



Annual Report 2007-08





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2 Statement of compliance

For the year ended 30 June 2008

THE HONOURABLE KIM CHANCE MLC
MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND
WHEATBELT; GREAT SOUTHERN

In accordance with section 61 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Practices (Disputes) Board for the financial year ended 30 June 2008.

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

I. Longson
Director General, Department of Agriculture and Food
Accountable Authority

Date: 26 August 2008

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3 Overview

3.1 Executive summary

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

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

The Department of Agriculture and Food Western Australia continues to provide all services required of the Agricultural Practices Disputes Board in a professional manner.

The Registrar received 5 enquiries during the year concerning disputes of which one went on to a mediation process.

Ian Longson
Director General
Department of Agriculture and Food Western Australia

3.2 Operational structure

3.2.1 Enabling legislation

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

3.2.2 Responsible Minister

The Honourable Kim Chance MLC, Minister for Agriculture and Food; Forestry; the Mid West and Wheatbelt; Great Southern

3.2.3 Mission

The *Agricultural Practices (Disputes) Act* was proclaimed in June 1996 to provide a fair and equitable process to resolve farm disputes.

The Accountable Authority

- Can appoint a mediator to assist in the settlement of certain types of disputes between farmers and their neighbours that may arise from farming nearby land; and,
- Seeks to provide a fair and equitable process to resolve farm disputes which is both cost-efficient and accessible to the community.



3.2.4 Organisational chart/senior officers

- **Mr Ian Longson, Accountable Authority**

Mr Longson was appointed the Accountable Authority of the Statutory Authority effective from 1 July 2006. He is currently the Director General of the Department of Agriculture and Food Western Australia and has extensive knowledge the economic, social and environmental issues impacting on Australian agricultural practices.

- **Ms Kerry Dunn, Registrar**

Ms Dunn is the Executive Officer for the Department of Agriculture and Food Western Australia. She has 15 years experience in administering schemes of assistance and extensive knowledge of agricultural practices.

The terms of office of the Chairman and Board Members expired on 30 June 2006. The Director General of the Department of Agriculture and Food Western Australia was the Accountable Authority for the Statutory Authority for the year ended 30 June 2008.

There have been no meetings of the Statutory Authority during the financial year.

3.2.5 Administered legislation

The Minister for Agriculture and Food also administers the following related Acts:

- *Aerial Spraying Control Act 1966*
- *Agricultural and Veterinary Chemicals (Taxing) Act 1995*
- *Agricultural and Veterinary Chemicals (Western Australia) Act 1995*
- *Agricultural Produce (Chemical Residues) Act 1983*
- *Agricultural Produce Commission Act 1988*
- *Agricultural Products Act 1929*
- *Agriculture and Related Resources Protection Act 1976*
- *Agriculture Act 1988*
- *Agriculture Protection Board Act 1950*
- *Beekeepers Act 1963*
- *Biological Control Act 1986*
- *Cattle Industry Compensation Act 1965*
- *Chicken Meat Industry Act 1977*
- *Exotic Diseases of Animals Act 1993*
- *Fertilizers Act 1977*
- *Genetically Modified Crops Free Areas Act 2003*
- *Industrial Hemp Act 2004*
- *Marketing of Potatoes Act 1946*
- *Ord River Dam Catchment Area (Straying Cattle) Act 1967*
- *Perth Market Act 1926*
- *Plant Diseases Act 1914*
- *Plant Pests and Diseases (Eradication Funds) Act 1974*
- *Rural Business Development Corporation Act 2000*
- *Seeds Act 1981*
- *Soil and Land Conservation Act 1945*
- *Stock (Identification and Movement) Act 1970*
- *Stock Diseases (Regulations) Act 1968*
- *Veterinary Chemical Control and Animal Feeding Stuffs Act 1976*
- *Western Australian Meat Industry Authority Act 1976*

3.2.6 Other key legislation impacting on activities of the Agricultural Practices Board

- *Animal Welfare Act 2002*
- *Corruption and Crime Commission Act 2003*
- *Auditor General Act 2000*
- *Conservation and Land Management Act 1984*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Electronic Transactions Act 2003*
- *Emergency Management Act 2005*
- *Environmental Protection Act 1986*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Government Employees Superannuation Act 1987*
- *Health Act 1911*
- *Industrial Relations Act 1979*
- *Land Administration Act 1997*
- *Library Board of Western Australia Act 1951*
- *Occupational Safety and Health Act 1984*
- *Occupiers Liability Act 1985*
- *Poisons Act 1964*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Administrative Tribunal Act 2004*
- *State Records Act 2000*
- *State Supply Commission Act 1991*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Waterways Conservation Act 1976*
- *Workers Compensation and Injury Management Act 1981*
- *Workers Compensation and Rehabilitation (Acts of Terrorism) Act 2001*



3.3 Performance management framework

3.3.1 Outcome Based Management framework

Agency level Government desired outcome: Improved ecological sustainable development of agri-industry.

