

**THE POTATO GROWING INDUSTRY
TRUST FUND
ADVISORY COMMITTEE**

ANNUAL REPORT

FOR THE YEAR ENDED, 30 JUNE 2003

**Sort Bin 3, 3 Baron-Hay Court
SOUTH PERTH WA 6151**

**Phone: 9368 3127
Fax: 9368 3128**

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- B. List of research projects funded from 1976/77 to 2002/2003
- C. Copy of Trust Statement

Attachment:

- (i) Performance Indicators
- (ii) Statement of Compliance
- (iii) Financial Statements
- (iv) Income and Expenditure Estimates for fiscal year 2002/2003
- (v) Independent Audit Opinion

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

The Potato Growing Industry Trust Fund Advisory Committee was established by the Potato Growing Industry Trust Fund Act 1947, and is responsible to the Minister for Primary Industry.

This report covers the year ended 30 June 2003 and has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

1. Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows

The Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows are attached (See Attachments ii. & iii.).

Total Income and Expenditure figures for the period 1991/1992 to 2002/2003 are given in Appendix A.

The Trust Fund net assets balance as at 30 June 2003 was \$26,463 which is \$49,173 less than the balance of \$75,636 at 30 June 2002.

2. Annual Estimates of Income and Expenditure

In accordance with Section 42 of the Financial Administration and Audit Act 1985, the annual estimates of the financial operations of the Trust Fund for the year ended 30 June 2003, were submitted by the Potato Growing Industry Trust Fund Advisory Committee to the Minister for Primary Industry; Fisheries (See Attachment iv.).

3. Income

Income for the period totalled \$2,754 consisting of:

Potato grower contributions	\$0
Interest on investment	\$2,448
Resources received free of charge	\$306

4. Potato Grower Contributions

The Potato growers contributions at the rate of 0.5 per cent of growers' gross proceeds from the sale of potatoes with the approval of the Minister was suspended on the 31 July 2001, therefore no contributions were received in the period under review..

5. Investments

The Treasury invests surplus Trust Fund money. The weighted average effective interest rate for the 2002/2003 financial year was 4.78%. The opening balance at Treasury on 1 July 2002 was \$78,351 and the closing balance at 30 June 2003 was \$27,851.

6. The Potato Growers' Association of Western Australia (Inc.)

In accordance with the motion approved at the meeting of the Trust held on 9 July 1998 the collection of levies to fund the Potato Growers' Association of Western Australia (Inc.) are now performed by fee for service collected by the Agricultural Produce Commission. The Potato Growing Industry Trust Fund Act is awaiting repeal.

7. Grant Allocations

During the year under review the Potato Growing Industry Trust Fund did not support any research projects. All research funding is now provided by the Agricultural Produce Commission.

8. Progress Reports on Projects

No project reports were submitted to the Potato Growing Industry Trust Fund Committee.

9. Trust statement

The Trust Statement sets out the constraints applied by the Potato Growing Industry Trust Fund Act and the Financial Administration and Audit Act 1985 and the Acts Amendment (Financial Administration and Audit) Act 1985. A copy of the Trust Statement is at **Appendix C**.

10. Meetings

The Potato Growing Industry Trust Fund Advisory Committee meets as necessary. During the year under review members of the Trust met on the following dates:

No.	Meeting held on:	Attendance: Trust Members	Invited Visitors
1	21 August 2002	J.P. Gallagher (Trust Chairperson) D.P. Della Vedova (Member)	Executive Officer PGA: J. Turley
2	14 May 2003	J.P. Gallagher H.H. Russell	Executive Officer PGA: J. Turley

The Trust meetings were conducted by teleconference.

The issues dealt with by Members of the Trust included budget estimates and ongoing arrangements.

10.1 141st meeting held on 21 August 2002

The meeting considered: **Annual Report, Financial Statements and Performance Indicators for fiscal year 2000/2001** – Annual Report incorporating unaudited Financial Statements and Performance Indicators were approved and forwarded to the Minister.

10.2 142nd Meeting held on 14 May 2003

Budget for fiscal year 2003/2004 – The Budget for 2003/2004 provided for ongoing Trust administration expenses, including cost to repeal the Act. Budget was approved and forwarded to the Minister.

