



# AGRICULTURAL PRODUCE COMMISSION

*Encouraging Producer Initiative*

ANNUAL REPORT  
FOR YEAR ENDED 30 JUNE 2007

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**Hon Kim Chance MLC**  
**Minister for Agriculture and Food**

**STATEMENT OF COMPLIANCE**  
**For year ended 30 June 2007**

In accordance with Section 61 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 2007.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006, and the following:

**Enabling Legislation**

Agricultural Produce Commission is established under the Agricultural Produce Commission Act 1988.

**Legislation impacting on the Commission's activities**

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



Peter Wells  
Chairman



Roger O'Dwyer  
Member

**Date: 21 September 2007**

### **Mission Statement**

*The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.*

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

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## **CHAIRMAN'S REPORT**

As part of the Commission's *encouraging producer initiative* program the Commissioners are continuing their work with all APC Committees to build on the excellent food safety and quality reputation of Western Australian horticultural produce.

The APC legislation provides WA producers a unique opportunity to be leaders in their field. Consumers are more discerning than ever before about food quality, security of supply and product origin. The role of the APC Committees in ensuring producers understand the need to satisfy market driven demand and at the same time achieve continuous business improvement in production techniques and product research, has become a primary focus for the APC.

This report outlines the activities of the Commission and the important work of APC Committees over the past 12 months.

At Commissioner level, in February 2007 Harry Morgan AM, the inaugural and long-serving Chairman of Commissioners retired. Harry Morgan's dedication to the State's horticultural industries has been widely acknowledged, including being made a Member of the Order of Australia. The current Commissioners also place on the record their appreciation of the work and effort Harry put into APC matters for the benefit of the State's horticultural sector.

Rob Delane also stood down from the Commission in February, after seven years as a Commissioner, and our appreciation is extended to Rob for his very valuable input.

The Commission has been most fortunate to retain the services of Commissioners Yvonne Fahl and Ken Boughton. Both Ken and Yvonne have valuable experience across all APC Committees and have assisted with the smooth induction of Roger O'Dwyer and myself into our Commission roles.

During the year support staff changes also took place. Ingrid Smith took up the important role of APC Executive Office with Max Crake retiring in late 2006. Numerous Department of Agriculture and Food staff assist Commissioners and Ingrid throughout the year and I place on record our appreciation of their contribution to the workings of the Commission.

In accordance with Section 26 of the Agricultural Produce Commission Act, a report on the operations of the Act, the Commission and Producers' Committees was presented to the Minister during the year under review.

This report contains the Financial Statements and general information of the APC, with additional data, published as a service to industry, on the Commission's website at [www.apcwa.org.au](http://www.apcwa.org.au).

## **AGRICULTURAL PRODUCE COMMISSION ACT**

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

The Commission is a body corporate with perpetual succession and a common seal. The Commission is not an agent of the Crown, nor is it part of the Public Service. The Commission reports to the Minister for Agriculture and Food.

## **MISSION STATEMENT**

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.

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

## COMMISSION FUNCTIONS

- 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.

*Section 6.1 Agricultural Produce Commission Act*

## OPERATIONAL STRUCTURE

The Agricultural Produce Commission is comprised of four Commissioners appointed by the Minister for Agriculture and Food. The Minister appoints one member of the Commission to be the Chairperson. Appointments are for a period not exceeding three years, but on expiry of tenure the incumbent can apply for a further term.

Commissioners as at the date of this Report were:

Peter Wells	Chairperson	Yvonne Fahl	Member
Roger O'Dwyer	Member	Ken Boughton	Member

The term of office of all Commissioners expires on 9 January 2010.

The Commission's Executive Officer is engaged under a secondment agreement with the Department of Agriculture and Food.

As at 30 June 2007 there were:

- 12 active Producers' Committees;
- 1 voluntary Producers' Committee; and
- 2 Producers' Committees in recess.

The total number of Committee Members was 69 persons.

Commissioners and Committee Members are remunerated in line with rates approved by the Minister. Travel and accommodation expenses incurred by Commissioners and Committee Members in the course of official duties are reimbursed at approved rates.

## COMMISSION FUNDING

The Commission is funded primarily by producers through Fees for Service, under section 14 of the Act and supporting Regulations.

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.

Fee for Service charges are determined by the respective Committee, and reviewed annually. The Committee takes into account the ability of producers to pay the Fee for Service measured against the benefits delivered through the provision of industry based services. The Fee for Service is applied to all produce of a particular commodity, usually at the first point of sale. Fee for Service returns also capture industry specific data enabling Committees to plot the changing production profile and needs of their industry. As an example the Fruit Committee can monitor apple production by variety.

The Commission is responsible for collecting the Fee for Service from producers, wholesalers, exporters and retailers. Whilst the Act provides that the Fee for Service is to be remitted to the Commission by the purchaser/re-seller at the first point of sale, the buyer has the right to deduct the Fee for Service from the payment to the producer.

***As Australia has a comparatively small population, most future growth in Australian agriculture will depend on exports.***

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, which the Commission administers.

The Commission reviewed administration charges in late 2006, and introduced a revised scale for recovery of administration outgoings in January 2007. The Commission reviews cost recovery arrangements from time to time to ensure the outcome is equitable across all Committees. Should a Committee suspend Fee for Service collections, an annual fee is charged to cover APC fixed overheads and other costs associated with providing ongoing financial and support services.

**COMMISSION MEETINGS**

The Commission meets as necessary. Most meetings are face to face although telephone or video conference technology is also used. During the year under review Commissioners attended meetings as below:

**COMMISSION MEETING ATTENDANCE 2006/2007**

Commissioner	Eligible to Attend	Attended
Harry Morgan (Chair to 26/01/07)	3	3
Rob Delane (Retired 26/01/07)	3	3
Yvonne Fahl	8	8
Ken Boughton	8	7*
Peter Wells (Chair from 27/01/07)	5	5
Roger O'Dwyer (Commenced 27/01/07)	5	5

\*Leave of Absence granted (overseas)

**COMMITTEE ADMINISTRATION**

Committees, working within Regulations issued by the Commission, have the autonomy to meet as they determine necessary for the efficient running of their Committee. The primary focus of the Commission's oversight of Committee activities is to ensure due diligence is conducted on Committee projects and there is sound financial governance and compliance with the Act. The Commission encourages every Committee to seek input from producers and in turn communicate with all producers on Committee activities.

**ANNUAL MEETING WITH COMMITTEE CHAIRS**

Commissioners meet with Producers' Committee Chairpersons annually to review the past year and discuss future needs. The last meeting was held on 23 November 2006. The next meeting, which will take the form of an interactive workshop based on agenda input from all Committees, will take place in October 2007.

The Commission considers the annual meeting a vital link in the communication between the Commission and Committees as it provides an open forum for discussion and identification of improvements and new initiatives that can enhance the effectiveness of both Commission and Committees.

**APC CODE OF CONDUCT**

In June 2007 the Commission adopted an enhanced and up-dated *Code of Conduct*. The APC Code of Conduct applies to Commissioners and Commission staff, as well as Producers' Committee members and officers.

**COMMITTEE AND PROCEDURAL MANUAL**

The Commission has developed and published a Procedural Manual to assist Producers' Committee members in the effective operation of their Committee. The Manual is a "living document" being reviewed on a regular basis, the last update taking place in January 2007. The Manual details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

## **COMMITTEE PROTOCOL**

The Commission has a protocol in regard to the relationship between an APC Producers' Committee and related industry organisations which reads as follows:

*'Producers' Committees for particular Agricultural Industries are formed after extensive discussions with producers within the industry and a poll of all producers, and provided a majority of those producers voting are in favour a Producers' Committee may be formed by the Agricultural Produce Commission (APC).'*

The Producers' Committee must then function in accordance with the Act and within the scope of Section 12.1 agreed to in the poll. Producers appointed to the Committee are representatives of the industry in their own right and do not represent individual sectional interests. The Committee may however seek advice from these interests.

It is the Committee's responsibility to:

- determine services to be provided for the benefit of producers;
- estimate the cost of the services;
- take into account the ability of producers to meet the costs; and
- recommend a "Fee for Service" to the Commission.

The APC encourages co-operation between the various sectional interests within the respective industries to ensure maximum benefits flow to all producers from the functions financed by the Fee for Service. However, the APC Code of Conduct specifically states that Committee Members must act on behalf of all industry members, not just those with sectional or affiliated interests.

## **PUBLICITY AND COMMUNICATION**

The APC web site ([www.apcwa.org.au](http://www.apcwa.org.au)) provides extensive information about the Commission i.e. current Fee for Service rates, how to join the APC, Annual Reports and the Act and Regulations. Each Producers' Committee has its own web page providing information about the Committee and related industry organizations. The Commission encourages Committees to utilize the web site as a tool to communicate with their industry and interested parties.