Service: Encourage harmonious co-existence of agriculture and other land uses.

This output contributes to improving the ecological sustainable development of agri-industry by:

- Assisting and encouraging farmers to minimise and/or eliminate adverse environmental nuisances that may result from production and processing systems; and,
- Assist farmers to adopt business decision making processes that enable risk minimisation.

3.3.2 Changes to Outcome Based Management framework

The Agricultural Practices (Disputes) Board's Outcome Based Management framework did not change during 2007-08.

3.3.3 Shared responsibilities with other agencies

All services of the Agricultural Practices (Disputes) Board are provided by the Department of Agriculture and Food Western Australia. This includes all administrative and reporting responsibilities as well as operational activities such as the provision of independent mediation services.

4 Performance – report on operations

The Agricultural Practices Board has continued to offer access to mediation for disputing parties operating on land zoned rural.



Activity	Number
General enquiry	4
Information kits/brochures distributed	3
Applications for mediation	1
New mediations	1

Of the 4 enquiries received, odour and spray drift nuisances were predominant. The application for mediation related to odour resulting from the operations of an egg production enterprise in the peri-urban region of Perth.

4.1 Financial targets and performance indicators

Any costs associated with services provided under the *Agricultural Practices (Disputes) Act 1995* are absorbed within the normal operations of the Department of Agriculture and Food. There is no budget allocation for this entity or associated performance measures.

	Target ¹ (\$)	Actual (\$)	Variation (\$)
Total cost of services (expense limit) (details from income statement)	NIL	3,647	(3,647)
Net cost of services (details from income statement)	NIL	3,247	(3,247)
Total equity (details from balance sheet)	NIL	(3,938)	(3,938)
Net increase/decrease in cash held (details from cash flow statement)	NIL	(1,447)	(1,447)
	Target ¹ (Number)	Actual (Number)	Variation (Number)
Approved full time equivalent (FTE) staff level	NIL	NIL	NIL

5 Significant issues and trends

5.1 Current and emerging issues and trends

There are strong pressures on both extensive and intensive agricultural land uses to control environmental and community impacts, and concerns over the loss of productive agricultural land will necessitate innovative management solutions for sustainable development.

The management of risks will become increasingly critical for agricultural operations, particularly those that operate in the vicinity of life style property developments. Producers will need to develop and implement more robust risk management techniques.

5.2 Economic and social trends

There are increasing numbers of small landholdings and lifestyle property developments being established on the fringes of the cities and major towns in Australia. These are usually developed in areas zoned rural and often adjoin commercial agricultural enterprises. For example, the rapid spread of urban housing developments on the Swan Coastal Plain has resulted in many intensive agricultural enterprises relocating from areas such as Wanneroo/Wangara, Caversham and Baldivis. Often re-zoning of the area is not concurrent with the change in land use.



Increasingly people are not prepared to compromise in situations where the activities of their neighbour results in a nuisance (such as odour, noise, dust, smoke, fumes, or spray drift) and impacts on their quality of life. Local Government Authorities now employ Environmental Officers who have responsibility to investigate these types of disputes.

5.3 Changes in written law affecting operations

There were no changes in any written law that affected the Board during the financial year.

5.4 Likely developments and forecast results of operations

The *Agricultural Practices Act 1995* is scheduled to be repealed in the coming year, subject to the priorities of Government.

6 Disclosures and legal compliance



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

AGRICULTURAL PRACTICES BOARD OF WESTERN AUSTRALIA FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

Accountable Authority's Responsibility for the Financial Statements

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

Summary of my Role

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

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

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Agricultural Practices Board of Western Australia at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions; and
- (ii) the controls exercised by the Agricultural Practices Board of Western Australia provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.



COLIN MURPHY
AUDITOR GENERAL
25 August 2008

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664



6.1 Financial statements

6.1.1 Certification of financial statements

The accompanying financial statements of the Agricultural Practices (Disputes) Board 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 2008 and the financial position as at 30 June 2008.

