



# WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

**ANNUAL REPORT  
JUNE 2009**





## TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>4</b>
<b>CHAIRMAN'S REPORT 2008/2009 .....</b>	<b>5</b>
<b>CORPORATE STRUCTURE .....</b>	<b>7</b>
MEMBERS.....	7
ORGANISATIONAL CHART.....	7
MEMBERSHIP CHANGES IN 2008/2009 .....	8
ADMINISTRATION OFFICE.....	8
FUNCTIONS OF THE AUTHORITY.....	8
<b>CORPORATE ACTIVITIES.....</b>	<b>10</b>
AUTHORITY MEETINGS .....	10
INDUSTRY PARTICIPATION .....	10
COMMITTEE PARTICIPATION.....	10
STRATEGIC PLANNING .....	11
STATE SALEYARD STRATEGY.....	11
NATIONAL LIVESTOCK IDENTIFICATION SCHEME (NLIS) .....	12
CORPORATE GOVERNANCE.....	12
<b>LEGISLATIVE CHANGES .....</b>	<b>13</b>
<b>MIDLAND SALEYARD – RELOCATION ANNUAL REPORT 2008/2009.....</b>	<b>14</b>
BACKGROUND .....	14
STATUS OF RELOCATION PROJECT AS AT 30 JUNE 2009.....	14
DEVELOPMENT APPLICATION FOR THE LIVESTOCK CENTRE MUCHEA.....	14
WORKS APPROVAL APPLICATION FOR THE LIVESTOCK CENTRE MUCHEA .....	15
PRE SITE WORKS.....	15
INDUSTRY CONSULTATION.....	15
LAND SALES .....	15
DESIGN TEAM.....	16
<b>ESTABLISHMENT APPROVALS .....</b>	<b>17</b>
ESTABLISHMENT CATEGORIES .....	17
APPROVAL CHANGES – EXPORT TO DOMESTIC.....	17
APPROVAL CHANGES - DOMESTIC .....	17
APPLICATIONS FOR APPROVALS.....	17
APPROVED ABATTOIRS AS OF THE 30 JUNE 2009 .....	18
INDUSTRY STANDARDS .....	19
INDUSTRY LIAISON .....	19
<b>STATE PROCESSING STATISTICS .....</b>	<b>20</b>
<b>COMPLIANCE ACTIVITIES .....</b>	<b>21</b>
COMPLIANCE COMMITTEE .....	21
COMPLIANCE OFFICER.....	21
PROCESSING COMPLIANCE .....	21
CARCASE BRANDING ACTIVITY .....	21
BRANDING COMPLIANCE .....	21
COMPLIANCE ACTIVITY SUMMARY .....	22
LEGAL ACTION COMPLETED.....	22
ONGOING .....	22

STATISTICAL SERVICES .....	22
<b>MIDLAND SALEYARD – MANAGEMENT.....</b>	<b>23</b>
BACKGROUND .....	23
CURRENT ISSUES .....	24
LIVESTOCK YARDINGS.....	26
JOINT VENTURE ARRANGEMENT .....	27
<b>INDUSTRY DEVELOPMENT .....</b>	<b>27</b>
ACTIVITIES .....	27
ANIMAL WELFARE STANDARDS FOR WESTERN AUSTRALIAN SALEYARDS .....	28
BEEF STOCKTAKE PROGRAM.....	28
NATIONAL LIVESTOCK REPORTING SERVICE (NLRS) .....	29
STATE SALEYARD DATABASE .....	29
WEB SITE .....	29
EDUCATION.....	29
OTHER MAJOR SELLING CENTRES .....	29
<b>HUMAN RESOURCES.....</b>	<b>30</b>
STAFFING LEVELS.....	30
STAFF TRAINING AND DEVELOPMENT .....	30
INDUSTRIAL RELATIONS .....	30
<b>DIRECTION BY THE MINISTER .....</b>	<b>30</b>
FREEDOM OF INFORMATION STATEMENT .....	31
<b>RISK MANAGEMENT .....</b>	<b>32</b>
<b>COMPLIANCE WITH THE ELECTORAL ACT 1907 .....</b>	<b>32</b>
<b>EQUAL EMPLOYMENT OPPORTUNITY.....</b>	<b>33</b>
<b>PUBLIC SECTOR STANDARDS .....</b>	<b>33</b>
<b>PUBLIC INTEREST DISCLOSURE ACT.....</b>	<b>33</b>
<b>DISABILITY ACCESS AND INCLUSION PLAN .....</b>	<b>33</b>
<b>OCCUPATIONAL SAFETY AND HEALTH .....</b>	<b>34</b>
<b>STATE RECORDS ACT.....</b>	<b>34</b>
<b>WASTE PAPER RECYCLING .....</b>	<b>34</b>
<b>ENERGY SMART GOVERNMENT POLICY .....</b>	<b>35</b>
<b>CORRUPTION PREVENTION .....</b>	<b>35</b>
<b>FINANCIAL STATEMENTS .....</b>	<b>36</b>
INCOME STATEMENT.....	37
BALANCE SHEET .....	38
STATEMENT OF CHANGES IN EQUITY .....	39
CASH FLOW STATEMENT .....	40
<b>PERFORMANCE INDICATORS .....</b>	<b>69</b>
<b>APPENDIX A.....</b>	<b>78</b>

## INTRODUCTION

The Western Australian Meat Industry Authority (The Authority) is established by the *Western Australian Meat Industry Authority Act 1976* (the Act). The Authority is subject to the direction of the Minister for Agriculture and Food (the Minister) in the performance of its functions. Essentially the functions of The Authority under the Act are:

- ❑ to review facilities for, and the operation of, establishments related to the sale, slaughter and processing of animals and meat.
- ❑ manage the Midland Livestock Saleyard; and
- ❑ undertake any other functions as directed by the Minister.

The Authority has an independent Chairman appointed by the Minister and Members representing producers, processors, retailers, industry employees and government. The Authority reports to the Minister.

The activities of the Authority are funded through charges at Midland Saleyard, revenue from livestock services, rentals on property managed by the Authority, and fees charged for the approval of meat processing establishments. The Authority's financial accounting system is subject to the Financial Administration and Audit Act and a Chief Executive Officer appointed under the Public Sector Management Act (1994) manages the Authority.

**The Authority's Offices are based at 15 Spring Park Road, Midland, Western Australia 6056 (postal address P.O. Box 1434 Midland, Western Australia, 6936). The Authority can be contacted by telephone on (08) 9274 7533 and by facsimile (08) 9274 7588 on or by e-mail to [wamia@wamia.wa.gov.au](mailto:wamia@wamia.wa.gov.au).**

## CHAIRMAN'S REPORT 2008/2009

### To all industry stakeholders,

The year just ended has seen major achievements on the part of the Board and staff in meeting a number of challenges, especially in getting construction of the long-planned Livestock Centre at Muchea underway. It has also been a year during which the Board took time out to hold an all-day workshop to reassess its legislative obligations and set in place an up-to-date strategic plan to provide better service to its stakeholders in the livestock and meat industry sectors as new challenges arise for all participants in those sectors. The Authority takes its responsibilities seriously as a service provider with specialist skills in dealing with saleyards, sheep and cattle drafting and presentation for sale, and upholding the highest animal welfare standards in operation in Australia today. In July 2008 the Authority arranged for the Animal Welfare Standards for Western Australian Livestock Yards to be officially launched by the Federal Minister for Agriculture the Honourable Tony Burke.

Since my last annual report, when I expressed concern at ongoing delays in getting final approvals to start development of The Livestock Centre at Muchea, and despite a number of additional delays, final approvals were at last received in November 2008, and the Centre is now well into its construction phase with practical completion expected by mid-December 2009. In the absence of further delays or other obstructions the move from Midland, where the saleyards have operated for a century, will begin in January 2010. At the time of writing this report the Livestock Centre roof and framework have been completed and work is underway in installing pens, walkways, offices and additional facilities. Storage of water gathered from the roof into dams is proceeding satisfactorily.

The Authority is in discussions with government to add to the legislative powers of the Authority to enable appropriate site rules and regulations to be in place to assist in the best management of The Livestock Centre and to ensure the operations of the Centre are conducted smoothly, and in the best interests of all parties using the Centre.

The Authority is well-placed to meet all its financial obligations in completing and commissioning the Centre but has some concerns government action in the future may impede the Authority's plans to provide major assistance to regional yards at Katanning and Mount Barker, and replacement of the Boyanup yards. The Authority will continue to press government to support the Authority's plans with respect to those yards, and to assist in a common high standard of operation applying to all yards in W.A.

The Board made a regional visit to Narrogin, Katanning, Mount Barker and Narrikup during the year to discuss matters of interest with meat processors, saleyard operatives and producers, and will continue with periodic site visits in the coming years. In addition the Authority will continue, in conjunction with other authorities where appropriate, to monitor meat slaughter activities in the State to ensure compliance with all requirements, and to ensure only safe meat products are available to the market.

I would like to thank the Minister for Food and Agriculture the Honourable Terry Redman MLA for attending a recent informal breakfast meeting on saleyards issues arranged by the Authority, and where representatives from all sectors of the industry had an opportunity to express and discuss topics of concern. The Authority hopes to arrange similar gatherings in the future.

This year has been a challenging and exciting one and I particularly wish to thank our Deputy Chairman Malcolm Seymour for chairing the Relocation Committee and Project Control Group charged with the planning and construction of the Livestock Centre. I also wish to thank our hard-working and dedicated Chief Executive Officer

Renata Paliskis- Bessell without whom the Authority simply could not function. Thanks also go to Dave Saunders, our Project and Operations Manager whose wide experience in the meat industry continues to serve the Authority well. John Donaldson continues with his valuable site observation work at meat processing establishments across the State, and his regular succinct and clear reports are of great value to the Authority. Thanks also go to our dedicated support staff.

**Kerry McAuliffe**  
CHAIRMAN

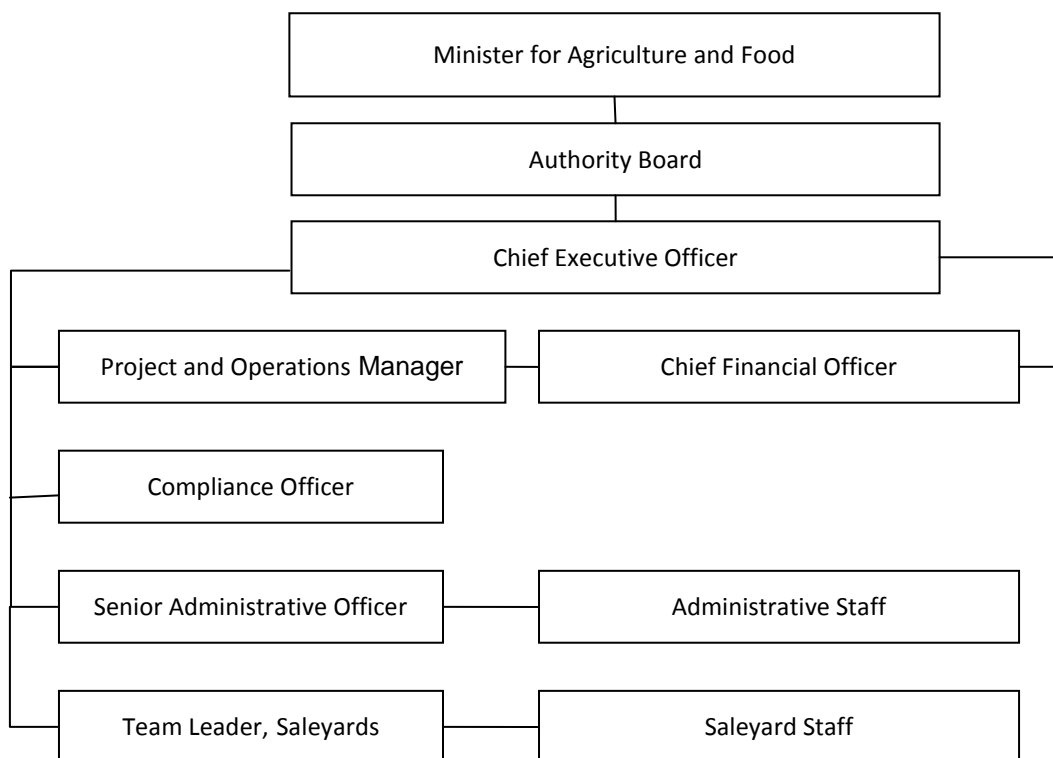
## CORPORATE STRUCTURE

### Members

The accountable Authority is the Western Australian Meat Industry Authority (the Authority), which consists of seven members appointed by the Minister and one member nominated by the Department of Agriculture and Food (DAFWA) as a representative. The Authority Members at 30 June 2009 were:

Kerry McAuliffe (Chairman)	- Representing the Minister
Malcolm Seymour (Deputy Chairman)	- Representing Producers of Meat
Mark Dolling	- Representing the Director General of the Department of Agriculture and Food
Des Griffiths	- Representing Private Meat Processors
Graeme Haynes	- Representing Employees of the Industry
Mr Mark Panizza	- Representing Private Meat Processors
John Pugh	- Representing the Producers of Meat
Warren Robinson	- Representing the Wholesale and Retail Meat Industry

### Organisational Chart



## Membership Changes in 2008/2009

There were no Membership changes in the 2008/2009 financial year.

In March 2009 the Chairman was reappointed to the Board until March 2012, Mr Seymour Deputy Chair until March 2011 and Mr Griffiths and Mr Haynes until March 2010, with the terms of all remaining members expiring in March 2010.

The administrative staff of the Authority at 30 June 2009 were:

<b>Renata Paliskis-Bessell</b>	Chief Executive Officer
<b>David Saunders</b>	Project and Operations Manager
<b>John Donaldson</b>	Compliance Officer
<b>Brooke Lowden</b>	Senior Administrative Officer
<b>Jeannette Gowland</b>	Part Time Administrative Officer
<b>Brooke Meredith</b>	Trainee

Ms Brooke Meredith, Trainee, commenced with the Authority in February 2009 as part of the Public Sector School Based Traineeship Program.

