



**AGRICULTURAL
PRODUCE COMMISSION**

Supporting Producers' Initiative

A statutory authority that has been establishing producers' committees to support the growth and profitability of WA agricultural producers since 1989

**ANNUAL REPORT
FOR YEAR ENDED 30 JUNE 2018**

Agricultural Produce Commission

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This report is available in alternative formats upon request to the Commission.

Comments and feedback on this report are encouraged – please use the contact details above.

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Abbreviations commonly used in this report

Agricultural Produce Commission Act 1988

Agricultural Produce Commission

Producers' committee

Fee for Service charge

Minister for Regional Development, Agriculture and Food

Western Australia

Department of Primary Industries and Regional Development

The Act

Commission/
APC

committee

FFS

The Minister

WA

DPIRD /

the Department

AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF COMPLIANCE

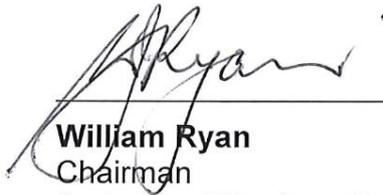
For year ended 30th June 2018

Hon Alannah MacTiernan MLC

Minister for Regional Development, Agriculture and Food

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Produce Commission for the financial year ended 30 June 2018.

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



William Ryan
Chairman
Agricultural Produce Commission

Date: 10 August 2018



Ian Longson
Member
Agricultural Produce Commission

Date: 10 August 2018

AGENCY OVERVIEW

EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

In 2018 the Agricultural Produce Commission (APC) continued its primary function which is to provide financial management and corporate governance oversight for the 11 producers' committees that currently operate under its auspices.

The committees continue to evolve and provide a wide range of services for their respective industries. In particular through this year the Commission has continued to work with the wine producers' committee to address a range of matters that have been identified during their first two years of operation and fee for service collection.

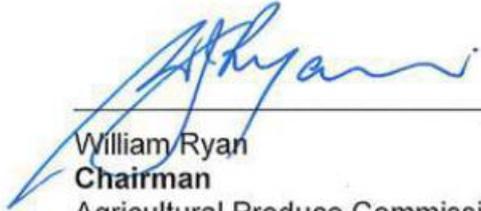
Other activities undertaken by the Commission the past year have included

- Review and amendment of the Commission's strategic plan which now goes through to 2021. A copy of the strategic plan is included in this Annual report.
- The annual general meeting of committee chairs and executive officers provided the opportunity to introduce the executive of the new Department of Primary Industry and Regional Development (DPIRD). The executive provided an overview of the new organisation and its objectives and then engaged in a very extensive discussion with the committees on their industry challenges and opportunities.
- A regional Commission meeting in Manjimup that included visits to a number of growers and horticultural businesses as well as the opportunity to meet with the industry members and organisations from that region.
- A review of internal administrative processes to improve document security and ensure the ongoing confidentiality of the information held by the Commission.
- Assisted in progressing the proposal for a dedicated biosecurity officer for the horticulture industry. This included meetings with the Biosecurity Council of Western Australia to provide them with an understanding of the APC committee structures and how this can assist in the event of incursions.
- Undertook an extensive consultation with committees and their growers to determine their views on the inclusion of auditing powers in the changes currently being considered to the APC Act. There was overwhelming support for this to be included and it will now be part of the changes being put forward for the Act.
- Reviewed and re-signed the Memo of Understanding with DPIRD so participants have a clear framework on how the APC and DPIRD operate together over the next three years. This has been particularly useful with a large number of staff in DPIRD having no previous involvement with the APC.
- Assisted the potato producers' committee in developing a framework for its marketing activities which were previously carried out by the Potato Marketing Corporation prior to deregulation.

The producers' committees provide a wide range of services to their respective industries and this would not be possible without the large number of growers who give their time and expertise to become committee members for their industry. Their contribution is gratefully acknowledged by the Commission.

I would like to thank my fellow commissioners for their support and contributions over the past year. Their skill and experience adds greatly to the quality of the deliberations and decisions of the Commission.

The Commission would not operate effectively without the great contribution made by the staff and in particular Ingrid Behr the general manager. One of the great pleasures I get as the chair is hearing the very positive comments from industry members regarding Ingrid and her staff. I would like to take this opportunity to formally acknowledge the dedication and commitment they bring to the Commission.



William Ryan
Chairman
Agricultural Produce Commission

OPERATIONAL STRUCTURE

The Agricultural Produce Commission (the “Commission”) operates under Functions as provided for in Section 6.1 of the Agricultural Produce Commission Act 1988 (the Act).

- a. Establish producers’ committees in relation to agricultural produce.
- b. Appoint members to producers’ committees.
- c. Advertise for the formation of producers’ committees.
- d. Conduct polls as prescribed under the Act, for the purposes of the establishment and operation of producers’ committees.
- e. Dissolve producers’ committees and appoint liquidators for the winding up of producers’ committees.
- f. Provide such services in relation to the functioning of producers’ committees as are necessary from time to time.
- g. Direct, coordinate and supervise the functioning and expenditure of producers’ committees.
- h. Provide such other service to producers’ committees as the Minister may direct.

ENABLING LEGISLATION

The Commission was established by the Agricultural Produce Commission Act 1988 which was proclaimed on 1 September 1989.

The Commission is a body corporate with perpetual succession and a common seal.

The Commission is not an agent of the Crown, nor is it part of the Public Service.

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

The Commission is not entitled to obtain advice from the Crown Solicitors Office and therefore seeks legal advice, when and as required, from the private sector.

RESPONSIBLE MINISTER

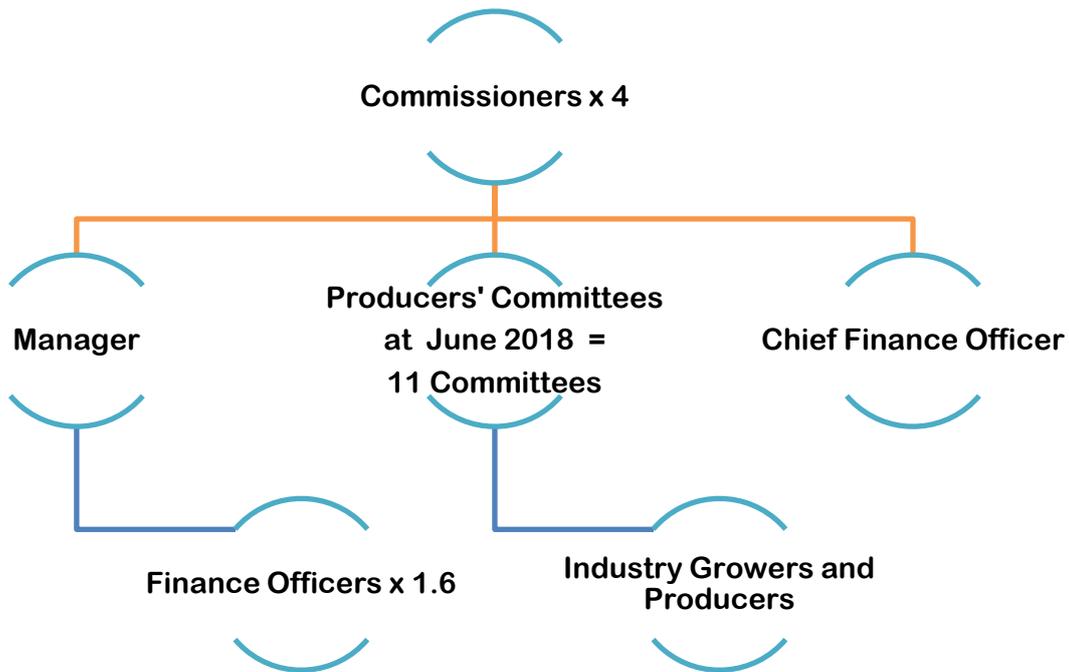
The Hon Alannah MacTiernan, MLC, Minister for Regional Development; Agriculture and Food; Minister Assisting the Minister for State Development, Jobs and Trade.

MISSION STATEMENT

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through producers’ committee initiated and funded research and development programs.

APC producers’ committees are established with the object of enhancing and protecting the producer’s investment in their industry through facilitating and managing producer industry based programs in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.

ORGANISATIONAL PLAN



The Act allows for the appointment of four Commissioners by the Minister with the Minister appointing one member of the Commission to be the Chairperson.

Appointments are for a period not exceeding three years, but members can re-apply for membership when their term expires.

The Commission employs a full time manager and two finance officers at 1.6 full time equivalent.

STRATEGIC PLAN

The Commission has a strategic plan which is reviewed every three years with the most recent revision being in February 2018.

The Commission’s objective is to support and encourage the growth of WA agricultural industries, with the intention of resulting in increased profitability and sustainability for WA growers and producers. This objective is reflected in the APC’s outcome based management framework.

The following is the Commission strategic plan for 2018 - 2021

Agricultural Produce Commission Strategic Plan 2018 – 2021

| OBJECTIVE | | |
|---|--|--|
| Facilitate the growth and prosperity of Western Australian agricultural industries through the: | | |
| Formation of APC Producers' Committees. | Provision of governance and leadership to APC producers' committees. | Provision of effective financial and administrative services to APC producers' committees. |
| Communication of the positive contribution and achievements of APC producers' committees to agriculture within Western Australia. | | |
| STRATEGIES/GOALS | | |
| Industries are aware of and understand the opportunity to establish committees to raise funds through the APC, and are encouraged / supported in that pursuit. | Commission and committee governance and conduct are of the highest standard. | Best practice and business improvement principles are applied within the Commission and producers' committees. |
| Comprehensive and effective communication with industries, government and stakeholders. | | |
| TACTICS | | |
| Identify, research and communicate with industries which may benefit from an APC Committee/FFS. Ensure industries are fully aware of and understand APC benefits and legislative framework. Provide comprehensive assistance to industries already interested in establishment of committees. | Committees are informed about and observe APC legislation and policies. Committees implement and follow appropriate internal governance and management processes. | Financial management is efficient, prudent and meets government standards. APC FFS database is up to date, effective and efficient. FFS payments monitored and compliance activities undertaken. Commission KPI's are relevant / provide data on the Commission's effective level of service to committees. |
| Communication plan with industries. Attend key industry events. Further develop and maintain relationship with DPIRD. Appropriate industry/government networks established and maintained. Develop relationships with the supply chain to facilitate their understanding of the FFS and activities of APC Committees. | | |

LEGAL PROTECTION OF COMMISSIONERS

The Act provides that a person who is or was a member of the Commission or a producers' committee or an officer or employee is not personally liable for any act done or omitted to be done in good faith by the Commission or a producers' committee or as an officer or employee of the Commission or a producers' committee.

PUBLICITY AND COMMUNICATION

The APC website (www.apcwa.org.au) provides extensive information about the Commission, including current Fee for Service rates, how to join the APC, Annual Reports and the Act and Regulations.

Each producers' committee has its own page providing information about the Committee and related industry organisations. The Commission encourages Committees to utilise the website as a tool to communicate with their growers, producers and other interested parties.

CONFIDENTIALITY OF INFORMATION HELD BY THE COMMISSION

Data gathered by producers' committees through the payment of the FFS charge is utilised by committees to improve knowledge and decision making for industry as well as individual producer organisations.

Commissioners and members of producers' committees are bound by the APC Code of Conduct to protect any commercial sensitivity associated with data which is gathered. The Commission is cognisant of its obligations under the Privacy Act.

Members of producers' committees, as well as members of the Commission, are required to sign a confidentiality and conflict of interest declaration on an annual basis.

Each year the Commission publishes on its website aggregated industry statistics relating to the variety and quantity of produce on which the Fee for Service has been collected.

INSURANCE

Commissioners, members of producers' committees and Commission staff are covered against accidents that may occur during performance of official business.

APC PRODUCERS' COMMITTEES

APC producers' committees, working with their growers and producers collect in excess of \$3M of producer's funds annually. These funds are expended on services for the benefit of producers and their industries.

This reflects and requires vision and commitment, both individually and as united industries, by growers and producers.

As at 30 June 2018 the Commission had 11 active producers' committees, covering 13 major commodities.

MEMBERSHIP ON PRODUCERS' COMMITTEES

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

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

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

Members on producers' committee at 30 June 2018 were:

| Producers' Committee | Functions Adopted | Members |
|--|---------------------------------------|--|
| APC Avocado Producers' Committee (Established 1995) | (a) to (k) | Alan Blight Ken Gwynne Stewart Ipsen |
| APC Beekeepers Producers' Committee (Established 2003) | (b), (c), (d), (h), (l), (la), (m) | Kim Fewster (Chair) Geoff Defrenne Rod Pavy Tiffane Bates Gary Templeman Tristan Campbell Wayne Ridley |
| APC Carnarvon Banana Producers' Committee (Established 1999) | (a) to (m) | Bruce Munro (Chair) Darryl Hardman John Thomas John Kearney Chris Collins Michael Andreoli |
| APC Egg Producers' Committee (Established 2002) | (a) to (m) | Ian Wilson (Chair) Terry Woodard Katie Mason Brendan Bell |
| APC Pome, Citrus & Stone Fruit Producers' Committee (Established 1994). Pome Sub-Committee | (a) to (m) | Harvey Giblett (Chair) Mario Casotti Mark Scott Sam Licciardello Jason Jarvis Wayne Ghilarducci |
| Citrus Sub-Committee | | Mick Mann (Chair) Joseph Ling Andrew Pergoliti |
| Stone Fruit Sub-committee | | Danny DiMarco (Chair) Anthony Fullam Bruno DelSimone Mark Scott Anthony Caccetta |
| APC Potato Producers' Committee (Established 2001) | (a) to (m) | Glen Ryan (Chair) Sam Calameri Dom Della Vedova Mia Rose Terry Ackley Matthew Cocciolone |
| APC Pork Producers' Committee (Established 2002) | (a) to (m) | Neil Ferguson (Chair) Peter Spackman Graeme Dent Rebecca Wicks Kim Nairn Torben Soerensen |
| APC Strawberry Producers' Committee (Established 1995) | (a) to (l) and (m) | Neil Handasyde (Chair) Jamie Michael Thang Ngoc Dang Tri Triong Leonard Handasyde |

| Producers' Committee | Functions Adopted | Members |
|--|--------------------|---|
| APC Table Grape Producers' Committee (Established 1991) | (a) to (l) and (m) | Roger Fahl Matt Katich Peter Nuich Kim Taylor Tony Kupid David Bumbak |
| APC Vegetable Producers' Committee (Established 2005) | (a) to (m) | Maureen Dobra (Chair) Joyce Babun Peter Ivankovich James Wringe Lisa Tana |
| APC Wine Producers' Committee (Established 2015) | (a) to (m) | Jeff Burch (Chair) Nigel Gallop Kim Tyrer John Sprigg Catherine Howard Monica Radomiljac David Atkinson Jim Campbell Clause Jeff Dewar |

PRODUCERS' COMMITTEE ADMINISTRATION

Committees, working within directions issued by the Commission, have the autonomy to meet as they determine necessary for the efficient running of their committee.

