b>AASB 2014-7</b>	<b><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></b> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<b>AASB 2014-8</b>	<b><i>Amendments to Australian Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 &amp; 2010)]</i></b> This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Commission has not yet determined the application or the potential impact of the Standard no financial impact on application of this Standard.	1 Jan 2015
<b>AASB 2015-1</b>	<b><i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</i></b> The amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2016

# AGRICULTURAL PRODUCE COMMISSION

## Notes to the financial statements

for the year ended 30 June 2015

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<b>AASB 2015-2</b>	<b><i>Amendments to Australian Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</i></b>	1 Jan 2016
	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concern expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p>	
<b>AASB 2015-3</b>	<b><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></b>	1 Jul 2015
	<p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>	
<b>AASB 2014-1</b>	<b><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</i></b>	1 Jul 2016
	<p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The Commission has not yet determined the application of the Standard, though there is no financial impact.</p>	

### Note 4: Restatement of Prior Year

#### **Restatement of financials for presentation of Producer Committees**

Previously the financial statements of the Agricultural Produce Commission included the Producer Committees. On reviewing the APC Act 1988, it has been agreed with Treasury, on 26 June 2015, that the Producer Committees are in fact monies held on Trust in accordance with the Financial Management Act 2006. Therefore, the financial statements for APC have been restated in 2015, to present only the operations of the Commission itself. The Producer Committees are disclosed in the notes to the financial statements as monies held in Trust. Please refer note 19 for the details of the Producer Committees.

**AGRICULTURAL PRODUCE COMMISSION**  
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**Note 5: 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:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Department of Agriculture and Food contracted services - administration	<b>141,096</b>	<b>132,653</b>

**Note 6: Employee benefits expense**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries <sup>(a)</sup>	80,418	97,972
Change in employee entitlement provision	(3,288)	(3,824)
Superannuation <sup>(b)</sup>	8,232	9,911
<b>Total employee expenses</b>	<b>85,362</b>	<b>104,060</b>

<sup>(a)</sup> Includes the value of the fringe benefit to the employee plus the fringe benefits tax component and leave entitlements including the 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 7 'Other expenses'.

Employment on-costs liability is included at Note 11 'Provisions'.

**Note 7: Other expenses**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Audit Fees	15,500	16,100
Employment on-costs	3,472	829
Commissioner fees and related costs	56,106	54,333
Travel expenses	152	401
Resources received free of charge	70,859	65,456
Other expenses	13,633	11,469
	<b>159,722</b>	<b>148,588</b>



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**Note 8: Income from State Government**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Department of Agriculture and Food</b>	<b><u>70,859</u></b>	<b><u>65,456</u></b>

<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 9: Receivables**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Restated*</b>
	<b>\$</b>	<b>\$</b>
Receivables	91	318
Accrued revenue	-	-
GST receivable	10,284	23,178
Other debtor	-	-
	<b><u>10,375</u></b>	<b><u>23,496</u></b>

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

\*Restated (see note 22)

**Note 10: Payables**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Restated*</b>
	<b>\$</b>	<b>\$</b>
Trade payables	5,604	15,131
Other payables	2,722	2,571
Accrued expenses	60,427	46,032
	<b><u>68,753</u></b>	<b><u>63,734</u></b>

\*Restated (see note 22)

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**Note 11: Provisions**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Current		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	3,499	11,842
	<u>3,499</u>	<u>11,842</u>
<i>Other provision</i>		
Employment on-costs <sup>(c)</sup>	429	3,777
	<u>3,928</u>	<u>15,619</u>
Non-current		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	17,076	14,201
<i>Other provision</i>		
Employment on-costs <sup>(c)</sup>	2,026	1,934
	<u>19,102</u>	<u>16,135</u>
	<u><b>23,030</b></u>	<u><b>31,754</b></u>

<sup>(a)</sup> 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	2,978	11,842
More than 12 months after the reporting period	-	-
	<u>2,978</u>	<u>11,842</u>

<sup>(b)</sup> 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 after the reporting period	17,076	14,201
	<u>17,076</u>	<u>14,201</u>

<sup>(c)</sup> 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.