Ms Karen Parker tendered her resignation in May 2009 with her position of Executive Officer remaining vacant as of the 30<sup>th</sup> June 2009.

The newly created position of Chief Financial Officer was not filled as of 30<sup>th</sup> June 2009.

## Administration Office

The Authority offices have been located at 15 Spring Park Road Midland since August 2005; this move followed the sale of a portion of the saleyard reserve to the Midland Redevelopment Authority (MRA). The relocation to these offices has provided a more professional working environment for staff and clients while remaining in Midland. This will be a temporary location with future offices being considered as part of the redevelopment of the old saleyard site.

## Functions of the Authority

The Authority carries out the following functions as required by the Act :

- (a) Surveys, and keeps under review, the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- (b) Inspects, and where appropriate, approves the premises and facilities, and operations of saleyards, processing establishments and works and records in respect of each establishment its effective capacity and actual performance.
- (c) Implements schemes and practices for the branding of carcasses or meat, to define and identify source, methods of production, processing treatments, quality and other characteristics.
- (d) Manages Midland Saleyard and its replacement.
- (e) Encourages and promotes improved efficiency throughout the meat industry.

- 
- (f) Advises the Minister generally, and in particular as to:
- i. methods of overcoming areas of conflicting interest within the meat and livestock industries;
  - ii. future requirements for saleyards, processing establishments and works;
  - iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary; and
  - iv. carries out such other functions as are required to give effect to the Act generally, in relation to saleyards, processing establishments, and other facilities, undertakings or activities in the meat industry.

## CORPORATE ACTIVITIES

### Authority Meetings

Seven Authority meetings were held during 2008/09. Members' attendance at the meetings was as follows (maximum attendance in brackets):

Name of Member	Meetings Attended
Kerry McAuliffe (Chairman)	7 (7)
Malcolm Seymour	7 (7)
Mark Dolling	6 (7)
Des Griffiths	5 (7)
Graeme Haynes	5 (7)
Mark Panizza	5 (7)
John Pugh	6 (7)
Warren Robinson	5 (7)

### Industry Participation

The Authority views the interaction of representatives of industry organisations as essential to its operations and has regular attendance by advisers from Department of Health (DOH), AUS-MEAT, Australian Quarantine Inspection Service (AQIS) and the Australian Meat Industry Council (AMIC) at its Compliance Committee meetings. These representatives may also attend Board meetings if relevant industry issues are being considered.

### Committee Participation

The following Board members and senior staff participated in:

- ❑ *Compliance Committee – Responsible for regulatory compliance activities and industry liaison* - Membership made up of Ms Paliskis-Bessell (Chairman) Mr Panizza, Mr Saunders and Mr. J. Donaldson. Executive support was provided by Ms K Parker and, following her resignation, Mr J Donaldson. This Committee met on four (4) occasions during 2008/2009.
- ❑ *Relocation Committee and Project Control Group – Responsible for the Relocation of Midland Saleyards to Muchea Project* – Membership made up of Mr. Seymour (Chairman), Mr Kerry McAuliffe, Ms Paliskis-Bessell, Mr. Saunders and representatives of Incoll Project Management and the Department of Building Management and Works. Executive support is provided by Incoll Project Management. This Committee met on twelve (12) occasions during 2008/2009.
- ❑ *Finance Committee – Responsible for the financial management of the Authority* – Membership made up of Mr Griffiths (Chairman), Ms Paliskis-Bessell and Mr Saunders. Executive support was provided by Mr Saunders. This Committee met on eight (8) occasions during 2008/2009.

Other representations included:

- ❑ *Livestock Logistics WA Management Committee* - Mr Robinson held the position of independent Chairman of the Committee with Ms Paliskis-Bessell sitting as Managing Director and Mr Saunders as Director both representing the Authority. Executive support was provided by Ms Parker and following her resignation, Mr Saunders.

- ❑ Both Ms Paliskis-Bessell and Mr Saunders represented the Authority on the State Cattle Industry Consultative Committee and the State Sheep Industry Consultative Committee.
- ❑ Ms Paliskis-Bessell represented the Authority on the Long Haul Transport Group with the focus on Animal Welfare.
- ❑ Ms Paliskis-Bessell represented Western Australia on the Federal Department of Agriculture, Forestry and Fisheries Meat Marketing Group.
- ❑ Mr Saunders represented the Authority on the State Committees to implement the National Livestock Identification System for cattle and sheep, with Ms Paliskis-Bessell representing Livestock Logistics WA on the Cattle Committee.
- ❑ Mr Saunders represented the Western Australian Saleyard Operators on the Livestock Saleyards Association of Australia.
- ❑ Mr Saunders represented the Authority on the Western Australian Livestock Welfare Reference Group.
- ❑ Mr Saunders continued to serve as a Director of NSQA the National Saleyard Quality Assurance Program.

## Strategic Planning

Throughout the period the Authority continued to focus on its principle strategic directions, being:

- 1) The relocation from Midland Saleyards to the Livestock Centre, Muchea;
- 2) Compliance Activities;
- 3) Operation of the Midland Saleyard; and
- 4) Regional Saleyards.

A strategic planning workshop was held in October 2008; the workshop reviewed current strategies in place and identified additional strategies to be developed. The principle key outcomes from the workshop were:

- Development of strategies for the future operation of the Livestock Centre;
- Development of strategies to improve Authority governance; and
- Development of strategies to enhance the Authority's role in the Meat Industry.

## State Saleyard Strategy

The State Saleyard Strategy was completed and distributed in 2006. It recognised that the Western Australian Saleyard Industry required significant capital investment and cultural change to maintain yard viability and satisfy industry standards.

The saleyard industry needed to present a viable selling alternative. The key recommendations of the Strategy included:

- The establishment of a Western Australian Saleyard Association.
- All saleyards be required to comply with a Western Australian Code of Practice for Saleyard Management/Operation incorporating animal welfare, environmental, OHandS, construction and management requirements.
- All Primary saleyards be required to be National Saleyard Quality Assurance (NSQA) compliant within 2 years.
- The Primary saleyards be reconfirmed as:
  - Midland (Mucnea): cattle and sheep;
  - Katanning: sheep;
  - Boyanup: cattle; and
  - Great Southern Regional Cattle Saleyards: cattle.

The Strategy was accepted by the (then) Minister for Agriculture and Food in 2007.

With the election of the Barnett Government in 2008, final Cabinet approval was given for the construction of the Livestock Centre, Muchea on 10 November 2008 and the builder, Cooper and Oxley was appointed on 14 November 2008. Surplus funds from the sale of Midland Saleyard land are then available to be allocated in the 2009/2010 budget for improvements/relocation to the Katanning, Boyanup replacement and the Great Southern Regional Cattle Saleyards.

The Authority continues to work with key stakeholder groups to identify a way forward for Regional Livestock Centres.

### **National Livestock Identification Scheme (NLIS)**

The Authority continued to represent saleyards and meat processors on the State Committees responsible for the implementation of NLIS for both sheep and cattle into Western Australia. The Authority was also part of the Finance Subcommittee established by the State NLIS (Cattle) Committee to progress the NLIS program.

The Authority's involvement in partnership with Livestock Logistics WA (LLWA) continues to be a prime mover behind the continued successful operation of mandatory NLIS in the Western Australian Saleyard industry.

### **Corporate Governance**

During the reporting period, the Authority continued to review all aspects of its activities to ensure proper corporate governance practices were adopted. Achievements in this area include:

- ☐ Operation under a Delegated Authority Register;
- ☐ Continued review of Internal Audit processes;
- ☐ Adoption of a new Accounting Manual; and
- ☐ Adoption of an Authority Procedures Manual.

---

## **LEGISLATIVE CHANGES**

No legislative amendments were made in 2008/2009. A review of legislation is currently underway to allow the Authority to operate the replacement Livestock Centre facility at Muchea. This review will be completed in 2009/2010.

## MIDLAND SALEYARD - RELOCATION ANNUAL REPORT 2008/2009

### Background

In 2001, the Authority presented the Minister with a Cabinet Submission on the relocation of Midland Saleyard. This demonstrated the feasibility of relocating the Midland Saleyard to a location in the Muchea area, 32 kilometres north of Midland. The site selected for the new facility was at the junction of the State's two major northern highways and connects well to all other major heavy haulage routes. This location has support of industry, community and key government agencies in its ability to provide safe traffic flows, its compatibility with existing and envisaged future surrounding land uses and its commitment to meeting high standards of environmental and quality management.

In September 2003, Cabinet provided in principle approval, for the Authority to establish sheep and cattle saleyards in the Muchea area as a replacement for the Midland Saleyard.

WAMIA secured an option with a landholder in the Muchea area to purchase 300ha of land adjacent to the junction of the Great Northern and Brand Highways in August 2004, this option was executed in August 2006.

In October 2006, following a significant increase in project costs, an independent review of the project was commissioned by the Department of Agriculture and Food and undertaken by GHD and Rider Hunt. The review verified that the cost estimates for the project reflected the overheated construction market where steel, labour and construction costs had increased significantly. In December 2006, State Cabinet approved continuation of the project to a cap of \$30 million with remaining funds from Midland saleyard land sales to be used to fund improvements in Regional Saleyards.

Further reviews were undertaken in May 2007 and May 2008 with a view to reduce the cost of the project.

***With the election of the Barnett Government in 2008, final Cabinet approval was granted for the construction of the Livestock Centre, Muchea for a total project cost of \$54.5m on 10 November 2008 and the builder, Cooper and Oxley was appointed on 14 November 2008.***

### Status of Relocation Project as at 30 June 2009

The builder, Cooper and Oxley is operating 3 weeks behind with their agreed construction program. The 5.2ha roof is in place as is significant hardstand area, truckwash and offices. At this stage, the facility will be operational in January 2010.

The Project is running to budget.

A Community Consultative Group has been formed and has met 3 times to discuss any community concerns about the Centre. This Group is made up of Shire Councillors, local residents and the local Landcare Officer. To date, only one complaint has been received and this dust complaint was sourced back to the Midland Brick Clay pile on a neighbouring property.

Base line monitoring for noise and odour is planned before Centre operations commence.

### Development Application for the Livestock Centre Muchea

In September 2004, WAMIA commenced preparation of a Development Application for the Shire of Chittering. This application was submitted in April 2005 and subsequently conditionally approved at the Shire of Chittering Council Meeting on the 13 December 2005. As at 30 June 2009, only 6 conditions remain, and they pertain to the operation of the facility.

## **Works Approval Application for the Livestock Centre Muchea**

Following the granting of planning approval in December 2005, WAMIA commenced preparation of a Works Approval Application for submission to the Department of Environment and Conservation (DEC). This application was submitted in December 2006.

In 2007, WAMIA commissioned a number of tenders to support the Works Application including: Water and Nutrient Monitoring, Acid Sulphate Soils and Traffic Analysis, Water Management, Waste Management, Noise Management, Landscaping and Odour Management.

Works Approval for the Livestock Centre was granted in April 2008.

## **Pre Site Works**

The main internal site access road, a water catchment dam and a drainage sump was completed by Mine Site Construction in June 2007. The main pad, hardstand (16 ha "cut and fill", effluent dams and a clean water dam and associated drainage) was completed by Yarnell Contracting in June 2008.

## **Industry Consultation**

In March 2007, WAMIA conducted a number of industry design workshops, attended by over 70 members from a cross section of the meat and livestock industry. These workshops were very successful and provided valuable input to the design. Subsequently, other workshops were held to establish operating procedures for the new facility including yard management, animal welfare, order of sale and sale standards. Some of these procedures will be implemented at Midland Saleyard from August 2007, thereby providing a smooth procedural transition between Midland and Muchea.

Follow up workshops on the detailed design were held in February 2008, with final design agreed and subsequently implemented.

Consultation continued during the construction period with the Livestock Transporters engaged to finalise ramp and circular force designs.

The Western Australian Farmers Federation, Pastoralists and Graziers Association and the Livestock Transporters and Country Bulk Carriers have undertaken supervised tours of the Livestock Centre. In addition, the Western Australian Lot Feeders Association and the Western Australian Live Exporters Association have received pictorial tours of the site.

Industry groups have been consulted consistently on all aspects of the project throughout the reporting period.

## **Land Sales**

Previous land sales made by WAMIA included: - 16.4 ha of its Hazelmere freehold land to Western Power for \$6.5 million, the sale of Crown Reserve Lot 14240 to the Midland Redevelopment Authority (MRA) for \$1.59 million, Lot 69 Bushmead Road Hazelmere to Eastcourt Properties Pty Ltd for \$3.2 million and Lot 101 Military Road in Midland to the Western Australian Planning Commission for \$0.4m.

In November 2007, WAMIA sold its largest lot, 33ha lot 402 Bushmead Road by public tender to the Goodman Group for \$68m net.

No land sales have occurred in the reporting period.

Commercial valuations have been undertaken on the remaining WAMIA land holdings.

---

## **Design Team**

In December 2005 WAMIA appointed Incoll Management Pty Ltd as project managers to lead the design part of the Relocation Project. Following the December 2006 Cabinet Approval, WAMIA (through the Department of Housing and Works) appointed other consultants to the design team including: Ralph Beattie Bosworth Pty Ltd as Quantity Surveyors, Pritchard Francis as Civil and Structural Engineers, GHD as Electrical Engineers and Lincoln Scott as Hydraulic Engineers. Atlex Stockyards continues as the saleyard designer as a direct appointee of WAMIA.

The design team has completed all required documentation and was ready for tender on 12 May 2008. The design team continues its responsibility throughout the construction phase, attending fortnightly meetings and monitoring and cross checking designs against the “as constructed” Livestock Centre.

## ESTABLISHMENT APPROVALS

### Establishment Categories

The Authority has established a policy of approving establishments to operate according to categories based on construction and operating standards. All establishments are required to meet the Australian Standard for the Construction of Processing Establishments. The following categories currently apply for all processing establishments in the State.