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

Ian Longson _____
Director General
Department of Agriculture and Food Western Australia
Accountable Authority

Date: 15 August 2008

Ron Lucas _____
Chief Finance Officer
Department of Agriculture and Food Western Australia

Date: 15 August 2008



6.1.2 Income statement

for the year ended 30 June 2008	Notes	2008 \$	2007 \$
COST OF SERVICES			
Expenses			
Supplies & Services	4	3,647	7,104
Total cost of services		<u>3,647</u>	<u>7,104</u>
Income			
Revenue			
User Charges and Fees	5	100	100
Other revenue		300	-
Total Revenue		<u>400</u>	<u>100</u>
NET COST OF SERVICES		<u>3,247</u>	<u>7,004</u>
INCOME FROM STATE GOVERNMENT			
Resources received free of charge	4	4,000	-
Total Income from State Government		<u>4,000</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>753</u>	<u>(7,004)</u>

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

6.1.3 Balance sheet

as at 30 June 2008	Notes	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	62	1,509
Accounts receivable		-	-
Total Current Assets		<u>62</u>	<u>1,509</u>
Total Assets		<u>62</u>	<u>1,509</u>
LIABILITIES			
Current Liabilities			
Payables		4,000	6,200
Total Current Liabilities		<u>4,000</u>	<u>6,200</u>
Total Liabilities		<u>4,000</u>	<u>6,200</u>
Net Assets		<u>(3,938)</u>	<u>(4,691)</u>
EQUITY			
Accumulated surplus/(deficit)	8	(3,938)	(4,691)
Total Equity		<u>(3,938)</u>	<u>(4,691)</u>

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



6.1.4 Statement of changes in equity

for the year ended 30 June 2008	Notes	2008 \$	2007 \$
Balance of equity at start of period		(4,691)	2,313
ACCUMULATED SURPLUS (RETAINED EARNINGS)			
Surplus/(deficit) or profit/(loss) for the period		753	(7,004)
Balance at end of period		<u>(3,938)</u>	<u>(4,691)</u>
Balance of equity at end of period	8	<u>(3,938)</u>	<u>(4,691)</u>

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

6.1.5 Cash flow statement

for the year ended 30 June 2008	Notes	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies & services		1,847	904
		<u>1,847</u>	<u>904</u>
Receipts			
Other receipts		400	100
		<u>400</u>	<u>100</u>
Net cash provided by / (used in) operating activities	7 (b)	<u>(1,447)</u>	<u>(804)</u>
Net increase/(decrease) in cash and cash equivalents		(1,447)	(804)
Cash and cash equivalents at the beginning of period		<u>1,509</u>	<u>2,313</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7 (a)	<u>62</u>	<u>1,509</u>

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

6.1.6 Notes to the financial statements

1 Australian equivalents to International Financial Reporting Standards

General

The Authority's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2008

2 Summary of significant Accounting Policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

(c) Contributed Equity

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

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

(d) Reporting Entity

The reporting entity comprises the Authority and entities listed at note 16 'Related bodies'.

(e) Income

Revenue recognition

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

Rendering of services

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

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

(f) Financial Instruments

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

- Receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents

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

(h) Comparative Figures

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

3 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Authority.

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Department's exposure to risks, including enhanced disclosure regarding components of the Department's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements. The Authority at the balance sheet date does not currently undertake these types of transactions and there is no financial impact in applying the Standard.

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

- AASB Standards and Interpretations
- 101 Presentation of Financial Statements
- 2005-10 Amendments to Australian Accounting Standards'
- 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]
- 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments
- 2007-5 Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]
- 2007-7 Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]
- ERR Erratum Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113]
- Interpretation 10 Interim Financial Reporting and Impairment

Future impact of Australian Accounting Standards not yet operative

The Authority cannot adopt Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations and Australian Accounting Interpretations that have been issued and which may impact the Department but are not yet effective. Where applicable, the Authority plans to apply these Standards and Interpretations from their application date.

The following standards are:

- (a) to be applied to annual reporting periods beginning on or after 1 July 2008:
- AASB 1004 'Contributions' (December 2007).
 - AASB 1050 'Administered Items' (December 2007).
 - AASB 1052 'Disaggregated Disclosures' (December 2007).
 - AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137] (December 2007).
 - Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (December 2007).
- (b) to be applied to annual reporting periods beginning on or after 1 January 2009:
- AASB 101 'Presentation of Financial Statements' (September 2007).