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**Notes to the financial statements**  
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**Note 12: 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:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
		<b>Restated*</b>
<b>Cash and cash equivalents</b>	<b><u>104,506</u></b>	<b><u>112,638</u></b>
 <b>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</b>		
Net cost of services	(89,095)	(96,378)
 <u>Non-cash items</u>		
Services received free of charge	70,859	65,456
 <u>(Increase)/decrease in assets:</u>		
Current receivables <sup>(a)</sup>	13,121	53,863
Other current assets	687	107
 <u>Increase/(decrease) in liabilities:</u>		
Current payables (a)	5,019	(121,234)
Current provisions	(11,691)	(12,956)
Non-current provisions	<u>2,968</u>	<u>4,237</u>
<b>Net cash provided by/(used in) operating activities</b>	<b><u>(8,132)</u></b>	<b><u>(106,905)</u></b>

<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.

\*Restated (see note 22)

# AGRICULTURAL PRODUCE COMMISSION

## Notes to the financial statements

for the year ended 30 June 2015

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### Note 13: 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	2015	2014
\$0 - \$10,000	-	-
\$10,001 - \$20,000	4	3
\$20,001 - \$30,000	1	1
	\$	\$
Base remuneration and superannuation	61,634	59,011
Annual leave and long service leave accruals	-	-
Other benefits	-	-
<b>The total remuneration of the members of the Commission</b>	<b>61,634</b>	<b>59,011</b>

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

### Note 14: 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 15: Financial Instruments

#### (a) Accounting classifications

	2015	2014
Financial assets not measured at fair value	\$	Restated*
Cash and cash equivalents	104,506	112,638
Loans and receivables <sup>(a)</sup>	91	318
	<b>104,597</b>	<b>112,956</b>
Financial liabilities not measured at fair value		
Other liabilities: Trade payables	<b>68,753</b>	<b>63,734</b>

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

\*Restated (see note 22)

**Note 15: Financial Instruments (continued)**

**(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.

**(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 181-360 days past due but not impaired.

**(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.

The weighted average interest rate is 2.70% (2014: 2.82%). 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 \$1,045 (2014: \$1,126 Restated\*) increase/(decrease) in profit or loss for the period.

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
for the year ended 30 June 2015

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**Note 15: Financial Instruments (continued)**

**(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.

**Note 16: Contingent liabilities and contingent assets**

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

**Note 17: 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 18: Affiliated bodies**

There are no affiliated bodies with the Commission.

**Note 19: Producers' Committees – monies held on trust**

The Commission has 10 (2014: 10) active Producers' Committees and one in recess, being Kununurra. Separate accounts are maintained for each Producers' Committee. The cash balance held for each Producers' Committee and the receipts and payments for the year are disclosed below.

<b>APC Avocado Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	177,162	177,011
Receipts	4,996	5,152
Payments	(9,500)	(5,000)
<b>Balance at end of year</b>	<b>172,658</b>	<b>177,162</b>
<b>APC Beekeepers Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	136,864	118,998
Receipts	58,729	49,226
Payments	(38,178)	(31,361)
<b>Balance at end of year</b>	<b>157,414</b>	<b>136,864</b>

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
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**Note 19: Producers' Committees - monies held in trust (continued)**

<b>APC Carnarvon Banana Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	4,886,936	4,709,588
Receipts	194,460	204,157
Payments	(967,939)	(26,809)
<b>Balance at end of year</b>	<b>4,113,457</b>	<b>4,886,936</b>
<b>APC Egg Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	252,763	299,217
Receipts	6,620	8,547
Payments	(45,000)	(55,000)
<b>Balance at end of year</b>	<b>214,383</b>	<b>252,763</b>
<b>APC Pome, Citrus &amp; Stone Fruit Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	416,319	339,429
Receipts	1,146,119	1,615,747
Payments	(891,934)	(1,538,857)
<b>Balance at end of year</b>	<b>670,504</b>	<b>416,319</b>
<b>APC Potato Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	125,919	114,544
Receipts	490,604	482,557
Payments	(551,279)	(471,182)
<b>Balance at end of year</b>	<b>65,244</b>	<b>125,919</b>
<b>APC Pork Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	1,456,773	1,530,887
Receipts	361,812	324,872
Payments	(323,844)	(398,985)
<b>Balance at end of year</b>	<b>1,494,741</b>	<b>1,456,773</b>
<b>APC Strawberry Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	289,672	336,117
Receipts	86,737	89,980
Payments	(129,882)	(136,426)
<b>Balance at end of year</b>	<b>246,526</b>	<b>289,672</b>

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
for the year ended 30 June 2015

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**Note 19: Producers' Committees - monies held in trust (continued)**

<b>APC Table Grape Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	187,031	165,882
Receipts	49,544	61,210
Payments	(65,378)	(40,062)
<b>Balance at end of year</b>	<b>171,196</b>	<b>187,031</b>