## **CONFIDENTIALITY OF INFORMATION HELD BY THE COMMISSION**

To give effect to the objects of the Act and Producers' Committee Charters, the Commission applies the information relating to Fee for Service for the benefit of the industry. Commissioners and members of Producers' Committees are bound by the APC Code of Conduct to protect any commercial sensitivity associated with that information. The Commission is cognisant of its obligations under the Privacy Act.

The Commission publishes aggregated information relating to the quantity of produce on which the Fee for Service has been collected.

Requests for information should be addressed to: The Chairman, Agricultural Produce Commission, 3 Baron-Hay Court, South Perth WA 6151.

## **INSURANCE**

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

## **LEGAL PROTECTION OF COMMISSIONERS**

Section 24 of the Act provides that a person who is or was a member of the Commission or an employee is not personally liable for any act done or omitted to be done in good faith by the Commission.

## **LEGAL ADVICE**

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.

***25 per cent of an apple's volume is air – that is why they float. It takes the energy from 50 leaves to produce one apple.***

## **SIGNIFICANT EVENTS DURING THE YEAR**

### **FEE FOR SERVICE INITIATIVES AND INSURANCE SCHEMES**

The Table Grape Producers' Committee grape maturity testing program ensures WA grown grapes are of a consistently high quality at the point of sale and that they meet ready consumer acceptance. The Committee therefore are able to develop brand awareness around WA grown table grapes in a way that allows consumers to choose locally produced fruit with confidence.

The Pork Producers' Committee provides training to RSPCA inspectors that enables them to better service the industry and foster an understanding of animal welfare issues related to the industry.

Providing industry based insurance schemes is a strong feature of the services possible under the Agricultural Produce Commission legislation. Industry based insurance arrangements can be tailored to meet producers needs in particular risk areas such as bio security and weather conditions. Recent examples of industry based schemes are:

Apple Scab Eradication - The Commission approved the payment of compensation to a large number of growers who undertook spraying and other remedial action as part of protecting the State's standing as an apple scab free zone. The commitment of growers in the Perth Hills region to the on going apple scab eradication program is to be commended. Support for the APC Fee for Service model for bio security management initiatives clearly demonstrates the value of dealing with such incursions at an industry level.

Banana plantation damage – During the year under review Carnarvon banana growers suffered significant crop losses following an adverse weather event. Much of the damage was covered under an industry based insurance scheme funded through the APC Fee for Service system. Banana growers were a second group to benefit from maintaining their own industry based insurance scheme through the APC Fee for Service model.

### **FEE FOR SERVICE COMPLIANCE**

To ensure producers and their respective industry can maximise the service benefits, the Act requires all producers to pay the 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 extract maximum return from research and development into improved production techniques, bio security systems, product and market development

During the year under review the Commission undertook a vigorous investigation into Fee for Service compliance levels. The Commission also launched an ongoing campaign to lift awareness of the benefits provided through Producers' Committees and the importance of Fee for Services funding of industry and marketing development.

In order to ensure the fairness and equity in Fee for Service collections, the Commission pursues non compliance to the full extent of its resources and abilities. Committees initiatives benefit the producers industry as a whole with non compliance placing an unfair burden on those producers who do comply. Non compliance can also lead to Committees being forced to cancel – permanently or temporarily – vial industry projects.

### **ORACLE APC**

In preparation for the introduction of "shared services" across the public sector the APC initiated a computer systems review and upgrade in July 2006.

The new system, launched March 2007, provides improved reporting and data recording abilities. Producers and dealers are being encouraged to lodge Fee for Service returns in an electronic format – reducing data processing time and the risk of errors. The system upgrade will also deliver improved cost effectiveness.

The Commission recognises the valuable assistance provided by the Department of Agriculture and Food in the development and implementation of the system, and thanks all staff involved in the project, particularly Ron Lucas, Anita Thompson, Gilbert Matthews and Brad Lalley.

## FEE FOR SERVICE SCALES

<u>Avocados</u>	Per kilo: \$0.0150				
<u>Beekeepers</u>	\$10.00 per beekeeper per annum (calendar year 2007) plus \$1.00 per hive per annum (calendar year 2007)				
<u>Carnarvon Bananas</u>	<u>13 kg ctn</u> 23 cents	<u>15 kg tub</u> 26 cents	<i>Converts to \$0.0177 per kilo</i>		
<u>Citrus (Mandarins)</u>	<u>15 litre</u> packed 10kg	<u>18 litre loose</u> filled 10 kg	<u>22 litre crate</u> 10 kg	<u>Tonne</u> \$13.00	
	<i>All \$0.0130 per kilo</i>				
<u>Citrus (Other)</u>	<u>3kg net bag</u> 3 cents	<u>Tray</u> 5 cents	<u>22 Litre</u> 14 cents	<u>36 Litre</u> 20 cents	<u>Bins</u> \$4.00
	<i>Converts to \$0.0100 per kilo</i>				
<u>Pome (eating)</u> (apples, pears, nashis)	<u>Tray</u> 2.7 cents	<u>22 Litre</u> 8 cents	<u>36 Litre</u> 12 cents	<u>Bins</u> \$2.88	<u>Tonne</u> \$6.70
	<i>Converts to \$0.0067 per kilo</i>				
<u>Pome (processing)</u>	\$2.50 per tonne				
<u>Pork</u>	\$0.008 cents per kilogram carcass weight				
<u>Potatoes</u>	Processing, seed and ware export potatoes \$4.00 per tonne Domestic ware potatoes \$24.75 per tonne				
<u>Strawberries</u>	<u>Tray</u> 2 kg loose 2 cents	<u>Tray</u> 4 kg loose 4 cents	<u>Tray</u> Euro punnet 3 cents	<u>Std Tray</u> 12 punnet 3 cents	
	<i>Converts to \$0.0100 per kilo</i>				
<u>Stone fruit (eating)</u>	<u>Tray</u> 3 cents	<u>22 Litre</u> 9 cents	<u>Bins (plums)</u> \$3.17	<u>Tonne</u> \$9.00	
	<i>Converts to \$0.0090 per kilo</i>				
<u>Stone Fruit (processing)</u>	\$6.00 per tonne				
<u>Table grapes</u>	<u>18 litre</u> 7 cents	<u>22 litre</u> 9 cents	<u>36 litre</u> 14 cents		
	<i>Converts to \$0.0070 per kilo</i>				
<u>Turf (Voluntary Cttee)</u>	Annual fee: \$100 per hectare of turf under production.				
<u>Vegetables</u>	\$0.020 per individual package of vegetable product of 100 kg or less. \$0.070 per individual package of vegetable product of more than 100 kg. <i>Applies to all vegetables sold by producers except herb, potato, mushroom, tomato and Kununurra vegetables</i>				

*As at 17 August 2007*

## ESTABLISHING PRODUCER COMMITTEES

The Commission has had ongoing discussions with representatives in the wine industry on the operations of producer committees. A decision to proceed to a producers poll has yet to be made. The Commission will continue to liaise and assist the industry with its future deliberations.

In the coming year the Commission will be working with tomato growers, and producers of vegetables not serviced by a Producers' Committee with a view to providing research and development and other assistance through APC Fee for Service arrangements.

***Where did Wall Street get its name? Free-roaming hogs were notorious for rampaging through the precious grain fields of colonial New York City farmers. The Manhattan Island residents chose to limit the forays of these riotous hogs by erecting a long, permanent wall on the northern edge of what is now Lower Manhattan. A street came to border this wall, aptly named Wall Street.***

**INDUSTRY COVERAGE BY THE APC**

Industry/sector	Gross value of Production (\$m)	Percentage
<b>Member industries coverage:</b>		
Avocado	8.5	1.4
Carnarvon bananas	10.5	1.7
Carrots	46.6	7.6
Citrus fruit	6.7	1.1
Kununurra ( <i>fruit and vegetable</i> )	30.1	4.9
Potatoes	35.2	5.7
Pome fruit	50.7	8.3
Strawberries	19.4	3.2
Stone fruit	29.3	4.8
Table grapes	11.3	1.8
Turf (voluntary)	20.6	3.4
Vegetables ( <i>Excluding carrot, potato, Mushrooms, tomatoes, herbs &amp; Kununurra vegetables</i> )	109.0	17.7
<b>Total:</b>	<b>377.9</b>	<b>61.6</b>
<b>Potential industry coverage:</b>		
Olives	15.6	2.5
Turf	5.2	0.8
Wine Grapes	108.5	17.7
Floriculture – cut flowers	39.5	6.4
Floriculture – nurseries	33.8	5.5
Fruit – Other ( <i>including Kiwi fruit and tropical fruits other than that grown in Kununurra &amp; Carnarvon bananas</i> )	16.4	2.7
Vegetables – Other ( <i>herbs, mushrooms &amp; Tomatoes</i> )	17.3	2.8
<b>Total:</b>	<b>236.3</b>	<b>38.4</b>
<b>Grand Total:</b>	<b>614.2m</b>	<b>100%</b>

Source: Australian Bureau of Statistics 2004/5 and DAFWA

**ESTABLISHED PRODUCER COMMITTEES**

To preserve continuity of service and experience, Committee tenures are usually arranged so only about half of the members retire in any given year. This is achieved by varying first round appointments for new Committees between two and three year terms, the subsequent appointments are for three year terms that commence 1 June and expire 31 May in the final year of tenure. The Commission appoints the inaugural Committee Chairperson for a three-year term; the Committee appoints subsequent Chairpersons.