11. Committee

Appointment of Committee

The Potato Growing Industry Trust Fund Advisory Committee consists of three members.

One member is an officer of the Department of Agriculture and is nominated by the Minister and appointed to the Committee as per Section 6 of the Potato Growing Industry Trust Fund Act, holding office during the pleasure of the Governor.

There are two elective members who are commercial producers and who are elected by their peers. These elective members are elected for three-year term of office.

As allowed under Section 12 of the Act, the Minister appointed a Department of Agriculture officer to act as Committee Deputy Chairman. In the event of illness or absence of the Chairman, the Deputy has all his powers. The Deputy holds office during the pleasure of the Governor.

The present committee consists of:

Committee Member	Expiry Date
Mr. J.P. Gallagher Chairman and Departmental Representative	At the Governor's Pleasure.
Mr. D.R. Phillips Deputy Chairman and Departmental Representative	At the Governor's Pleasure.
Mr. D.P. Della Vedova Growers Representative (Appointment Gazetted 7 Nov 2000)	30 September 2003
Mr. H.H. Russell Growers Representative (Appointment Gazetted 7 Nov 2000)	30 September 2003

12. Administration

The Accountant, Department of Agriculture, was the Principal Accounting officer for the period under review.

13. 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 Potato Growing Industry Trust Fund Committee reports that during the 2002/2003 financial year, the Trust incurred expenditure was nil.

14. Events Occurring After Balance Date

There were no other events that affected the Potato Growing Industry Trust Fund after the balance date.

Appendix:

- A. Table of Income & Expenditure figures for 1991/92 to 2002/03
- B. List of Research Projects funded from 1976/77 to 2002/2003
- C. Copy of Trust Statement

APPENDIX "A"

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
INCOME/EXPENDITURE FOR THE PERIOD 1992/93 TO 2002/03

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
INCOME	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Levies	136,268	165,651	156,328	148,772	177,063	155,644	171,687	150,150	127,950	143,102	38,503	0
Interest	24,100	13,825	6,514	9,213	12,132	10,967	19,140	17,104	16,353	12,772	4,082	2,448
Research Grant Allocation	3,560											
Research Grant Refund												
General revenue								2,898	2,409	2,768	867	306
Other	2,195											
TOTAL INCOME	166,123	179,476	162,842	157,985	189,195	166,611	190,827	170,152	146,712	158,642	43,452	2,754
EXPENDITURE												
Administration	13,003	7,985	7,196	8,653	9,196	6,775	16,396	15,015	16,926	6,187	2,058	427
Board fees		432	432	108				356	362			
Meeting expenses		1,058	1,464	310				1,507	1,755	596		
Research	128,892	139,061	143,452	74,011	2,200	10,189	41,893	71,359	82,750	77,000		
Potato Growers' Assoc.	79,423	79,221	88,820	89,512	90,169	90,564	91,256	100,187	105,406	138,060		
Appointment of Trust grower members										1,156		
Transferred to APC**										100,000	110,000	50,000
Audit fees		1,700	1,700	1,600	1,700	1,700	1,800*	*		2,250	3,000	1,500
TOTAL EXPEND.	221,318	229,457	243,064	174,194	103,265	109,228	151,345	188,424	207,199	325,249	115,058	51,927
SURPLUS/(DEFICIT)	-55,195	-49,981	-80,222	-16,209	85,930	57,383	39,482	-21,170	-60,488	-166,607	-71,606	-49,173
BALANCE IN FUND	359,132	307,651	228,929	212,721	298,651	356,034	395,516	374,346	313,858	147,242	75,636	26,463