The Commission's oversight of committee activities includes ensuring that the services provided by committees are those supported by the producers paying the FFS charge, that due diligence is conducted with relation to expenditure and that committees are compliant with the Act. The Commission requires every committee to seek input from producers and in turn communicate with all producers on committee activities.

The Commission maintains separate accounts for each producers' committee, providing committees with comprehensive quarterly management revenue and expenditure reports. A number of committees receive funding from other sources, such as matching research funds from national bodies, these funds can also be administered by the Commission.

PRODUCERS' COMMITTEE DIRECTIONS

The Commission, under section 11.3 of the APC Act, provides producers' committees with Directions which assist in the governance of committee operations.

PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

| Government Goal | Desired Outcome | Services | Effectiveness Indicators | Efficiency Indicators |
|---|--|---|---|---|
| Future jobs and skills: Grow and diversity the economy, create jobs and support skills development. | Facilitation of growth and prosperity of agricultural industries covered by the APC. | Establishment of, and support for, producers' committees. | Commission Effectiveness – APC producers' committee's satisfaction with services provided by the Commission | Commission Efficiency - APC Administration Charge as % of fee for service Income. |

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

The Commission reviewed its Government Goal in 2018. A new government goal, in line with current government goals, was adopted by the Commission. This is reflected in the framework above.

COMMISSION PERFORMANCE AND ISSUES OF SIGNIFICANT IMPACT

ACTUAL RESULTS VS BUDGET ESTIMATES 2017/18 AND BUDGET ESTIMATES 2018/19

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides budget comparatives for the 2017/18 year and budget estimates for the 2018/19 financial year.

This table is unaudited

| AGRICULTURAL PRODUCE COMMISSION (APC) BUDGET ESTIMATES FOR 18/19 | | | |
|---|-----------------------|---------------------------------|-----------------------|
| EXPENDITURE | 2017/18 Budget | 2017/18 Actual Estimates | 2018/19 Budget |
| Employee Benefits | 283,836 | 280,871 | 280,548 |
| Commissioners Sitting Fees | 56,500 | 56,557 | 58,195 |
| Other Expenses | 117,600 | 103,875 | 121,665 |
| Total Expenditure | 457,936 | 441,303 | 460,408 |
| REVENUE | | | |
| Administration Charge from Committees | 363,311 | 390,744 | 362,790 |
| Contributions | 31,000 | 15,000 | 33,000 |
| Interest | 6,821 | 7,238 | 7,667 |
| Total Revenue | 401,132 | 412,982 | 403,457 |
| Net Cost of Services | - 56,804 | - 28,321 | - 56,951 |
| INCOME FROM STATE GOVERNMENT | | | |
| Resources Received Free of Charge/Income from State Government | 72,000 | 68,887 | 75,000 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | 15,196 | 40,566 | 18,049 |

In 2018 the Commission experienced only minor variation between estimates and actuals and actual versus prior year. Actual income from producers' committees was slightly higher than budgeted as a result of some industries experiencing good production in the 2018 year.

The Commission remains committed to ensuring that the Commission maintains a sound financial position to ensure that, should Commission income become affected due to adverse industry events, the Commission is able to continue to provide high value service to its producers' committees.

COMMISSION ADMINISTRATION CHARGE TO PRODUCERS' COMMITTEES

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

All functions of the Commission and producers' committees, including general administration, financial management, accounting for Fee for Service collection, administration of the Act and legislative compliance, are funded on broad 'user pays'

principles. Should a committee suspend Fee for Service collections, an annual fee is charged to cover Commission fixed overheads and other costs associated with providing ongoing financial and support services.

This table is unaudited

| Committee | Admin Charge 17/18 | Change from 16/17 |
|---------------------------|--------------------|-------------------|
| Avocado | \$5,050 | Increase \$50 |
| Beekeepers | 14% | 1% increase |
| Carnarvon Banana | 12% | 1% increase |
| Eggs | \$5,050 | Increase \$50 |
| Pome, citrus, stone fruit | 10% | 1% increase |
| Pork | 10% | 1% increase |
| Potato | 9% | 1% increase |
| Strawberry | 15% | 1% increase |
| Table Grapes | 15% | 1% increase |
| Vegetables | 10% | 1% increase |
| Wine | 10% | No change |

COMMISSION MEETINGS 2017/18

The Commission meets as necessary during the year. Most meetings are face to face, although telephone or conferencing technology is also used. During the year under review Commissioners participated in meetings as below:

| Commissioner | Eligible to Attend | Attended | Leave of Absence |
|----------------------|--------------------|----------|------------------|
| William Ryan (Chair) | 6 | 6 | - |
| Elizabeth Brennan | 6 | 6 | - |
| Ian Longson | 6 | 6 | - |
| Cathie Bowen | 6 | 5 | 1 |

During the 2017/18 year the Commission conducted one meeting in the Manjimup region. This included site visits to local agricultural businesses to improve Commission understanding and knowledge of the region and to provide local producers with the opportunity to interact directly with the Commission.

The Commission also held meetings with industry members and bodies in relation to the operations and activities of some producers' committees.

ANNUAL MEETING WITH COMMITTEES

Commissioners meet with producers' committees annually in order to review the past year and discuss future activities. The 2018 annual meeting was held at Technology Park in Bentley on Friday 20 April 2018.

The meeting was open to all members of producers' committees, with all active producers' committees being represented at the meeting.

The Commission focus for this year was on increasing the skills of producers' committees in providing best return to producers through the projects which are

undertaken and ‘Winning the Value for Money Debate’ by identifying producers’ needs and ensuring that producers are aware of the work undertaken by producers’ committees.

Attendees were also updated by the Department of Primary Industries and Rural Development on the transition of the new Department and priorities for the future.

AMENDMENTS TO THE APC ACT 1988

The Commission met with Minister MacTiernan during the year to further consider amendments which are being sought to the Act. The Commission is now seeking final approval for the proposed amendments.

ESTABLISHING PRODUCERS’ COMMITTEES

During the year under review Commission representatives continued to work with agricultural industries which do not currently have APC producers’ committees as well as industry stakeholders to provide a better understanding of the APC and the abilities of APC producers’ committees.

No new requests for the formation of producers’ committees were received in the year under review.

FEE FOR SERVICE COMPLIANCE

To ensure producers and their respective industries can maximise service benefits, where an APC producers’ committee has been established for an industry, the Act requires all producers to pay Fee for Service on produce grown in Western Australia. Non-compliance by producers is of concern to all committees as it limits an industry’s capacity to undertake and support initiatives identified as required by FFS paying producers. Non-compliance also places those who are compliant at a disadvantage as they are funding services intended to benefit all producers.

During the year under review the Commission maintained its processes in ensuring Fee for Service compliance.

The Commission continues to promote to committees the importance of maintaining producer and industry knowledge of committee activities and service provision.

PRODUCERS’ COMMITTEE FEE FOR SERVICE INITIATIVES

Details of individual Committee Fee for Service initiatives are provided in the following section ‘Producers’ Committee Reports’.

Committees provide services to their industries, as allowed in Section 12.1 of the Act, in the form of:

- Industry Development and Training Officers who are available to producers to assist them on grower, biosecurity or industry issues.
- Research projects (some jointly funded with other organisations).
- Funding to Industry Associations – West Australian Pork Producers Association (WAPPA), Potato Growers Association (PGA), Vegetable Growers Association (vegWA), Commercial Egg Producers Association (CEPA) and state and regional Wine Associations. These associations carry out functions on behalf of the producers’ committees, as allowed by the s 12.1 functions of the Act.
- Promotion, marketing, advertising and quality assurance.
- Compensation in identified instances.

PRODUCERS' COMMITTEE REPORTS 2018

Any figures quoted in producers' committee reports are unaudited

APC Avocado Producers' Committee

Chairperson: Alan Blight

The Avocado Producers' Committee did not collect Fee for Service during the 2017/18 year.

In 2018 the Committee completed funding for a research project into controlling greenhouse thrips with parasitic wasps in Western Australian avocado orchards.

Funding used came from residual funds held by the Committee when collection of the FFS charge was ceased.

APC Beekeepers Producers' Committee

Chairperson: Colin Fleay / Kim Fewster

Secretary: Tarsh Bates

Biosecurity - Disease and Pest Surveillance & Monitoring – James Sheehan has been employed as the WA Bee Biosecurity Officer. This position is funded by the committee in association with Plant Health Australia and DPIRD. The committee has requested that the officer update the DPIRD pest and disease sampling and testing process. The Committee has contributed funding to the Cooperative Research Centre led by the University of Western Australia and a Chem Centre project that develops a full spectrum test for WA honeys. The committee continues to develop government Bee Policy in WA, including participation in DPIRD's initiatives.

Biosecurity - Reimbursement Scheme - The committee continues to put aside funds for the purpose of reimbursement to beekeepers for hives destroyed in the event of an eradication attempt of an exotic pest or disease. The Evidence Framework for Owner Replacement Costs is included in the DPIRD Industry Biosecurity Plan.

Biosecurity - Signs explaining the importance of having beehives registered continue to be displayed at major bee equipment suppliers, Symond Seeds, John Guilfoyle and The Honey Shop. The committee also provided funding in support of biosecurity training for WA beekeepers.

Bee Informed Newsletter – Bee Informed, the industry newsletter is sent out three times per year to all registered beekeepers and continues to supply valuable information to industry of all events and biosecurity issues that ensure beekeepers are kept up to date. Editor, Geoff Croker, has continued to produce a varied and informative publication. Contributions from interested parties are encouraged and welcomed.

Industry Unity – Tristan Campbell and Tiffane Bates represent the committee as Directors on the board of the BICWA. The committee was also a sponsor of the inaugural United Industry conference hosted by Bee Industry Council of Western Australia (BICWA) in May 2018. Wayne Ridley was elected as an Industry Leader for the Plant Health Australia (PHA) Varroa Simulation Project. Funding was also provide towards the annual Beekeepers Conference

Committee - Colin Fleay decided to stand down as Chairman and resign his committee position this year after more than a decade. Colin has represented the industry on multiple government and industry bodies and been instrumental in establishing the BICWA, the united WA industry body. His hard work, advocacy and good humour will be greatly missed. The committee thanks him.

APC Carnarvon Banana Producers' Committee

Chairperson: Bruce Munro

Secretary: Alexandra Maslen

Committee - The committee members for 2017/18 were Bruce Munro (Chairman), Darryl Hardman, Chris Collins, John Kearney, John Thomas and Michael Andreoli. John Thomas and Michael were re-elected to the committee unopposed in June 2018.

Compensation - No compensation payments were made in the 2018 financial year.

Biosecurity - The Carnarvon Rangelands Biosecurity Association (CRBA) is currently working to eradicate fruit fly in Carnarvon. The CRBA and the Carnarvon Banana Producers' Committee (CBPC) have entered into discussions about the fact that bananas are recognised as a host of Mediterranean fruit fly and that there have been reports of fruit blown with fruit fly. The CBPC is planning on holding a meeting in early 2018/19 to discuss federal biosecurity levies and how growers can assist towards the levies that are being requested.

The committee is also about to begin work with DPIRD on a banana variety trial project to look at disease resistant varieties of bananas as well as cold tolerance production and alternative market options. This project should begin in early 2018/19 once a scope on the varieties has been developed.

Banana marketing campaign - The Good Choice campaign, which markets Carnarvon bananas, is an initiative of the Sweeter Banana Co-operative and Buy West Eat Best. The three market agents who collect the APC fee for service for banana cartons are co-funding the marketing initiative and the CBPC has been acting as the independent authority to ensure that each agent contributes based on the number of cartons they have received.

Regulatory mapping and reform project - The WA Department of Treasury is undertaking a project to improve the regulatory environment for businesses in the WA horticulture industry. Members of the CBPC have been provided the opportunity to participate in telephone surveys to assist in the identification of regulatory areas that are having the most significant impacts on this sector.

Industry overview - 2017 saw the number of growers in the Scheme reduced by one – from 45 to 44.

The total area of banana crops (producing and non-producing) at December 2017 was 160 hectares. This was consistent with 2016.

Total production was 3,667 tonnes of bananas for the 2017 calendar year, with the district average 26.20 tonnes per hectare. Two growers increased this average significantly as they were new growers whose bananas were just coming into production in mid-2017.

APC Egg Producers' Committee

Chairperson: Ian Wilson

Secretary: Rachel Wilson

The Committee does not currently collect a FFS on egg production.

The Egg producers' committee provided funding to the Commercial Egg Producers' Association (CEPA) of WA to undertake work in a number of areas on matters affecting the common interests of egg producers in Western Australia.