The Commission advertises Committee vacancies in appropriate newspapers and industry newsletters. Committee Members whose term of office is expiring can, if qualified, apply for appointment for a further term.

The Commission actively encourages producers to nominate for Committee positions. It is through participation, the sharing of ideas and the combining of different skills that Committees will deliver the best outcome for their producers.

## ACTIVE APC PRODUCERS' COMMITTEES AT DATE OF PUBLICATION

Producers' Committee	Functions Adopted	Members	Term Expires
APC Avocado Producers' Committee (Established 1991)	(a) to (k)	Alan Blight(Chair) Ron Hansen Phil Minchin Dave Duncan Wayne Franceschi	31/5/09 31/5/09 31/5/10 31/5/10 31/5/10
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Harry East (Chair) John Davies Dan Dowsett Colin Fleay Roxanne Fewster	31/5/09 31/5/08 31/5/06 31/5/08 31/5/09
APC Camarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Michael Andreoli Ivan Bilcich Tom Day Darryl Hardman John Thomas	31/5/08 31/5/10 31/5/08 31/5/10 31/5/08 31/5/10
APC Carrot Producers' Committee (Established 1994)	(a) to (e), (l) and (m)	Figaro Natoli (Chair) Sam Calameri Frank Tedesco	31/5/08 31/5/08 31/5/10
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Terry Rae Joe Sacca Terry Woodard John Simpson	31/5/10 31/5/08 31/5/08 31/5/10 31/5/08
APC Kununurra Crop Pest Control Producers' Committee (Established 1997)	(b)	Lachlan Dobson (Chair) Tim Croot Stefanie Eppler Judy Fairclough David Menzel	31/5/09 31/5/09 31/5/08 31/5/09 31/5/08
APC Pome, Citrus & Stone Fruit Producers' Committee (Established 1994)	(a) to (m)	Angelo Logiudice (Chair) Geoff Fawcett Steven Guimelli Peter Gubler Henry Jarvis Jeremy Keast Vic Grozotis Vacancy (2)	31/5/10 31/5/10 31/5/10 31/5/10 31/5/08 31/5/08 31/5/10
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Sam Calameri (Chair) Dom Della Vedova Herbert Russell Ross Ryan Darryl Smith Vacancy (2)	31/5/10 31/5/10 31/5/10 31/5/09 31/5/09 31/5/09
APC Pork Producers' Committee (Established 2002)	(a) to (m)	Neil Ferguson (Chair) Dr Rob Wilson Jon Bradshaw Dr. Chris Brennan Graeme Dent Errol Howard	31/5/10 31/5/08 31/5/08 31/5/08 31/5/10 31/5/10
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Gerry Verheyen (Chair) Neil Handasyde Kerry Langlands Wes Tweedie Anthony Yewers	31/3/09 31/5/09 31/5/10 31/5/09 31/5/10
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Vlade Skroza (Chair) Matt Katich Tony Lovreta Phil Moyle Peter Nuich Kim Taylor Allan Price	31/5/09 31/5/09 31/5/09 31/5/08 31/5/08 31/5/09 31/5/09
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) David Anderson Rod Copeland Paul Humble Jason Neave Howard Shapland Bradley Ipsen	31/5/08 31/5/08 31/5/10 31/5/08 31/5/10 31/5/08 31/5/08
Turf Producers' Voluntary Committee (Established 1999 by the Turf Growers Association)	(a) to (m)	Adrian Pitsikas(Chair) Tony Dimasi Peter Paino David Parker	31/8/08 31/8/08 31/8/08 31/8/08

**Banana plants are the largest plants on earth without a woody stem. They are actually giant herbs of the same family as lilies, orchids and palms.**

## **COMMITTEE REPORTS 2006/07**

### **APC AVOCADO PRODUCERS' COMMITTEE**

*Chairperson: Alan Blight*

The crop for WA's 2007/2008 season looks poor, with production probably down in all areas. Budgeted Fee for Service is down to \$40,000 for 2007/08.

#### **2006/07 Promotions program included:**

- Schools promotions and recipe competitions.
- Media releases. This included print, internet and radio media
- Shopping centre promotions - Centro Victoria Park
- Distribution of Point of Sale material and Handling cards to retailers
- Retailer of the year. Stores were assessed on their avocado displays and a prize for the best store. Winner was Brookland Piazza Fresh.
- iPod promotion. Competition to increase fruit sales of small fruit in pre-packs over the WA Hass season.

**Industry Development Officer** - Application to Horticulture Australia (HAL) to fund the development position was approved, although very late in the year. There were further delays due to Christmas and Dept of Agriculture and Food employment process. Dr Jonathon Cutting was employed in this position in May and has begun a consultative phase with growers.

#### **Research & Development:**

- Harvest temperature trial – Alec McCarthy has completed this project with good results for WA industry
- Developed an irrigation proposal for a late round of HAL funding. Aim is to better manage irrigation to trees in south west WA. Initially it appeared that this had been approved.

**Administration:** Two APC meetings have been held along with phone calls/email discussions etc. Growers have been invited to have input into APC prior to these meetings usually through emails to growers on Avocados Growers Association (AGAWA) database. Advertisements in local papers (southwest) also called for grower participation in APC decision making. There has been no response to these. The best grass roots participation still seems to occur through grower feedback at AGAWA meetings.

**Committee Members:** Phil Minchin has replaced Mike Simons as an APC Avocado member. John Hallion has left the industry. His position was not replaced, bringing the Committee back to five.

### **APC BEEKEEPERS PRODUCERS' COMMITTEE**

*Chairperson: Harry East*

*Secretary: Lucy Radzikowska*

During 2006/07 the Committee, at industry's request, funded a research project through the University of Sydney entitled "*Genetic diversity in the breeding lines of Better Bees breeding lines of other WA bee breeders and WA Feral Bees*".

Findings of the project included the conclusion that the Better Bees breeding program has genetic stock that is not inbred and maintains genetic integrity between its breeding lines despite the program running for over 25 years. It also concluded, through the use of micro-satellite data, that there is fairly strong divergence between the breeding stock and the Western Australian feral honey bee population.

The final report has now been distributed to industry through members of the WA Department of Agriculture and Food, Bee Industry Consultative Committee. The report is available to all industry members.

The Enhanced Disease and Pest Surveillance and Monitoring Program was undertaken to:

- Facilitate export trade by quantifying WA's pest and disease status.
- Provide early detection and enable the prompt notification of exotic and emerging pests and diseases.

- Fulfil obligations by reporting our current pest and disease status through the national framework.
- Provide justification for prohibiting imports.
- Support the development of pest and disease control programs and area zoning.

The program included collecting samples from packers to be tested for European Foulbrood (EFB) and American Foulbrood (AFB). Hives within apiaries were also inspected and brood samples collected for testing for EFB, AFB and insect pests (Varroa mite and Small hive beetle). To further the program for 2007 disease pest and disease surveillance and monitoring is being undertaken in identified risk areas around ports and rail terminals.

The 'Bee Informed' industry newsletter continues to be circulated to every registered beekeeper in the State. The newsletter acts as a form of complete communication to industry and has been an excellent medium for information dissemination.

Through the Bee Informed Newsletter, the Committee has asked every registered beekeeper to have input into the projects that the Committee currently funds, as well as requesting suggestions for future projects.

### **APC CARNARVON BANANA PRODUCERS' COMMITTEE**

*Chairperson: Bruce Munro*

*Executive Officer: David Parr*

**The Industry:** The number of banana growers remains at 56 and the area under production has risen by 27% to approximately 170ha at June 2007. District average production in the 2006 calendar year increased from 32 to 35 tonnes per hectare.

Banana production in the 2006 calendar year was 4,900 tonnes and was valued at \$25.66 million with an average carton gross value of \$67.60. The loss of the majority of the Queensland crop from Cyclone Larry in March 2006 resulted in a serious shortage of bananas nationwide. Although the north Queensland industry is now back in production and the first flush of new fruit has been harvested, values have remained high (over \$25).