* Audit fees are included in the Administration costs

** Agricultural Produce Commission

APPENDIX B

**THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
LIST OF RESEARCH PROJECTS FUNDED FROM 1976/77 TO 2002/03**

Year	Research Project	Amount	Yearly Total
		\$	\$
1976/77	Feasibility study into the marketing and processing of potatoes in WA by PA Management Consultants P/L West Perth	15,572	15,572
1977/78	Potato Marketing Board-Promotion	5,000	5,000
1978/79	Feasibility of a local french fry potato processing plant for the Potato Marketing Board.	1,534	1,534
1979/80	Pathogen tested seed - Potato propagation	8,000	8,000
1980/81	Pathogen tested seed - Potato propagation, Eastern States visit by Dr. K Sivasithanparamparam.	8,000 1,187	9,187
1981/82	Pathogen tested seed - Potato propagation	8,000	8,000
1982/83	Plant pathology congress - E. Carter Potato propagation research - casual labour to assist the Agency's technical & professional staff during 1982/83 trials. Dept. Agriculture - Propagation trials 1982/83 Deficit for growers' workshop - Manjimup	900 4,169 1,608 1,000	7,677
1983/84	Half cost of frozen french fry pre-feasibility study Dept. Agriculture - Potato Propagation trial 1983/84 Potato storage trial Proposed overseas trip by Miss Savage of the UWA on Erwinia research White fringed weevil research Black beetle research	7,605 15,221 1,995 3,332 2,600 3,000	33,753
1984/85	Control of blackleg disease of potatoes White fringed weevil research Black beetle research ANPIC - Traveling Potato rapid propagation	5,697 2,600 3,000 825 1,088	13,210
1985/86	White fringed weevil research Black beetle research Potato cultivars for export Potatoes for processing	3,253 2,619 5,404 3,669	14,945

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
		\$	\$
1986/87	Control of black beetle in potatoes	163	
	White fringed weevil research	2,286	
	Control of Rhizoctonia damage in potatoes	1,118	
	Potatoes for processing	8,084	
	Potato rapid propagation	1,500	
	Potato cultivars for export	7,633	20,784
1987/88	Control of important potato virus diseases	7,717	
	White fringed weevil research	1,649	
	Protection stored tubers	1,850	
	Control of black beetle in potatoes	266	
	White fringed weevil trials	920	
	Potato cultivars for export	5,140	
	Soil insect pests of potatoes	19,483	
	Potatoes for processing	12,549	
	Control Rhizoctonia damage in potatoes	2,386	51,960
1988/89	Control of important potato virus disease	9,675	
	Potato cultivars for export	5,084	
	Potatoes for processing	12,711	
	Control Rhizoctonia damage in potatoes	3,303	
	Soil insect pests of potatoes	51,900	
	Travel grant - P. Regal	1,299	83,972
1989/90	Control of important potato virus diseases	7,810	
	Yield and quality effects of post-planting effect of N & P to potatoes	2,400	
	Potato irrigation	25,000	
	Potato variety evaluation for local, export and processing markets in WA	15,597	
	Seed potato industry (Aphid Monitoring)	6,960	
	Soil insect pests of potatoes	50,896	
	Evaluation of blight control chemicals	972	109,635
1990/91	Control of important potato virus diseases	12,763	
	Yield and quality effects of post-planting effect of N & P to potatoes	3,685	
	Potato irrigation	20,877	
	Potato variety evaluation for local, export and processing markets in WA	16,886	
	Seed potato industry (Aphid Monitoring)	8,305	
	Soil insect pests of potatoes	48,054	
	Rapid multiplication of PCN resistant varieties of pots.	4,826	115,396

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
		\$	\$
1991/92	Control of important potato virus diseases	4,590	
	Potato irrigation	21,558	
	Potato variety evaluation for local, export and processing markets in WA	16,282	
	Seed potato industry (Aphid Monitoring)	9,288	
	Soil insect pests of potatoes	59,357	
	Management of cadmium levels in potatoes & other vegetables	14,400	
	Travel grant - J Matthiessen. Attendance at international conference on potato pest management, USA	1,167	
	Rapid multiplication of PCN resistant varieties of pots.	3,560	
	Evaluation of blight control chemicals	650	130,852
1992/93	Soil insect pests of potatoes	53,521	
	Travel grants - Soil Insect Pests of potatoes	1,761	
	Management of cadmium levels in potatoes & other vegetables	14,304	
	Phosphate, nitrogen & irrigation management in pots.	55,682	
	Potato variety evaluation for local, export and processing markets in WA	10,893	
	Rapid multiplication of PCN resistant varieties of pots.	2,900	139,061
1993/94	Soil insect pests of potatoes	56,075	
	Management of cadmium levels in potatoes & other vegetables	14,929	
	Phosphate, nitrogen & irrigation management in pots.	57,348	
	Potato variety evaluation.	10,193	
	Rapid multiplication of PCN resistant varieties of pots.	404	
Seed Certification workshop	4,503	143,452	
1994/95	Improvement of potato cv Delaware by genetic engineering for resistance to PVX and PVS	9,561	
	Phosphate, nitrogen and irrigation management in potato	64,450	74,011
1995/96	Travel grant - J Matthiessen. Attendance at international conference on potato pest management, USA	2,200	2,200
1996/97	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	8,189	
	Potato Seminar - D Phillips	2,000	10,189
1997/98	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	11,453	
	Aphid monitoring and potato leaf roll research.	7,500	
	Potato variety development in WA	12,000	
	Testing potato virus in certified crops	9,940	
	Visit by South African researcher	1,000	41,893