CATEGORY	STANDARD/ INSPECTION	MARKET ACCESS	NUMBER AT 30/07/08	NUMBER AT 30/8/09
Export	Export standards and importing country requirements. AQIS Inspection.	No restrictions in Australia	10	10
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	10	10
Domestic (no government meat inspection)	Australian standard. Special conditions apply	Distribution and capacity restrictions	2	2
Special Prison farm and Agricultural Colleges.	Australian standard. Health Dept/ Local Govt Inspection	Internal supply and capacity restrictions	6	6
Closed with current approval	Required to maintain basic environmental standards	Nil	1	1
<b>Total</b>			<b>29</b>	<b>29</b>

### Approval changes – Export to Domestic

The following change to export abattoir approval status occurred during the period:

- ☐ Honeydew Enterprises Pty Ltd, Tammin.

### Approval changes - Domestic

The following changes to domestic abattoir approval status occurred during the period:

- ☐ The DRG Family Trust purchased the Corrigin Abattoir and refurbished the establishment prior to it operating in May 2009 (under Interim Approval to Operate an Abattoir).

### Applications for Approvals

During the year, the Authority considered the following applications:

	2006/2007	2007/2008	2008/2009
Applications to construct an establishment	0	0	0
Applications to operate	3	2	1
Applications for variation to approval	0	0	0

## Approved Abattoirs as of the 30 June 2009

CATEGORY	ABATTOIR	LOCATION
<b>Export</b>	Beaufort River Meats	Beaufort River via Woodanilling
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Geraldton Meat Exports Pty Ltd	Moonyoonooka
	Hillside Meats Pty Ltd	Narrogin
	International Exporters Pty Ltd	Gingin
	Western Meat Processors Pty Ltd	Cowaramup
	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
<b>Domestic Unrestricted</b>	T E Cullen and Sons	Coolgardie
	Dardanup Butchering Company	Picton
	DRG Family Trust	Corrigin
	Gingin Meatworks	Gingin
	Goodchild Abattoirs	Australind
	Hagan Bros	Greenough
	P R Hepple and Sons Pty Ltd	Northam
	Shark Lake Food group Pty Ltd	Esperance
	Honeydew Enterprises Pty Ltd	Tammin
<b>Domestic Restricted</b>	B J and J A Haslam	Hyden
	Kellerberrin Butchery	Kellerberrin
<b>Other Species</b>	Konynen Farm (Rabbits)	Baldivis
<b>Special Abattoirs</b>	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
	Narrogin Agricultural College	Narrogin
	Morawa Agricultural College	Morawa
	Karnet Prison Farm	Serpentine
	Murdoch University	Murdoch

## **Industry Standards**

The Authority maintains close liaison with the relevant inspection bodies to ensure that Standards are maintained. In the case of new applications, changes in management, or where problems have occurred, joint visits to the establishments are made with the relevant regulatory agency. At June 30 2009, all establishments in Western Australia complied with the relevant Australian Standards.

To ensure that adequate personnel are available to implement HACCP, the Authority requires a minimum of two persons in supervisory positions in processing establishments to complete approved training.

The Authority applies a number of tests and enquiries to ensure that only fit and proper persons are in charge of meat processing establishments.

## **Industry Liaison**

During the period, the Authority continued to work closely with officers from industry organisations such as the Federal Department of Agriculture Forestry and Fisheries and Western Australian Department of Agriculture and Food, Department of Health, AUS-MEAT, Australian Meat Industry Council and the Australian Quarantine Inspection Service in areas of regulatory and industry development.

## STATE PROCESSING STATISTICS

The Authority maintains processing statistics for the State by type of animal and category of processing establishment. The following table show performance for the years 2007/08 and 2008/09.

ESTABLISHMENT CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOATS	PIGS
Export	2007/08	308,251	2,294,780	1,854,303	105,985	518,244
	<b>2008/09</b>	<b>307,109</b>	<b>1,644,083</b>	<b>2,098,201</b>	<b>183,352</b>	<b>497,782</b>
	% Change	0%	(28.4%)	13.1%	73.69%	(4.0%)
Domestic (unrestricted)	2007/08	154,458	401,487	425,847	3,956	24,427
	<b>2008/09</b>	<b>154,807</b>	<b>325,299</b>	<b>446,383</b>	<b>4,777</b>	<b>34,821</b>
	% Change	0%	(19%)	5%	8.9%	50.8%
Domestic without Meat Inspection	2007/08	173	178	480	4	149
	<b>2008/09</b>	<b>151</b>	<b>177</b>	<b>531</b>	<b>14</b>	<b>143</b>
Special	2007/08	1,461	5,999	0	0	63
	<b>2008/09</b>	<b>1,618</b>	<b>5,881</b>	<b>31</b>	<b>0</b>	<b>103</b>
Totals	2007/08	464,343	2,702,444	2,280,630	109,945	542,883
	<b>2008/09</b>	<b>463,685</b>	<b>1,975,440</b>	<b>2,545,146</b>	<b>188,143</b>	<b>532,849</b>
	% Change	0%	(26.9%)	11.6%	71.9%	(1.8%)

ESTABLISHMENT CATEGORY	YEAR	DEER	EMUS	BUFFALO	RABBIT	OSTRICH
Export	2007/08	0	0	0	0	0
	<b>2008/09</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Domestic (unrestricted)	2007/08	1,473	0	2	18,693	0
	<b>2008/09</b>	<b>1,196</b>	<b>0</b>	<b>44</b>	<b>21,302</b>	<b>0</b>
Special	2007/08	0	0	0	0	0
	<b>2008/09</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total	2007/08	1,473	0	2	18,693	0
	<b>2008/09</b>	<b>1,196</b>	<b>0</b>	<b>44</b>	<b>21,302</b>	<b>0</b>

## COMPLIANCE ACTIVITIES

### Compliance Committee

The Committee met on four occasions during 2008/2009 and the meetings include advisors from the Department of Health (DOH), AUS-MEAT, Australian Meat Industry Council (AMIC) and the Australian Quarantine Inspection Service (AQIS). The Authority considers interaction with its advisors to be an essential part of its regulatory activities and acknowledges the valuable contribution of these officers from the DOH, AUS-MEAT, AMIC and AQIS.

### Compliance Officer

The appointment Mr John Donaldson as the Compliance Officer has allowed the Authority to increase its presence across the processing industry and has resulted in:

- Increased awareness of WAMIA's functions.
- An increase in the number of establishments inspected.
- A number of investigations relating to product misdescription and illegal abattoirs.
- Participation in joint investigations with other industry bodies.

### Processing Compliance

The Authority maintained close liaison with other regulatory authorities to ensure that only approved establishment's processed meat for human consumption. It investigated a number of illegal slaughter complaints in conjunction with the DOH and local government officers.

Upon receipt of sufficient evidence, the matter is referred to the State Solicitor's Office (SSO). Should the SSO believe that a prima facie case exists and that the matter is of sufficient importance to warrant further action, the Authority will request the commencement of legal proceedings.

### Carcase Branding Activity

The Authority's Act and Regulations specify certain requirements for operators with respect to carcase roller branding of Lamb, Hogget and Gold Beef. While almost all branded product is derived from AUS-MEAT accredited establishments, all abattoirs are required to have relevant quality assurance procedures. AUS-MEAT officers monitor these procedures as part of normal audit procedures (at accredited meatworks). Authority officers monitor procedures in non-AUS-MEAT accredited works.

The Authority also continues to work with processors who wish to use "brand name" carcase brands to promote specific product. The Authority strongly supports the use of these brands. These are approved subject to the provision of specific criteria for product eligibility and monitored by either AUS-MEAT or Authority officers.

Authority Officers participated as witnesses to the Federal Governments Senate Inquiry into Meat Marketing in 2008 the draft report of which recommended that the Western Australian lamb branding system and associated regulations be adopted nationwide. As at 30 June 2009, the final report had not been released.

### Branding Compliance

All establishments that carry out carcase roller branding do so under the supervision of full time government meat inspection services or an approved arrangement. All carcase brands are held under the security of the inspection service. There is regular communication between the Authority and the inspection service on branding activities.

Close liaison is maintained with AUS-MEAT regarding the status of these programs and any difficulties are addressed immediately. Authority staff carry out random inspections of processing establishments, boning rooms, meat auctions, supermarkets and retail butchers to ensure compliance.

An investigation into the importation of export lamb legs from interstate is the subject of a prosecution brief currently with the State Solicitors Office.

## Compliance Activity Summary

Investigations undertaken	2007/2008	2008/2009
Abattoirs	37	61
Boning Rooms	18	22
Smallgoods Establishments	3	8
Retailers	198	229
Other premises	36	34

Investigations undertaken	2007/2008			2008/2009		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	2	1	1	4	2	2
Product misdescription	3	4	1	2	2	1
Labelling issues	3	0	0	4	4	0
Over the hooks	0	0	0	1	1	0
Brand issues	0	1	0	1	1	0
Other	0	0	0	3	3	0
Assist other regulators	1	1	0	2	2	0

## Legal Action Completed

- ☐ None at the time of reporting.

## Ongoing

- ☐ Unbranded lamb – imported from interstate - with State Solicitors Office.

## Statistical Services

During this period the Authority provided slaughter, saleyard statistics and market analysis to a number government, industry organisations and processors.

## MIDLAND SALEYARD - MANAGEMENT

### Background

The management of Midland Saleyards has been the responsibility of the Authority since 1994. The Saleyards are the only livestock selling facility in the Perth metropolitan area, the largest by stock volume and area in the state and one of the largest by throughput in Australia. It is also one of the few multi-species (cattle and sheep) facilities in operation.

As part of its management policy, ongoing consultation with animal welfare groups, saleyard users, neighbouring landholders, local government and government regulatory agencies is carried out to ensure that Midland Saleyard operate in harmony with local and broader community expectations.

The Authority has ensured that income earned by the yards is used to provide the best facilities possible for use by the meat and livestock industry. Capital improvements are prioritised following consultation with producer groups, livestock transporters, livestock agents, buyers and animal welfare organisations. An important consideration of these improvements is the potential reuse of associated material or equipment at the Livestock Centre, Muchea.

As well as offering a facility to sell livestock, the saleyard offers private weighing services, transhipment facilities and operates an aggregation point for the Live Export Industry.

In preparation for the relocation from Midland to Muchea, the Western Australian Meat Industry Authority worked closely with industry to model the future of the meat and livestock industry and determine what changes need to be in place at Muchea to best service the future industry. Collectively, the following changes were recommended for Muchea:

- 1) Animal Welfare;
- 2) Strict Nominations Policy;
- 3) Sale by Category;
- 4) Pre-Sale Catalogues;
- 5) Store and Special Sales;
- 6) Non-Curfew Sales (note: Curfew Sales will still occur);
- 7) Interlotting;
- 8) Drafting Criteria;
- 9) Value Adding;
- 10) Yard Manager;
- 11) Full Time Employment.

In 2007/2008 several of the changes such as sale by category and nominations were introduced into the Midland operations, both of these changes have been successful and brought benefits to all yard users including improved planning and buying flow. Industry stakeholders will be consulted again to plan the implementation of previously identified changes and set the facilities operating parameters for the Livestock Centre, Muchea.

## **Current Issues**

Numerous issues have a direct impact on Midland Saleyard activities, including:

- ❑ Animal Welfare remains a very high priority and the Authority has continued to work with the Royal Society for Protection of Cruelty to Animals (RSPCA), the Department of Local Government, Animals Angels, the Department of Agriculture and Food and Industry organisations to ensure that acceptable animal welfare standards at Midland are maintained.
- ❑ As part of this commitment senior staff attended a number of seminars conducted by Dr Temple Grandin, a world expert in animal behaviour and low stress handling of stock. Information gained from the seminars has been applied to the Muchea design and Midland Operations.
- ❑ The Western Australian Meat industry Authority funded and facilitated the development of the Animal Welfare Standards for Western Australian Standards which were launched by the Federal Minister for Agriculture, Hon Tony Burke in July 2008.
- ❑ Senior Authority Officers participate in various committees on long-haul transport and animal welfare.
- ❑ Since the introduction of mandatory NLIS for cattle in July 2005, the Authority has continued to work with Department of Agriculture and Food and industry to foster operational improvements with NLIS.
- ❑ Midland has met 100% compliance and remains the leader in the introduction of NLIS in WA and Australia being used as both a training centre and NLIS model for other yards.
- ❑ 2006/2007 saw the first full year of mandatory NLIS for sheep which has now been complemented by the requirement for mandatory mob based reporting as of the 1 July 2009. Again the Authority has worked closely with Department of Agriculture and Food and industry to ensure its successful introduction into the saleyard industry.
- ❑ The Authority, working through the Livestock Logistics WA continues to promote the use of saleyard selling software to improve the operational efficiencies of Midland and regional saleyards. The software is the key to Midland operations and is essential for livestock tracking and information interchange. The provision of electronic sheep sale processing to agents was extended to cover all agents operating at Midland the inclusion of Primaries of WA during the reporting period.
- ❑ Development of land adjoining the saleyard complex continues to take place, with two major retail complexes established adjacent to the facility. The economic downturn has delayed construction of a major hospital and office block planned for a nearby vacant site. While the Saleyard has operated harmoniously with these developments, its operations are incompatible with the surrounding land use. The Authority is working closely with the Midland Redevelopment Authority, the Swan Chamber of Commerce, local government and surrounding property owners to ensure that its operations do not cause any issues.
- ❑ The Authority has continued to work with officers from WorkSafe and other yard users to maintain a safe working place and reduce the risk public liability claims.
- ❑ The Authority continues to work with the Environmental Protection Authority (EPA) and brickworks management to monitor emissions from the neighbouring brickworks following complaints from saleyard users about air quality.

- ❑ The Authority has worked closely with Livestock Logistics WA to promote the use of the yards. 2007/2008 saw the continuation of additional store sales, electronic sale processing and picking up and branding service, retention of the significant non sale activity including live export aggregation and weighing, NLIS scanning, and private sale weighing. The Midland infrastructure is therefore being efficiently used while the Muchea client base is being established.
- ❑ Environmental – With the finalisation of the sale of the land containing the Saleyards effluent ponds, the Authority entered into an agreement to dispose of saleyard effluent by means of the sewer system. This agreement has been in place for 6 months and will cease when the Midland saleyard closes.
- ❑ Security – The installation of security cameras covering the main gates in 2007/2008 has enabled the Authority to provided better security to the facility and has provided supporting evidence for the apprehension of a number of offenders.