Matters addressed were:

The National Poultry Welfare standards and Guidelines Public Consultation which commenced in November 2017 and ran for a period of three months - the CEPA committee continue to work with the national peak body – Egg Farmers of Australia

(EFA) - on ongoing developments with Government, stakeholders and animal welfare group consultation.

A joint submission, with EFA, was submitted to the standing committee for comment on the proposed changes to the current Animal Welfare Bill currently in Federal Parliament.

Continuing to collaboratively work with the Department of Primary Industries and Regional Development on the ongoing stable fly debate and working with researchers and the Stable Fly Regulatory Group on lifting restrictions on the transport and removal of raw poultry manure.

Active involvement and provision of industry feedback for the Australian Eggs Sustainability framework launched earlier this year. CEPA continues to liaise with Australian Eggs to ensure that R & D activities undertaken/funded by the organisation are reflective of WA egg industry needs.

CEPA continues to work alongside the Department of Primary Industries and Regional Development on biosecurity matters such as emergency preparedness and response.

The 2017 the Perth Royal Show saw over 30 volunteers, ranging from CEPA members to Murdoch University students taking part on behalf of the industry. The show was a great success, with a range of marketing and egg information handed out during the week, and activities and engagement from many of the children and parents who visited CEPA's egg stand.

CEPA hosted an egg industry sundowner to which producers, stakeholders and Government representatives were invited to learn about the latest developments in egg marketing and research. Discussions relevant to current animal welfare issues were also undertaken.

The next 12 months will be a crucial time for the egg industry as concern continues with regards to the current State Government's stance on animal welfare as well as the potential restructuring of the caged system to furnished or enriched cages, which will mean significant costs to WA producers who are currently combating very low prices for egg sales.

APC Pome, Citrus and Stone Fruit Producers' Committee

In September 2014, the manner of operation for the Pome Citrus & Stone Fruit Producers' Committee changed. This change resulted in the establishment of three 'sub-committees', one for each of the industries for which this Committee collects the FFS charge. A report is provided below for each of the sub-committees.

Pome Fruit sub-committee

Chairperson: Harvey Giblett

Executive Manager: Nardia Stacy

Under the guidance of the pome industry Strategic and Biosecurity plans this year the pome sub-committee (Pomewest) managed the provision of services and activities for the future development and benefit of WA apple and pear growers. Pomewest's vision and focus is to support and build grower profitability and industry sustainability.

Following the success of national technical support projects, facilitated through Pomewest, some growers have been able to increase their production. This has been a terrific result, however, having more fruit available to market creates challenges. To maintain focus and build momentum, there are key influences for the industry to consider:

- realise that fruit quality is imperative for apple industry prosperity recognising that this is vital to preventing downward pressure on prices.

- find a space and an edge to compete with other fruit or snack produce competitors
- create new markets that will appreciate WA fruit's reputation for quality and uniqueness
- supporting existing and future varietal opportunities within the WA apple breeding program
- be export ready
- be proactive with protection from the ongoing threat of pests and diseases
- look at new technologies to combat rising labour costs and other production costs
- find ways to increase consumption in the local market

Pome grower's investment in new and existing FFS funded projects are tailored to address the above criteria. Projects and initiatives funded in 2018 include:

Commercialisation Project - ANABP 01 Variety BRAVO™ branded apple - The continued success of the commercialisation of ANABP 01 in 2018 has brought the WA pome industry closer to realising the vision of a transformational Western Australian and broader Australian apple industry sustained by grower profitability through premium returns based on a rejuvenated export industry supporting a strong domestic market. The project has brought about significant investment in the sector which, it is believed, has also benefitted regional communities and provided employment opportunities.

An industry grant funded project has enabled direct grower influence over the variety, how it is positioned in the market and the outcomes have delivered benefits to the WA Pome industry.

It is hoped that, through industry participation and stakeholder collaboration it will be possible to commercialise and develop ANABP 01 into Australia's No. 2 branded apple, following the Pink Lady brand, in terms of production and presence in international markets. If this can be achieved there will be ongoing benefits to the whole Western Australian apple industry via an increasing collection of FFS revenue which will be re-invested in the industry..

A rich corporate resource and knowledge bank has been developed based on the learnings from taking ANABP 01 trees and fruit to market. That knowledge is now an asset which can be leveraged to great effect and benefit to growers, should an opportunity arise to commercialise another plant breeding rights (PBR) protected variety.

Maturity Standards - The Western Australian pome fruit industry has been funding fruit eating quality work over the last several years with the aim of delivering improved quality to consumers and to build better business capability and profitability for growers. Pomewest continues to focus on gaining approval of minimum maturity standards for three apple varieties: Royal Gala, Granny Smith and Pink Lady. The proposal to develop this legislation continues with further consultation with the State Government's Better Regulation Unit.

Pomewest commitment to this project has its foundation in growers understanding of the widely recognised connection between good fruit quality leading to increased consumption. Improved quality, it is expected, will also lead to increased export demand for WA pome fruit.

Fruit Fly Surveillance Trapping - The apple and pear industry in WA has identified that high quality pest surveillance data is of key importance for retaining market access, both interstate and with international trading partners. Surveillance for specific pests is often carried out by state or territory departments of primary industries or independent parties. However, industry-driven surveillance is becoming an important tool in proving

regional, area, or state freedom from pests of quarantine concern. The extent of surveillance that is necessary is highly specific to each importing country or state. Export approval can often depend on the major primary industries in that country, the importing country's pest status and the level of assurance needed by that country to be confident about importing Australian produce.

Growers support of this project to determine medfly numbers at identified locations (Manjimup, Pemberton, Kirup, Donnybrook) will continue for a further two years in order to develop an increased data set.

Apple disinfection for market access and quality control in the cold chain - These projects will give the apple industry a scientific basis for pursuing quarantine market access negotiations with our current pest status for Medfly. The disinfection project is focused on conducting research to prove cold treatment as an effective protocol for access of apples to markets such as China, Korea, Taiwan, Japan, USA and NZ. The data package submission also requires testing fruit quality under the parameters of the proposed treatments which will benchmark apple quality in the WA export cold chain and identify causes affecting loss of quality in transport and at retail.

A separate Export Competitiveness Grant (funded by DPIRD, Pomewest and Fruit West Cooperative Limited) will focus on BRAVO™ branded apples cold chain disinfection and quality management.

Systems Approach for Market Access - Pomewest are a contributor to the Horticulture Innovation Australia Limited (HIAL) which looks at systematic pest management and monitoring to access new export markets. This means that orchards in Manjimup and Pemberton are now part of a new four year research project aiming to boost exports of Western Australian apples to valuable northern Asian markets. The WA case study is part of a broader national collaboration between industry, researchers and regulators to help Australian horticultural businesses realise export market opportunities by developing a systems approach. Systems approaches consider the combined effect of monitoring programs, good in-field management, grading in the packinghouse and other steps that are part of good agricultural practice.

New Zealand Study Tour - Pomewest Project Manager Susie Murphy White escorted nine young orchardists on a study tour of New Zealand pome fruit orchards. The group visited seven orchards, pack houses and the Plant and Food Research Centre in Hawkes Bay.

This tour focused on the benefits of implementing innovation, successful technical systems, varietal assessments and export focus.

The group were inspired by the tour after seeing so many orchards outside their own regions and were keen to try some of the new ideas on their own orchards. They showed this enthusiasm by sharing the experience with the wider growers at a recent Pomewest Grower Summit held in February 2018.

It was noted by AG First (NZ) consultants who supported the tour that this young group could be the corner stone of the WA apple industry to implement new ventures in the future.

From the success of this tour, Pomewest found merit in extending the project this year by implementing an 'Innovative Orchardists' project for the 2019 financial year. This will bring the group back together to build on the momentum of these types of activities.

Biosecurity - With the recent Q Fly detections in Como and Fremantle and the Brown Marmorated Stink bug in Jandakot, biosecurity remains a high priority for all horticultural industries. A decision was made in 2016 to collect funds specifically for a pome biosecurity fund and this fund is now increasing annually. Pomewest is committed to protecting growers and the industry by collaboratively working with DPIRD

to build on strategies to prevent and, when necessary, manage incidents. Pomewest is further developing a protocol for use of biosecurity funds based on strategic risk analysis on a pest by pest and disease basis looking at the potential impact to the industry of an incursion. The industry is also in discussion to part-fund a horticultural biosecurity officer who would upskill growers on biosecurity matters and assist them to be prepared in biosecurity events.

Adoption of new technology - which will ensure that national levied funds are returned to on-ground adoption activities including crop estimates, value adding, communications, integrated pest, disease and weed management programs.

Promotions - running year round promotional activities focused at raising the profile of the pome fruit. This includes school programs, event sponsorships, media and PR support and events such as the Perth Royal Show and social media.

Markers, markets and validated nutritional qualities of WA bred Australian apples - retention of the key research momentum that has been established over the past eight years. The underlying goal of both lines of research is to increase consumption and value of WA-bred and grown apples. The program focuses on two lines of research primarily validation of the dietary effects of WA-bred apples on cardiovascular health and developing metabolic and genetic markers to identify WA-bred apples with elite levels of quercetin, and underpin marker-assisted breeding.

Recent media on this project includes a 'Today Tonight' report – 'WA Researchers discover apple skins hidden benefits' with Catherine and Nicola Bondonno. This can be accessed here: <https://thewest.com.au/news/today-tonight/wa-researchers-discover-apple-skins-hidden-benefits-bc-5747469478001>

We look forward to another busy and productive year in the WA pome industry.

Citrus sub-committee

Chairperson: Mick Mann Industry Development Manager: Bronwyn Walsh

Citrus FFS is collected for four areas of produce- General, Export, Processing and Biosecurity. FFS modeling is being developed, based on expected volumes of fruit, to assist in the accurate setting of future FFS rates.

A reduced export FFS rate was again approved as an incentive for industry members to export fruit. This benefits the whole of the industry by opening up new markets for WA fruit as well as alleviating pressure on the domestic market. The volume of fruit exported is increasing significantly year on year.

Late last year as part of a three year plan, a review of the industry strategy was completed with good industry progress being recorded and new ideas identified. This review of the citrus industry strategy is seen as important as it helps guide where the citrus FFS will be allocated.

FFS allocation to industry strategic objectives for the 2017/2018 budget period was;

- Quality improvement and product development 35%
- Production efficiencies 33%
- Industry leadership and communication, including the industry development manager 20%
- Growing domestic consumption 11%
- Developing and accessing markets by increasing the volume of premium fruit for export and benchmarking for the cost of production and profitability 1%
- Biosecurity – funded 100% through the biosecurity specific collection

Industry Collaboration - The trend continues for citrus businesses to collaborate in order to take advantage of the opportunities for gaining scale, accessing expertise or export markets. Orchards and packsheds are upgrading their systems with new

technology to improve water management, agronomic practices and blemish sorters and IT systems to reduce costs in their businesses.

Industry Communication - Industry development days are held regularly throughout the year and may include collaboration with other industry stakeholders. Recent topics being;

- Employer obligations/Labour Hire
- Effective pruning
- Wind blemish and wind breaks
- Water management and training
- Spray coverage

Each industry day includes a biosecurity component. This year we are experimenting with a citrus section in the quarterly 'WA Grower' magazine to keep in touch with citrus growers as well as exposing them to other activities in the horticulture industry in the State. We also use eNews and a newsletter to keep FFS payers informed of other activities and information on a weekly basis.

Biosecurity - The citrus industry has participated in the continued development of WA horticulture biosecurity and continues to pursue citrus specific biosecurity objectives such as a WA Citrus biosecurity response plan.

Marketing and Promotions - To assist in marketing and promotion a season briefing was held in with 17 retailers and wholesalers attending. The production outlook and the promotional program, developed by WA Citrus for the 2017 season were presented.

ABC Rural, ABC South West, 6PR and Fresh Plaza had been contacted for stories on the start of the season. Weekly 'Whats Fresh' radio updates are provided through ABC Perth and The West regional publications statewide.

The sub-committee - Currently has three members which at this time is seen as adequate with the membership representing;

- A small, medium and large production grower.
- A grower from the northern, southern and western citrus production areas.
- One grower with significant export market focus.
- One grower from the citrus industry biosecurity working group.
- Growers with different levels of experience in the industry

The extent of the activities undertaken and the achievements, by the WA Citrus industry in the previous 12 months, are the sub-committee believes impressive. Grower participation at the committee level and commitment to the industry, beyond their business and the current season, certainly helps but a big part of what has been achieved is due to our Industry Development Manager – Bronwyn Walsh.

Stone Fruit sub-committee

Chairperson: Tim Byl/Danny DiMarco

Secretary: Wilma Byl

The WA Stonefruit 2017/2018 season has seen lots of great quality produce on the local markets which - unfortunately - resulted in lower prices for growers. The sub-committee focused on promotion and marketing and hired a Value Chain Facilitator to assist with this. Some of this year's key activities have been captured below:

Exploring Export Opportunities - Through the year we saw an oversupply of fruit into the local markets and growers planting more summer fruit varieties. This necessitates the need to explore other markets, with a focus on overseas and in particular the South East Asia markets. The industry sees exploring these opportunities as being a critical factor in improving the security of the local industry. The sub-committee will continue to

work in this space to achieve better outcomes for the growers. Summerfruit Australia has been working very hard to establish better international relations with key markets and we were fortunate to have their CEO attend and present at the sub-committee's annual general meeting.

Value Chain Facilitator - The sub-committee took advantage of an opportunity to partner with Perth NRM (Natural Resource Management) to hire a Value Chain Facilitator for the WA Stonefruit Industry. The role is to work across the supply chain to promote and market our great summer produce and work with growers to get the best Stone fruit into the markets. Through this position we have been able to keep an eye on what is moving through the markets and at retail level, we have held in store demonstrations, been able to maintain social media contact with consumers and attend several events throughout the Stonefruit season. This has been a worthwhile investment and we will look to utilise Shay as the Value Chain Facilitator in the year to come.