Agricultural Practices (Disputes) Board

(3 continued)

The following amendments are not applicable to the Department as they will have no impact:

AASB Amendment	Affected Standards
AASB 3	'Business Combinations'
AASB 8	'Operating Segments'
AASB 123	'Borrowing Costs'
AASB 127	'Consolidated and Separate Financial Statements'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12'
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8'
AASB 2007-6	'Amendments to Australian Accounting Standards arising from AASB 123'
AASB 2007-8	'Amendments to Australian Accounting Standards arising from AASB 101'
AASB 2008-1	'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations'
AASB 2008-2	'Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation'
AASB 2008-3	'Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127'
Interpretation 4	'Determining whether an Arrangement contains a Lease' (February 2007)
Interpretation 12	'Service Concession Arrangements'
Interpretation 13	'Customer Loyalty Programmes'
Interpretation 14	'AASB 119 -The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'
Interpretation 129	'Service Concession Arrangements: Disclosures'

4 Supplies and services

	2008 \$	2007 \$
Audit Fees ^(a)	1,800	6,200
- Current fee: \$4,000		
- Over-accrual: \$(2,200)		
Other	1,847	904
	-	7,104

(a) Remuneration to the Auditor General for the financial year is for the auditing the accounts, financial statements and performance indicators. The 2007/2008 (\$4,000) audit fees will be paid by the Department of Agriculture and Food, Western Australia. This payment will be recognised as a service received free of charge.

5 User Charges and Fees

	2008 \$	2007 \$
Fees	100	100

6 Cash and cash equivalents

Current	2008 \$	2007 \$
Cash	62	1,509

7 Notes to Cash Flow Statement

(a) Reconciliation of cash	2008 \$	2007 \$
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	62	1,509
	-	-
(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities	2008 \$	2007 \$
Net cost of services	(3,247)	(7,004)



Agricultural Practices (Disputes) Board

	2008	2007
	\$	\$
Non-cash items:		
Resources received free of charge	8,000	-
Increase/(decrease) in liabilities		
Payables	(2,200)	6,200
Net cash provided by/(used in) operating activities	2,553	(804)

8

Equity

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2008	2007
	\$	\$
Accumulated surplus/(deficit)		
Balance at start of year	(4,691)	2,313
Result for the year	753	(7,004)
Balance at end of year	(3,938)	(4,691)

9 Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial Risk Management Objectives and Policies

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

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis. The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 9 (b).

Credit risk associated with the Authority's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.



Agricultural Practices (Disputes) Board

(continued)

9 (b) Financial Instrument disclosures

Categories of Financial Instruments							
In addition to cash and bank overdraft, the carrying amounts of each of the categories of financial assets and financial liabilities at balance sheet date are detailed in the table below.							
Credit Risk, Liquidity Risk and Interest Rate Risk Exposures							
The exposure to liquidity risk and interest rate risk as at the balance sheet date are detailed in the table below. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Authority. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.							
The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.							
	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Contract Maturity Dates			Total
				Within 1 Year	Within 1 to 5 Years	Over 5 Years	
2008	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Restricted and cash equivalents	7.03%	-	62	-	-	-	62
Total financial assets		-	62	-	-	-	62
Financial Liabilities							
Payables		-	(4,000)	-	-	-	(4,000)
Total financial liabilities		-	(4,000)	-	-	-	(4,000)
2007							
Financial Assets							
Restricted and cash equivalents	5.98%	-	1,509	-	-	-	1,509
Total financial assets		-	1,509	-	-	-	1,509
Financial Liabilities							
Payables		-	(6,200)	-	-	-	(6,200)
Total financial liabilities		-	(6,200)	-	-	-	(6,200)
Interest rate sensitivity analysis							
The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.							
			-1% change		+1% change		
	Carrying amount		Profit	Equity	Profit	Equity	
2008	\$		\$	\$	\$	\$	
<i>Financial Assets</i>							
Restricted cash and cash equivalents	-		-	-	-	-	
	-		-	-	-	-	
	Carrying amount		Profit	Equity	Profit	Equity	
2007	\$		\$	\$	\$	\$	
<i>Financial Assets</i>							
Restricted cash and cash equivalents	-		-	-	-	-	
	-		-	-	-	-	

Fair Values

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



Agricultural Practices (Disputes) Board

10 Remuneration of Members of the Accountable Authority and Senior Officers

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

\$	2008	2007
0 - 10,000	1	1
The total remuneration of the members of the Accountable Authority is:	-	-

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

No senior officers are paid by The Trust.