## Livestock Yardings

Cattle throughput in the 2008/2009 year was very similar to 2007/2008 (increased by 3,716 head) with a total of 103,599 head yarded. As with last year, yardings started slowly with fewer pastoral numbers in traditionally high activity months, however good consistent yardings in the latter half of the year allowed a reasonable throughput for the year to be achieved.

The market was impacted by uncertainty due to global economic crisis affecting the processing sector and operational issues impacting on the States main processor. While good quality stock maintained prices, unfinished and lighter stock returned lower values.

Sheep and lamb numbers were slightly higher by 9,758 head (on the previous year) to 913,597 head. This was a higher yarding than projected and can be attributed to producers switching to alternative farming practices. The market for all categories of stock saw prices improve significantly towards the end of the year with a number of records set.

Pig sales at Midland ceased in November 2006 due to prohibition notices issued by WorkSafe on the pig selling facility. Midland was the last pig market operating in the State, with the low number of pigs available for sale and no pig facility planned for the new Muchea site or alternative venue identified; it is most unlikely that there will be a replacement facility.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2008/2009 are listed in the table below:

Year	Cattle	Sheep and lambs	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402,	19,729
2002/2003	137,422	1,006,357	14,700
2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	103,599	913,597	0

## Joint Venture Arrangement

Since July 2001, the Midland Sales Management Joint Venture (MSMJV) arrangement, at Midland Saleyards between the Authority, Elders Ltd and Landmark Operations Pty Ltd has managed the receival, drafting and weighing operations for cattle and pigs at Midland. In 2007, the joint venture was re-named Livestock Logistics WA (LLWA). These arrangements have continued to result in reductions in transport waiting time, reduced animal stress, improvements in overall operational efficiency and the provision of expertise to other saleyard operators. The LLWA employs two supervisors, each with a team of skilled staff, Midland Supervisor Mr Marcus Sampson and South West Supervisor, Ms Sharon Francis. The Managing Director of the joint venture is Ms Renata Paliskis-Bessell, the Chief Executive Officer of the Western Australian Meat Industry Authority.

The growth of the LLWA in 2008/2009 year continued with the provision of the trial electronic processing for Elders Narngulu Cattle sale, provision of electronic processing and sale preparation for Primaries of WA Midland sheep sale and expansion of the stock pickup service to several other buyers/transporters.

The Livestock Exchange Saleyard Software program for saleyards (introduced in 2004) has provided a number of efficiencies in the sale process and allowed the development of personalised reports for yard clients to allow the direct downloading of specific sales information based on National Vendor Declaration and NLIS tag information. The software is an essential part of the NLIS program and allows interface between the saleyard and the National NLIS Database. Further enhancements of the software are planned for 2009/2010 including the introduction of Mob Based Movement Recording for Sheep.

## INDUSTRY DEVELOPMENT

### Activities

The Authority takes a proactive role to encourage and promote efficiency in the industry. Apart from its involvement in processing establishments and saleyard standards, the Authority supports a number of initiatives which further the overall development of the industry.

During 2008/2009 this involvement included:

- ☐ Development of the Animal Welfare Strategy for Western Australian Livestock Saleyards;
- ☐ Board membership of the National Saleyard Quality Assurance Program;
- ☐ Project Management of the Beef Stocktake Program;
- ☐ Representing the Western Australian Saleyard Industry as a member of the Livestock Saleyards Association of Australia;
- ☐ Regular briefings to the Executive Committees of the WA Farmers Federation and the Pastoralists and Graziers Association, the Livestock Transporters and Country Bulk Carriers Association, the Western Australian Lot Feeders Association and the Western Australian Live Exporters Association;
- ☐ Attendance and presentations at the annual conferences of major industry organisations;
- ☐ Membership of the State Committee to implement the National Livestock Identification System for cattle including its Finance Subcommittee;
- ☐ Membership of the State Committee to implement the National Livestock Identification System for sheep;
- ☐ Participating in the Western Australian Livestock Welfare Reference Group.

## **Animal Welfare Standards for Western Australian Saleyards**

In preparation for the relocation of Midland to Muchea, the Western Australian Meat Industry Authority worked closely with industry to develop a future model for the meat and livestock industry and determine how the Livestock Centre at Muchea should best service that industry. Animal Welfare was determined as the priority for the future of the Saleyards Industry.

As such, the Western Australian Meat Industry Authority worked closely with industry leaders in the production, processing, transport sector as well and other primary saleyards to develop the Animal Welfare Standards for Western Australian Saleyards and associated Working Manual which is based on the following six Standards:

- Planning and contingencies at the Saleyards premises;
- Maintenance and design of Saleyards holding facilities and equipment;
- Staff competency;
- Management of weak, ill or injured livestock at the Saleyards;
- General management of livestock at the Saleyards;
- Humane destruction.

During the 2009/2010 financial year, the Standards will be implemented through the development of Standard Operating Procedures and Training Programs.

## **Beef Stocktake Program**

In September 2007, the Western Australian Meat Industry Authority, in conjunction with the Western Australian Farmers Federation and the Pastoralists and Graziers Association were successful in securing \$100,000 of Federal funds to undertake an objective assessment of the beef supply chain in the agricultural region of Western Australia. This was in response to low prices, the inability to secure kill space, the labour supply issues in the state and the demand for producers and processors to work together. The objectives of the program were to:

- Undertake a detailed examination of the WA supply chain: description, situation analysis, SWOT for each member of the supply chain plus the supply chain overall;
- Develop a future model for the WA production sector and the WA processing sector;
- Develop strategies to move from the current model to the future model for beef production and processing.

Unfortunately with the change in Federal Government in November 2007, funding was withdrawn.

Since that time however, the organisations have secured a commitment of \$162,440 funding from Meat and Livestock Australia, the Federal Government, the Western Australian Cattle Industry Compensation Fund and the Australian Meat Processing Corporation. The project commenced in December 2008 with the appointment of consultants, Warwick Yates and Associates to undertake the project analysis, consultation and research. The Project Manager is Renata Paliskis-Bessell, Chief Executive Officer of the Western Australian Meat Industry Authority.

The consultants have undertaken detailed analysis of the Western Australian beef industry as well as identification of restrictions, blockages and constraints limiting the potential of the industry. They have also identified the key issues limiting producer and industry profitability and are developing options (and associated strategies) for addressing the key issues for markets, market access, production and supply chains for WA produced beef. This was not done in isolation with extensive consultation occurring at all levels of the Western

Australian beef supply chain including the receipt of written submissions and facilitated and confidential meetings. As at 30 June 2009, the consultants were drafting their final report.

### **National Livestock Reporting Service (NLRs)**

Since November 2002, Meat and Livestock Australia has been responsible for the operations of the NLRs. The service is funded from producer levies and the sale of information. The NLRs provides the State's meat and livestock industry with an accurate and unbiased market information service. The goal of the service is to increase producers' understanding of consumer requirements through a market information system that is timely, accurate and relevant. This, in turn, allows the industry to maximise overall returns.

The Authority continues to provide market information and support for NLRs staff. It also provides market highlights to the Countryman (which are not covered by the NLRs).

### **State Saleyard Database**

The Authority maintains a database that provides accurate information and timely information on the throughput of the States Saleyards. Reports from the database can be generated for the current year and historically from 2005/2006. The reports are used by a number of Government and Industry organisations.

### **Web Site**

The Authority maintains a web site with the objectives of:

- ☐ Provide industry information and statistics;
- ☐ Provide electronic application forms;
- ☐ Promote industry developments;
- ☐ Promote the Midland Saleyards and provide an avenue for market information;
- ☐ Provide contact details and links to the processing sector;
- ☐ Provide information on the progress of the Midland Saleyard Relocation Project;
- ☐ The website is [www.wamia.wa.gov.au](http://www.wamia.wa.gov.au).

### **Education**

The Authority recognises that the involvement of the saleyard industry in the agricultural education sector is an important function and has continued to host visits to the Midland facility by students from a number of agricultural colleges. Some of these students have become employees of the LLWA.

### **Other Major Selling Centres**

The Authority continues to work with other major saleyard operators the Shires of Plantagenet and Katanning and the Western Australian Livestock Salesman's Association to promote industry efficiencies and consider operational and strategic issues relevant to the operation of Saleyards. Work in the 2008/09 financial year centred on developing proposals to upgrade the Regional Saleyards and the Animal Welfare Standards for Western Australian Saleyards.

## HUMAN RESOURCES

### Staffing Levels

The number of salary and wages staff employed by the Authority at 30 June 2009 is listed below:

Title	Fte *as at 30/06/2008	Fte *as at 30/06/2009
Chief Executive Officer	1.0	1.0
Project and Operations Manager	1.0	1.0
Compliance Officer	1.0	1.0
Executive Officer	1.0	0
Senor Administrative Officer	0.8	0.8
Administrative Assistant	0.4	0.8
Administrative Trainee	0.0	0.4
Saleyard Team Leader	1.0	1.0
Saleyard Cleaning	3.8	4.0
Saleyard Maintenance	1.2	1.2
Total	11.2	11.2

\*FTE = Full Time Equivalent

### Staff Training and Development

During the period, the Authority has continued to invest in its staff through training and development. Management and administrative staff received training in financial management, injury management and computer skills and attended a number of seminars relevant to the Authority's operations.

During the period, the Authority continued its participation in the Public Sector School Based Traineeship Program, with Ms Brooke Meredith from the Governor Stirling Senior High School commencing her traineeship in February 2009. The Authority is pleased to be in a position to offer a young person an opportunity to gain essential skills and make a contribution to the local community and is currently in the process of appointing a new Trainee.

### Industrial Relations

All administrative and supervisory staff are covered by the State Government framework agreement which is based on the Public Service and Government Officers Salary Allowances and Conditions Awards. Saleyard staff are covered by an industry specific agreement negotiated by the Authority with the Australian Workers Union known as the Midland Saleyard Agreement 2007 which will expire on the 31<sup>st</sup> December 2009. All wage increases are in line with the State Government Wages Policy.

## DIRECTION BY THE MINISTER

Section 15A(2) of The Authority's Act requires that the text of any direction by the Minister given under Section 7(3) shall be included in the annual report submitted. No such direction was given by the Minister for the period of this report.

## Freedom of Information Statement

Section 16(1) of the *Western Australian Meat Industry Authority Act 1976* as amended, specifies the functions of the Authority as:

- (a) to survey and keep under review the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- (b) to review the operation of saleyards, establishments and processing works including -
  - (i) inspecting and where appropriate approving, the premises and facilities, and the conduct of operations there; and
  - (ii) recording in respect of each establishment its effective capacity and actual performance.
- (c) to implement schemes and practices for the branding of any carcasses or meat, which may include practices to define or identify its -
  - (i) source;
  - (ii) method of production;
  - (iii) processing treatment;
  - (iv) quality; or
  - (v) other characteristics.
- (d) to assume responsibility for, or arrange for the management of -
  - (i) Midland saleyard; and
  - (ii) If the Minister so directs, any other undertakings, establishment or facility in the meat industry.
- (e) to encourage and promote improved efficiency throughout the meat industry.
- (f) to advise the Minister generally, and in particular as to -
  - (i) methods of overcoming areas of conflicting interest within the meat and livestock industries;
  - (ii) future requirements for saleyards, establishments and processing works, particularly in relation to the overall slaughtering capacity of the State and the location of those establishments;
  - (iii) any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary; and
- (g) to carry out such other functions as are required to give effect to this Act generally, in relation to saleyards, establishments, processing works and other facilities, undertakings or activities in the meat industry.

This legislation provides for the Authority, management, powers, functions, liabilities and reporting procedures. The Authority's governance structure is comprised of a Chairman and Members appointed by the Minister. The Authority is a body corporate and capable, through its Board and Minister, of all things required within its Act and associated regulations.

The Authority's Board comprises of Members representing a broad range of viewpoints in the meat processing supply chain. Additionally, it makes available relevant information on request and regularly consults with industry bodies. The Authority produces reports on industry matters. It has no library and no materials for sale other than livestock market reports, but does receive and hold information on the Western Australian meat industry derived from its own and other sources. The operation of Freedom of Information in the Authority is a function of the Chief Executive Officer, telephone (08) 9274 7533 located at 15 Spring Park, Midland, WA.

WAMIA received no FOI requests during the 2008/2009 period.

## **RISK MANAGEMENT**

The Authority is developing a risk management policy, which is included in its Policy Manual. Strategies will be developed to deal with risks, particularly in relation to the regulatory controls the Authority exercises in the meat industry and the operations at Midland Saleyard. The Authority recognises that risk management policies and procedures need to be subject to continual review and refinement. Risk Management has been integrated into the audit system to develop the Authority's Strategic Audit Plan.

## **COMPLIANCE WITH THE ELECTORAL ACT 1907**

Section 175ZE of the Electoral Act of 1907 requires public agencies to include in their annual report a statement detailing expenditure in excess of \$1500 incurred by or on behalf of the agency during the reporting period in relation to any of the following classes of organisations:

- a) advertising agencies;
- b) market research organisations;
- c) polling organisations;
- d) direct mail organisations; and
- e) media advertising organisations.

During the period, the Authority incurred no item of expenditure exceeding \$1,500.

## EQUAL EMPLOYMENT OPPORTUNITY

The Authority is committed to ensure that no job applicant or employee will receive less favourable treatment on the grounds of sex, marital status, pregnancy, race, religion, political conviction or impairment or is disadvantaged by conditions or requirements which cannot be shown to be relevant to performance and that the talents and resources of employees are utilised to the full.

The Authority is also committed to ensure the promotion of equal employment opportunities for all of its employees and recognises its legal obligations under the Equal Opportunity Act, 1984.

## PUBLIC SECTOR STANDARDS

The Authority is required to comply with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and an established Code of Ethics.

The Authority has formally adopted a Code of Conduct that has been prepared in consultation with the Office of the Commissioner of Public Sector Standards.