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
1998/99	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	\$ 11,859	\$ 71,359
	Potato variety development	42,000	
	Testing potato virus in certified crops	10,000	
	Develop IPM strategy (HEDC)	7,500	
	(include video development?)		
1999/2000	Early generation export seed varieties	12,500	\$ 82,750
	Seed potato virus testing in certified crops	20,000	
	Commercial impact of early new varieties	42,000	
	Aphid monitoring video development	6,150	
	Travel Grant – Australian Potato Research Conference	2,100	
2000/2001	Potato variety development	42,000	\$ 77,000
	See potato virus monitoring	22,500	
	Aphid monitoring video	10,000	
	Travel grant British Crop Protection Conference	2,500	
2001/2002	<i>Trust research funding ceased – Expenditure for industry research now provided by Agricultural Produce Commission</i>		0.00
2002/2003	<i>No Trust research funding – Expenditure for industry research provided by Agricultural Produce Commission</i>		0.00
Total Research Funding for the Period 1976/1977 to 2002/2003:			\$1,271,392

APPENDIX C

THE POTATO GROWING INDUSTRY TRUST FUND
ADVISORY COMMITTEE

TRUST STATEMENT NO.45/87

NAME	An account called The Potato Growing Industry Trust Fund Account shall be maintained as a Governmental Operating and-Trust Account at the Treasury.
PURPOSE	To hold funds in accordance with section 19(2) of the Potato Growing Industry Trust Fund Act (the Act), for the purposes of administering the Fund in accordance with section 22 of the Act.
RECEIPTS	<p>The funds credited to the Account shall comprise such moneys received for the purpose of the Account as are:</p> <ul style="list-style-type: none">(i) provided in accordance with section 19(3) of the. Act; and(ii) interest earned on the investment of funds in the Account in accordance with section 20 of the Act.
PAYMENTS	The funds in the Account shall be applied in accordance with section 22 of the Act.
ADHINISTRATION OF ACCOUNT	<p>The Account shall be administered by the Potato Growing Industry Trust Fund Advisory Committee (the Committee) in accordance with:</p> <ul style="list-style-type: none">(i) the Potato Growing Industry Trust Fund Act; and(ii) the Financial Administration and Audit Act, Financial Administration Regulations and Treasurer's Instructions.

ACCOUNTING
RECORDS

There shall be maintained by the Committee a detailed record of transactions processed through the Account, together with such other accounting records and procedures as are prescribed in the accounting manual.

FINANCIAL
STATEMENT

The Committee shall cause to be prepared such financial statements together with supplementary information, as are required to be prepared by statutory authorities in accordance with the requirements of the Financial Administration and Audit Act and Treasurer's Instructions.

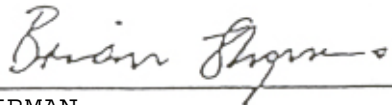
INVESTMENT
OF FUNDS

Moneys standing to the credit of the Account may be invested in accordance with:

- (i) section 20 of the Potato Growing Industry Trust Fund Act; and
- (ii) section 40(a) of the Financial Administration and Audit Act.

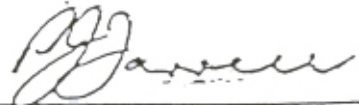
We have examined and agree to the provisions of this Trust Statement.