<b>APC Vegetable Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	84,556	86,282
Receipts	821,671	741,911
Payments	(515,459)	(743,637)
<b>Balance at end of year</b>	<b>390,769</b>	<b>84,556</b>

<b>APC Kununurra Producers' Committee</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Balance at beginning of year	1,223	1,189
Receipts	35	35
Payments	-	-
<b>Balance at end of year</b>	<b>1,258</b>	<b>1,223</b>

**Note 20: Remuneration of auditor**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Auditing the accounts, financial statements and performance indicators	<u>14,100</u>	<u>14,100</u>

**Note 21: Explanatory Statement**

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% or \$50,000.



**AGRICULTURAL PRODUCE COMMISSION****Notes to the financial statements**

for the year ended 30 June 2015

**Note 21: Explanatory Statement (continued)****Significant Variances between Budget and Actual for 2014/15****Statement of Comprehensive Income**

for the year ended 30 June 2015

		<b>Actual</b>	<b>Budget Estimate</b>	<b>Variance</b>
<b>NET COST OF SERVICES</b>				
<b>Expenses-Commission</b>				
Department of Agriculture and Food contracted services - administration		141,096	145,027	(3,931)
Employee benefits expense		85,362	92,646	(7,284)
Other expenses		159,722	162,350	(2,628)
<b>Expenses-Producers' Committees</b>	1	-	2,694,555	(2,694,555)
<b>Total cost of services</b>		<b>386,180</b>	<b>3,094,578</b>	<b>(2,708,398)</b>
<b>Income</b>				
<i>Revenue</i>				
User charges and fees	2	-	2,582,900	(2,582,900)
Grants	3	-	229,000	(229,000)
Administration charge Producers' Committees		264,383	-	264,383
Other revenue	4	-	22,653	(22,653)
Contributions		26,836	26,458	378
Interest revenue	5	5,867	204,129	(198,262)
<b>Total Revenue</b>		<b>297,086</b>	<b>3,065,140</b>	<b>(2,768,054)</b>
<b>Total income other than income from State Government</b>		<b>297,086</b>	<b>3,065,140</b>	<b>(2,768,054)</b>
<b>NET COST OF SERVICES</b>		<b>89,094</b>	<b>29,438</b>	<b>(59,656)</b>
<b>Income from State Government</b>				
Services received free of charge		70,859	65,000	5,859
<b>Total income from State Government</b>		<b>70,859</b>	<b>65,000</b>	<b>5,859</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(18,235)</b>	<b>35,562</b>	<b>(53,797)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(18,235)</b>	<b>35,562</b>	<b>(53,797)</b>

- Expenses-Producer's Committees - decrease \$2,694,555. Due to the restatement of the financial statements, Producers' Committees expenses are no longer included in the Commission accounts.
- User Charges and Fees - decrease \$2,582,900. Due to the restatement of the financial statement user charges and fees, which is revenue collected by the Producers' Committee, is no longer included in the Commission accounts.
- Grants - decrease \$229,000. Due to the restatement of the financial statements grant revenue, which is collected by Producers' Committees, is no longer included in the Commission accounts.
- Other Revenue - increase \$241,730. Other revenue consists of the administration charge received by the Commission from Producers' Committees. This revenue was previously consolidated out of the financial statements.
- Interest revenue - decrease \$198,262. Due to the restatement of the financial statements only interest earned on Commission funds is included in the Commission accounts. Interest earned on Producers' Committees funds is no longer included.

**AGRICULTURAL PRODUCE COMMISSION**  
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**Note 21: Explanatory Statement (continued)**

**Significant Variances between Actual 2015 and Actual 2014**

<b>Statement of Comprehensive Income</b> <i>for the year ended 30 June 2015</i>	<b>2015</b>	<b>2014</b>	<b>Variance</b>
<b>NET COST OF SERVICES</b>			
<b>Expenses-Commission</b>			
Department of Agriculture and Food contracted services - administration	141,096	132,653	8,443
Employee benefits expense	1	85,362	104,060
Other expenses	159,722	148,588	11,134
<b>Total cost of services</b>	<b>386,180</b>	<b>385,301</b>	<b>879</b>
<b>Income</b>			
<i>Revenue</i>			
Administration charge Producers' Committees	264,383	254,381	10,002
Contributions	26,836	26,141	695
Interest revenue	2	5,867	8,401
<b>Total Revenue</b>	<b>297,086</b>	<b>288,923</b>	<b>8,163</b>
<b>Total income other than income from State Government</b>	<b>297,086</b>	<b>288,923</b>	<b>8,163</b>
<b>NET COST OF SERVICES</b>	<b>89,094</b>	<b>96,378</b>	<b>(7,284)</b>
<b>Income from State Government</b>			
Services received free of charge	70,859	65,456	5,403
<b>Total income from State Government</b>	<b>70,859</b>	<b>65,456</b>	<b>5,403</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(18,235)</b>	<b>(30,922)</b>	<b>12,687</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(18,235)</b>	<b>(30,922)</b>	<b>12,687</b>