The Sweeter Banana Co-operative packed and marketed approximately 67% of the total Carnarvon production in 2006/07.

**Compensation event:** There were no cyclones affecting the Carnarvon crop, but on 6 March 2007 strong, very dry east to north easterly winds and record high temperatures (48 degrees C) caused severe damage to crops. Bunches were burnt and the leaf canopy badly scorched. Lost production is estimated to be 30% and the Commission approved compensation be paid from the APC Banana Compensation and Protection Scheme fund. Compensation totalled nearly \$918,000. This event proves the worth of the compensation scheme.

**Committee:** There have been no changes to the Committee membership. All retiring members were re-appointed unopposed. One ordinary Committee meeting was held in the year and three short meetings were held to resolve compensation issues.

**Newsletter:** A newsletter was sent to all members in February 2007 informing of committee activities.

**Crop Insurance:** Storm cover is still unavailable at affordable rates.

**Bio-security:** The delivery of the modified bio-security plan has continued with publicity directed at tourists, who are considered a major potential source of unwanted pests, diseases and weeds.

The review of legislation affecting the banana industry has still not been conducted as the Bio-security and Agricultural Management Bill had not been passed at the time of writing.

The aim of the new Act is to condense several acts into one and until the details are known the review is on hold.

A submission, on behalf of the Carnarvon industry, commenting on the latest attempt at an Import Risk Analysis for the import of bananas from the Philippines has been compiled and forwarded to Bio-security Australia .

***Honey was the most used medicine in ancient Egypt – of more than 900 known remedies, more than 50 were honey based.***

A grant of \$10,000 was made to the Australian Banana Growers Council (the national body) as part of the voluntary contribution towards a HAL grant to fund the completion of research work by the CRC for Tropical Plant Protection. Government funding has been withdrawn and the industry believes it is important to finalise the work. There are several areas of research that are potentially valuable to the banana industry that need to be concluded, in particular the rapid identification of some exotic diseases.

**APC CARROT PRODUCERS' COMMITTEE**

*Chairperson: Figaro Natoli*

The Fee for Service on carrots is now collected through the Vegetable Producers' Committee. The Carrot Producers' Committee has elected to cease operation as a stand alone Committee, and will be forwarding its remaining funds to the Vegetable Producers' Committee, for use on carrot related projects, in early 2007/08.

**APC EGG PRODUCERS' COMMITTEE**

*Chairperson: Ian Wilson*

*Secretary: Lucy Radzikowska*

The Committee has undertaken several projects which have resulted in great outcomes for the industry during the year.

**“Laid in WA” Campaign:** Despite the challenging market and competitive environment facing the WA egg industry, funds were successfully used to increase recognition by consumers of locally laid eggs, as opposed to the Eastern States eggs which are now appearing on supermarket shelves in WA. Main stream print media was used for whole page advertisements, as well as “Get laid in WA” stickers, which were placed in egg cartons containing eggs produced in WA. In all, anecdotal evidence indicates the advertising and promotion campaign has achieved greater consumer awareness of, and demand for, ‘Laid in WA’ eggs.

Industry felt very strongly about the need to educate WA Primary School children about the egg industry, as well as the health benefits of eating WA eggs. This project involved distributing 500 Kondinin Work Boot Series “Story of Eggs” books and “It all starts with an egg” DVD’s to every primary school in WA. Media releases, school visits and hands on demonstrations were carried out to introduce students to the industry. The many letters, emails and phone calls confirm the success of the project and many schools have now incorporated the egg industry as part of their learning curriculum. Some have carried this further, and are purchasing the Teachers Kit that will help them achieve this objective easier. One school has made the DVD available on a school computer network server to ensure every teacher in the school has easy access to this important learning resource.

**History of the WA Egg Industry:** A book will be published documenting the history of the WA Egg industry.

**Commercial Egg Producers' Association of WA Inc:** The Commercial Egg Producers' Association of WA is this state's premier producer organisation representing and promoting the interests of Commercial Egg Producers in dealings with Government, non-government bodies and their representatives. Over the past 12 months it has secured uniformity of action on matters affecting the common interest of Commercial Egg Producers. It has promoted and upheld industry codes of practice for Quality Assurance, Bio-Security, Environmental, Labelling and Transport of Live Poultry. It has also been involved in promoting the consumption of WA laid eggs to WA consumers. CEPA receives funding from the APC Egg Producers' Committee each year to the order of some \$148,000.

**APC POME, CITRUS AND STONE FRUIT PRODUCERS' COMMITTEE**

*Chairperson: Angelo Logiudice*

*Secretary: Alan Hill*

**Fee for Service:** Total revenue for the Committee in 2005/06 totalled \$361,982, a decrease from the collection figure of 2004/05 of \$547,714. This decrease impacted upon the activities of the Producers Committee in 2006/07, however, investment in a number of activities continued, although at a reduced rate. On 1<sup>st</sup> January 2007, the Agricultural Produce Commission lifted its APC Financial Services rate by 1% to 15%.

**Western Australian Fruit Growers' Association:** The Committee engaged the Western Australian Fruit Growers' Association (WAFGA) to deliver most of the Committee's services. As such, WAFGA is a major recipient of the Committee's annual expenditure budget. As in previous years WAFGA conducted a number of communication, research and promotional activities on behalf of Fee for Service paying growers.

This year saw the reinstatement of WAFGA's two Industry Development Officers (Pome and Citrus) following changes to personnel in 2006. As the primary method of managing industry change, these positions continue to work closely with industry to ensure that growers are able to implement cultural practices which will lead to a more effective and efficient fruit industry.

As reported last year, a significant amount of time and investment went into the largely-industry funded response to the incursion of apple scab in the Perth Hills in 2005. This year saw the commencement of a two year state-wide surveillance program, aimed at maintaining a key WA production area free from the disease. This was a significant part of WAFGA's planned 2006/07 expenditure however due to invoicing delays, these cost have been carried over into 2007/08. Similarly, the Producers' Committee considered a level of compensation for the growers affected by the incursion, however due to an extensive process of reporting and review, the final level of compensation was not determined until the 2007/08 year.

WAFGA again promoted the use of the blue-coloured birthmark sticker this year with financial support to a variety of programs designed to highlight to the consumer the many benefits of purchasing 'locally' produced fruit. WA's retailers were extremely positive in their feedback to these programs.

**Queensland Fruit Fly Monitoring Program:** This year saw the Producers' Committee withdraw from funding the Queensland Fruit Fly Monitoring Program, a program which it had supported with an investment of over one million dollars since 1991. This was an extremely difficult decision, as the fruit industry has a long history of financial commitment to eradication and surveillance programs. The combination of a decreasing level of available funding and financial commitments to other multi-year programs, such as the apple scab surveillance, contributed to the decision.

**Structure of the Producers' Committee:** This is my first Chairperson's report as I was elected to the position in May. I must offer a heartfelt thank you to outgoing Chair Vin Mazzardis, for his service on the Committee both as a delegate and as Chair. Vin's considerable enthusiasm for the fruit industry has seen him actively involved in the Committee since it commenced and many of the benefits the fruit industry is receiving are a result of Vin's time, effort and commitment.

**Activities for 2007/08:** The Producers' Committee has welcomed the new Commissioners, Executive Officer and staff of the Agricultural Produce Commission and believes that it is working in a cooperative and cohesive manner with them.

The structural changes to the composition of the Producers' Committee the APC has introduced, such as the reducing of the number of members of the Committee and a reduction of the number required for a quorum will introduce a greater level of efficiency to the Committee.

Looking forward, poor prices in some areas and a tightening of export markets has seen some restructure in the fruit industry, conversely there has recently been large plantings occurring which are starting to yield commercial quantities of fruit. These changes highlight the need for strong industry planning, and the Producers' Committee will continue to review its investment to ensure it allocates grower's fee for service to those areas that deliver benefits.

#### **APC PORK PRODUCERS' COMMITTEE**

*Chairperson: Dr Rob Wilson*

**Fee for Service funded activities:** The APC Pork Producers' Committee supported 8 projects during the 2006/07 financial year, covering a diverse range of activities, including

***Avocados are so filled with healthy nutrients that the Guinness Book of Records lists them as the most nutritious fruit in the world***

technology transfer and adoption programmes, industry training, production and veterinary research and industry administration.

Some outcomes and highlights from this programme include:

**Veterinary support to the Industry:** A recently completed project involved technical support for the School of Veterinary & Biomedical Sciences at Murdoch University for the improved diagnosis and control of swine dysentery in WA.