Approved



CHAIRMAN
THE POTATO GROWING INDUSTRY
TRUST FOND ADVISORY CCOMMITTEE

DATE 7/9/87



Assistant Under Treasurer

DATE 2 NOV 1987



MEMBER
DATE 1-9-87

Attachments:

- (i.) Performance Indicators
- (ii.) Statement of Compliance
- (iii.) Financial Statements
- (iv.) Income and Expenditure
Estimates for fiscal year
2002/2003
- (v.) Auditor-General Opinion

Attachment (i)

**THE POTATO GROWING INDUSTRY TRUST FUND
ADVISORY COMMITTEE**

PERFORMANCE INDICATORS

For the year ended 30 June 2003

Following a review of the Potato Growing Industry Trust Fund Act 1947 it was decided to transfer the functions of the Act to the Agricultural Produce Commission. The collection of levies ceased on 31 July 2001 and no funding was provided to Potato Growers' Association nor for research projects.

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

Given that the functions of the Act are suspended and the legislation is waiting to be repealed the Committee resolved at the meeting of the Trust held on 27 May 2002 that it was inappropriate to complete Performance Indicators for the fiscal year ended 30 June 2002 and this was re-confirmed for the fiscal year ended 30 June 2003.

J. P. Gallagher
CHAIRMAN

J. P. Gallagher

Date: 20 August 2003

H. H. Russell
COMMITTEE MEMBER

H. H. Russell

Date: 20 August 2003

Attachment (ii)

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

STATEMENT OF COMPLIANCE

For the year ended 30th June 2003

Hon Kim Chance MLC
Minister for Agriculture, Forestry and Fisheries.

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of The Potato Growing Industry Trust Fund Advisory Committee for the financial year ended 30 June 2003.

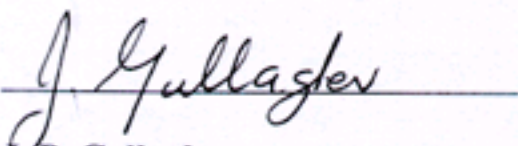
The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985 and;

Enabling Legislation

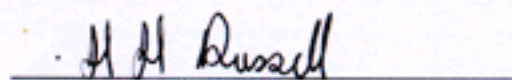
The Potato Growing Industry Trust Fund Advisory Committee is established under the Potato Growing Industry Trust Fund Act 1947 and;

Legislation impacting on the Board's activities

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



J. P. Gallagher
Chairman of Accountable Authority
Date: 20 August 2003



H. H. Russell
Member of Accountable Authority
Date: 20 August 2003

Attachment (iii)

**THE POTATO GROWING INDUSTRY TRUST FUND
ADVISORY COMMITTEE**

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2003

The accompanying financial statements of The Potato Growing Industry Trust Fund Advisory Committee have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2003 and the financial position as at 30 June 2003.

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.

J. P. Gallagher
Chairman of Accountable Authority

J. Gallagher

Date: 20 August 2003

H. H. Russell
Member of Accountable Authority

H. H. Russell

Date: 20 August 2003

Ron Lucas
Principal Accounting Officer

Ron Lucas

Date: 20-08-03

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
Statement of Financial Performance
for the year ended 30 June 2003

	Notes	2003 \$	2002 \$
COST OF SERVICES			
Expenses from ordinary activities			
Administration Expenses	2	1,927	5,058
Total cost of services		<u>1,927</u>	<u>5,058</u>
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Growers' contributions		-	38,503
<i>Revenue from non-operating activities</i>			
Interest revenue	3	<u>2,448</u>	<u>4,082</u>
Total revenues from ordinary activities		<u>2,448</u>	<u>42,585</u>
NET COST OF SERVICES		<u>521</u>	<u>37,527</u>
REVENUES FROM STATE GOVERNMENT			
Resources received free of charge	5	306	867
Assets assumed/(transferred)		<u>(50,000)</u>	<u>(110,000)</u>
Total revenues from State Government		<u>(49,694)</u>	<u>(109,133)</u>
CHANGE IN NET ASSETS		<u>(49,173)</u>	<u>(71,606)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		<u>(49,173)</u>	<u>(71,606)</u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
STATEMENT OF FINANCIAL POSITION