1. Employee benefits expense - decrease \$18,698. Due to the reduction in the provision for leave.
2. Interest revenue - decrease \$2,534. Due to lower cash balance and reduction in interest rates during the year.

# AGRICULTURAL PRODUCE COMMISSION

## Notes to the financial statements

for the year ended 30 June 2015

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### Note 22: Restatement of financials for presentation of Producers' Committees

Previously the financial statements of the Agricultural Produce Commission included the Producers' Committees. On reviewing the APC Act 1988, it has been agreed with Treasury, on 26 June 2015, that the funds of Producers' Committees are in fact monies held on Trust in accordance with the Financial Management Act 2006. Therefore, the financial statements for APC have been restated in 2015, to present only the operations of the Commission itself. The Producers' Committees are disclosed in the notes to the financial statements as monies held in Trust. Please refer note 19 for the details of the Producers' Committees.

#### Statement of financial position

	2014		
	As previously reported	Adjustments	Restated
	\$	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	8,127,858	(8,015,220)	112,638
Receivables	393,113	(369,617)	23,496
Other current assets	57,782	(55,878)	1,904
<b>Total current assets</b>	<b>8,578,753</b>	<b>(8,440,715)</b>	<b>138,038</b>
<b>Total assets</b>	<b>8,578,753</b>	<b>(8,440,715)</b>	<b>138,038</b>
<b>Current liabilities</b>			
Payables	169,743	(106,009)	63,734
Provisions	15,619	-	15,619
<b>Total current liabilities</b>	<b>185,362</b>	<b>(106,009)</b>	<b>79,353</b>
<b>Non-current liabilities</b>			
Provisions	16,135	(4,238)	11,897
<b>Total non-current liabilities</b>	<b>16,135</b>	<b>(4,238)</b>	<b>11,897</b>
<b>Total liabilities</b>	<b>201,497</b>	<b>(110,247)</b>	<b>91,250</b>
<b>Total net assets</b>	<b>8,377,256</b>	<b>(8,330,468)</b>	<b>46,788</b>
<b>Equity</b>			
Contributed equity	3,682,697	(3,682,697)	-
Accumulated surplus/(deficit)	4,694,559	(4,652,009)	42,550
<b>Total equity</b>	<b>8,377,256</b>	<b>(8,334,706)</b>	<b>42,550</b>

**AGRICULTURAL PRODUCE COMMISSION****Notes to the financial statements**for the year ended 30 June 2015

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**Note 22: Restatement of financials for presentation of Producers' Committees  
(continued)****Statement of financial position**

	<b>2013</b>		
	<b>As previously reported</b>	<b>Adjustments</b>	<b>Restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents	8,098,686	(7,879,143)	219,543
Receivables	453,225	(375,866)	77,359
Other current assets	67,457	(65,446)	2,011
<b>Total current assets</b>	<b>8,619,368</b>	<b>(8,320,455)</b>	<b>298,913</b>
<b>Total assets</b>	<b>8,619,368</b>	<b>(8,320,455)</b>	<b>298,913</b>
<b>Current liabilities</b>			
Payables	295,824	(110,854)	184,970
Provisions	28,574	-	28,574
<b>Total current liabilities</b>	<b>324,398</b>	<b>(110,854)</b>	<b>213,544</b>
<b>Non-current liabilities</b>			
Provisions	11,897	-	11,897
<b>Total non-current liabilities</b>	<b>11,897</b>	<b>-</b>	<b>11,897</b>
<b>Total liabilities</b>	<b>336,295</b>	<b>(110,854)</b>	<b>225,441</b>
<b>Total net assets</b>	<b>8,283,073</b>	<b>(8,209,601)</b>	<b>73,472</b>
<b>Equity</b>			
Contributed equity	3,682,697	(3,682,697)	-
Accumulated surplus/(deficit)	4,600,376	(4,526,904)	73,472
<b>Total equity</b>	<b>8,283,073</b>	<b>(8,209,601)</b>	<b>73,472</b>