Promotions - We have used a multi-pronged approach for promotions and look to advance on the activities of this past year as we build the brand of WA Stonefruit. The aim is to increase consumer awareness of West Australian Stonefruit and ways to utilise it in their everyday summer lifestyles. We have used social media as our primary medium with instore demonstration and appearances at events to complement the social media campaign. We are utilising @WAStonefruit and #WAStonefruit throughout our social media accounts.

We ran a series of in store demonstrations where tastings were available, and it was great to see tastings turn into purchases of fruit consumers weren't necessarily going to buy. It will be an activity which is further carried out in the next season especially during peak times to help reduce gluts on the market and maintain a reasonable floor price for the local fruit. We were able to showcase WA Stonefruit at local events during the season and will be in attendance at more events in the following season.

Databars - This season was the last year before the new databars become compulsory for Stonefruit into the major retailers. The data bars will improve traceability to the orchards and assist with any biosecurity incidents. We have been working to establish a label which is consistent with the WA grown brand and which will be easily recognisable to the consumers at point of purchase. The introduction of the databars on produce labels has brought with it challenges but as an industry we are working towards overcoming these.

The 2018/2019 Season and beyond – the sub-committee recently had a few changes with Tm Byl stepping down as Chair and the sub-committee takes this opportunity to thank Tim for his invaluable contribution as Chair. Tim has been replaced by Danny Di Marco. Anthony Caccetta and Mark Scott have also joined the committee for the next three years and we look forward to having these experienced growers on the committee.

Major activities for the next season revolve around building our WA Stonefruit brand and creating cohesion within the industry, including, a major season launch; continued and improved social media; production of promotional materials and banner; presence at several timely events; production of produce labels with databars and the expansion of export opportunities. We see a big year ahead for WA Stonefruit.

APC Pork Producers' Committee

Chairperson: Neil Ferguson

Fee-for-Service Funded Activities – The APC Pork Producers' Committee is charged with the responsibility of ensuring funds generated from the industry on a fee for service basis support activities or programs that directly benefit Western Australian pork producers.

The Committee has four key funding priorities, these are research and development; technology transfer; industry training and education and administration.

Technology Transfer & Research Development – The Committee provided funding to Pork Innovation WA (PIWA) in the 17/18 year to support local research and maintain capacity in the industry for the purpose of supporting local producers drive productivity improvements.

Research and Development – The Pork CRC has been a core project of the APC Committee. With the Pork CRC winding down and industry transitioning to APRIL (Australasian Pork Research Institute Limited), this will be the last year the committee supports this project.

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

Industry Administration – The West Australian Pork Producers' Association (WAPPA) is the peak industry body representing the pork sector in WA, and is funded by the APC Pork Producers' Committee to provide services on behalf of the Committee.

WAPPA's provision of services to producers changes with industry priorities each year.

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

Pork Training – Pork Industry Training (WA) continues to facilitate training courses designed around Certificate III in Pork Production. Under the Industry's Model Code, all pork producers are required to have competent people caring for their pigs, with competency being assessed at Certificate III level.

Financial Position – The fee-for-service has remained stable since the inception of the Committee. The current fee stands at 0.08c/kg dressed weight and will remain so for the 2018/19 financial year. The State's kill increase by 17.8% in 17/18 year on the back of strong prices and positive comments from processors seeking additional supplies. Unfortunately, this has resulted in a period of oversupply, both locally and across the country, with numbers now declining due to low prices. This will result in a lower income stream for the Committee in 18/19.

The Committee maintains a minimum reserve policy of \$1.2m.

With Gratitude – The APC Pork Producers' Committee acknowledges that it is funded by the fee for service paid by every producer in Western Australia and that the Committee's job is to support the desired initiatives of pork producers. The Committee thanks each and every producer for their ongoing support of the APC in enabling us to support locally based projects and initiatives.

APC Potato Producers' Committee

Chairperson: Glen Ryan

Executive Officer: Simon Moltoni

WA potato producers are still in the midst of tough times.

This is due to a number of factors including, markets to the Eastern States still locked due to the Tomato Potato Psyllid (TPP) biosecurity incursion, an over-supply due to favourable growing conditions during the year boosting yields and, as a result of the *Dickeya Dianthicola* biosecurity incursion, some seed potatoes being sold on the local markets as fresh potatoes. All of these have impacted growers' returns with the cost of production very close to prices received. As a result of these factors the Potato Producers' Committee (PPC) have continued to be conservative in their approach to funding applications, and are maintaining an "in case of emergency" funding reserve.

TPP is still a huge problem for the industry. Fortunately, at this time, the associated CLso (*Candidatus Liberibacter solanacearum*) bacterium has not been found to be present in WA. The Department of Primary Industries and Regional Development (DPIRD) have carried out thorough and rigorous testing to identify whether the bacterium is present in WA. With some further surveillance and testing, should there be no evidence of the presence of the bacterium, it is hoped that there could be a reopening of the state borders for WA potatoes.

Dickeya Dianthicola is still prevalent in most areas of the growing regions, but due to open communications between seed suppliers and growers, and growers testing any lots suspected of hosting the disease, the issue it is not as serious as it was twelve months ago. It should be noted that the disease can spread rapidly if due diligence lapses.

Establishing export opportunities and continuing high quality domestic supply are major priorities for the industry. As such, the committee has continued to support the Potato Seed Scheme which ensures the basis for potato production is sound using seed potatoes with a disease free status that are sought after throughout Australia and overseas. The funding supports DPIRD's cost of administering the seed scheme and virus testing of all certified G2 seed. The committee also approved funding for Potato Spindle Tuber Viroid testing to demonstrate to local and export markets the continued absence of this disease in WA. The West Australian Seed Potato Producers (WASPP) also received funding during the 2018 year.

Funding for the peak industry body Potato Growers Association (PGA) to provide services to growers on behalf of the committee continued in 2018. The committee has provided services to growers through the PGA for a number of years and has found this to be a very effective delivery method.

Following deregulation, the PGA has continued to evolve to meet growers needs including providing internal and external communications, capacity building of staff, developing industry-driven projects, advocacy and stakeholder management. It is a comfort to industry that the PGA is working very hard for the benefit of all growers, especially in these tough and trying times.

The 'Towards International Competitiveness in the WA Seed Potato Industry' project which focuses on developing seed exports to Egypt is progressing, with plans underway for a reciprocal visit from the Egyptians stakeholders to Perth in the second half of 2018. The project should be completed by the end of the 2018 year with market access negotiations ongoing. The committee has supported this project with a cash contribution and in-kind costs for staff from the PGA office.

Marketing of fresh potatoes remains a focus area although, due to the current status of the industry, a scaled down version of the proposed campaign is likely to be adopted. This will allow targeted marketing and give the absolute best value for money. The marketing campaign was outsourced for the past 12 months but moving into the 2019

financial year, the PGA is bringing the campaign back in-house to continue encouraging consumers to eat potatoes every day.

With support from the committee the PGA delivered a successful promotion at the 2017 Perth Royal Show and managed the delivery of the Seed for Schools program.

At the Perth Royal Show, the PGA engaged children with educational activities, distributed 1,800 recipe booklets, 1,500 reusable 'WA Potatoes' branded bags and received over 2,500 entries to a competition.

The Seed for Schools program relaunched with over 400 educational packs being delivered to schools across the State. The PGA maintained contact with schools via an e-newsletter throughout the process and a competition (supported by Bunnings) for the best potato recipe will be awarded once harvest is complete in a few months.

We thank Simon Moltoni and Morena Perdec of the PGA for their continued hard work and dedication, and their assistance with our committee.

We also thank Ingrid Behr and her team at the Commission. Ingrid's help, assistance and guiding hand makes everyone's job much easier and it is certainly appreciated.

APC Strawberry Producers' Committee

Chairperson: Neil Handasyde

The committee again funded pesticide monitoring over the 2017 season. Out of 30 growers tested, five violations were detected. Of these a couple involved now deregistered chemicals, three for a range of pesticides used on vegetable crops amongst growers producing vegetables as well as strawberries and one maximum residue level (MRL) well above the legal limit.

The lack of ability/will of regulatory agencies to prosecute is a major concern. It leaves the industry with few options to deal with growers that are repeat offenders.

Aileen Reid continued to act in the role of Industry Development Officer. Biosecurity issues continued to be the major issue with the tomato potato psyllid (TPP) incursion in February 2017 having ongoing effects into the 2018 year. Trade to several states was temporarily halted, then resumed with a requirement for methyl bromide fumigation. It was only by the peak of the season – September 2017 - that authorised officers were trained and industry was able to inspect their own produce. That strawberries are not even a host of TPP yet the strawberry industry was paralysed by this incursion is another major concern to growers. Due to the inability to firstly move produce and then secondly the effects of fumigation on the fruit, strawberry supply and quality meant prices were suppressed and many growers suffered losses. Some growers have left the industry and others have had to cut back significantly on plantings for the 2018 strawberry season.

The committee intends to work proactively with other horticultural industries on biosecurity matters in order to ensure that the strawberry industry has ongoing access to key markets.

Market access has been the most pressing and recurrent issue for strawberry growers during the past season.

APC Table Grape Producers' Committee

Chairperson: Allan Price

Seasonal update – The 17/18 season saw budburst and harvest dates more in keeping with an average year. Carnarvon produced good quantities of high quality fruit although the Prime variety continued to be difficult with it likely that this variety is

unlikely to be grown much longer. New varieties are producing high yields making the commensurate with southern production areas. Some fruit was exported both overseas and to the eastern states.

The Swan Valley production was more normal although problems with colour development on red varieties occurred.

South West production has increased considerably as a result of increased plantings in the South West.

The newer varieties have forced the demise of varieties such as Dawn Seedless and Redglobe, the mainstays of the southern industry.

State production was probably in excess of WA demand although strong prices were able to be maintained for good fruit. This is in part due to considerable quantities being sent overseas and to the eastern states. It is notable that fruit picked in WA, to WA minimum standards, sold well in the major eastern states capitals despite those markets being awash with local grapes.

FFS Expenditure - Minimum maturity inspections. This program continues to be strongly supported as it ensures fruit offered for sale meets customer expectations for eating ability. No fruit has been found to not meet the standard this year even though there was wide spread testing and follow up on suspect lines.

Funds were also expended through DPIRD for maturity testing for growers to determine preliminary minimum maturity standards for new varieties coming into the system. This service is being increasingly accessed by growers each year.

Once again Total Quality Assurance Systems Pty Ltd (TQAS), the inspection contractor, remained within budget for the work undertaken on maturity standards program.

No advertising was carried out in 17/18. It was decided that the national program advertising in the Fresh Magazine of the West Australian was adequate. No benefits have been shown when advertising generic products as there are no comparators between years or products.

Industry Directions - Carnarvon has a strong uptake of new varieties leading to increased production in 17/18. This trend is expected to continue.

The Swan Valley continues to trial new varieties but has not necessarily increased planting area or overall production levels.

A major planting in Waroona has significantly increased WA production with this expected to continue over the next few years.

New infrastructure to support these plantings using up to date cooling and storage systems will support local and export markets.

Challenges for Industry - Those producing newer varieties will need to develop export opportunities to prevent an over-supply on the local market and to protect returns to the grower. Growers will need to consider continued production of varieties that are no longer seen as 'preferred' varieties by supermarkets. It was evident this year that demand and returns are declining rapidly for these varieties, while the 'preferred' varieties are selling well.

APC Vegetable Producers' Committee

Chairperson: Maureen Dobra

Executive Officer: John Shannon

The APC-Vegetable Producers' Committee (APC-VPC) supported seven projects in the financial year ending 30th June 2018. The main project funding went to vegetablesWA

in order for the Association to provide services to Fee For Service (FFS) paying vegetable producers on behalf of the committee.

Services delivered by the committee through vegetablesWA were:

Biosecurity - vegetablesWA, representing FFS paying growers, participated in discussions on cost sharing for biosecurity matters. Views have been put forward that other supply chain participants, including consumers, are getting benefits and other risk creators, such as airline passengers, are not contributing to the cost of biosecurity measures. It is the grower's opinion that they should not carry the sole responsibility for costs associated with biosecurity incursions and prevention measures.

Tomato Potato Psyllid (TPP) - A significant incursion of TPP was found for the first time in Australia in the Perth metropolitan area in February 2017. vegetablesWA, on behalf of FFS paying growers, worked, and continues to work, with the Department of Primary Industries and Regional Development (DPIRD) and national bodies to seek the best outcomes for industry. In addition to assisting with the primary incursion response, vegetablesWA has advanced grower interests regarding interstate market access, sat in the Transition to Management oversight committee and developed the Enterprise Management Plans.

Labour - is a significant ongoing issue for vegetable growers. vegetablesWA worked on behalf of growers to seek changes to the regulatory environment. To this end, vegetablesWA made a submission to the West Australian government review of the industrial relations system and has input for changes to the visa system. vegetablesWA also continues to represent growers at a state government level for better regulation of the labour hire sector.

Horticulture Code of Conduct - growers have been represented on this issue and vegetablesWA has provided a state-wide series of workshops as well as providing information through the WA Grower magazine to help growers ensure compliance with the new Code by the deadline of 1 April 2018.

Water - There are three key issues with water at the moment: water development projects; water entitlement reductions; and a new Water Act.

The 25% reduction scheduled for the Gngangara mound. vegetablesWA continues to represent growers with a push for alternatives to be considered through the North Wanneroo Agriculture Taskforce. vegetablesWA has also facilitated the Wellington Dam/ Myalup irrigation scheme by bringing growers together to talk with the proponent and provide expert legal advice on the term sheet from water law specialists. vegetablesWA has also continued to represent growers on the government Water Reform Regulatory Reference Group which is looking to advance a new water Act.