as at 30 June 2003

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	4(a)	27,851	78,351
Accrued interest		112	285
Total current assets		<u>27,963</u>	<u>78,636</u>
Total Assets		<u>27,963</u>	<u>78,636</u>
CURRENT LIABILITIES			
Payables		1,500	3,000
Total current liabilities		<u>1,500</u>	<u>3,000</u>
Total liabilities		<u>1,500</u>	<u>3,000</u>
NET ASSETS		<u>26,463</u>	<u>75,636</u>
EQUITY			
Accumulated surplus	12	26,463	75,636
TOTAL EQUITY		<u>26,463</u>	<u>75,636</u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
STATEMENT OF CASH FLOWS
for the year ended 30 June 2003

	Notes	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to creditors		(3,121)	(7,015)
Receipts			
Receipts from growers		-	38,503
Interest received		2,621	4,662
Net cash provided by/(used in) operating activities	4(b)	<u>(500)</u>	<u>36,150</u>
Net increase/(decrease) in cash held		(500)	36,150
Cash assets at the beginning of the financial year		78,351	152,201
Cash transferred to other source		(50,000)	(110,000)
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	4(a)	<u><u>27,851</u></u>	<u><u>78,351</u></u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2003

1 Statement of accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure format and wording. The Financial Administration and Audit Act and Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

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

(a) Revenue

On the 1st August 2001 contributions by potato producers under Section 21 of the Potato Growing Industry Trust Fund Act, 1947-1973 was suspended. Funds are now being collected from potato producers by the Agricultural Produce Commission.

(b) Administration expense

The Potato Growing Industry Trust Fund Advisory Committee pays the Department of Agriculture for administrative support.

(c) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

(d) Payables

Payables, including accruals not yet billed, are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(e) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(f) Resources received free of charge or for nominal value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(g) Goods and Services Tax

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

(h) Comparative Figures

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

(i) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.



THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2003

	2003 \$	2002 \$
2 Administration Expenses		
Auditor's remuneration	1,500	3,000
Resources received free of charge	306	867
Administration expenses	121	1,191
	<u>1,927</u>	<u>5,058</u>
3 Interest		
Funds held in trust accounts at the Commonwealth Bank are invested by the bank on the short term money market. Interest earned on these funds is credited by the bank to the Trusts account.	<u>2,448</u>	<u>4,082</u>
4 Notes to the Statement of Cash Flows		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash assets	<u>27,851</u>	<u>78,351</u>
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities.		
Net cost of services	521	37,527
Non-cash items:		
Resources received free of charge	306	867
(increase)/decrease in assets		
Accrued interest	173	580
Increase / (decrease) in liabilities		
Payables	(1,500)	(2,824)
Net cash provided by/(used in) operating activities	<u>(500)</u>	<u>36,150</u>
5 Revenues (to) / from State Government		
Resources received free of charge has been determined on the basis of the following estimates provided by agencies.		
Department of Agriculture - corporate support	<u>306</u>	<u>867</u>
The following assets have been assumed / (transferred) to the Agricultural Produce Commission.		
- cash at bank	<u>50,000</u>	<u>110,000</u>
6 Remuneration of members of the accountable authority		
The number of Members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year, fall within the following bands:		
\$		
0- \$10,000	2	2
The total remuneration of the members of the accountable Authority is:	<u>-</u>	<u>-</u>
No members of the Accountable Authority are members of the pension scheme.		



THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2003

2003
\$ **2002**
\$

7 Contingent liabilities

There were no contingent liabilities that would affect The Potato Growing Industry Trust Fund Advisory Committee.

8 Events occurring after reporting date

There were no significant events that occurred after reporting date.

9 Related bodies

There are no related bodies with The Potato Growing Industry Trust Fund Advisory Committee.

10 Affiliated bodies

There are no affiliated bodies with The Potato Growing Industry Trust Advisory Committee.

11 Supplementary financial information

There were no write-offs, losses or gifts during the financial year 2002/2003.