Recruitment and Selection procedures have been undertaken in accordance with Public Sector Standards. Compliance with the Code is monitored by the Chief Executive Officer.

## PUBLIC INTEREST DISCLOSURE ACT

The Authority is required to comply with the requirements of the Public Interest Disclosure Act 2003 (PID). The Authority has formally adopted Guidelines and Procedures for dealing with disclosures and appointed Mr Saunders as the PID officer. No disclosures have been made in the period.

## DISABILITY ACCESS AND INCLUSION PLAN

The Authority's Disability Access and Inclusion Plan contains the following initiatives to address each of the six desired outcomes are:

1. *People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.*
  - All policies, guidelines and practices that govern the operation of Authority facilities and services are consistent with the policy on disabled access.
2. *People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.*
  - The Authority's administration building has disabled toilets and full access throughout the building. The current Midland saleyard site has disabled access to limited areas. However, it must be recognised that the saleyard complex is an aged complex that is to be replaced and decommissioned within the next 12 months. The current nature of its construction and operations preclude modifying the facility to provide disabled access.
  - The proposed replacement saleyard facility located at Muchea has been designed to allow for disabled access as well as provide disabled facilities.
3. *People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*

- Authority information is available in person, via telephone, website and in hard copy and can be provided in a variety of formats upon request. All information is available in a clear, concise and easy to understand language and can be modified to suit individual requirements.
4. *People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.*
- Authority staff members with key client and public roles are aware of the key access needs of people with disabilities as well as their families and carers who use Authority facilities and services.
5. *People with disabilities have the same opportunities as other people to make complaints to a public authority.*
- Complaints can be made to the Authority by various means. These include in person, in writing, by telephone or electronically.
6. *People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*
- When required, issues for public comment are advertised via local newspaper articles, media releases on the Authority website and letters to homeowners surrounding the relevant land area. Responses can be made by telephone, letter, e-mail or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

## OCCUPATIONAL SAFETY AND HEALTH

The Authority is committed to ensuring that it offers a safe working environment to all users of its Midland Saleyard facility and its administration office. It has set policies in place to ensure that staff are adequately advised of safety issues and will work closely with staff through its Occupational Health and Safety Committee. Any injuries that may occur are managed in close liaison with RiskCover and in accordance with the requirements of the Workers Compensation and Injury Management Act 1981.

The table below lists the target reporting for 2008/2009:

Indicator	2008/2009 Target	2008/2009 Actual
Number of Fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0

## STATE RECORDS ACT

The Authority is required to comply with the requirements of the State Records Act 2000. The Authority has an approved record keeping plan and appointed a Record Keeping Officer.

## WASTE PAPER RECYCLING

Due to the small size of the office, a minimal amount of waste paper is produced. Most documents of a confidential nature are shredded or disposed of appropriately. In 2008/2009, 3 x 240 litre bins were sent for recycling.

---

## **ENERGY SMART GOVERNMENT POLICY**

As the Authority has less than 25 FTEs, no report is required on the performance of energy saving initiatives against the Energy Smart Government Policy objectives. However, the Authority is aware of the objective and makes every effort to save energy by ensuring efficient use of electrical equipment.

## **CORRUPTION PREVENTION**

The Authority is developing corruption prevention policies for risks associated with corruption and misconduct. These policies will be incorporated into the Authority's risk management program and staff induction practices will be revised to make sure that staff are aware of their responsibilities.



## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

### **WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accounts, financial statements, controls and key performance indicators of the Western Australian Meat Industry Authority.

The financial statements comprise the Balance Sheet as at 30 June 2009, 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.

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

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

The Board 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, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

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

**Western Australian Meat Industry Authority**  
**Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

**Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Meat Industry Authority at 30 June 2009 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;
- (ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY  
AUDITOR GENERAL  
21 September 2009

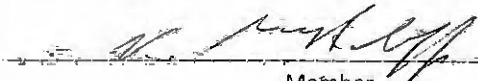


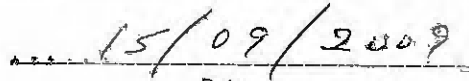
## FINANCIAL STATEMENTS


### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

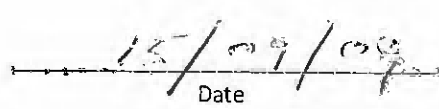
The accompanying financial statements of Western Australian Meat Industry Authority (The Authority) have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2009 and the financial position as at 30 June 2009.

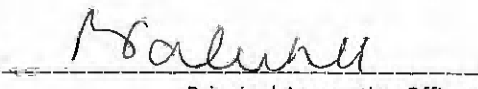
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

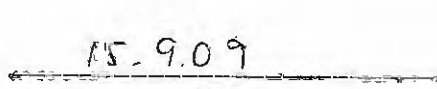
  
Member

  
Date

  
Member

  
Date

  
Principal Accounting Officer

  
Date

These Financial Statements were tabled at The Authority meeting of 25 August 2009.



**William Buck**

Assurance Services (WA) Pty Ltd

## INCOME STATEMENT

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
<b>INCOME</b>			
<b>Revenue</b>			
Sales	6	18,908	15,395
Provision of services	7	1,278,880	1,261,043
Interest revenue	8	3,425,796	3,672,320
Other revenue	9	117,862	125,573
		<u>4,841,446</u>	<u>5,074,331</u>
<b>Gains</b>			
Gains on disposal of non-current assets	10		49,545,550
<b>Total Income</b>		<u><b>4,841,446</b></u>	<u><b>54,619,881</b></u>
<b>EXPENSES</b>			
<b>Expenses</b>			
Cost of sales	5	6,058	7,529
Employee benefits expense	11	874,033	833,081
Supplies and services	12	602,589	721,246
Depreciation expense	13	70,778	57,386
Impairment expense	19	684,294	-
Other expenses	14	446,522	494,360
<b>Total Expenses</b>		<u><b>2,684,274</b></u>	<u><b>2,113,602</b></u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>2,157,172</b></u>	<u><b>52,506,279</b></u>

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

**William Buck**

Assurance Services (WA) Pty Ltd

**BALANCE SHEET***As at 30 June 2009*

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	24(a)	54,477,882	71,479,812
Receivables	15	2,614,529	741,522
Other current assets	16	984	1,189
<b>Total Current Assets</b>		<b>57,093,395</b>	<b>72,222,523</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	18	83,996,818	61,171,223
Other non-current assets	17	224,776	179,433
<b>Total Non-Current Assets</b>		<b>84,221,594</b>	<b>61,350,656</b>
<b>TOTAL ASSETS</b>		<b>141,314,989</b>	<b>133,573,179</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	20	6,183,804	639,183
Provisions	21	280,624	198,951
Other Current Liabilities	22	5,780	11,772
<b>Total Current Liabilities</b>		<b>6,470,208</b>	<b>849,906</b>
<b>Non-Current Liabilities</b>			
Provisions	23	12,291	47,955
<b>Total Non-current Liabilities</b>		<b>12,291</b>	<b>47,955</b>
<b>Total Liabilities</b>		<b>6,482,499</b>	<b>897,861</b>
<b>Net Assets</b>		<b>134,832,490</b>	<b>132,675,318</b>
<b>EQUITY</b>			
Reserves	23	48,146,537	48,146,537
Retained earnings	23	86,685,953	84,528,781
<b>TOTAL EQUITY</b>		<b>134,832,490</b>	<b>132,675,318</b>

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

**William Buck**

Assurance Services (WA) Pty Ltd

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

	Note	2009 \$	2008 \$
Balance of Equity at start of period		132,675,318	86,950,889
<b>RESERVES</b>	23		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		48,146,537	23,952,568
Realised on land sale		-	(19,024,181)
Gains/(losses) from asset revaluation		-	43,218,150
<b>Balance at end of period</b>		<b>48,146,537</b>	<b>48,146,537</b>
<b>RETAINED EARNINGS</b>	23		
Balance at start of period		84,528,781	12,998,321
Realised portion of revaluation reserve on land sale		-	19,024,181
Profit/(loss) for the period		2,157,172	52,506,279
<b>Balance at end of period</b>		<b>86,685,953</b>	<b>84,528,781</b>
<b>Balance of equity at end of period</b>		<b>134,832,490</b>	<b>132,675,318</b>
<b>Total income and expense for the period (a)</b>		<b>2,157,172</b>	<b>95,724,429</b>

(a) The aggregate net amount attributable to each category of equity is: surplus \$2,157,172 plus gains from asset revaluation of nil (2008: surplus \$52,506,279 plus gains from asset revaluation of \$43,218,150).

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


**William Buck**

Assurance Services (WA) Pty Ltd

**CASH FLOW STATEMENT**  
*for the year ended 30 June 2009*

	Note	2009 \$	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employees benefits		(838,168)	(783,264)
Supplies and services		(1,002,977)	(833,559)
GST payments on purchases		(1,972,378)	(263,889)
Receipts			
Sale of goods and services		18,908	15,395
Provision of services		1,319,139	760,635
Interest received		3,154,326	3,672,320
GST receipts on sales		170,738	93,787
Other receipts		72,520	84,514
GST receipts from Taxation Authority		657,446	195,983
Net cash provided by operating activities	24(b)	1,579,554	2,941,922
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		-	70,050,549
Purchase of non-current physical assets		(18,581,484)	(7,782,195)
Net cash (used in)/provided by investing activities		(18,581,484)	62,268,354
Net Increase/(decrease)			
In cash and cash equivalents		(17,001,930)	65,210,276
Cash and cash equivalents			
at the beginning of period		71,479,812	6,269,536
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	24(a)	54,477,882	71,479,812

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

## 1 AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

### General

The Authority's financial statements for the year ended 30 June 2009 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).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The AASB has decided to maintain the statements of accounting concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

### Early Adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or 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 2009.



## 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 Accountancy 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.

Modifications or clarifications to accounting standards through the TIs are to provide certainty, and to ensure consistency and appropriate reporting across the public sector.


**William Buck**

Assurance Services (WA) Pty Ltd

**(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

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

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

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

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in Note 4 'Key source of estimation uncertainty'.

**(c) Reporting Entity**

The reporting entity comprises the Authority.

**(d) 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:

***Sale of goods***

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

***Rendering of Services***

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

***Interest***

Revenue is recognised as the interest accrues.

***Rental Income***

Revenue is accounted for on a straight-line basis over the lease term.

**Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**(e) Property, Plant and Equipment**

***Capitalisation/Expensing of Assets***

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost



of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

#### *Initial Recognition and Measurement*

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

#### *Subsequent Measurement*

After recognition as an asset, the Authority uses the revaluation model for the measurement of land and buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are re-valued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount.

Where market-based evidence is not available, the fair value of land and building is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the written-down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of the buildings has been determined by reference to the value in use of the assets and the written down salvage value as the assets are specialised, no market evidence is available and it is the intention of the Authority to demolish the buildings and yards in the near future once the Authority has relocated.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

#### *Derecognition*

Upon disposal or de-recognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

#### *Asset Revaluation Reserve*

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 18 'Property, Plant and Equipment'.

**Depreciation**

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings and yards	22 years
Plant and equipment	4 to 10 years
Motor vehicles	8 years

**(f) Impairment of Assets**

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

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

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

**(g) Non-current Assets Classified as Held for Sale**

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately from other assets in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

**(h) Jointly Controlled Operations**

Interest in joint venture operations have been reported in the financial report including the Authority's share of assets employed in the joint ventures, the share of liabilities incurred in relation to the joint ventures and the share of expenses incurred in relation to the joint ventures in their respective classification categories. The Authority's interest in assets is disclosed in Note 17.

**(i) Financial Instruments**

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

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


**William Buck**

Assurance Services (WA) Pty Ltd

These have been disaggregated into the following classes:

- Financial Assets;
- Cash and cash equivalents;
- Receivables;
- Amounts receivable for services;

Financial Liabilities:

- Payables;

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair 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.

#### (j) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include 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.

#### (k) Receivables

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

#### (l) Leased Assets

The Authority has entered into a number of operating lease arrangements for vehicles, office equipment and buildings where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

#### (m) Payables

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

#### (n) Provisions

Provisions are liabilities of uncertain timing and 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 each balance sheet date.



**William Buck**

Assurance Services (WA) Pty Ltd

## Provisions - Employee Benefits

### *Annual and Long Service Leave*

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

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

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

### *Sick Leave*

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the income statement for this leave as it is taken.

### *Superannuation*

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes in WA.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme now also closed to new members. Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The Pension Scheme, and the pre-transfer benefit for employees who transferred to the GSS Scheme, are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided for at balance sheet date. The liabilities under these schemes have been calculated separately for each scheme annually by Mercers Human Resource Consulting Actuaries using the projected unit credit method.



The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The GSS Scheme, WSS Scheme, and the GESBS Scheme, where the current service superannuation charge is paid by The Authority to GESB, are defined contribution schemes. The liability for current service superannuation charges under the GSS Scheme, the WSS Scheme, and the GESBS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The Gold State Superannuation scheme is a defined benefit scheme for the purpose of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

#### **"Employment On-Costs"**

Employment on-costs, including workers' compensation insurance and payroll tax, 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 not included as part of the Authority's 'Employee benefits expense' and the related liability is included in Employment on-costs provision."

#### **(o) Superannuation Expense**

The superannuation expense of the defined benefit plans is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expense in the income statement.

The superannuation expense of defined contribution plans is recognised as and when the contributions fall due.

#### **(p) Accrued Salaries**

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

#### **(q) Comparative Figures**

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

### **3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES**

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial report include:

- Capitalisation of certain expenses as capital works.

Management applies judgement in ascertaining the indirect costs to allocate to the Muchea project and to capitalise as capital works. Management bases its judgements of the proportion of indirect



costs to capitalise based on the time spent by staff and contractors in undertaking tasks associated with the Muchea project compared to the total time spent.



#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

##### • Estimating fair values of freehold land

Management manage the risk of material misstatement by engaging the Valuer Generals Office (Landgate) to undertake a valuation of the freehold land held by the Authority at balance date. It is the policy of the Authority to carry freehold land based on the valuations provided by the Valuer Generals Office.