Business Development – using state government and Hort Innovation funding, vegetablesWA is delivering Australia's first vegetable industry benchmarking program to assist growers improve their business. We have also facilitated growers in gaining free trials of accounting software. This project commenced due to the funding provided by the APC-VPC to scope the project.

As an adjunct to this, vegetablesWA has also provided export and market development services using funding from state government and Hort Innovation.

Projects undertaken by the APC-VPC were as follows:

Visa Research Project - A visa research project was jointly funded with another 10 organisations Australia wide to look into options which will put together an evidence base for policy change at a national level and potentially look at a low skilled visa. This has already been used as part of the WA Industrial Relations review and in discussions

with the National Farmers Federation and AUSVEG. This project will continue in the 2018/19 year.

Industry Extension Officers – funding was jointly provided with Hort Innovation for English and Vietnamese Industry Extension Officers for half of their time. The main role is to liaise with growers and disseminate R&D and provide additional help and resources.

As part of this project the Leadership Summit for vegetable growers was held at Crown Perth in conjunction with a young grower's tour beforehand.

Over 95 growers and stakeholders attended the event. The grower feedback for the leadership summit has been overwhelmingly positive.

Review of the Vegetable Fee for Service – An economist from the University of Western Australia was engaged to look at ways to improve the equity and performance of the vegetable industry fee for service collection mechanism. The committee has requested that further work be undertaken on this project over the next financial year before final recommendations be completed or implemented.

The Great Aussie Crunch - A project was funded with vegetable FFS to provide funding for the Council Cancer to run the Great Aussie Crunch throughout primary schools in WA to encourage children to eat more vegetables. This project was successful with a number of media opportunities.

Tomato Disinfestation - A project was funded with vegetable FFS to provide funding to look at whether lower doses of methyl bromide or other chemistry could be effective at disinfesting tomatoes of medfly to enable market access to the east coast given that fenthion has been withdrawn from the market. A final report for this project is expected by mid-September 2018.

Quality Assurance – This project provides growers with a part time human resource to better implement on-farm food safety. This has been particularly useful given the introduction of the new Harmonised Australian Retailer Project Scheme (HARPS) and in the context of a listeria outbreak in New South Wales.

Export Readiness - leveraging the services of our government/Hort Innovation Market Development program, an export readiness seminar and other materials were developed and provided along with a range of other export workshop opportunities for growers. This has resulted in growers now exporting for the first time and other growers strengthening their export programs.

As we move into the 2018/19 year the Committee continues to move forward and fund service projects which will help WA vegetable growers with their businesses and the overall market.

APC Wine Producers' Committee

Chairperson: Jeff Burch

Executive Officer: Larry Jorgensen

The APC Wine FFS was collected for the second year with the 2017 Vintage, and whilst as with all new ventures it takes time for the benefits to become easily apparent, there has been exciting work undertaken and some valuable industry data gathered.

The following summarised list of services provided by the state and regional associations, confirms the effectiveness of the industry structure outlined in the WA Wine Industry Strategic Plan 2014-24. Through a consultative process to develop the plan, producers strongly indicated that limited industry resources should be aligned and allocated to avoid duplication and amplify results.

At the simplest level, the agreed structure is that regional associations support regional brand and industry development and the state association focuses on advocacy and representation for all producers at a state and national level.

It is pleasing to see this structure reflected in both proposed APC budgets to provide services in each year and in the list of completed projects reported in this end of year summary.

At a regional level, we see wine shows, managed by regional associations, providing a forum for producers that drives improvement of wine quality through a competitive process and a method of confirming regional strengths that can be used in regional promotion. All regional associations also assist their member producers to participate in festivals such as Taste Great Southern, Truffle Kerfuffle and Margaret River Gourmet Escape further adding depth and meaning to regional wine brands.

Regional associations also maintain critical relationships with local governments and government agencies to ensure producers have input to issues that can have a positive or negative impact on their businesses. Managing the implementation of prescribed burning at a local level is a good example of this.

At state level, Wines of WA provides representation for producers and regions at state and federal government level. Legislation/regulation issues related to taxation, health, liquor licensing, prescribed burning and biosecurity are ongoing and require constant monitoring and input.

Opportunities to access resources and funding to assist industry development require capacity and skills to complete the applications for submission. The submission of applications for international wine tourism competitive and state grant funding has been a significant task, but the resulting opportunities for producers and regions to increase and improve their wine tourism offering are equally significant.

A brief summary of services provided to producers in 2017/18 follows:

- State – Working with Regional Associations, develop state application for Federal \$1M International Wine Tourism Grant
- State - Advocate for the adoption of WET legislation amendment policy to Federal Government
- State – Provide WA representative for WFA Small Winemakers' Committee
- State – Submit response to Draft National Alcohol Strategy
- State – Submit response to mandatory pregnancy labelling consultation process
- State – Attend WA Preventative Health Summit representing WA wine industry
- State – Monitor changes to Liquor Control Act legislation/regulation
- State – Host State Parliament House event for Regions and producers
- State - Work with State Government Agencies and Regional Associations to manage smoke-taint risk related to autumn prescribed burning program
- State - Manage Research and Development projects across the value chain including: AGWA Regional Program; Vinsites; State RDE Growers' Group Grant
- State - Provide secretariat services to the Wine Producers' Committee
- State - Provide secretariat services to the Wine Industry Technical Committee
- Blackwood - Promotion of Blackwood Valley wines and region through the Blackwood Valley & WA Boutique Wine Show
- Blackwood Valley - Promotion of Blackwood Valley wines and region through the Taste of the Blackwood Festival
- Blackwood Valley - Informing members of issues impacting on the wine and grape industries.

- Geographe – Geographe wine show and general coordination
- Geographe – Geographe wine show and Association website – completion of branding and redesign
- Geographe – Development of the Bunbury Geographe regional map
- Geographe – Redevelopment of Geographe regional entry road signs
- Geographe – Support to producers and representation on relevant industry matters and boards
- Great Southern – Smoke-taint education and relationship development
- Great Southern – Developed application for Wine Australia \$50M international tourism package
- Great Southern - Strategic Plan development (on-going)
- Great Southern – Riesling Downunder
- Margaret River - International Market Development
- Margaret River - Domestic Market Development
- Margaret River - Working closely with local shires on programs impacting the local wine industry, including working with DPAW on mitigating impact from the Autumn burning season / working with Nature Conservation MR
- Margaret River - Langton's Margaret River Wine Show / Halliday Cabernet Challenge / Vinexpo Hong Kong 2018 / 50th Anniversary Program / Community Wine Fair
- Margaret River - Masterclass & consumer tasting at Singapore Dinner, / Masterclasses at Australia Day Tastings in London, Edinburgh & Dublin / Masterclasses & consumer tastings at Melbourne & Sydney dinners
- Margaret River - International Media Famil (5 USA guests, 1 UK & 1 Singapore) / Domestic Media Famil (4 Australian guests)
- Margaret River - Two flagship events during Gourmet Escape
- Margaret River - National publicity support with East Coast publicity agency
- Margaret River - Grant Application development for National Landcare funding programs and for International Wine Tourism grant
- Peel – produced and manufactured Regional Peel Wine Association banners for all local members and Visitor centres in each town
- Perth Hills – funding carried over to next year to enable more targeted activities.
- Swan Valley - Execute Marketing Events
- Swan Valley – Wine Show Co-ordination
- Manjimup/Pemberton, Wine Industry Southern Forest (WISF) – Support provided for industry events - Timber Towns Wine show and Truffle Kerfuffle
- Manjimup / Pemberton (WISF) – Allocated funding towards participation in Wine Australia' s Export and Regional Wine Support Package Grants through the Wines of Western Australia submission.

DISCLOSURES AND LEGAL COMPLIANCE

MINISTERIAL DIRECTIVES

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

ADMINISTERED LEGISLATION

SCOPE OF THE AGRICULTURAL PRODUCE COMMISSION ACT

For the purposes of the Act 'agricultural industry' means a horticultural industry and such other agricultural industry as may be prescribed but excluding broadacre cropping and grazing industries (section 3.1).

Regulations to the Act define horticulture as:

- a) *Fruit and the juices of fruit, whether fresh or processed.*
- b) *Vegetables and the juices of vegetables, whether fresh or processed.*
- c) *Nuts including processed nuts.*
- d) *Flowers, whether fresh or dried.*
- e) *Plants, including grass and other herbaceous plants, grown for sale as living plants.*

The Commission has subsidiary legislation in the form of:

Agricultural Produce (Beekeeping Industry) Regulations 2003
Agricultural Produce (Egg Production Industry) Regulations 2006
Agricultural Produce (Horticultural Industry) Regulations 2001
Agricultural Produce (Pork Production Industry) Regulations 2004
Agricultural Produce (Prescribed Agricultural Industries and Services) Regulations 2001
Agricultural Produce (Wine Industry) Regulations 2016
Producers Committees (Polling) Regulations 1990

SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT

A Producers' Committee can provide, or cause to be provided, any of the following services in relation to the agricultural produce for which it was established —

- (a) advertise and promote the agricultural produce;
- (b) control or develop the means of controlling pests and diseases if there is a likelihood of those pests or diseases affecting the quality or volume of output of the agricultural produce;
- (c) conduct research in relation to any matter, if in the opinion of the producers' committee that research is of advantage to producers of the agricultural produce;
- (d) conduct educational or instructional programmes relating to the production of agricultural produce;
- (e) develop and expand markets for the agricultural produce in Western Australia and elsewhere;
- (f) establish a voluntary insurance scheme for the benefit of producers of the agricultural produce including insurance relating to crops;
- (g) undertake and provide market forecasting for the agricultural produce;
- (h) establish systems of inspection for the agricultural produce for the purpose of quality control or pest and disease control;
- (i) formulate schemes for declaring producers of the agricultural produce to be accredited producers;
- (j) establish systems to facilitate inspection of grading, packaging and storage of the agricultural produce including weight and uniformity (including uniformity of ripeness) within packages;

- (k) support, with or without grant of financial aid, and whether or not initiated by the committee or the Commission, any scheme or activity which in the committee's opinion is capable of assisting in the promotion or sale of the agricultural produce;
- (l) provide such other services for the agricultural produce as may be prescribed;
- (la) establish a compensation scheme for the benefit of producers whose agricultural produce is destroyed as a result of action taken to control a pest or disease of that produce;
- (m) arrange for the provision of all or any of the services or the exercise of any of the functions referred to in paragraphs (a) to (la) in whole or in part by another person or organization or in conjunction with the Commission or any other person or organization.

Source: Agricultural Produce Commission Act 1988, Section 12.1

AGRICULTURAL INDUSTRIES PRESCRIBED UNDER THE ACT

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being services that a Producers' Committee may provide in relation to the pork production industry (Gazetted 3 July 2001).
- **beekeeping industry** - prescribed as an agricultural industry under section 3.1 of the Act with section 12.1 (b), (c), (d), (h), (l), (la) and (m) services being services that a producers' committee may provide in relation to the beekeeping industry (Gazetted 23 October 2001).
- **egg production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

DECLARED PESTS AND DISEASES

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

- *Mediterranean fruit fly (Ceratitis Capitata)* is a pest to which Section 19a of the Act is to apply. Notice gazetted on 19 September 2000.
- *Acarine (Tracheal mite, Acarapis Woodi), Africanised honey bee, Asian honey bee, Tropilaelaps mite (Tropilaelaps clareae), Bruala fly, Small hive beetle and Varroasis (Varroa destructor and Varroa jacobsoni)*. Notice gazetted on 9 January 2004.
- *American foul brood and European foul brood*. Notice gazetted on 9 January 2004.

OTHER KEY LEGISLATION IMPACTING ON THE APC'S ACTIVITIES

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

COMMISSION MEMBERSHIP AND REMUNERATION

Commissioners are remunerated at rates set by the Public Sector Commission and approved by the Minister.

Remuneration rates for Commissioners were reviewed in 2018 when a 3% increase in remuneration was proposed by the Public Sector Commission and approved by the Minister. Commission remuneration is not funded by the Government.

This table is unaudited

| Position | Name | Period of Membership 2018 | Type of Remuneration | Gross Remuneration 2018 |
|--------------|-----------------------|---------------------------|----------------------|-------------------------|
| Chairman | Dr William Ryan | 12 months | Annual | 22,125 |
| Member | Mr Ian Longson | 51 weeks | Annual | 11,301 |
| Member | Dr Cathie Bowen | 12 months | Annual | 11,565 |
| Member | Ms Elizabeth Brennan | 51 weeks | Annual | 11,301 |
| Member | Prof Graeme Robertson | 1 week | Annual | 265 |
| TOTAL | | | | 56,557 |

FEE FOR SERVICE CHARGE REGULATIONS

Agricultural Produce (Horticultural Industry) Regulations 2001.

Regulation 5 notifies of the liability for producers to pay charges. Regulation 8 allows for the submission of returns by dealers and producers. For APC community fruit fly baiting committees, regulation 6 provides for local government authority to collect fees. Penalties apply for non-compliance.

Agricultural Produce (Beekeeping Industry) Regulations 2003. Under the Regulations, the Department of Primary Industries and Regional Development collects the FFS charge on behalf of the Commission in conjunction with the beekeeper registration fees collected under the The Biosecurity and Agriculture Management (Identification and Movement of Stock and Apiaries) Regulations 2013.

Agricultural Produce (Pork Production Industry) Regulations 2004 require abattoirs to collect and remit Fee for Service to the Commission not later than 14 days after the end of the month.

Agricultural Produce (Egg Production Industry) Regulations 2006 provide for Fee for Service collection direct from egg producers. However, as at 30 June 2018, the industry had not instituted a Fee for Service charge for eggs.

Agricultural Produce (Wine Industry) Regulations 2016 provide for the wine producers to pay such charges as are imposed by the Commission under section 14(1) of the Act.