12 Equity

Accumulated surplus/(deficiency)

Opening Balance	75,636	147,242
Change in net assets	(49,173)	(71,606)
Closing Balance	26,463	75,636

13 Commitments for expenditure

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

14 Financial Instruments

(a) Interest Rate Risk Exposure

The following table details the Trusts exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2003	%	\$	\$	\$
Financial Assets				
Cash assets	4.78%	27,851	-	27,851
Receivables		-	112	112
Total financial assets		27,851	112	27,963
Financial Liabilities				
Payables		-	1,500	1,500
Total financial liabilities		-	1,500	1,500
2002				
Financial Assets	4.64%	78,351	285	78,636
Financial Liabilities		-	3,000	3,000

Net Fair Values

(b) The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.



THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2003

15 Explanatory Statements

2003 Budget Versus 2003 Actual and 2003 Actual Versus 2002 Actual

	Budget 2003	Actual 2003	Variance Between 2003 Budget & 2003 Actual	Note	Actual 2002	Variance Between 2002 Actual & 2003 Actual	Note
	\$	\$	\$		\$	\$	
COST OF SERVICES							
Expenses from ordinary activities							
Administration	29,351	1,927	(27,424)	1	5,058	(3,131)	3
Total expenses from ordinary activities	<u>29,351</u>	<u>1,927</u>	<u>(27,424)</u>		<u>5,058</u>	<u>(3,131)</u>	
Revenues from ordinary activities							
Growers' contributions	-	-	-		38,503	(38,503)	4
Interest received	1,000	2,448	1,448	2	4,082	(1,634)	5
Total revenues from ordinary activities	<u>1,000</u>	<u>2,448</u>	<u>1,448</u>		<u>42,585</u>	<u>(40,137)</u>	
Net Costs of Services	<u>(28,351)</u>	<u>521</u>	<u>28,872</u>		<u>37,527</u>	<u>(37,006)</u>	
Revenue from State Government							
Resources received free of charge	-	306	306		867	(561)	
Assets assumed/(transferred)	(50,000)	(50,000)	-		(110,000)	60,000	6
Total revenues from State Government	<u>(50,000)</u>	<u>(49,694)</u>	<u>306.0</u>		<u>(109,133)</u>	<u>59,439</u>	
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>(78,351)</u>	<u>(49,173)</u>	<u>29,178</u>		<u>(71,606)</u>	<u>22,433</u>	

Explanation of significant variances between 2003 budget versus 2003 actual and 2003 actual versus 2002 actual

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$10,000

Budget 2003 versus Actual 2003

- As the Act has not yet been repealed the anticipated expenditure for this process was not incurred. This is now expected to occur in the 2003/04 financial year.
- Higher than expected cash balances held in The Trust account resulted in greater interest being received.

Actual 2003 versus Actual 2002

- Administration costs are less than the previous year due to minimal activity and a reduction in audit fees.
- New potato grower contributions are no longer collected by The Trust, they are now collected by Agricultural Produce Commission - (Potato Producer's Committee)
- Reduced cash balances held in The Trusts bank account and reduced interest rates has resulted in a reduction in interest earnings.
- Represents transfer of funds to the Agricultural Produce Commission, as approved by Minister



Attachment (iv)

**POTATO GROWING INDUSTRY TRUST FUND
COMMITTEE**

**REVENUE AND EXPENDITURE ESTIMATES FOR THE PERIOD
1 JULY 2002 to 30 JUNE 2003**

	<u>Sub total</u>	<u>Total</u>
Estimated Balance as at 30 June 2002		\$78,351
 <u>Add</u>		
Estimated income:		
- Interest on investments*	\$1,000	\$1,000
<hr/>		
<u>Less</u>		
- Administration	\$15,795	
- APC Potato Producers' Committee	\$63,556	\$79,351
<hr/>		
Total estimated funds as at 30 June 2003	**	\$0
<hr/>		

Budget approved by Minister 23 October 2002

* Rounded up from \$750

** Assumption made that the *Potato Growing Industry Trust Fund Act 1947* would be repealed at this date.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by The Potato Growing Industry Trust Fund Advisory Committee provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Committee at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Committee's Role

The Committee is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

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

D D R PEARSON
AUDITOR GENERAL
November 5, 2003