**AGRICULTURAL PRODUCE COMMISSION****Notes to the financial statements**

for the year ended 30 June 2015

**Note 22: Restatement of financials for presentation of Producers' Committees (continued)**

Statement of comprehensive income	As previously reported	2014	
		Adjustments	Restated
	\$	\$	\$
<b>Expenses-Commission</b>	385,300	1	385,301
<b>Expenses-Producers' Committees</b>			
Compensation payments	-	-	-
Promotion, publicity and advertising	52,154	(52,154)	-
Professional services	60,727	(60,727)	-
Research and development	1,158,156	(1,158,156)	-
Grant funding	929,400	(929,400)	-
Board fees	30,298	(30,298)	-
Wages, salaries and mileage	356,898	(356,898)	-
Management consulting	59,616	(59,616)	-
Other	87,164	(87,164)	-
<b>Total cost of services</b>	<b>3,119,713</b>	<b>(2,734,412)</b>	<b>385,301</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	2,628,159	(2,628,159)	-
Grants	186,942	(186,942)	-
Administration charge Producers' Committees	-	254,381	254,381
Other revenue	76,762	(76,762)	-
Contributions	26,141	-	26,141
Interest revenue	230,436	(222,035)	8,401
<b>Total Revenue</b>	<b>3,148,440</b>	<b>(2,859,517)</b>	<b>288,923</b>
<b>Total income other than income from State Government</b>	<b>3,148,440</b>	<b>(2,859,517)</b>	<b>288,923</b>
<b>NET COST OF SERVICES</b>	<b>(28,727)</b>	<b>125,105</b>	<b>96,378</b>
<b>Income from State Government</b>			
Services received free of charge	65,456	-	65,456
<b>Total income from State Government</b>	<b>65,456</b>	<b>-</b>	<b>65,456</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>94,183</b>	<b>(125,105)</b>	<b>(30,922)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>94,183</b>	<b>(125,105)</b>	<b>(30,922)</b>

**AGRICULTURAL PRODUCE COMMISSION****Notes to the financial statements**

for the year ended 30 June 2015

**Note 22: Restatement of financials for presentation of Producers' Committees (continued)**

Statement of comprehensive income	As previously reported	2013	
		Adjustments	Restated
		\$	\$
<b>Expenses-Commission</b>	390,437	29,060	419,497
<b>Expenses-Producers' Committees</b>			
Compensation payments	842,375	(842,375)	-
Promotion, publicity and advertising	73,938	(73,938)	-
Professional services	111,642	(111,642)	-
Research and development	1,080,114	(1,080,114)	-
Grant funding	1,530,500	(1,530,500)	-
Board fees	45,294	(45,294)	-
Wages, salaries and mileage	420,755	(420,755)	-
Management consulting	65,046	(65,046)	-
Other	133,803	(133,803)	-
<b>Total cost of services</b>	<b>4,693,904</b>	<b>(4,274,407)</b>	<b>419,497</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	3,105,422	(3,105,422)	-
Grants	126,775	(98,016)	28,759
Administration charge Producers' Committees	-	235,740	235,740
Other revenue	306,086	(306,086)	-
Contributions	23,703	(23,703)	-
Interest revenue	302,547	(292,127)	10,420
<b>Total Revenue</b>	<b>3,864,533</b>	<b>(3,589,614)</b>	<b>274,919</b>
<b>Total income other than income from State Government</b>	<b>3,864,533</b>	<b>(3,589,614)</b>	<b>274,919</b>
<b>NET COST OF SERVICES</b>	<b>829,371</b>	<b>(684,793)</b>	<b>144,578</b>
<b>Income from State Government</b>			
Services received free of charge	62,934	-	62,934
<b>Total income from State Government</b>	<b>62,934</b>	<b>-</b>	<b>62,934</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(766,437)</b>	<b>684,793</b>	<b>(81,644)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(766,437)</b>	<b>684,793</b>	<b>(81,644)</b>

# AGRICULTURAL PRODUCE COMMISSION

## CERTIFICATION OF KEY PERFORMANCE INDICATORS

For year ended 30 June 2015

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 2015.

**William Ryan**

Chairman  
Agricultural Produce Commission



**Date:** 15 September 2015

**Graeme Robertson**

Member  
Agricultural Produce Commission



**Date:** 15 September 2015

**AGRICULTURAL PRODUCE COMMISSION  
KEY PERFORMANCE INDICATORS 2015**

**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 INDICATOR**

**Key Performance Indicator 1**

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

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.