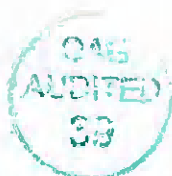
##### • Impairment of buildings

The Authority assesses impairment at each reporting date. Where an indication of impairment exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

During the year ended 30 June 2009, the Authority made significant judgement about the impairment of buildings in the Midland saleyard.

The Authority has recorded an impairment loss of \$684,294 during the year ended 30 June 2009, being a transfer of the accumulated fair value adjustments to the income statement.

Contingent liabilities for remediation costs are disclosed separately in Note 30 Contingent Liabilities and Contingent Assets."



## 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

### *Voluntary Changes in Accounting Policy*

From 1 July 2008 the asset capitalisation threshold for agencies is set at \$5,000 for asset recognition under AASB 116 'Property, Plant and Equipment'. Prior to 30 June 2008 the asset capitalisation threshold was set at \$1,000. The change in accounting policy applies from 1 July 2008. This has resulted in an effect on the current year where there is a decrease of \$20,525 in the profit for the year, with a corresponding decrease in the carrying amounts of property, plant and equipment.

Comparative figures have not been restated to reflect this policy change as the effect of changing prior period's depreciation and carrying values would not have been materially different if the change in accounting policy had always been applied.

### *Future Impact of Australian Accounting Standards Not Yet Operative*

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

TITLE	OPERATIVE FOR REPORTING PERIODS BEGINNING ON/AFTER
AASB 101 'Presentation of Financial Statements' (September 2007). This standard has been revised and will change the structure of the financial statements. The Authority does not expect any financial impact when the Standard is first applied.	1 January 2009
AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.	1 January 2009



**6. TRADING PROFIT**

	2009	2008
	\$	\$
Tag Sales	7,700	4,083
Manure Sales	11,208	11,312
<b>Total Sales</b>	<b>18,908</b>	<b>15,395</b>
Cost of goods sold	(6,058)	(7,529)
<b>Trading Profit</b>	<b>12,850</b>	<b>7,866</b>

**7. PROVISION OF SERVICES**

Saleyard fees and services	902,571	787,094
Livestock services	142,454	195,758
Abattoir licensing and services	83,092	86,585
Truck wash	78,441	98,831
Waste management	25,665	40,992
Joint venture management	45,657	51,783
<b>Total</b>	<b>1,277,880</b>	<b>1,261,043</b>

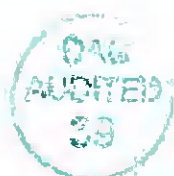
**8. INTEREST REVENUE**

Interest revenue	3,425,796	3,672,320
<b>Total</b>	<b>3,425,796</b>	<b>3,672,320</b>

Interest revenue is derived on funds held on deposits with Bank of Western Australia.

**9. OTHER REVENUE**

Rental income	55,121	66,653
Share of joint venture income (net)	45,342	53,035
Other	17,399	5,885
<b>Total</b>	<b>117,862</b>	<b>125,573</b>



**William Duck**

Assurance Services (WA) Pty Ltd

**10. NET GAIN ON DISPOSAL OF NON-CURRENT ASSETS**

	2009 \$	2008 \$
<u>Carrying value of disposal of non-current assets</u>		
Land		20,505,000
Plant, equipment and vehicles		20,505,000
<u>Proceeds from disposal of non-current assets</u>		
Land		70,049,868
Plant, equipment and vehicles		682
		70,050,550
<b>Net Gain</b>		<b>49,545,550</b>

**11. EMPLOYEE BENEFITS EXPENSE**

Wages and Salaries (a)	664,765	650,385
Superannuation	81,082	81,394
Board Fees	63,610	69,096
Long Service Leave (b)	25,860	18,509
Annual Leave (b)	38,716	13,697
	<b>874,033</b>	<b>833,081</b>

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

(b) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance and payroll tax are included at note 14 'Other Expenses'. The employment on-costs liability is included at note 21 'Provisions'.

**12. SUPPLIES AND SERVICES**

Communication	41,168	49,186
Computing	40,413	33,117
Consultants and contractors	268,479	346,795
Livestock marketing reporting service	19,800	19,182
Repairs and maintenance	109,463	108,418
Travel	14,432	25,237
Waste Management	3,581	25,127
Water power and gas	52,683	52,588
Other	52,570	61,596
	<b>602,589</b>	<b>721,246</b>

**13. DEPRECIATION EXPENSE**

Buildings	12,012	23,835
Plant and Equipment	37,144	24,843
Vehicles	21,622	8,708
<b>Total Depreciation</b>	<b>70,778</b>	<b>57,386</b>



#### 14. OTHER EXPENSES

	2009	2008
	\$	\$
Audit cost	17,887	36,065
Bad debts expense	18,212	479
Relocation	276,169	356,210
Other	134,254	101,606
	<u>446,522</u>	<u>494,360</u>

#### 15. RECEIVABLES

Current receivables	110,693	185,402
Provision for impairment of receivables	(8,006)	(8,006)
	<u>102,687</u>	<u>177,396</u>
Accrued Income	296,529	14,484
GST/PAYG Refundable	2,215,313	549,642
	<u>2,614,529</u>	<u>741,522</u>

Reconciliation of changes in the allowances for impairment of receivables:

Balance at start of year	8,006	8,006
Doubtful debts expense recognised in the income statement	18,212	-
Amounts written off during the year	(18,212)	-
Balance at the end of the year	<u>8,006</u>	<u>8,006</u>

#### Credit risk

Aging of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:

Not more than 3 months	5,734	54,547
More than 3 months but less than 6 months	414	20,691
More than 6 months but less than 1 year	1,486	-
More than 1 year	265	-

No receivables on hand at balance date have been individually identified as impaired at 30 June 2009 (2008: Nil).

During the year ended 30 June 2009 an individual receivable of \$18,212 (ex GST) was identified as non-recoverable and has been written off to the income statement as a bad debt (refer note 14).

The Authority does not hold any collateral as security or other credit enhancements relating to receivables.



**16. OTHER CURRENT ASSETS**

	2009	2008
	\$	\$
Prepayments	984	1,189
More than 3 months but less than 6 months	984	1,189

**17. OTHER NON-CURRENT ASSETS**

Investment accounted for using the equity method	224,776	179,433
More than 3 months but less than 6 months	224,776	179,433

The Authority holds one-third output interest in the Livestock Logistics Joint Venture.

Summarised financial information in respect of the Authority's jointly controlled entities is set out below:

**Financial Position:**

Current assets	856,689	560,221
Non-current assets	56,197	54,377
Current liabilities	(220,323)	(76,300)
Non-current liabilities	(18,239)	-
Net assets	674,324	538,298
Authority's share of jointly controlled entities' net assets	224,776	179,433

**Financial performance:**

Income	1,212,096	1,160,491
Expenses	1,076,070	1,001,386
Authority share of jointly controlled entities' profit	45,342	53,035

**Distribution received from joint ventures**

During the year, the Authority received no distributions (2008: nil) from its jointly controlled entity.

**18. PROPERTY, PLANT AND EQUIPMENT**

**Plant, equipment and vehicles**

At cost	562,932	438,311
Accumulated depreciation	(395,530)	(336,764)
	167,402	101,547

**Freehold Land (1)**

At fair value	51,235,000	51,235,000
---------------	------------	------------

**Building and Yards (2)**

At fair value	-	529,638
Accumulated depreciation	-	(91,594)
	-	438,044

**Capital Works in Progress (3)**

	32,594,416	9,396,632
	83,996,818	61,171,223



- (1) Freehold land was revalued as at 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. The fair value of all land has been determined by reference to recent market transactions.
- (2) The fair value of buildings is considered by assessing the expected value in use of the buildings to the Authority from their continued use in the Authority's activities, together with the expected proceeds from the sale of the buildings at the end of their useful life. Refer to note 19 regarding impairment of buildings.
- (3) Costs directly attributable to the acquisition of land, due diligence and procurement of approvals for the Muchea Livestock Centre development including professional fees have been capitalised.

### Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below:

2009	Plant Equipment And Vehicles	Land	Capital Works in Progress	Building and Yards	TOTAL
Carrying amount at start of year	101,547	51,235,000	9,396,632	438,044	61,171,223
Additions	124,621			258,262	23,580,667
Depreciation			23,197,784	(12,012)	(70,778)
Impairment	(58,766)			(684,294)	(684,294)
Carrying amount at year end	167,402	51,235,000	32,594,416		83,996,818

2008	Plant Equipment and Vehicles	Land	Capital Works in Progress	Building and Yards	TOTAL
Carrying amount at start of year	112,921	8,016,850	1,636,614	461,879	10,228,264
Additions		43,218,150	7,760,018		7,782,195
Revaluation	22,177				43,218,150
Increments	(33,551)			(23,385)	(57,386)
Depreciation					
Carrying amount at year end	101,547	51,235,000	9,396,632	438,044	61,171,223



## 19. IMPAIRMENT OF ASSETS

The buildings, property, plant and equipment were tested for impairment at 30 June 2009. As part of this testing, it was determined that the buildings will be used for approximately another six months and then demolished as saleyard operations are relocated to Muchea.

The recoverable amount of these buildings has been estimated to be nil as the value in use and the potential realisable value from the sale of the buildings does not exceed the expected demolition and remediation costs. The buildings have therefore been written down to nil in the financial statements.

An impairment expense of \$684,294 has been recognised in the income statement for the year ended 30 June 2009.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2009 have been classified as non-current assets held for sale or written off.

## 20. PAYABLES

	2009 \$	2008 \$
<i>Current</i>		
Trade Payables	6,074,340	4,015
PAYG Payable	12,318	14,108
Other Payables	5,971	10,004
Accrued Expenses	79,411	600,946
Accrued Salaries	11,764	10,110
	<b>6,183,804</b>	<b>639,183</b>

## 21. PROVISIONS

### Current

Employee benefits provision		
Annual leave (a)	120,701	92,619
Long service leave (b)	85,398	39,307
Superannuation (d)	74,525	67,025
	<b>280,624</b>	<b>198,951</b>

### Non-Current

Employee benefits provision		
Long service leave (b)	12,291	47,955
	<b>12,291</b>	<b>47,955</b>

### Employee Benefit Liabilities

The aggregate employee benefit liability recognised and included in the financial statement is as follows:

Provision for employee benefits:	280,624	198,951
Current	12,291	47,955
Non-Current	<b>292,915</b>	<b>246,906</b>



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

	2009	2008
	\$	\$
Within 12 months of the balance sheet date	61,523	92,619
More than 12 months after balance sheet date	59,178	-
	<u>120,701</u>	<u>92,619</u>

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

	2009	2008
Within 12 months of the balance sheet date	85,398	39,307
More than 12 months after balance sheet date	12,291	47,955
	<u>97,689</u>	<u>87,262</u>

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

- (d) Defined Benefit Superannuation Plans  
The amounts recognised in the income statement are as follows:

**Current service cost**

Interest cost	7,500	7,500
Net actuarial losses/(gains) recognised	-	-
Total included in 'Employee Benefits Expense (See Note 11)	<u>7,500</u>	<u>7,500</u>

The amounts recognised in the balance sheet are as follows:

Present value of unfunded obligations	74,525	67,025
Liability in balance sheet	<u>74,525</u>	<u>67,025</u>

The Authority has no legal liability to make up the liability other than by continuing to comply with the employer funding arrangements as detailed below:

Reconciliation of the unfunded liability recognised in the balance sheet is as follows:

Liability at start of year	67,025	59,525
Total expense recognised in the income statement	<u>7,500</u>	<u>7,500</u>
Benefits paid	-	-
Liability at end of year	<u>74,525</u>	<u>67,025</u>



**22. OTHER CURRENT LIABILITIES**

	2009 \$	2008 \$
Accrued Board Fees	5,780	11,772
	<u>5,780</u>	<u>11,772</u>

**23. EQUITY**

**Reserves**

**Asset Revaluation Reserve**

Balance at start of year	48,146,537	23,952,568
Net Revaluation increments- Land	-	43,218,150
Realised on land sale	-	(19,024,181)
<b>Balance at end of year</b>	<b>48,146,537</b>	<b>48,146,537</b>

**Retained Earnings**

Balance at start of year	84,528,781	12,998,321
Transfer from asset revaluation reserve	-	19,024,181
Result for the period	2,157,172	52,506,279
<b>Balance at end of year</b>	<b>86,685,953</b>	<b>84,528,781</b>

**24. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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 at bank and on hand	895,241	2,644,276
Term Deposit	53,582,641	68,835,536
	<u>54,477,882</u>	<u>71,479,812</u>

**(b) Reconciliation of profit to net cash flows provided by operating activities**

<b>Profit</b>	<b>2,157,172</b>	<b>52,506,279</b>
---------------	------------------	-------------------

**Non cash Items:**

Depreciation expense	70,778	57,386
Share of joint venture income	(45,342)	(53,034)
Impairment expense	684,294	-
Net gain on sale of property, plant and equipment	-	(49,545,550)

**(Increase)/Decrease in assets:**

Current receivables	(1,321,033)	(514,530)
Other current assets	205	38,814

**Increase/(decrease) in liabilities:**

Current payables	(6,538)	(151,936)
Current provisions	81,673	19,041
Other current liability	(5,992)	564,786
Non-current provisions	(35,663)	20,665

**Net cash provided by Operating Activities**

<b>1,579,554</b>	<b>2,941,922</b>
------------------	------------------



**William Buck**

Assurance Services (WA) Pty Ltd

**25. REMUNERATION OF MEMBERS OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS****Remuneration of Members of Accountable Authority**

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

	2009	2008
Up to \$10,000	5	6
\$10,001 - \$20,000	2	1
Total remuneration of the members of the accountable authority is:	<b>\$80,665</b>	<b>\$75,650</b>

The total remuneration includes the superannuation expenses incurred by the authority in respect of members of the accountable authority.

No members of the accountable authority are members of the Pension Scheme.

**Remuneration of Senior Officers**

The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

	2009	2008
\$70,001 - \$110,000	1	1
\$110,001 - \$170,000	1	1
Total remuneration of senior officers is:	<b>\$266,325</b>	<b>\$238,206</b>

The superannuation included here represents the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority.