This project helped confirm that an outbreak of swine dysentery that occurred in WA during 2004/2005 has been controlled. Also, a new technique for detecting and quantifying *B. hyodysenteriae* DNA in pig faeces was developed, and should be useful in future studies on the pathogenesis of swine dysentery. Strain typing of *B. hyodysenteriae* using variable number of tandem repeats was not successful, but methods for strain typing using pulsed field gel electrophoresis were established and this technical capacity will be available for rapid use by producers in WA should swine dysentery re-appear in the State.

**Pork CRC:** Of the many projects supported by the Pork CRC, one of particular interest to WA producers was a study 'Improving Consistency of Canola Meal Quality'. This project quantified the influence processing was having upon true digestibility of lysine in canola meal across the various processing plants. The resulting lysine availability values have been made available to industry as a further tool to enable pork producers to make better informed decisions regarding canola meal quality and use within pig diets.

**Animal Welfare:** Following a previous extremely successful project providing training to officers of the RSPCA by industry veterinarians three years ago, it was decided to encourage this training initiative be repeated.

The approach is to provide the RSPCA field inspectorate with sufficient knowledge and understanding of the WA pig industry to enable them to make informed decisions when dealing with animal welfare issues.

Since the original training there have been changes to the Animal Welfare Code of Practice relating to pig production, providing incentive for further education of the RSPCA inspectorate incorporating the new welfare codes.

**Amino Acid and Energy Digestibility of Lupins:** An interim progress report by researchers at the School of Veterinary & Biomedical Sciences at Murdoch University investigating the 'Effect of lupin inclusion levels and enzyme supplementation on the performance, carcass composition and meat quality of grow/finish pigs' has been received by the Committee.

This series of studies found that when pigs from 27 to 107kg live weight were fed increasing lupin inclusion level to 35% of the diet, replacing soybean meal, did not depress growth performance of pigs and did not influence carcass composition and meat quality. Addition of supplemental enzyme had no effects on growth performance and carcass composition. These studies used a current variety (Mandelup) of Australian sweet lupins readily available in WA.

**Industry Training:** An Industry Training Officer has been employed for the past five years to coordinate training courses and provide a single point of contact for training. During this period the 'Stockperson Training Course' has been fine-tuned and delivered annually, along with a number of short courses.

Over 320 stock people and owner/managers have participated in some form of industry training. The Training Officer has facilitated 48 industry personnel in gaining their Certificate III in Pig production and has developed a plan for the Supervisors Course so that Certificate IV qualification can be offered.

To assist with the uptake of training the Officer has been responsible for assisting producers with accessing funding and government incentives, resulting in WA producers receiving \$230,250 in Traineeship funding alone. Add to these FarmBis subsidies, Small Business Smart Business vouchers and other grants, the net cost of training for producers have been considerably reduced.

**Industry Administration and Liaison:** A number of outputs of interest achieved by the WA Pork Producers' Association during the financial year has included the establishment

and acceptance of CAST (complete announcement sending technology) system to maintain and improve ease of communication and dissemination of information to all industry stakeholders. This technology can be used as a warning system within the WA's Pork Industry Emergency Animal Disease Plan and dovetails into the State Animal Disease Emergency Management Plan and the AUSVETPLAN.

A 'Risk Management Training Course' was also developed to meet the requirement of the Level 6 National training competency RTE6905 – A 'Manage price risk through trading strategy' which could contribute to participants achieving a Diploma in Rural Management.

**With Gratitude:** The Committee wishes to thank all the producers in WA for their continuing support for the programmes undertaken on their behalf. The staff and personnel from the industry, research and support organisations funded from the 'fee for service' all show a commitment to the industry and provide services in a timely, relevant and friendly manner, which is appreciated by producers and the APC Committee and Commissioners.

#### **APC POTATO PRODUCERS' COMMITTEE**

*Chairperson: Sam Calameri*

*Executive Officer: Jim Turley*

**Fee for Service funding activity:** Funding followed a similar pattern to previous years where support was given to the Seed Potato Scheme, Virus Testing and Evaluation of new Seed Potato varieties. Virus Testing has certainly been a success story with the results proving there has been a substantial reduction in the number of detections in 2006/07.

Support was also allocated to the Potato Growers Association who provide services to the potato growers of Western Australia. The Potato Cyst Nematode trial was launched to prove Western Australia is free of Potato Cyst Nematodes. Because this project is a world first, to reach an acceptable international standard the actual grid testing has to be of a very high standard. The Department of Agriculture and Food has now requested a further 18 months to complete the job which has been approved by the APC-PPC Committee.

Further funding was approved for the National Potato Breeding program: Cultivar improvement.

**Domestic Ware Potato Promotion:** Western Potatoes Limited, the service provider for the APC PPC Committee, developed a new strategy by adopting the "feel good food campaign" with a particular focus on nutrition and convenience. More attention was placed on participating in food events where consumers became involved. Education with children and the food services industry has also proved to be successful.

The APC-PPC Committee has also encouraged Western Potatoes to become more involved in promoting export sales of Seed Potatoes where they have already identified serious opportunities.

**Potato Industry Strategic Planning Group:** was also supported with further funds being allocated to a project for "Improving the quality of Ware Potatoes to meet Consumer Needs".

#### **APC STRAWBERRY PRODUCERS' COMMITTEE**

*Chairperson: Gerry Verheyen*

This year's season was slightly better than the previous one. The total number of plantings was the same, although production was down, which led to higher prices. Pickers are still proving difficult to get.

**Research:** A project with the aim of examining the impact on fruit quality of changes to irrigation, fertiliser and logistics management practices, funded by HAL, with a voluntary contribution from the WA Strawberry Producers' Committee, is progressing well. The work will focus on improving the quantity of South Coast fruit on outturn at Perth and interstate markets. Subject to the success of this work, sea freight of strawberries to markets such as Singapore will be tested, using the improved production and transport protocols identified.

A further project, researching more efficient strawberry production, completed its second year at Gerry Verheyen's property in Wanneroo, with harvest of all demonstration plots completed. Project work on 'day neutral' varieties continued at Albany and Mt Barker.

**Did you know: beetles taste like apples, wasps like pine nuts and worms like fried bacon**

Data from the forty-nine different treatment blocks has been compiled. The data collected included:

- gross and marketable yields
- volumes of water applied to each irrigation treatment block measured by water meters
- volume and nitrate content of leachate collected below selected treatments in drainage lysimeters
- soil and air temperatures under covers and outdoors
- a continuous record of soil moisture at four depths measured by logging TDR scans
- total fertiliser quantities applied to each of the four fertiliser treatment blocks.

A final report on year two of the project will be available for distribution to growers at the first field day of the new season (year three of the project).

Field days were held on 11 August, 6 October and 1 December 2006. The October field day was held in conjunction with a Strawberries Australia meeting and included a presentation by marketing expert Grant Vinning. Presentations on the project and progressive results were given on each occasion.

#### **APC TABLE GRAPE PRODUCERS' COMMITTEE**

*Chairperson: Vlade Skroza*

*Secretary: Lucy Radzikowska*

**Table Grape Maturity Inspection Service:** The maturity inspection service still remains the pivotal reason for the Committees existence. The provision of an efficient regulatory maturity inspection service was a need identified by the table grape industry to ensure that only mature fruit is marketed.

Private consultants (McAlpine Management Services Pty Ltd), with previous WAQIS experience, were again appointed. Inspections were undertaken at the Central Markets as well as wholesale and retail outlets.

With only one line rejected and several lines "cautioned", of more than 1,900 lines physically tested throughout the season, this program is proving to be a success to the industry as well as consumers generally. Producers can obtain detailed information on seasonal maturity standards on the APC web site [www.apcwa.org.au](http://www.apcwa.org.au) at the Table Grape Producers' Committee home page.

**In-Store Promotion/Tastings:** *Fresh Finesse* was chosen to run in-store grape demonstrations at Coles, Woolworths and independent stores between 1<sup>st</sup> February and 31<sup>st</sup> March 2007. Customers were pleased to sample different grape varieties. Seedless grapes being the most popular as were the i-pod competition leaflets. Customers were keen to try all varieties and purchasing their favourite. Sales data indicates that grape sales increased during store demonstrations.

**Grape Mosaic for Children at Feast East:** *Fresh Finesse* was chosen to run a "Grape mosaic for children" at Feast Perth on March 2007. An i-pod was to be won by the best grape mosaic design. Children took part in the competition throughout the day. Participants and parents were enthusiastic when they saw such beautiful grapes on display. Most children ate more grapes than put onto their plate for the mosaic design. This was a positive plus for the project.