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

FEE FOR SERVICE CHARGE RATES FOR 2017/18

Fee for Service (FFS) charges are determined by the respective Committee, and reviewed annually. The Committee takes into account the ability of producers to pay the Fee for Service, measured against the benefits delivered by the services. The charge is applied to all produce of a particular commodity, usually at the first point of sale.

Fee for Service returns also capture grower and industry specific data enabling Committees to plot the changing production profile and needs of their growers or producers. As an example, the vegetable committee can identify new vegetable lines coming into production and monitor those where production is reducing.

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

The following table provides FFS charge rates for 17/18

This table is unaudited

| APC Industry Committee | Rate |
|--|--|
| Avocado | \$0.00 per kilogram |
| Beekeepers | \$25.00 per beekeeper per annum (calendar year 2017) plus \$1.20 per hive per annum (calendar year 2017) |
| Carnarvon bananas | \$0.0230 per kilogram |
| Citrus | \$0.022 per kilogram |
| Citrus - Export (fresh or processing) | \$0.005 |
| Citrus – processing | \$0.012 per kilogram |
| Pome Fruit | \$0.017 per kilogram |
| Pome Fruit - processing | \$0.006 per kilogram |
| Pork | \$0.008 per kilogram carcass weight |
| Potatoes | |
| Processing | \$6.00 per tonne |
| Ware export | \$6.00 per tonne |
| Domestic ware | \$8.00 per tonne |
| Seed | \$6.00 per tonne (\$150 per hectare based on average yield of 25 tonnes per hectare) |
| Strawberries | \$0.01 per kilogram |
| Stone Fruit | \$0.015 per kilogram |
| Stone Fruit - processing | \$0.006 per kilogram |
| Table Grapes | \$0.007 per kilogram |
| Vegetables incl tomatoes | |
| Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables | \$0.05 per individual package of 100kg or less \$0.40 per individual package of 101kg to 1,000kg \$0.70 per tonne contained within trailers/trucks |
| Wine | See tables following |

| Tonnage Range | WOWA General Services Base Rate | WOWA General Services Volume Rate (per tonne) | Blackwood Base Rate | Geographe Base Rate | Geographe Volume Rate (per tonne) | Great Southern Base Rate | Great Southern Volume Rate (per tonne) |
|---------------|---------------------------------|---|---------------------|---------------------|-----------------------------------|--------------------------|--|
| Under 5 | \$100 | \$0.0000 | \$140.00 | \$200.00 | \$0.0000 | \$100.00 | \$0.0000 |
| 5-10 | \$225 | \$0.0000 | \$140.00 | \$250.00 | \$0.0000 | \$225.00 | \$0.0000 |
| 11-29 | \$225.00 | \$13.1579 | \$140.00 | \$250.00 | \$3.9474 | \$225.00 | \$13.8889 |
| 30-49 | \$475.00 | \$11.8750 | \$140.00 | \$350.00 | \$1.3158 | \$475.00 | \$11.8421 |
| 50-99 | \$712.00 | \$7.6000 | \$140.00 | \$400.00 | \$0.4016 | \$700.00 | \$1.0204 |
| 100-199 | \$1,092.50 | \$5.7000 | \$140.00 | \$400.00 | \$0.4016 | \$750.00 | \$0.5050 |
| 200-299 | \$1,662.50 | \$4.2750 | \$140.00 | \$500.00 | \$0.2145 | \$800.00 | \$0.5051 |
| 300-499 | \$2,090.00 | \$3.8000 | \$140.00 | \$500.00 | \$0.2146 | \$850.00 | \$0.7537 |
| 500-749 | \$1,850.00 | \$1.9000 | \$140.00 | \$500.00 | \$0.2146 | \$1,000.00 | \$0.4016 |
| 750-999 | \$3,325.00 | \$1.5200 | \$140.00 | \$500.00 | \$0.2146 | \$1,100.00 | \$1.6064 |
| 1000-1999 | \$3,705.00 | \$1.0450 | \$140.00 | \$650.00 | \$0.0500 | \$1,500.00 | \$0.5005 |
| 2000-3999 | \$4,750.00 | \$0.9500 | \$140.00 | \$650.00 | \$0.0500 | \$2,000.00 | \$0.5003 |
| 4000-5999 | \$6,650.00 | \$0.7125 | \$140.00 | \$800.00 | \$0.0334 | \$3,000.00 | \$0.5003 |
| 6000-9999 | \$8,075.00 | \$0.3563 | \$140.00 | \$800.00 | \$0.0334 | \$4,000.00 | \$0.2501 |
| 10000+ | \$9,500.00 | \$0.0000 | \$140.00 | \$1,000.00 | \$0.0000 | \$5,000.00 | \$0.0000 |

| Tonnage Range | Margaret River Base Rate | Margaret River Volume Rate (per tonne) | Peel Base Rate (per tonne) | Perth Hills Volume Rate (per tonne) | Wine Industry Southern Forests Base Rate | Wine Industry Southern Forests Volume Rate (per tonne) | Swan Volume Rate (per tonne) |
|---------------|--------------------------|--|----------------------------|-------------------------------------|--|--|------------------------------|
| Under 5 | \$130 | \$0.0000 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 5-10 | \$293 | \$0.0000 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 11-29 | \$292.50 | \$17.1100 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 30-49 | \$617.50 | \$15.4400 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 50-99 | \$926.25 | \$9.8800 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 100-199 | \$1,420.25 | \$7.4100 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 200-299 | \$2,161.25 | \$5.5600 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 300-499 | \$2,717.00 | \$4.9400 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 500-749 | \$3,705.00 | \$2.4700 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 750-999 | \$4,322.50 | \$1.9800 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 1000-1999 | \$4,816.50 | \$1.3600 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 2000-3999 | \$6,175.00 | \$1.2400 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 4000-5999 | \$8,645.00 | \$0.9300 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 6000-9999 | \$0.00 | \$0.4600 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |
| 10000+ | \$0.00 | \$0.0000 | \$125.00 | \$10.00 | \$150.00 | \$1.10 | \$1.00 |

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The APC Code of Conduct uses the WA Code of Ethics as its basis. The APC Code of Conduct applies to Commissioners and Commission staff, as well as Producers’ Committee members and officers and is incorporated into the APC Code of Conduct and Committee Manual.

The APC manual assists producers’ committee members in the effective operation of their committee. It details the responsibilities of committees and provides guidance and instruction on the most efficient and ethical ways for committees to conduct their business.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

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

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

EMPLOYMENT AND INDUSTRIAL RELATIONS

This table is unaudited

| Staff Profile | 2017/18 FTE @ 30 June 2018 | 2016/17 FTE |
|--|----------------------------|-------------|
| Seconded to APC or an APC committee from Department of Primary Industries and Regional Development | 1 | 1 |
| Full time contract employed by APC | 3 | 3 |
| Full time contract employed by APC and seconded to an APC Committee | 1.6 | 1.6 |

STAFF DEVELOPMENT

During the year under review Commission staff attended two external conferences and participated in internal professional development.

Commission staff seconded to a producers’ committee participated in staff development through that particular producers’ committee.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Performance against targets

This table is unaudited

| Measures | 2015/16 | 2016/17 | 2017/18 | Target | Comments towards targets |
|--|---------|---------|---------|--------------------------------------|--------------------------|
| Number of fatalities | 0 | 0 | 0 | 0 | Target achieved. |
| Lost time injury and disease incidence rate | 0 | 0 | 0 | 0 or 10% reduction in incidence rate | Target achieved |
| Lost time injury and severity rate | 0 | 0 | 0 | 0 or 10% reduction in severity rate | Target achieved |
| Percentage of injured workers returned to work within (1) 13 Weeks (2) 26 Weeks | N/A | N/A | N/A | Greater than or equal to 80% | Not applicable |
| Percentage of managers trained in occupational safety, health and injury management responsibilities including refresher training within 3 years | 100% | 100% | 100% | Greater than or equal to 80% | Target achieved. |

The Commission, under its MOU arrangement with the Department of Primary Industries and Regional Development (DPIRD), utilised and applied the occupational safety, health and injury management training, policies and procedures of the DPIRD. The DPIRD reviews its occupational safety and health policies at least every three years.

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

The Commission is committed to the education of its officers in occupational safety health and injury management and mandatory training is provided through the DPIRD. The consultation process for Commission staff is through the Commission's manager, who then accesses the DPIRD's system for OSH management and consultation.

WORKERS COMPENSATION

No compensation claims were recorded during the year under review.

DISCLOSURE PURSUANT TO SECTION 175ZE(1) OF THE ELECTORAL ACT 1907

In accordance with the disclosure requirements of Section 175ZE of the Electoral Act 1907, the Agricultural Produce Commission of Western Australia reports that during the 2018 financial year, the Commission incurred advertising expenditure in the following areas.

This table is unaudited

| Commission | Expenditure 2017/18 |
|---------------------------------|----------------------------|
| Advertising agencies | \$ Nil |
| Media advertising organizations | \$ Nil |
| Market research organizations | \$ Nil |
| Polling Organizations | \$ Nil |
| Direct Mail Organizations | \$ Nil |
| Total Expenditure | \$ Nil |

DIABILITY ACCESS AND INCLUSION PLAN

The Agricultural Produce Commission is not an entity on Schedule 2 of the Public Sector Commission and is therefore not required to develop a Disability Access and Inclusion Plan.

The Commission however commits to affording equal opportunity to all people to access the services, buildings, information (providing information in a format which enables all to access the information), quality of service, employment opportunities and public consultation opportunities.

GOVERNMENT BUILDING TRAINING POLICY

This is not applicable to the Commission as the Commission did not issue any in-scope contracts during the reporting period.

RECORDKEEPING PLANS

During the 2018 year the Commission continued to integrate into the Objective recordkeeping system via the Department of Primary Industries and Regional Development’s system.

The Commission relies on the evaluations undertaken by the Department of Primary Industries and Regional Development in relation to the efficiency and effectiveness of the Objective recordkeeping system.

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

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

SUBSTANTIVE EQUALITY

The Commission is not required to report against this Framework as it is not a Department listed in the relevant Schedule. The Commission however is aware of the intent and substance of the Framework and observes the principles of the Framework.

UNAUTHORISED USE OF CREDIT CARDS

During the 2018 year there were no instances in which a credit card was used for personal use.

FINANCIAL STATEMENTS

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2018

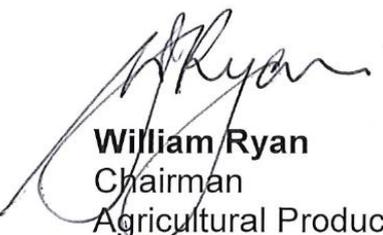
The accompanying financial statements of the Agricultural Produce Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2018 and the financial position as at 30 June 2018.

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



Mandy Taylor
Chief Financial Officer
Agricultural Produce Commission

Date: 10 August 2018



William Ryan
Chairman
Agricultural Produce Commission

Date: 10 August 2018



Ian Longson
Member
Agricultural Produce Commission

Date: 10 August 2018

AUDIT OPINION



Auditor General

**INDEPENDENT AUDITOR'S REPORT To
the Parliament of Western Australia
Agricultural Produce Commission
Report on the Financial Statements**

Opinion

I have audited the financial statements of the Agricultural Produce Commission which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Agricultural Produce Commission for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commission for the Financial Statements

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commission is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Agricultural Produce Commission. The controls exercised by the Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Agricultural Produce Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Commission's Responsibilities

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Commission's Responsibility for the Key Performance Indicators

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of*

Historical Financial Information issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

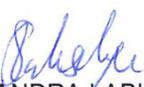
I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2018 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.


SANDRA LABUSCHAGNE
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 August 2018

AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2018

| | Notes | 2018 \$ | 2017 \$ |
|--|-------|----------------------|------------------------|
| COST OF SERVICES | | | |
| Expenses | | | |
| Department of Primary Industries and Regional Development contracted services - administration | 3.2 | - | 74,003 |
| Employee benefits expense | 3.1.1 | 288,042 | 200,144 |
| Other expenses | 3.3 | 153,261 | 184,111 |
| Total cost of services | | <u>441,303</u> | <u>458,258</u> |
| Income | | | |
| <i>Revenue</i> | | | |
| Administration Charge Producers' Committees | 4.2 | 390,744 | 314,867 |
| Contributions | 4.3 | 15,000 | 30,000 |
| Interest revenue | | 7,238 | 7,346 |
| Total Revenue | | <u>412,982</u> | <u>352,213</u> |
| Total income other than income from State Government | | <u>412,982</u> | <u>352,213</u> |
| NET COST OF SERVICES | | <u><u>28,321</u></u> | <u><u>106,045</u></u> |
| Income from State Government | | | |
| Services received free of charge | 4.1 | <u>68,887</u> | <u>68,350</u> |
| Total income from State Government | | <u>68,887</u> | <u>68,350</u> |
| (DEFICIT) / SURPLUS FOR THE PERIOD | | <u><u>40,566</u></u> | <u><u>(37,695)</u></u> |
| TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD | | <u><u>40,566</u></u> | <u><u>(37,695)</u></u> |

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

AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF FINANCIAL POSITION
as at 30 June 2018

| | | 2018 | 2017 |
|--------------------------------------|-------|----------------|----------------|
| | Notes | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6.1.1 | 280,871 | 271,023 |
| Receivables | 5.1 | 20,837 | 13,155 |
| Other current assets | | 1,169 | 2,328 |
| Total Current Assets | | <u>302,877</u> | <u>286,506</u> |
| TOTAL ASSETS | | <u>302,877</u> | <u>286,506</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 5.2 | 4,593 | 47,040 |
| Provisions | 3.1.2 | 72,270 | 71,070 |
| Total Current Liabilities | | <u>76,863</u> | <u>118,110</u> |
| Non-Current Liabilities | | | |
| Provisions | 3.1.2 | 102,425 | 85,373 |
| Total Non-Current Liabilities | | <u>102,425</u> | <u>85,373</u> |
| TOTAL LIABILITIES | | <u>179,288</u> | <u>203,483</u> |
| NET ASSETS | | <u>123,589</u> | <u>83,023</u> |
| EQUITY | | | |
| Accumulated surplus | | 123,589 | 83,023 |
| TOTAL EQUITY | | <u>123,589</u> | <u>83,023</u> |