No senior officers are members of the Pension Scheme.

**26. REMUNERATION OF AUDITOR**

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

	2009 \$	2008 \$
Auditing the accounts, financial statements and performance indicators	<b>17,887</b>	<b>17,122</b>

**27. EXPLANATORY STATEMENT**

This statement provides details of any significant variations between estimates and actual results for 2009 and between the actual results for 2008 and 2009. Significant variations are considered to be those greater than 10% or \$50,000.

Significant variances between estimate and actual results for the financial year:



INCOME FROM ACTIVITIES	2009 Actual \$	2009 Estimate \$	Variance \$
<b>Interest Received</b> <i>Interest received is lower than estimated due to lower interest rates applicable to term deposits, and reduction in principal invested as funds were used to pay Muchea construction invoices.</i>	3,425,796	4,625,946	(1,200,150)
<b>Saleyard Fees and Services</b> <i>Yardings for both sheep and cattle were above estimates resulting in an increase in yard fees collected</i>	302,571	350,000	52,571
<b>Livestock Services</b> <i>There was reduced demand for Live export and feeding services in the period resulting in lower than estimated income.</i>	142,454	224,000	(81,546)
<b>Truckwash</b> <i>Usage of the truck wash was less than estimated for the year, resulting in reduced income.</i>	78,441	106,000	(27,559)

EXPENDITURE	2009 Actual \$	2009 Estimate \$	Variance \$
<b>Consultants and Contractors</b> <i>Reduced demand for feed services resulted in a reduction in expenditure.</i>	268,479	301,000	(32,521)

Significant variances between actual and prior year actual – revenues and expenditures:

INCOME	2009 \$	2008 \$	Variance \$
<b>Gains on disposal of non-current assets</b> <i>Last year a significant land holding was sold as part of the asset disposal program to fund the relocation to Muchea.</i>		49,545,550.	(49,545,550)
<b>Saleyard fees and services</b> <i>Yardings for both sheep and cattle were above last year's throughput resulting in an increase in yard fees collected.</i>	902,571	787,094	115,477
<b>Livestock services</b> <i>There was reduced demand for Live export and feeding services compared to previous years.</i>	142,454	195,758	(53,304)
<b>Interest received</b> <i>Lower this year compared to last year due to lower interest rates and part of the principal invested being used to fund construction of the new saleyard.</i>	3,425,796	3,672,320	(246,524)

EXPENDITURE	2009 \$	2008 \$	Variance \$
<b>Consultant and Contractors</b> <i>Last year expenditure included work undertaken on development of Industry Standards and assistance packages, improvement in accounting functions and OHandS activities and a reduced requirement for feed purchases.</i>	268,479	346,795	(78,316)
<b>Relocation</b> <i>Relocation expenditure decreased as majority of costs were capitalised as part of the construction of the saleyard. Last year expenditure included finalisation of the major civil works package and design completion.</i>	276,169	356,210	(80,041)

## 28. SEGMENT (SERVICE) INFORMATION

The two key services of the Authority:

Service 1: Midland Saleyards: This service is to provide livestock selling and management facilities to the livestock industry.

Service 2: Development and Implementation of Standards: This service is to provide regulatory, development and information services to the government and meat and livestock industry.

The Authority operates within one geographical segment (Western Australia).

**Schedule of Income and Expenses by Service**

	Midland Saleyards		Development and Implementation of Standards		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>INCOME</b>						
Sales	11,208	11,312	7,700	4,083	18,908	15,395
Provision of Services	1,195,788	1,174,458	83,092	86,585	1,278,880	1,261,043
Interest revenue	3,376,544	3,598,041	49,252	74,279	3,425,796	3,672,320
Other Revenue	6,857	722	111,005	124,851	117,862	125,573
Gain on disposal of non-current assets		49,545,550				49,545,550
<b>Total Income</b>	<b>4,590,397</b>	<b>54,330,083</b>	<b>251,049</b>	<b>289,798</b>	<b>4,841,446</b>	<b>54,619,881</b>

	Midland Saleyards		Development and Implementation of Standards		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
<b>Expenses</b>						
Cost of sales			6,058	7,529	6,058	7,529
Employee benefits expense	458,622	468,035	415,411	365,046	874,033	833,081
Supplies and Services	425,516	516,595	177,073	204,651	602,589	721,246
Depreciation	60,162	48,998	10,616	8,388	70,778	57,386
Impairment	684,294				684,294	
Other expenses	112,217	85,320	334,305	409,040	446,522	494,360
<b>Total expenses from ordinary activities</b>	<b>1,740,811</b>	<b>1,118,948</b>	<b>943,463</b>	<b>994,654</b>	<b>2,684,274</b>	<b>2,113,602</b>
<b>Profit/(loss) for the period</b>	<b>2,849,586</b>	<b>53,211,135</b>	<b>(692,414)</b>	<b>(704,856)</b>	<b>2,157,172</b>	<b>52,506,279</b>



**William Buck**

Assurance Services (WA) Pty Ltd

Schedule of Balance Sheet Items by Service

	Midland Saleyards		Development & Implementation of Standards		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>						
Cash and cash equivalents	54,477,882	71,479,812	-	-	54,477,882	71,479,812
Receivables	2,604,529	731,522	10,000	10,000	2,614,529	741,522
Other current assets	984	1,189	-	-	984	1,189
<b>Total Current Assets</b>	<b>57,083,395</b>	<b>72,212,523</b>	<b>10,000</b>	<b>10,000</b>	<b>57,093,395</b>	<b>72,222,523</b>
<b>Non-Current Assets</b>						
Property, plant and equipment	83,980,078	61,161,068	16,740	10,155	83,996,818	61,171,223
Other non-current assets	224,776	179,433	-	-	224,776	179,433
<b>Total Non-Current Assets</b>	<b>84,204,854</b>	<b>61,340,501</b>	<b>16,740</b>	<b>10,155</b>	<b>84,221,594</b>	<b>61,350,656</b>
<b>Total Assets</b>	<b>141,288,249</b>	<b>133,553,024</b>	<b>26,740</b>	<b>20,155</b>	<b>141,314,989</b>	<b>133,573,179</b>



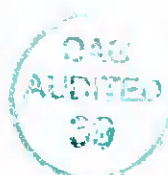
**William Buck**

Assurance Services (WA) Pty Ltd

# WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY



	Midland Saleyards		Development and Implementation of Standards		Total	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Current Liabilities</b>						
Payables	6,137,362	444,210	46,442	194,973	6,183,804	639,183
Provisions	168,374	119,371	112,250	79,580	280,624	198,951
Other Current Liabilities	2,890	5,886	2,890	5,886	5,780	11,772
<b>Total Current Liabilities</b>	<b>6,308,627</b>	<b>569,467</b>	<b>161,581</b>	<b>280,439</b>	<b>6,470,208</b>	<b>849,906</b>
<b>Non-Current Liabilities</b>						
Provisions	7,375	28,773	4,916	19,182	12,291	47,955
<b>Total Non-Current Liabilities</b>	<b>7,375</b>	<b>28,773</b>	<b>4,916</b>	<b>19,182</b>	<b>12,291</b>	<b>47,955</b>
<b>Total Liabilities</b>	<b>6,316,001</b>	<b>598,240</b>	<b>166,498</b>	<b>299,621</b>	<b>6,482,499</b>	<b>897,861</b>
<b>Net Assets</b>	<b>134,972,248</b>	<b>132,954,785</b>	<b>(139,758)</b>	<b>(279,467)</b>	<b>134,832,490</b>	<b>132,675,318</b>



**William Buck**

Assurance Services (WA) Pty Ltd

**29. COMMITMENTS****Capital Expenditure Commitments**

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2009 \$	2008 \$
Within 1 year	27,063,231	
	<u>27,063,231</u>	

The capital commitments include amounts for:

Muchea saleyards	27,063,231	
------------------	------------	--

**Lease Commitments**

Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statement as liabilities are payable as follows:

Within 1 year	14,389	778
Later than 1 year and not later than 5 years	4,002	46,589
	<u>18,391</u>	<u>47,367</u>

Representing:

Cancellable Leases

Non-cancellable leases

	<u>18,391</u>	<u>47,367</u>
--	---------------	---------------

**30. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities or contingent assets which would affect the Authority at balance date other than the following:

- Midland Livestock Centre site remediation.

It is expected the Midland Livestock Centre will close in the next 12 to 24 months as it will be relocated to Muchea.

Upon relocation there are likely to be remediation costs on the Midland Livestock Centre site which are unable to be quantified at balance date.

**Guarantees and undertakings**

The Authority has provided a guarantee of \$35,000 (2008: \$35,000) to its bankers to cover wages payments.



**31. RELATED AND AFFILIATED BODIES**

There were no related or affiliated bodies associated with the Authority during 2008/2009.

**32. EVENTS AFTER BALANCE SHEET DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

**33. FINANCIAL INSTRUMENTS****(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Authority are cash and cash equivalents, 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 the 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 Note 15 'Receivables'.

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. At the balance sheet date, there were no significant concentrations of credit risk.

The Authority's standard trading terms are 30 days. Trading receivables that pass this date are monitored and followed up internally with both verbal and written reminders. Further collection action is taken where receivables exceed 90 days including engagement of collection agencies in appropriate circumstances depending on the amount outstanding and relationship with the debtor.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings.



### Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due.

The Authority is exposed to liquidity risk through its trading in the normal course of business.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of term deposits. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet commitments.

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments.

The Authority does not trade in foreign currency and is not materially exposed to other price risks. The Authority has limited exposure to interest rate risk because it has no borrowings. Interest rates associated with funds on deposit is detailed in the table at note 32(c).

### (b) Categories of Financial Instruments

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

	2009 \$	2008 \$
<b>Financial Assets</b>		
Cash and cash equivalents	54,477,882	71,479,812
Receivables	102,687	177,396
Other current assets	296,529	14,484
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	6,092,629	28,127
Other current liabilities	96,955	622,828

### (c) Financial Instrument Disclosure

#### Credit Risk and Interest Rate Risk Exposure

The following table discloses the Authority's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below.

The table is based on information provided to senior management of the Authority.

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.

# WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY



30 June 2009

Assets	Weighted average effective interest rate %	Variable interest rate Within 1 year \$	Non-interest bearing Within 1 year \$	Carrying amount \$
Term Deposit	5.01	53,582,641	-	53,582,641
Cash at bank and on hand	2.29	894,791	450	895,241
Accounts Receivable	-	-	102,687	102,687
Other current assets	-	-	296,529	296,529
		54,477,432	399,666	54,877,098

30 June 2008

Assets	Weighted average effective interest rate %	Variable interest rate Within 1 year \$	Non-interest bearing Within 1 year \$	Carrying amount \$
Term Deposit	6.96	68,835,536	-	68,835,536
Cash at bank and on hand	4.47	2,643,826	450	2,644,276
Accounts Receivable	-	-	177,396	177,396
Other current assets	-	-	14,484	14,484
		71,479,362	192,330	71,671,692

## Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date.

30 June 2009

Liability	Weighted average effective interest rate %	Variable interest rate Within 1 year \$	Non-interest bearing Within 1 year \$	Carrying amount \$
Accounts Payable	-	-	6,092,629	6,092,629
Other current liabilities	-	-	96,955	96,955
		-	6,189,584	6,189,584



**William Duck**

Assurance Services (WA) Pty Ltd

30 June 2008

Liability	Weighted average effective interest rate %	Variable interest rate Within 1 year \$	Non-interest bearing Within 1 year \$	Carrying amount \$
Accounts Payable			28,127	28,127
Other current liabilities			622,828	622,828
			650,955	650,955

*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 10 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2009	Carrying Amount	-1% change		+1% change	
		Profit	Equity	Profit	Equity
<u>Financial Assets</u>					
Cash and cash equivalents	54,177,882	(544,779)	(544,779)	544,779	544,779
Total Increase/(Decrease)		(544,779)	(544,779)	544,779	544,779

2008	Carrying Amount	-1% change		+1% change	
		Profit	Equity	Profit	Equity
<u>Financial Assets</u>					
Cash and cash equivalents	71,479,812	(714,798)	(714,798)	714,798	714,798
Total Increase/(Decrease)		(714,798)	(714,798)	714,798	714,798

*Fair Values*

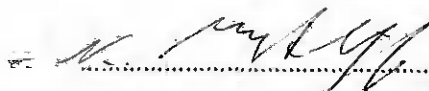
All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.



## PERFORMANCE INDICATORS

### CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2009.

.....MEMBER

.....MEMBER



**William Buck**

Assurance Services (WA) Pty Ltd

## **OUTCOME ONE (EFFECTIVENESS)**

To ensure Midland Saleyard is the premium livestock-selling facility in Western Australia.

### **RELEVANCE OF OUTCOME**

The Authority is required by legislation to assume responsibility for the management of Midland Saleyard.

### **EFFECTIVENESS INDICATOR TO BE MEASURED**

Midland Saleyard's share of livestock marketed through saleyards in Western Australia.

### **RELEVANCE OF INDICATOR**

A stable or increased market share will indicate that the facility is attractive to sellers, agents and buyers of livestock and is therefore well managed and serving its intended purpose.

### **SOURCE OF INFORMATION/MEASUREMENT**

In July 2006 the Western Australian Meat Industry Authority (WAMIA) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2008/2009. In previous years reporting was restricted only to saleyards that held at least one sale per month or accounted for at least one per cent of State saleyard throughput for one species. This year all saleyards are represented regardless of total throughput or frequency of operation.

### **PERFORMANCE TO STATE THROUGHPUT**

There are thirty (30) operating saleyards in Western Australia of these ten (10) saleyards operated on a regular basis (at least six sales per year) during the 2008/2009 financial year or accounted for at least 1% of State saleyards throughput of one species.

The results below indicate that the Midland Saleyard has maintained its position as the largest saleyard in the state by overall throughput and maintained its overall dominant market share in cattle and highly significant market share in sheep.

### **COMPARATIVE PERFORMANCE**

The following tables compare throughput at Midland Saleyard with all Western Australian saleyards.