**Local Print/Internet and Radio Media Campaign:** *Fresh Finesse* was chosen to undertake the 2006/07 local print, internet and radio media campaign which ran from December 2006 to April 2007. The objective was to expose readers and radio listeners to the fact that grapes were in season; grapes are a versatile fruit that can be used in sweet as well as savoury dishes which was demonstrated by a myriad of recipes throughout the various print and internet mediums; increasing peoples awareness of health benefits of grapes was highlighted by cooking and gardening radio shows. The objective was to expose a wider range of consumers to the product.

**Bus Poster Promotion:** A bus poster promotional campaign was run during the year for a period of 10 weeks between December 2006 and February 2007. The campaign involved 45 buses, displaying two posters (one with white and one with red grape variety). Perth metropolitan buses were chosen for the campaign in order to reach a wider customer base.

**Bike to Work Promotion:** The Committee again donated grapes for the “Bike to Work” breakfast to encourage people to eat more healthy foods such as grapes.

**ATGA Funding:** This year, we again successfully applied to the Australian Table Grape Association, (through Horticulture Australia Ltd), for funding assistance towards our promotional activities, and \$30,000 was again pledged. This sum is essentially a reimbursement to WA producers for promotional work not conducted in WA by the ATGA, but paid for by WA producers through their National Levy contributions.

**Research:** two small projects (both nearing completion) are currently being funded.

1. Dawn Seedless Trial – discolouration (skin browning) research project.
2. Research grant for Health Promoting Compounds in Table Grapes.

#### **TURF PRODUCERS’ VOLUNTARY COMMITTEE**

*Chairperson: Ray Moir*

2006/07 has continued to be a buoyant year for turf growers in WA with the continued residential boom. As block sizes reduce the market has shifted strongly to the soft leaf buffalo varieties- Sir Walter and Palmetto.

The TGAWA has continued to work closely with Dept of Water and Water Corporation in reducing the impact of water restrictions and educating customers on soil amendments, wetting agents and irrigation practices. Meetings have occurred with Minister Kobelke, Minister Templeman, Opposition Leader Paul Omodei and Deputy Troy Buswell to engage their support and understanding.

The TGAWA is currently working on a programme of being Waterwise Lawn Suppliers under the Water Corporation’s umbrella.

#### **APC VEGETABLE PRODUCERS’ COMMITTEE**

*Chairperson: Maureen Dobra*

*Secretary: Jim Turley*

**Fee for Service:** The Committee decided to increase the Fee for Service to allow it to consider further projects being submitted by the vegetable industry.

**Fee for Service Compliance:** The Committee spent a considerable amount of time on compliance issues relating to everybody paying their legal obligations. With the continued enthusiasm of the members of the Committee and APC staff, the database of vegetable growers was improved. During the year, both growers and dealers were made aware of the importance of the Fee for Service. An article in the vegetablesWA magazine helped to make growers aware of the Committee’s activities and the need for Fee for Service compliance.

**Committee & Members:** It was with deep sorrow that the Committee accepted the resignation of Anthony Marinovich, due to work commitments, and also Sue Watson, due to no longer growing vegetables. Their positions were advertised, however neither were filled. Rod Copeland and Jason Neaves were re-appointed for a further three years. The APC also endorsed Jim Turley as secretary for a further two years. Sourcing new Committee members is becoming harder and harder, due to growers’ business commitments and distances from where meetings are held.

**Projects:** There were a number of projects submitted for approval by the Committee. However, due to the small amount of money collected, the only project that could be approved was to assist with the administration and operation of vegetablesWA. The Committee is certainly looking forward to being in a position to consider other projects for approval next year.

**Vegetables:** Obesity has become a vital issue in Australia, and an important Committee focus is to promote the eating of Western Australian vegetables, and to assist consumers in developing an awareness of the health benefits of fresh vegetables. Through the provision of fresh, flavourful vegetables to consumers, Western Australian growers can benefit the State and the nation tremendously, not only with the improved health of consumers, but also by contributing to the economic growth of the State.

**Did you know – the potato plant has the ability to produce its own protective chemicals which can make it lethal to insects, animals and fungi which try to attack it.**

## **SCOPE OF THE ACT**

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

Regulations to the Act define horticulture as:

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

## **PRESCRIBED AGRICULTURAL INDUSTRIES TO WHICH THE ACT IS TO APPLY**

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services, 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, 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, services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

## **Pests and Diseases declared under Section 19a of the Act**

*Application to commercial and non-commercial producers of provisions relating to the control of certain pests or diseases:*

- Notice gazetted on 19 September 2000 under Section 19a of the Act declaring that *Mediterranean fruit fly (Ceratitis Capitata) is a pest to which Section 19a of the Act is to apply.*
- Notice gazetted on 9 January 2004 under Section 19a of the Act declaring that Section 19a of the Act is to apply to the following bee pests and diseases:
  - *Pests – 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).*
  - *Diseases – American foul brood and European foul brood.*

## **FEE FOR SERVICE REGULATIONS**

**Horticulture Industry - Agricultural Produce (Horticultural Industry) Regulations 2001.**

Regulations 2 to 5 provide for the collection of Fee for Service from producers by any person who is a dealer (producer, market agent, wholesaler, retailer or exporter). Regulation 8 requires dealers to remit Fee for Service collections to the Commission not later than 14 days after the end of the month that the transaction has occurred. For APC community fruit fly baiting committees Regulations 6 provides for local government authority to collect fees. Penalties apply for non-compliance.

**Beekeeping Industry - Agricultural Produce (Beekeeping Industry) Regulations 2003.** Under the Regulations, the Department of Agriculture and Food collects the Fee for Service on behalf of the APC in conjunction with the beekeeper registration fees collected under the *Beekeepers Act 1963*.

**Pork Industry – 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.

**Egg Industry – Agricultural Produce (Egg Production Industry) Regulations 2006** provide for Fee for Service collection direct from egg producers. However, as at 30 June 2007 the industry was still to decide on a commencement date for Fee for Service charges for eggs.

Voluntary Fee for Service – Fee for Service can be provided for voluntary horticultural groups under Section 19 of the Act, however Section 14 and Regulations do not apply.

## SERVICE FUNCTIONS OF SECTION 12.1 OF APC ACT

- 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 horticultural 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 Commissions, 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 organisation or in conjunction with the Commission or any other person or organisation.

Source: Agricultural Produce Commission Act 1988, Section 12.1

***Efficiency gains through new technologies and farm management practices, achieved on the back of research and development have enabled Australian agriculture to stay a step ahead of our international competitors – returning average productivity growth of 3.8% a year over the last 20 years. – Australian Government Productivity Commission. Trends in Australian Agriculture 2005.***

## ESTIMATES, DISCLOSURES, STATEMENTS

### ESTIMATES FOR 2007/08

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby submits its approved estimates for the 2007/8 financial year.

	2006/7 Budget	2006/7 Actual	2007/8 Budget
<b>Expenses</b>			
Producers' Committee Operating Costs	3,134,654	3,687,001	3,152,119
Administration	118,500	104,148	99,283
Employee benefits	68,000	91,297	70,000
Doubtful debts		3,478	
Other expenses	51,600	51,155	54,500
<b>Total cost of services</b>	<b>3,372,754</b>	<b>3,937,079</b>	<b>3,375,902</b>
<b>Revenue</b>			
Fee for Service	2,460,686	2,281,098	2,503,690
Interest	507,840	509,421	444,818
Other revenue	61,000		63,000
<b>Total Revenue</b>	<b>3,029,526</b>	<b>2,790,519</b>	<b>3,011,508</b>
<b>Net cost of services</b>	<b>(343,228)</b>	<b>(1,146,559)</b>	<b>(364,394)</b>
<b>Income from State Government</b>			
Resources received free of charge	6,000	7,468	6,575
<b>Total income from State Government</b>	<b>6,000</b>	<b>7,468</b>	<b>6,575</b>
<b>SURPLUS/DEFICIT FOR THE PERIOD</b>	<b>(337,228)</b>	<b>(1,139,092)</b>	<b>(357,819)</b>

### 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 2006/07 financial year, the Commission incurred nil expenditure in the following areas.

Advertising agencies	\$0.00
Media advertising organizations	\$0.00
<b>Total Expenditure</b>	<b>\$0.00</b>

### Financial Statements

Full details of the Commission's financial statements are given in:

Income Statement	Page 24
Balance Sheet	Page 25
Changes in Equity	Page 26
Cash Flow Statement	Page 27
Notes to Financial Statements	Page 28

# AGRICULTURAL PRODUCE COMMISSION

## CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2007

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 ended 30 June 2007 and the financial position as at 30 June 2007.

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.