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 set out in the APC Act.

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

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

APC PRODUCERS' COMMITTEES	Target	2015	2014
Overall satisfaction rating	85%	99%	98%

	2014/15	2013/14
Total Committees Surveyed	10	10
Total Members Surveyed	58	55
Total Responses Received	26	30
<b>Percentage Response Rate</b>	<b>45%</b>	<b>54%</b>



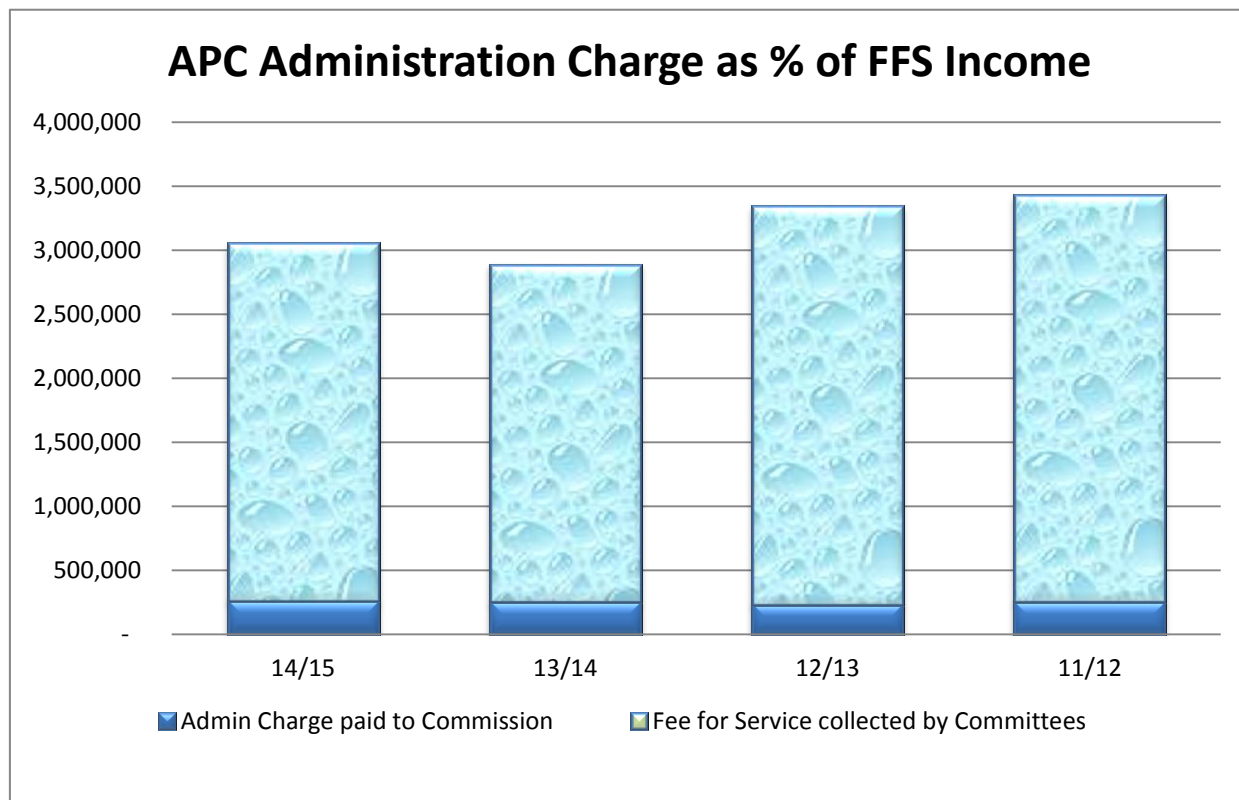
## EFFICIENCY INDICATOR

### 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%.**



	14/15	13/14	12/13	11/12
<b>Admin Charge paid to Commission</b>	264,383	254,381	235,740	255,420
<b>Fee for Service collected by Committees</b>	2,781,574	2,628,159	3,105,422	3,170,696
<b>Admin Charge as % of FFS Income</b>	9.50%	9.68%	7.59%	8.06%

In the year under review the Commission met the set target, with an overall charge of 9.5% of FFS income.

This constitutes a slight decrease over the 2013/14 financial year, mainly attributable to the Commission costs remaining constant, and a small increase in Fee for Service revenue.



***Encouraging Producer Initiative***