**Cattle and Calves**

	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Midland	137,442	113,610	122,661	112,724	97,089	99,883	103,530
Total saleyards	293,457	268,033	285,058	263,676	229,865	251,239	242,927
% through Midland	46.8	42.4	43.0	42.6	42.23	39.8%	42.7%
Next highest saleyard	62,029	61,521	70,635	56,233	57,578	77,612	67,645

**Sheep, Lambs and Goats**

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Midland	802,828	866,138	948,972	1,038,329	903,839	913,957
Total saleyards	1,904,752	2,080,087	2,214,521	2,133,714	2,010,372	2,149,313
% through Midland	42.2	41.6	42.8	48.7	45.0%	42.5%
Next highest saleyard	1,004,644	1,115,949	990,386	1,00,915	998,828	1,140,728

**Pigs**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/2007
Midland	19,729	14,700	12,061	13,441	12,242	2,369
Total saleyards	25,105	18,485	14,495	13,441	12,242	2,369
% through Midland	78.6	79.5	83.2	100	100	100
Next highest saleyard	4,662	3,785	2,434	0	0	0

Pig sales temporally ceased at midland in 2006/2007 and in 2007/2008 the decision was made to close and demolish the pig facility meaning that WA no longer has any pig saleyards.

**PERFORMANCE TO TARGETS**

WAMIA set target throughputs as part of its 2008/2009 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2008/2009 actual throughput WAMIA met its expected targets with above estimated stock numbers for sheep and cattle numbers slightly below estimates.

	TARGET	ACTUALS	VARIANCE
Cattle	105,000	103,330	-1,470 (-1.4%)
Sheep, lambs and goats	800,000	913,957	113,957 (14.24%)

**OUTCOME ONE (EFFICIENCY MEASURE 1)**

To ensure Midland Saleyard is the premium livestock selling facility in Western Australia.

**RELEVANCE OF OUTCOME**

The Authority is required by legislation to assume responsibility for the management of Midland Saleyard.

**EFFICIENCY INDICATOR TO BE MEASURED**

The cost per livestock unit of the management of Midland Saleyard.

**RELEVANCE**

As the cost to industry for using Midland Saleyard is determined on a per head basis, the indicator reflects the saleyard management efficiency of the Authority. A stable or decreasing cost per unit indicates that the Authority is containing costs with cleaning and an efficient the repair and maintenance program.

**SOURCE OF INFORMATION**

Throughput figures from saleyard returns, costs determined from Authority accounts - share of total costs attributable to the administration, maintenance and cleaning of the yards. (Excluding costs associated with capital improvements program and other specific costs associated with fee for service activities).

**PERFORMANCE**

The total cost of maintaining Midland Saleyard in 2008/2009 was \$737,295. Midland Saleyard's throughput for the year was 1,574,990 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units, pigs 3 units, cattle 7 units)

The cost per unit for 2008/2009 to maintain the Midland Saleyard was 47 cents.

(An amount of \$1,287,156 which related to the Project to develop replacement facilities for Midland Saleyard has been excluded from the Authority operating costs for 2008/2009 for the purpose of calculating this indicator, as these costs did not contribute to the operating of the saleyard in the current year).

**COMPARATIVE PERFORMANCE**

	2004/05	2005/06	2006/07	2007/08	2008/09
Total cost of maintaining Midland Saleyard	\$713,940	\$725,891	\$710,085	\$734,643	\$737,295
No. of livestock units handled in the Year	1,664,108	1,688,991	1,645,839	1,532,276	1,574,990
Cost per unit	\$0.43	\$0.43	\$0.43	\$0.48	\$0.47

A comparison prior years shows that while the cost per unit of managing the Midland saleyard facility had increased slightly due to slightly lower throughput and increased costs, particularly OH&S and environmental compliance the Authority has been able to maintain the unit costing.

## **OUTCOME ONE (EFFICIENCY MEASURE 2)**

To ensure Midland Sleyard is providing fee for service activities on a financially viable basis.

### **RELEVANCE OF OUTCOME**

The Authority is required by legislation to assume responsibility for the management of Midland Sleyard.

### **EFFICIENCY INDICATOR TO BE MEASURED**

The comparison of cost for fee for service activities in relation to income generated.

### **RELEVANCE**

It is essential that the cost of any fee for service activity is not subsidised from income generated by ordinary saleyard fees. A stable positive percentage return indicates the management of the Authority is providing its fee for service activities at an effective cost recovery basis.

### **SOURCE OF INFORMATION**

Fee for service income was determined from Authority accounts. Fee for service activities for 2008/09 were: livestock transport truck wash, livestock transhipment service, removal and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees, livestock feeding charges and income derived from the Joint Venture. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle and other operating costs.

### **PERFORMANCE**

In 2008/2009 the cost of providing fee for service activities at the Midland Sleyard was \$319,224. The income generated by these activities was \$311,283.

(An amount of \$1,287,156 which related to the Project to develop replacement facilities for Midland Sleyard has been excluded from the Authority operating costs for 2008/2009 for the purpose of calculating this indicator, as these costs did not contribute to the operating of the sale yard in the current year).

In 2008/2009 the return of fee for service activities at the Midland Sleyard was \$0.98 for every \$1.00 incurred in providing the service. This represents a return of (2%) on the cost of those activities.

## COMPARATIVE PERFORMANCE

The results indicate that the Authority is maintaining an adequate margin on costs over income on its fee for service activities.

	2005/06	2006/07	2007/08	2008/09
Total cost of providing fee for service activities at Midland Saleyard	\$300,229	\$307,568	\$360,475	\$319,224
Income generated by fee for service activities	\$408,454	\$365,733	\$399,398	\$311,283
Income generated for every \$1.00 incurred to provide service	\$1.36	\$1.19	\$1.11	\$0.98
Percentage return on costs	36%	19%	11%	(2%)

A comparison with the percentage return on fee for service activities in 2006/2007 and 2007/2008 has seen a fall in the percentage return to a cost neutral level.

Seasonal and market conditions led to a lower demand for some services. While this was offset by stabilised feed costs and a reduction in other expenditure, the cost of maintaining an aging facility impacted on the return.

## PERFORMANCE TO TARGETS

In the WAMIA set income target as part of its 2008/2009 budget process budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2008/2009 actual income, WAMIA did not meet its expected targets due to seasonal conditions on some services however due to lower expenditure the impact of the reduced income was minimised.

	TARGET	ACTUALS	VARIANCE
Income	\$409,000	\$311,283	\$97,717 (23.9%)

## OUTCOME TWO (EFFECTIVENESS)

To ensure that Western Australian Meat and Livestock Industry maintains appropriate standards, and to encourage and promote improved efficiency through processing establishments meeting best practice standards.

### RELEVANCE OF OUTCOME

The Authority is required by legislation to survey, review, inspect and approve premises, facilities and operations in processing establishments in Western Australia. The Authority is also required to encourage and promote improved efficiency throughout the meat industry.

### EFFECTIVENESS INDICATOR TO BE MEASURED

Percentage of WA abattoirs meeting standards.

### RELEVANCE OF INDICATOR

A stable or increasing percentage of abattoirs meeting standards will indicate effectiveness of the Authority's activities.



## SOURCE OF INFORMATION/MEASUREMENT

A formula has been developed by the Authority to calculate an overall rating for each abattoir using the national and international standards for construction, product description, health and hygiene, training and quality assurance as measurement criteria (Appendix A). A yearly review is conducted, by the Authority, of all abattoirs to determine their current status in relation to these standards. The information provided by the abattoirs is correlated with Authority records and information obtained from other regulatory bodies.

## PERFORMANCE

The State's abattoirs continue to maintain standards with the average rating for the twenty nine (29) abattoirs operating at 30 June 2009 calculated at 68.2%. This situation demonstrates that the activities of the Authority continue to be effective in this area.

## COMPARATIVE PERFORMANCE

The following table compares ratings for abattoirs:

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Construction Standard	77.8%	78.5%	81.5%	78.6%	79.8%	79.3%
Product Description System	70.8%	65.3%	67.6%	64.3%	63.4%	62.9%
Health and Hygiene Standard	80.8%	82.3%	85.2%	82.1%	83%	82.8%
Training System	73.3%	69.4%	72.2%	68.8%	69.6%	69.0%
Quality Assurance System	47.8%	46.2%	45.7%	46.6%	46.4%	47.1%
Average Rating	70.1%	68.3%	70.4%	68.0%	68.5%	68.2%

## OUTCOME TWO (EFFICIENCY MEASURE 1)

To ensure that Western Australian abattoirs maintain minimum standards; and to encourage and promote improved efficiency through abattoirs meeting best practice standards.

## RELEVANCE OF OUTCOME

The Authority is required by legislation to survey, review, inspect and approve premises, facilities and operations in processing establishments in Western Australia. The Authority is also required to encourage and promote improved efficiency throughout the meat industry.

## EFFICIENCY INDICATOR TO BE MEASURED:

The cost per abattoir for development and implementation of standards.

## RELEVANCE

The cost of the Authority carrying out these functions is borne by industry through fees and charges and by government through income from government supplied resources. The cost per abattoir meeting a certain standard reflects the industry regulatory efficiency of the Authority.

## SOURCE OF INFORMATION/MEASUREMENT

The source of information is the Authority accounts. Costs include surveillance, reviews, inspections, net cost of supplying carcase tickets, approval procedures, associated board costs, prosecution costs, standards development and implementation costs, costs of liaison and networking with other regulatory authorities.

## PERFORMANCE

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$253,819. The cost of attaining the standard per abattoir (\$253,819 divided by 30 approved abattoirs) is \$8,460.00. The average rating for 2008/2009 has been maintained at 68.2%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$124. This means that it cost the Authority \$124 to achieve each percentage point of achievement for abattoirs.

## COMPARATIVE PERFORMANCE

The following table details comparative costs in relation to the ratings for abattoirs:

	2003/04	2004/05	2004/06	2006/07	2007/08	2008/09
Cost of achieving standards	\$208,235	\$277,988	\$296,038	\$257,610	\$250,825	\$253,819
Number of establishments	33	31	29	28	28	30
Cost per abattoir	\$6,310	\$8,967	\$10,208	\$9,200	\$8,958	\$8,460
Average abattoir rating	70.1%	68.3%	70.4%	68.0%	68.5%	68.2%
Cost per rating unit	\$90	\$131	\$145	\$135	\$132	\$124

The results that the Authority has been able to maintain the cost per rating unit to manage these standards and maintain a higher level of service to ensure that industry standards are maintained and continued action taken against non complying facilities.

## OUTCOME TWO (EFFICIENCY MEASURE 2)

To ensure that strategic, market and statistical information provided to the Minister and Industry on methods of overcoming conflicting interest, future industry requirements, market conditions and matters relating to the industry is provided in an efficient manner.

## RELEVANCE OF OUTCOME

The Authority is required by legislation to provide advice to the Minister on the areas listed in the outcome. The Authority is also required to encourage and promote efficiency.

## EFFICIENCY INDICATOR TO BE MEASURED

The cost per abattoir, processing works, saleyard, media outlets and government departments of maintaining the information system.

## RELEVANCE OF INDICATOR

A steady cost reflects on the information management efficiency of the Authority.

## SOURCE OF INFORMATION/MEASUREMENT

Cost of system from Authority's accounts. Includes cost of maintaining the database of abattoir and saleyard statistics, the net costs of the National Livestock Reporting Service, share of cost of Board in developing information and advice, cost of networking and liaison to gather industry information, cost of producing reports, briefing notes, responses.

Number of abattoirs is the number of approved abattoirs (Source: Authority database). Number of Saleyards is the number of operational facilities (Source: Authority database). Number of processing works is the number of boning rooms, small goods and other processing operations meeting the definition in the Act (Source: Department of Health and Australian Quarantine Inspection Service). Media outlets and Government Departments are those provided with information on a regular basis.

## PERFORMANCE

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads (includes the cost of providing the National Livestock Reporting Service). The total cost to the Authority for 2008/2009 was \$85, 032.

Thirty (30) abattoirs, one hundred and thirteen (113) processing works thirty one (30) saleyards and thirty (30) other outlets were operating during the 2008/09 year. The cost per establishment for delivering the service was \$418.88. (\$85, 032 divided by 203 establishments).

## COMPARATIVE PERFORMANCE

	2005/06	2006/07	2007/08	2008/09
Total cost of maintenance and distribution of information	\$80,784	\$77,907	\$88,861	\$85,032
Number of establishments	170	187	206	203
Cost per establishment for delivering service	\$475	\$416	\$431	\$419

The total cost of this activity decreased significantly in 2005/06 as the appointment of the Compliance Officer has allowed more efficient management of the service which has allowed the cost of the service per establishment to be maintained at a consistent level.

## APPENDIX A

### Western Australian Meat Industry Authority rating system for abattoir standards:

#### Construction standard

Australian Standard for Construction of processing establishments or National Building Code:	2 points
Export Standard for construction of processing establishments	3 points

#### Product description system

Meets Minimum Regulatory Standards for fair trading	1 point
Meets Minimum Regulatory Standards (carries out carcase branding and ticketing)	2 points
Monitored Product Description System (AUS-MEAT A rating or equivalent)	3 points
Quality Assured Product Description System (AUS-MEAT A+ rating or equivalent)	4 points

#### Health and hygiene standards

Complies with Australian Standard for Hygiene Production, with no meat inspection	2 points
Complies with Australian Standard for Hygiene Production, with meat inspection	3 points
Complies with all export standards	4 points

#### Training standards

Minimum HACCP training (one person trained where approved)	1 point
Minimum HACCP training (two or more persons trained)	2 points
Minimum HACCP training and quality assurance training (AUS-MEAT or equivalent)	3 points
Integrated training program overseen by qualified personnel (e.g. MINTRAC)	4 points

#### Quality assurance

Minimum HACCP Program implemented (externally audited)	1 point
Extended Quality Assurance Arrangement (based on ISO, externally audited)	2 points
Certified ISO Quality System, third party audited	3 points

<b>Total possible points for each abattoir</b>	<b>18 points</b>
--	------------------



**William Buck**

Assurance Services (WA) Pty Ltd