Peter Wells  
Chairman



Date:

10 Aug 2007

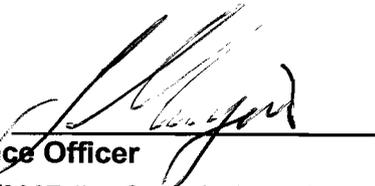
Roger O'Dwyer  
Member



Date:

10 Aug 2007

Joe Murgia  
Chief Finance Officer



Date:

10-8-2007

*During 2006/2007 the Commission retained the services of Joe Murgia, Acting Director Finance, Department of Agriculture and Food, Western Australia, as Chief Finance Officer.*



**AGRICULTURAL PRODUCE COMMISSION**

**CERTIFICATION OF PERFORMANCE INDICATORS**

**For year ended 30 June 2007**

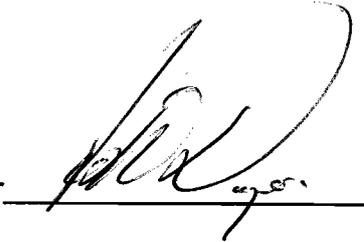
We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agricultural Produce Commission's performance, and fairly represent the performance of the Agricultural Produce Commission for the financial year ended 30 June 2007.

Peter Wells  
Chairman



Date: 10 Aug 2007

Roger O'Dwyer  
Member



Date: 10 Aug 2007



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### AGRICULTURAL PRODUCE COMMISSION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Agricultural Produce Commission.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

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

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

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

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

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

## **Agricultural Produce Commission**

### **Financial Statements and Key Performance Indicators for the year ended 30 June 2007**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Agricultural Produce Commission at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Commission provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Commission are relevant and appropriate to help users assess the Commission's performance and fairly represent the indicated performance for the year ended 30 June 2007.

  
COLIN MURPHY  
AUDITOR GENERAL  
13 September 2007

**AGRICULTURAL PRODUCE COMMISSION  
INCOME STATEMENT  
FOR YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Department of Agriculture and Food contracted services			
- Producers' Committee operating costs	4	3,687,001	2,670,042
- Administration	4	104,148	75,375
Employee benefits	5	91,297	93,596
Doubtful debts	10	3,478	-
Other expenses	6	51,155	47,846
<b>Total cost of services</b>		<u>3,937,079</u>	<u>2,886,858</u>
<b>Revenue</b>			
Fee for Service	7	2,281,098	2,288,173
Interest		509,421	468,879
Other revenue	8	-	83,435
<b>Total Revenue</b>		<u>2,790,519</u>	<u>2,840,487</u>
<b>NET COST OF SERVICES</b>		<u>1,146,560</u>	<u>46,371</u>
<b>INCOME FROM STATE GOVERNMENT</b>			
Resources received free of charge	9	7,468	6,575
<b>Total income from State Government</b>		<u>7,468</u>	<u>6,575</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>(1,139,092)</u>	<u>(39,796)</u>

Income Statement should be read in conjunction with the accompanying Notes.



**AGRICULTURAL PRODUCE COMMISSION  
BALANCE SHEET  
AS AT 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	17	8,239,708	8,562,297
Receivables	10	218,757	276,564
Inventories	15	-	6,520
Other current assets	11	129,687	254,930
<b>Total Current Assets</b>		<u>8,588,152</u>	<u>9,100,311</u>
<b>TOTAL ASSETS</b>		<u>8,588,152</u>	<u>9,100,311</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	710,236	69,287
Accrued Salaries	13	6,909	9,340
Provisions	14(a)	7,571	14,646
<b>Total Current Liabilities</b>		<u>724,716</u>	<u>93,273</u>
<b>Non Current Liabilities</b>			
Provisions	14(b)	5,186	9,696
<b>Total Current Liabilities</b>		<u>5,186</u>	<u>9,696</u>
<b>TOTAL LIABILITIES</b>		<u>729,902</u>	<u>102,969</u>
<b>NET ASSETS</b>		<u>7,858,250</u>	<u>8,997,342</u>
<b>EQUITY</b>			
Contributed equity	16(a)	3,596,697	3,596,697
Accumulated surplus/(deficit)	16(b)	4,261,553	5,400,645
<b>TOTAL EQUITY</b>		<u>7,858,250</u>	<u>8,997,342</u>

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



**AGRICULTURAL PRODUCE COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>Balance of equity at start of period</b>		8,997,342	9,037,138
<b>CONTRIBUTED EQUITY</b>			
Balance at start of period	16(a)	3,596,697	3,596,697
Balance at end of period		<u>3,596,697</u>	<u>3,596,697</u>
<b>ACCUMULATED SURPLUS</b>			
Balance at start of period	16(b)	5,400,645	5,440,441
(Deficit) for the period		<u>(1,139,092)</u>	<u>(39,796)</u>
Balance at end of period		<u>4,261,553</u>	<u>5,400,645</u>
<b>Balance of equity at end of period</b>		7,858,250	8,997,342
Total income and expense for the period <sup>(a)</sup>		(1,139,092)	(39,796)

<sup>(a)</sup> The aggregate net amount attributable to each category of equity is: deficit (2007:\$1,139,092 -2006:\$39,796)

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



**AGRICULTURAL PRODUCE COMMISSION  
CASH FLOW STATEMENT  
FOR YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(80,503)	(88,830)
Supplies and services		(3,166,594)	(2,764,763)
Other payments		(45,582)	(32,173)
<b>Receipts</b>			
Receipts from producers		2,335,427	2,216,735
Interest		634,663	253,299
Other receipts		-	83,435
<b>Net cash (used in)/provided by operating activities</b>	17(b)	<u>(322,589)</u>	<u>(332,297)</u>
<b>Net increase/(decrease) in cash and cash equivalent</b>		(322,589)	(332,297)
Cash and cash equivalent at the beginning of the period		8,562,297	8,894,594
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	17(a)	<u><u>8,239,708</u></u>	<u><u>8,562,297</u></u>

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



**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**1 Australian equivalents to International Financial Reporting Standards**

**General**

- (a) The Commission's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

The Commission reports on its accounts at a consolidated level and in accordance with the requirements of the Financial Management Act (FMA) 2006, however the Commission maintains separate accounts for management and provides quarterly financial reports to each Producers' Committee.

- (b) **Early adoption of standards**

The Commission cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Commission for the reporting period ended 30 June 2007.

**2 Summary of significant Accounting Policies**

- (a) **General Statement**

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

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

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

- (b) **Basis of Preparation**

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

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

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

- (c) **Reporting Entity**

The reporting entity comprises the Commission and entities listed at Note 23 "Related bodies"

- (d) **Contributed Entity**

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

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 16 'Equity'.

- (e) **Income**

**Revenue recognition**

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

*Rendering of Services*

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

*Interest*

Revenue is recognised as the interest accrues.

Interest is calculated on a daily balance and credited to the Commission quarterly. Committees are then credited with their interest on a quarterly basis.

*Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the Notes.

*Gains*

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

- (f) **Cash and Cash Equivalents**

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

- (g) **Receivables**

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment).

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off.

The allowance for uncollectible amounts (doubtful debts) where there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to the fair value as it is due for settlement within 30 days.

See Note 20(a) 'Financial Instruments' and Note 10 'Receivables'.

- (h) **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 they are generally settled within 30 days. See Note 20(a) 'Financial Instruments' and Note 12 'Payables'.

- (i) **Provisions**

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date.

See Note 14 'Provisions'

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**(a) Provisions - Employee Benefits**

**(i) Annual Leave and Long Service Leave**

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

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

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

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

**(ii) Superannuation**

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

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Commission has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Commission to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

**(b) Provisions - Other**

Employee 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'.

**(j) Superannuation Expense**

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the GSS, the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole of government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

**(k) Accrued salaries**

Accrued salaries (see Note 13 'Accrued Salaries') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

**(l) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value. See Note 15 'Inventories'.

**(m) Resources Received Free of Charge or for Nominal Cost**

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

**(n) Administration expense**

Each Producer's Committee pays a percentage of the 'Fee for Service' collected to the administration account which is eliminated on consolidation for reporting purposes. The administration account bears all the administration expenses.

**(o) Goods and Services Tax**

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

The Commission is GST exempt, a determination issued by the Federal Treasurer in March 2000 listed the Agricultural Produce Commission GST free under Section 81-5 of the A New Tax System (Goods and Services) Act 1999.

**(p) Comparative figures**

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

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**3 Initial application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2006:

1. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts).
2. AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'.  
The amendments principally remove references to expensing borrowing costs on qualifying assets, as AASB 123 was revised to require such borrowing costs to be capitalised. The Commission does not expect any financial impact when the Standard is first applied.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease' as issued in June 2005.
4. UIG Interpretation 9 'Reassessment of Embedded Derivatives'.

The Department at the balance sheet date does not currently undertake these types of transactions and there are no financial impact in applying the Standard.