11 Explanatory Statement

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

2008 budget versus 2008 actual and 2007 actual versus 2008 actual

	Budget 2008	Actual 2008	Variance Between 2008 Budget & 2008 Actual	Note	Actual 2007	Variance Between 2007 Actual & 2008 Actual	Note
	\$	\$	\$		\$	\$	
COST OF SERVICES							
Expenses							
Supplies and Services	-	3,647	3,647		7,104	(3,457)	
Total cost of services	-	3,647	3,647		7,104	(3,457)	
Income							
Revenue							
User charges and fees	-	100	100		100	-	
Other	-	300	300		-	300	
Total Revenue	-	400	400		100	300	
NET COST OF SERVICES	-	3,247	3,247		7,004	3,757	
INCOME FROM STATE GOVERNMENT							
Resources received free of charge	-	4,000	4,000		-	-	
Total income from State Government	-	4,000	4,000		-	-	
SURPLUS/(DEFICIT) FOR THE PERIOD	-	753	753		(7,004)	(3,757)	

(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year and (ii) Significant variations between estimates and actual results for the financial year. Details and reasons for significant variations between actual results and budget results with the corresponding items of the preceding year are as detailed below.

All Variances

The significant cost for the current year is the Office of the Auditor General's audit fee (refer note 4). The Agricultural Practices Board is obliged to provide the services of the Board whilst the Agricultural Practices (Disputes) Act 1995 remains in place. It does this by conducting its normal business of servicing enquiries through the Registrar. One application in 2008 was received by the Board.

12 Remuneration of auditor

	2008	2007
	\$	\$
Remuneration to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators (refer note 4)	4,000	6,200

13 Contingent liabilities

There are no known contingent liabilities or contingent assets as at reporting date, not otherwise for or disclosed in the financial statements.



Agricultural Practices (Disputes) Board

14 **Commitments**

(a) **Capital expenditure commitments**

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

(b) **Other expenditure commitments**

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

(c) **Guarantees and undertakings**

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

15 **Events occurring after the balance sheet date**

There are no events in particular that occurred after balance sheet date which would materially affect the financial statements or disclosures.

16 **Related bodies**

There are no related bodies with the Agricultural Practices Board of Western Australia.

17 **Affiliated bodies**

There are no affiliated bodies with the Agricultural Practices Board of Western Australia.

18 **Write-offs, losses and gifts**

There were no write-offs, losses or gifts during the financial year 2007/2008.



6.2 Key performance indicators

6.2.1 Certification of key performance indicators

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

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

Given that the functions of the Act are reduced and the legislation is waiting to be repealed, it was inappropriate to complete Performance Indicators for the fiscal year ending 30 June 2008.

Ian Longson
Director General
Department of Agriculture and Food Western Australia
Accountable Authority

Date: 15 August 2008



6.3 Ministerial directives

No Ministerial directives were received during the financial year.

6.4 Other financial disclosures

The Department of Agriculture and Food Western Australia is responsible for all the information requirements for the Agricultural Practices Board.

There are no employees of the Board. The role of Registrar is provided "free of charge" by the Department of Agriculture and Food to ensure the service stipulated by the *Agricultural Practices (Disputes) Act 1995* are provided until such time as the legislation is repealed.

6.5 Governance disclosures

At the date of reporting, no Senior Officers, 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 Department and Senior Officers.

6.6 Other legal requirements

Compliance with *Electoral Act 1907* section 175ZE(1)

In accordance with the disclosure requirements of Section 175ZE of the *Electoral Act 1907*, the Agricultural Practices Board of Western Australia reports NIL expenditure on advertising, market research, polling, direct mail or media advertising for the 2007-08 reporting year.

Disability Access and Inclusion Plan

The Agricultural Practices Board of Western Australia operates under the Department of Agriculture and Food's Disability Access and Inclusion Plan.

Compliance with Public Sector Standards and Ethical Codes

In accordance with the disclosure requirements of Section 31(1) of the *Public Sector Management Act 1994*, the Agricultural Practices Board of Western Australia reports no compliance issues relating to its operation arose during the reporting year regarding public sector standards, the Western Australian Code of Ethics or the Department of Agriculture and Food's Code of Conduct

Recordkeeping Plan

The Agricultural Practices Board of Western Australia operates under and complies with the Department of Agriculture and Food's Record Keeping Plan.

6.7 Government policy requirements

The Agricultural Practices Board of Western Australia operates under and adheres to the Department of Agriculture and Food's policies, procedures and initiatives in relation to Corruption Prevention, Substantive Equality, Sustainability, and Occupational Safety and Health. Refer to the Department of Agriculture and Food Annual Report 2008 (www.agric.wa.gov.au)