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

AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

| | Contributed equity | Accumulated surplus | Total equity |
|--|-------------------------------|--------------------------------|---------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | | 120,718 | 120,718 |
| Surplus/(deficit) | | (37,695) | (37,695) |
| Total comprehensive income/(loss) for the year | - | (37,695) | (37,695) |
| Balance at 30 June 2017 | - | 83,023 | 83,023 |
| Balance at 1 July 2017 | - | 83,023 | 83,023 |
| Surplus/(deficit) | - | 40,566 | 40,566 |
| Total comprehensive income/(loss) for the year | - | 40,566 | 40,566 |
| Balance at 30 June 2018 | - | 123,589 | 123,589 |

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

AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

| | Notes | 2018 \$ | 2017 \$ |
|---|-------|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (329,590) | (202,118) |
| Supplies and services | | (135,907) | (32,574) |
| Receipts | | | |
| Receipts from producer committees | | 390,744 | 314,867 |
| Receipts from others | | 77,363 | 61,405 |
| Interest received | | 7,238 | 7,346 |
| Net cash (used in)/provided by operating activities | 6.1.2 | 9,848 | 148,926 |
| Net increase/(decrease) in cash and cash equivalents | | 9,848 | 148,926 |
| Cash and cash equivalents at the beginning of the period | | 271,023 | 122,097 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD | 6.1.1 | 280,871 | 271,023 |

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

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

for the year ended 30 June 2018

| Subject | Disclosure Note | Title of the Policy and/or disclosure note |
|------------------------------|------------------------|---|
| Basis of preparation | 1 | Statement of compliance |
| Basis of preparation | 1 | Judgements and estimates |
| Basis of preparation | 1 | Contributed equity |
| Commission outputs | 2.1 | Commission objectives |
| Use of our funding | 3.1.1 | Employee benefits expense |
| Use of our funding | 3.1.2 | Employee benefits provision |
| Use of our funding | 3.2 | Department of Primary Industries and Regional Development contracted services |
| Use of our funding | 3.3 | Other expenses |
| Our funding sources | 4.1 | Income from State Government |
| Our funding sources | 4.2 | Administration Charge Producers' Committees |
| Our funding sources | 4.3 | Contributions |
| Other assets and liabilities | 5.1 | Receivables |
| Other assets and liabilities | 5.2 | Payables |
| Financing | 6.1 | Cash and cash equivalents |
| Financing | 6.2 | Commitments |
| Risks and contingencies | 7.1 | Financial risk management |
| Risks and contingencies | 7.2 | Contingent assets and liabilities |
| Other disclosures | 8.1 | Events occurring after the end of the reporting period |
| Other disclosures | 8.2 | Future impact of Australian Accounting Standards not yet operative |
| Other disclosures | 8.3 | Key management personnel |
| Other disclosures | 8.4 | Related parties |
| Other disclosures | 8.5 | Related bodies |
| Other disclosures | 8.6 | Affiliated bodies |
| Other disclosures | 8.7 | Producers' Committees – monies held on trust |
| Other disclosures | 8.8 | Remuneration of auditors |
| Other disclosures | 8.9 | Explanatory statement |

Note 1: Basis of preparation

The Agricultural Produce Commission is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. A description of the nature of its operations and its principal activities has been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Commission on 10 August 2018.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

1. The Financial Management Act 2006 (FMA)
2. The Treasurer's Instructions (the Instructions or TI)
3. Australian Accounting Standards (AAS) including applicable interpretations
4. Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

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

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

Note 2: Commission outputs

How the Commission operates

This section includes information regarding the nature of funding the Commission receives and how this funding is utilised to achieve the Commission's objectives:

| | Notes |
|-----------------------|--------------|
| Commission objectives | 2.1 |

2.1 Commission objectives

Mission

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through producers' committee initiated and funded research and development programs.

APC producers' committees are established with the object of enhancing and protecting the producer's investment in their industry through facilitating and managing producer industry based programs in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.

Services

The Commission operates under functions as provided for in section 6.1 of the Act, providing the following services:

- a. Establish producers' committees in relation to agricultural produce.
- b. Appoint members to producers' committees.
- c. Advertise for the formation of producers' committees.
- d. Conduct polls as prescribed under the Act, for the purposes of the establishment and operation of producers' committees.
- e. Dissolve producers' committees and appoint liquidators for the winding up of producers' committees.
- f. Provide such services in relation to the functioning of producers' committees as are necessary from time to time.
- g. Direct, coordinate and supervise the functioning and expenditure of producers' committees.
- h. Provide such other service to producers' committees as the Minister may direct.

Note 3: Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Commission's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Commission in achieving its objectives and the relevant notes are:

| | Notes | 2018 | 2017 |
|---|--------------|-------------|-------------|
| | | \$ | \$ |
| Employee benefits expense | 3.1.1 | 288,042 | 200,144 |
| Provisions | 3.1.2 | 174,695 | 156,443 |
| Department of Primary Industries and Regional Development Service Costs | 3.2 | - | 74,003 |
| Other expenses | 3.3 | 153,261 | 184,111 |

3.1.1 Employee benefits expenses

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Wages and salaries ^(a) | 224,496 | 153,290 |
| Change in employee entitlement provision | 35,945 | 28,011 |
| Superannuation ^(b) | 27,601 | 18,843 |
| Total employee expenses | <u>288,042</u> | <u>200,144</u> |

^(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlement including superannuation contribution component.

^(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the agency to the GESB. The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

3.1.2 Employee benefits provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

| | 2018 | 2017 |
|------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Current | | |
| <i>Employee benefits provision</i> | | |
| Annual leave ^(a) | 60,591 | 54,253 |
| <i>Other provision</i> | | |
| Employment on-costs ^(c) | <u>11,679</u> | <u>16,817</u> |
| | <u>72,270</u> | <u>71,070</u> |
| Non-current | | |
| <i>Employee benefits provision</i> | | |
| Long service leave ^(b) | 97,120 | 82,921 |
| <i>Other provision</i> | | |
| Employment on-costs ^(c) | <u>5,305</u> | <u>2,452</u> |
| | <u>102,425</u> | <u>85,373</u> |
| | <u>174,695</u> | <u>156,443</u> |

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

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Within 12 months of the end of the reporting period | 30,520 | 27,769 |
| More than 12 months after the reporting period | <u>30,071</u> | <u>26,484</u> |
| | <u>60,591</u> | <u>54,253</u> |

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities** have been classified as current where there is no unconditional right to defer settlement for at least 12 months after end of reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

3.1.2 Employee benefits provisions (provisions)

| | 2018 | 2017 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Within 12 months of the end of the reporting period | 15,285 | 2,734 |
| More than 12 months after the reporting period | <u>81,835</u> | <u>80,187</u> |
| | <u>97,120</u> | <u>82,921</u> |

The components of the long service leave liabilities are calculated at present value as the Commission does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Commission's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Movement in other provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below:

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | \$ | \$ |
| <u>Employment on-cost provision</u> | | |
| Carrying amount at start of period | 19,269 | 3,450 |
| Additional/(reversal of) provisions recognised | <u>(2,285)</u> | <u>15,819</u> |
| Carrying amount at end of period | <u>16,984</u> | <u>19,269</u> |

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the Commission's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2018

3.2 Department of Primary Industries and Regional Development Contracted Service Costs

Effective 1 July 2000 the Commission entered into a Memorandum of Understanding with the former Department of Agriculture and Food (DAFWA) which has been merged into the Department of Primary Industries and Regional Development (the Department/DPIRD) effective from 1 July 2017. The objective of this arrangement is to establish the types and standards of services to be provided, the basis for determining the level and the costs of the services and the responsibilities of the Commission and the Department.

The costs of the above mentioned services are disclosed below:

| | 2018 | 2017 |
|--|------|---------------|
| | \$ | \$ |
| Department of Primary Industries and Regional Development contracted services - administration | - | 74,003 |

3.3 Other expenses

| | 2018 | 2017 |
|---|----------------|----------------|
| | \$ | \$ |
| Audit Fees | - | 14,360 |
| Employment on-costs | 4,360 | 1,286 |
| Commissioner fees and related costs | 56,557 | 51,028 |
| Travel expenses | 1,488 | 150 |
| Administration services provided by DPIRD | 68,887 | 68,350 |
| Other expenses | 21,969 | 48,937 |
| | 153,261 | 184,111 |

Employment on-cost: Employee on-costs include workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1.2 Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Commissioner fees and related costs: Commissioner fees include the annualised payments to members of the Commission.

Administration services provided by DPIRD: Administration services provided by DPIRD are the cost component, recognised at fair value, of the services received free of charge from DPIRD. These include financial, information technology and accommodation services.

Other: Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Note 4: Our funding sources

How we obtain our funding

This section provides additional information about how the Commission obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Commission and the relevant notes are:

| | Notes | 2018 | 2017 |
|---|--------------|-------------|-------------|
| | | \$ | \$ |
| Income from State Government | 4.1 | 68,887 | 68,350 |
| Administration Charge Producers' Committees | 4.2 | 390,744 | 314,867 |
| Contributions | 4.3 | 15,000 | 30,000 |

4.1 Income from State Government

Services received free of charge from other State government agencies during the period:

| | 2018 | 2017 |
|---|---------------|---------------|
| | \$ | \$ |
| Department of Primary Industries and Regional Development | <u>68,887</u> | <u>68,350</u> |

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

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

4.2 Administration Charge Producers' Committees

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Administration Charge Producers' Committees | <u>390,744</u> | <u>314,867</u> |
| | <u>390,744</u> | <u>314,867</u> |

The Commission receives its primary funding from the administration charge to Producers' Committees. Committees are charged a percentage on the fee for service collected during the year. The percentage charged varies between Producers' Committees and is based on a 'full cost recovery' methodology. The charge is reviewed on an annual basis.

Revenue is recognised and measured at the fair value of consideration received or receivable.

4.3 Contribution

| | 2018 | 2017 |
|---------------|----------------------|----------------------|
| | \$ | \$ |
| Contributions | <u>15,000</u> | <u>30,000</u> |
| | <u>15,000</u> | <u>30,000</u> |

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2018

The Commission applies to the Department of Primary Industries and Regional Development on an annual basis for support for activities undertaken by the Commission which are considered to be of benefit to Government in general as well as to wider agricultural industries.

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from the Commission's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

| | Notes | 2018 | 2017 |
|-------------|-------|--------|--------|
| | | \$ | \$ |
| Receivables | 5.1 | 20,837 | 13,155 |
| Payables | 5.2 | 4,593 | 47,040 |

5.1 Receivables

| | 2018 | 2017 |
|----------------|----------------------|----------------------|
| | \$ | \$ |
| Receivables | 15,000 | - |
| GST receivable | <u>5,837</u> | <u>13,155</u> |
| | <u>20,837</u> | <u>13,155</u> |

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

5.2 Payables

| | 2018 | 2017 |
|------------------|---------------------|----------------------|
| | \$ | \$ |
| Trade payables | 615 | 4,298 |
| Accrued expenses | 2,860 | 14,400 |
| Accrued salaries | <u>1,118</u> | <u>28,342</u> |
| | <u>4,593</u> | <u>47,040</u> |

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

Accrued salaries: Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

Note 6: Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Commission.

| | Notes |
|---|--------------|
| Cash and cash equivalents | 6.1 |
| Reconciliation of cash | 6.1.1 |
| Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities | 6.1.2 |
| Commitments | 6.2 |
| Capital commitments | 6.2.1 |
| Other expenditure commitments | 6.2.2 |

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

| | 2018 | 2017 |
|---------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Cash and cash equivalents | <u>280,871</u> | <u>271,023</u> |

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

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

| | 2018 | 2017 |
|--|---------------------|-----------------------|
| | \$ | \$ |
| Net cost of services | (28,321) | (106,045) |
| <u>Non-cash items</u> | | |
| Services received free of charge | 68,887 | 68,350 |
| <u>(Increase)/decrease in assets:</u> | | |
| Current receivables ^(a) | (15,000) | 10,400 |
| Other current assets | 1,159 | (231) |
| <u>Increase/(decrease) in liabilities:</u> | | |
| Current payables ^(a) | (42,447) | 30,874 |
| Current provisions | 1,200 | 62,891 |
| Non-current provisions | 17,052 | 61,452 |
| Change in GST Receivables/Payables (b) | <u>7,318</u> | <u>21,235</u> |
| Net cash provided by/(used in) operating activities | <u>9,848</u> | <u>148,926</u> |

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

(b) This reverses out the GST in receivables and payables.

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2018

The mandatory application of AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* imposed disclosure impacts only. The Commission is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

6.2 Commitments

6.2.1 Capital commitments

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

6.2.2 Other expenditure commitments

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

Note 7: Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the Commission.

| | Notes |
|--|-------|
| Financial risk management | 7.1 |
| Contingent liabilities and contingent assets | 7.2 |

7.1 Financial risk management

Financial instruments held by the Commission are cash and cash equivalents, and receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

a) Summary of risks and risk management

Credit Risk

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

Credit risk associated with the Commission's financial assets is minimal as the main receivable relates to amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that any sales of products and services are made to customers with an appropriate credit history. Furthermore, receivables balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk. The carrying amount of financial assets represents the Commission's maximum exposure to credit risk.

At the end of the reporting period, there were \$15,000 in trade receivables from the Department of Primary Industries and Regional Development and is due for settlement within 30 days; and the GST receivable from the Australian Tax Office (ATO) receivables is due within 30 days of the end of the reporting period.

Liquidity Risk

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

7.1 Financial risk management (continued)

Liquidity Risk (continued)

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

Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or the fair value of its financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks (for example, commodity price changes). The Commission's exposure to market risk for changes in interest rates relates primarily to the cash and cash equivalents.

The weighted average interest rate for the year is 1.97% (2017: 1.98%). If, at the end of the reporting period, there had been a 100 basis point increase/(decrease) in interest rates, held constant throughout the reporting period, then there would have been a resulting \$2,809 (2017: \$2,710) increase/(decrease) in profit or loss for the period.

b) Categories of financial instruments

The carrying amount of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

| | 2018 | 2017 |
|--------------------------------------|-----------------------|-----------------------|
| <u>Financial assets</u> | \$ | \$ |
| Cash and cash equivalents | 280,871 | 271,023 |
| Loans and receivables ^(a) | 15,000 | - |
| | <u>295,871</u> | <u>271,023</u> |
| <u>Financial liabilities</u> | | |
| Payables | <u>4,593</u> | <u>47,040</u> |

^(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Liquidity Risk and Interest Rate Exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

| | Interest rate exposure | | | | Nominal amount \$ | Maturity dates | | | | |
|-------------------------------------|--|--------------------|---------------------------|-------------------------|-------------------|------------------|---------------|-----------------------|--------------|----------------------|
| | Weighted average effective interest rate % | Carrying amount \$ | Variable interest rate \$ | Non-interest bearing \$ | | Up to 1 month \$ | 1-3 months \$ | 3 months to 1 year \$ | 1-5 years \$ | More than 5 years \$ |
| 2018 | | | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | | | |
| Cash and cash equivalents | 1.97% | 280,871 | 280,871 | - | 280,871 | 280,871 | - | - | - | - |
| Receivables (a) | | 15,000 | - | 15,000 | 15,000 | 15,000 | - | - | - | - |
| | | 295,871 | 280,871 | 15,000 | 295,871 | 15,000 | - | - | - | - |
| <u>Financial Liabilities</u> | | | | | | | | | | |
| Payables | | 3,475 | - | 4,593 | 4,593 | 4,593 | - | - | - | - |
| Accrued salaries | | 1,118 | - | 1,118 | 1,118 | 1,118 | - | - | - | - |
| | | 4,593 | - | 5,711 | 5,711 | 5,711 | - | - | - | - |
| 2017 | | | | | | | | | | |
| <u>Financial Assets</u> | | | | | | | | | | |
| Cash and cash equivalents | 1.98% | 271,023 | 271,023 | - | 271,023 | 271,023 | - | - | - | - |
| | | 271,023 | 271,023 | - | 271,023 | 271,023 | - | - | - | - |
| <u>Financial Liabilities</u> | | | | | | | | | | |
| Payables | | 18,698 | - | 18,698 | 18,698 | 18,698 | - | - | - | - |
| Accrued salaries | | 28,342 | - | 28,342 | 28,342 | 28,342 | - | - | - | - |
| | | 47,040 | - | 47,040 | 47,040 | 47,040 | - | - | - | - |

(a) The amount receivables excludes the GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

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

Note 8: Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

| | Notes |
|--|--------------|
| Events occurring after the end of the reporting period. | 8.1 |
| Future impact of Australian standards issued not yet operative | 8.2 |
| Compensation of Key management Personnel | 8.3 |
| Related parties | 8.4 |
| Related bodies | 8.5 |
| Affiliated bodies | 8.6 |
| Producers' Committees - monies held in trust | 8.7 |
| Remuneration of auditor | 8.8 |
| Explanatory statement | 8.9 |

8.1 Events occurring after the end of the reporting period

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

8.2 Future impact of Australian Accounting standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the Commission plans to apply the following Australian Accounting Standards from their application date.

| | Operative for reporting periods beginning on/after |
|--|---|
| AASB 9 | |
| <i>Financial Instruments</i> | |
| This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. | 1 Jan 2018 |
| The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. | |
| The Commission has not yet determined the application or the potential impact of the Standard. | |

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2018

8.2 Future impact of Australian Accounting standards not yet operative (continued)

| | | Operative for reporting periods beginning on/after |
|------------------|--|--|
| AASB 15 | <p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The Commission has not yet determined the potential impact of the Standard on revenue recognition. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Commission has discharged its performance obligations.</p> | 1 Jan 2019 |
| AASB 16 | <p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission currently has no lease commitments and the application of the standard is not expected to have any financial impact.</p> | 1 Jan 2019 |
| AASB 1058 | <p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Commission has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2019 |
| AASB 1059 | <p><i>Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Commission has not identified any public private partnerships within scope of the Standard.</p> | 1 Jan 2019 |

8.2 Future impact of Australian Accounting standards not yet operative (continued)

| | Operative for reporting periods beginning on/after |
|---|---|
| <p>AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2014-1 <i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p> | 1 Jan 2018 |
| <p>AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Department has not yet determined the application or the potential impact of AASB 15.</p> | 1 Jan 2018 |

8.2 Future impact of Australian Accounting standards not yet operative (continued)

| | Operative for reporting periods beginning on/after |
|---|---|
| <p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.</p> | <p>1 Jan 2018</p> |
| <p>AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018.</p> <p>There is no financial impact.</p> | <p>1 Jan 2018</p> |
| <p>AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p> | <p>1 Jan 2019</p> |

8.3 Key management personnel

The Commission has determined that key management personnel include Cabinet Ministers and members of the Commission. However, the Commission is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation of key management personnel of the Commission for the reporting period is presented within the following bands:

| | 2018 | 2017 |
|--|----------------------|----------------------|
| Compensation of members of accountable authority | | |
| Compensation Band (\$) | | |
| 20,001 - 30,000 | 1 | 1 |
| 10,001 - 20,000 | 3 | 2 |
| 0 - 10,000 | 1 | 1 |
| | \$ | \$ |
| Short term employee benefits | 56,557 | 51,201 |
| Post employee benefits | <u>5,373</u> | <u>4,864</u> |
| Total compensation of senior officers | <u>61,930</u> | <u>56,065</u> |

Total compensation includes the superannuation expense incurred by the agency in respect of senior officers.

8.4 Related parties

The Commission is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

The Department of Primary Industries and Regional Development (the Department) provides services free of charge in the form of accommodation, information services, financial services and payroll services to the value of \$68,887 (2017: \$68,350) (Note 4.1).

There were no contracted services with the Department (2017: \$74,003) (Note 3.2).

In addition, the Department contributes to the Commission each year \$15,000 (2017: \$30,000) to cover 12.5% (2017: 25%) of the Commission's manager's salary for extra-curricular management of committees' activities (Note 4.3).

8.4 Related parties (continued)

Significant transactions with Government-related entities (continued)

The Commission made superannuation payments to GESB of \$27,601 (2017: \$18,843) (Note 3.1.1) and

Remuneration for services provided by the Office of Auditor General \$14,540 (2017: \$14,400) (Note 8.8).

There were no significant transactions with other Government-related entities.

Material transactions with other related parties

There were no material transactions with other related parties.

8.5 Related bodies

There were no related bodies with the Commission.

8.6 Affiliated bodies

There are no affiliated bodies with the Commission.

8.7 Producers' Committees – monies held on trust

The Commission has 11 (2017: 11) active Producers' Committees and one in recess, being Kununurra. Separate accounts are maintained for each Producers' Committee. The cash balance held for each Producers' Committee and the receipts and payments for the year are disclosed below.

| | | |
|--|------------------|------------------|
| APC Avocado Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 126,890 | 154,683 |
| Receipts | 2,419 | 3,107 |
| Payments | (12,252) | (30,900) |
| Balance at end of year | 117,057 | 126,890 |
| | | |
| APC Beekeepers Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 167,179 | 160,097 |
| Receipts | 90,654 | 63,510 |
| Payments | (103,387) | (56,428) |
| Balance at end of year | 154,446 | 167,179 |
| | | |
| APC Carnarvon Banana Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 2,611,072 | 2,490,925 |
| Receipts | 156,465 | 161,342 |
| Payments | (48,926) | (41,195) |
| Balance at end of year | 2,718,611 | 2,611,072 |

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

for the year ended 30 June 2018

**8.7 Producers' Committees – monies held on trust
(continued)**

| APC Egg Producers' Committee | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Balance at beginning of year | 141,985 | 178,751 |
| Receipts | 2,288 | 3,234 |
| Payments | (40,052) | (40,000) |
| Balance at end of year | 104,221 | 141,985 |
| APC Pome, Citrus & Stone Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 892,988 | 809,010 |
| Receipts | 1,257,167 | 1,227,217 |
| Payments | (1,053,513) | (1,143,239) |
| Balance at end of year | 1,096,642 | 892,988 |
| APC Potato Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 198,488 | 162,425 |
| Receipts | 451,189 | 478,914 |
| Payments | (472,219) | (442,851) |
| Balance at end of year | 177,458 | 198,488 |
| APC Pork Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year as previously reported | 1,413,916 | 1,295,074 |
| Receipts | 475,445 | 437,723 |
| Payments | (327,559) | (318,881) |
| Balance at end of year | 1,561,802 | 1,413,916 |
| APC Strawberry Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 297,092 | 283,481 |
| Receipts | 97,212 | 92,187 |
| Payments | (68,951) | (78,576) |
| Balance at end of year | 325,353 | 297,092 |
| APC Table Grape Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 198,185 | 153,179 |
| Receipts | 57,568 | 79,486 |
| Payments | (69,334) | (34,480) |
| Balance at end of year | 186,419 | 198,185 |

8.7 Producers' Committees – monies held on trust (continued)

| APC Vegetable Producers' Committee | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Balance at beginning of year | 706,947 | 706,332 |
| Receipts | 890,866 | 806,738 |
| Payments | <u>(1,006,626)</u> | <u>(806,122)</u> |
| Balance at end of year | <u>591,187</u> | <u>706,947</u> |
| | | |
| APC Kununurra Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 1,312 | 1,286 |
| Receipts | 26 | 26 |
| Payments | <u>(1)</u> | <u>-</u> |
| Balance at end of year | <u>1,337</u> | <u>1,312</u> |
| | | |
| APC Wine Producers' Committee | 2018 | 2017 |
| | \$ | \$ |
| Balance at beginning of year | 8,223 | - |
| Receipts | 665,395 | 359,005 |
| Payments | <u>(631,357)</u> | <u>(350,782)</u> |
| Balance at end of year | <u>42,261</u> | <u>8,223</u> |

8.8 Remuneration of auditors

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

| | 2018 | 2017 |
|--|----------------------|----------------------|
| | \$ | \$ |
| Auditing the accounts, financial statements and performance indicators | <u>14,540</u> | <u>14,400</u> |

8.9 Explanatory statement

The Commission is exempt from TI 945 Explanatory Statement as their Total Cost of Services is below \$3 million for the two most recent consecutive comparative periods. Therefore, no explanatory statement has been prepared.

TI 945 (1) (ii)

Each general government agency required to prepare Annual Estimates as defined in paragraph (2)(i)(b) through paragraph (2)(1)(d) of this instruction (where applicable) and where their Total Cost of Services exceeds \$3 million for the two most recent consecutive periods.

AGRICULTURAL PRODUCE COMMISSION

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2018

We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agricultural Produce Commission's performance, and fairly represent the performance of the Agricultural Produce Commission for the financial year ended 30 June 2018.



William Ryan
Chairman
Agricultural Produce Commission

Date: 10 August 2018



Ian Longson
Member
Agricultural Produce Commission

Date: 10 August 2018

AGRICULTURAL PRODUCE COMMISSION

Key Performance Indicators 2018

GOVERNMENT GOAL

Future jobs and skills: Grow and diversify the economy, create jobs and support skills development.

DESIRED OUTCOME

Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission Act.

SERVICES

Establishment of, and support for, Producers' Committees.

EFFECTIVENESS INDICATOR

Key Performance Indicator 1

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

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

Producers' committees are requested to complete an annual score card survey.

The survey asks all committee members to rate a range of essential services which are provided by the Commission to the producers' committee. These services are directly related to the functions of the Commission as set out in the APC Act.

The score card results are then aggregated into an overall satisfaction rating for all APC producers' committees. A score of 'acceptable' or above is deemed as meeting the overall satisfaction rating.

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

| APC PRODUCERS' COMMITTEES | Target | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|------------------------------------|--------|---------|---------|---------|---------|
| Overall satisfaction rating | 85% | 99% | 98% | 100% | 99% |

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---------------------------------|------------|------------|------------|------------|
| Total Committees Surveyed | 11 | 11 | 11 | 10 |
| Total Members Surveyed | 83 | 83 | 83 | 58 |
| Total Responses Received | 46 | 42 | 41 | 26 |
| Percentage Response Rate | 55% | 51% | 49% | 45% |

The satisfaction rating remained constant with no significant change in satisfaction by committees in Commission performance. The response rate from members increased slightly as a result of the introduction of an electronic survey methodology.

EFFICIENCY INDICATOR

Key Performance Indicator 2

Commission Efficiency - APC Administration Charge as % of Fee for Service (FFS) Charge Income

This indicator measures the annual administration charge paid to the Commission, by committees, as a proportion of the producers' committees total annual Fee for Service income.

The services provided by the Commission to committees are funded through the administration charge received from committees.

To ensure that funds received by the Commission from committees are appropriate and do not exceed Commission requirements, the Commission reviews its administration charge to committees on an annual basis. The Commission uses a broadly based 'user pays' methodology to identify the administration charge to individual committees.

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

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|--|-----------|-----------|-----------|-----------|
| Admin Charge paid by Committees to Commission | 390,744 | 314,867 | 272,969 | 264,383 |
| Fee for Service collected by Committees | 3,728,487 | 3,273,046 | 2,892,899 | 2,781,574 |
| Admin Charge as % of FFS Income | 10% | 10% | 9.44% | 9.50% |

In the year under review the Commission met the set target, with an overall charge of 10% of FFS income.

This reflects a nil increase in percentage cost to producers' committees over the previous year.

NOTES