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

**AASB Standards and Interpretations**

- 2005-1 'Amendments to Australian Accounting Standard' (AASB 139 - Cash flow hedge accounting of forecast intragroup transactions)
- 2005-5 'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]
- 2006-1 'Amendments to Australian Accounting Standards [AASB 121]
- 2006-3 'Amendments to Australian Accounting Standards [AASB 1045]
- 2006-4 'Amendments to Australian Accounting Standards [AASB 134]
- 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139] – paragraph 9
- 2007-7 'Amendments to Australian Accounting Standards following the issuance, in April 2007, of AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]'
- UIG 5 'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 6 'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- UIG 7 'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies

**Future impact of Australian Accounting Standards not yet operative**

The Commission cannot adopt Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Commission has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective.

The following standards are:

(a) to be applied to annual reporting periods beginning on or after 1 January 2007:

- AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]').
- AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'.
- AASB 101 'Presentation of Financial Statements'.

(b) to be applied to annual reporting periods beginning on or after 1 July 2007:

- AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'.
- AASB 2007-5 'Amendment to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'.

(c) to be applied to annual reporting periods beginning on or after 1 January 2008.

- AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'.
- AASB Interpretation 12 'Service Concession Arrangements'.
- AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'.

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

**AASB Amendment Affected Standards**

- 2005-1 'AASB 139 (Cash flow hedge accounting of forecast intragroup transactions)
- 2005-5 'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
- 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts).
- 2006-1 'AASB 121 (Net investment in foreign operations)
- UIG 5 'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
- UIG 6 'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
- UIG 7 'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.

**4 Department of Agriculture and Food Contracted Service Costs**

Effective 1 July 2000 the Agricultural Produce Commission ("the Commission") entered into a Memorandum of Understanding with the Department of Agriculture and Food (the Department) which is reviewed annually. 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:

	<u>2007</u>	<u>2006</u>
	\$	\$
<b>Administration</b>		
Department of Agriculture and Food contracted services	75,693	58,355
Other professional services and contracts	6,016	828
Other expenses	22,439	16,192
	<u>104,148</u>	<u>75,375</u>
<b>APC - Producers' Committees operating costs</b>		
Avocado Producers' Committee	60,959	25,024
Beekeepers Producers' Committee	62,217	37,909
Carnarvon Banana Producers' Committee	946,639	26,745
Carrot Producers' Committee	2,150	1,679
Egg Producers' Committee	139,479	364
Kununurra Crop Pest Control Committee	29,626	-
Pome, Citrus & Stone Fruit Producers' Committee	438,567	625,908
Pork Producers' Committee	392,150	378,557
Potato Producers' Committee	1,280,203	1,333,681
Strawberry Producers' Committee	125,651	99,448
Table Grape Producers' Committee	95,870	82,419
Turf Producers' Voluntary Committee	5,000	25,360
Vegetable Producers' Committee	108,490	32,948
Total APC Producers' Committees operating costs	<u>3,687,001</u>	<u>2,670,042</u>
Total	<u>3,791,149</u>	<u>2,745,416</u>
<b>5 Employee benefits</b>		
Wages and salaries	88,395	83,019
Change in employee entitlement provision	(11,586)	-
Superannuation - defined contribution plans	2,522	7,159
Annual Leave & Long Service Leave Expense	11,966	3,418
Total employee expenses	<u>91,297</u>	<u>93,596</u>

Employment on-costs such as workers' compensation insurance are included at Note 6 'Other Expenses'. The employment on-costs liability is included in Note 14 'Provisions'.

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

<b>6 Other expenses</b>		
Audit fees	12,200	6,300
Employment on-costs <sup>(a)</sup>	1,951	1,098
Commissioner fees and related costs	29,535	33,873
Resources received free of charge	7,468	6,575
	<u>51,155</u>	<u>47,846</u>
<sup>(a)</sup> Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 14 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
<b>7 APC - Fees for Service revenue</b>		
Avocado Producers' Committee	85,937	48,567
Beekeepers Producers' Committee	44,114	36,089
Camarvon Banana Producers' Committee	85,883	77,643
Kununurra Crop Pest Control Committee	861	4,271
Pome, Citrus & Stone Fruit Producers' Committee	434,300	339,315
Pork Producers' Committee	318,234	288,264
Potato Producers' Committee	1,015,330	1,326,758
Strawberry Producers' Committee	79,450	60,492
Table Grape Producers' Committee	38,297	44,155
Turf Producers' Voluntary Committee	16,870	17,080
Vegetable Producers' Committee	161,822	45,539
	<u>2,281,098</u>	<u>2,288,173</u>
<b>8 Other Revenue</b>		
Grants Received	-	80,008
Other	-	3,427
	<u>-</u>	<u>83,435</u>
Comparatives for Note 7 & 8 have been amended to correctly disclose additional grants received under Other Revenue where it had been previously been disclosed as Fee for Service revenue in the Table Grape Producers' Committee and the Camarvon Banana Producers' Committee.		
	<u>2007</u>	<u>2006</u>
	\$	\$
<b>9 Income from State Government</b>		
Resources received free of charge		
Determined on the basis of the following estimates provided by agencies:		
Department of Agriculture and Food	7,468	6,575
	<u>7,468</u>	<u>6,575</u>
Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Commission makes a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.		
<b>10 Receivables</b>		
Current		
Receivables	222,235	276,564
Less: Provision for doubtful debts	(3,478)	-
	<u>218,757</u>	<u>276,564</u>
<b>11 Other Current Assets</b>		
Accrued Interest	129,687	116,172
Advances <sup>(a)</sup>	-	138,758
	<u>129,687</u>	<u>254,930</u>
<sup>(a)</sup> 2006/07 APC funding of services provided by the WA Fruit Growers Association and Western Potatoes Ltd, reported on a cash basis. Previous year reports treated comparable out goings as prepayments.		
<b>12 Payables</b>		
Current		
Trade payables	710,236	69,287
	<u>710,236</u>	<u>69,287</u>
<b>13 Accrued salaries</b>		
Commission's Fees	6,650	8,000
Estimated pay increment arrears	-	1,128
Employee entitlement	259	212
	<u>6,909</u>	<u>9,340</u>
<b>14 Provisions</b>		
(a) <u>Current</u>		
Employee benefits provision		
Annual Leave <sup>(a)</sup>	7,571	14,646
	<u>7,571</u>	<u>14,646</u>
(b) <u>Non-current</u>		
Employee benefits provision		
Long Service Leave <sup>(b)</sup>	4,641	8,598
Other provisions		
Employment on-costs <sup>(b)</sup>	545	1,098
	<u>5,186</u>	<u>9,696</u>
<sup>(a)</sup> Annual Leave liabilities have been classified a current liability as there is no unconditional right to defer settlement for at least 12 months after reporting date.		
<sup>(b)</sup> Settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance.		
<b>15 Inventories</b>		
Promotion and Marketing Material	-	6,520
	<u>-</u>	<u>6,520</u>
See also Note 24		

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**16 Equity**

(a) Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.

**Contributed Equity**

Balance at start of year	3,596,697	3,596,697
Balance at end of year	3,596,697	3,596,697

**(b) Accumulated surplus / (deficit) (Retained Earnings)**

Balance at start of year	5,400,645	5,440,441
Result for the period	(1,139,092)	(39,796)
Balance at end of year	4,261,553	5,400,645

**17 Notes to the Cash Flow Statement**

**(a) Reconciliation of cash**

Cash at the end of financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

**Cash and cash equivalents**

Avocado Producers' Committee	240,254	204,727
Beekeepers Producers' Committee	58,777	31,789
Carnarvon Banana Producers' Committee	4,978,911	4,952,559
Carrot Producers' Committee	31,404	31,426
Egg Producers' Committee	619,890	722,880
Kununurra Crop Pest Control Committee	922	28,339
Pome, Citrus & Stone Fruit Producers' Committee	223,785	192,351
Pork Producers' Committee	1,684,133	1,705,132
Potato Producers' Committee	91,099	293,358
Strawberry Producers' Committee	247,657	256,772
Table Grape Producers' Committee	35,533	88,850
Turf Producers' Voluntary Committee	22,147	12,920
Vegetable Producers' Committee	41,163	608
General Account	(35,967)	40,586
Cash and cash equivalents	8,239,708	8,562,297

<b>2007</b>	<b>2006</b>
\$	\$

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

Net cost of services	(1,146,560)	(46,371)
<b>Non-cash items:</b>		
Resources received free of charge	7,468	6,575
(Decrease)/Increase provision for doubtful debts	3,478	-
<b>(Increase)/decrease in assets:</b>		
Receivables	54,329	(71,440)
Inventories	6,520	11,066
Other current assets	125,243	(215,580)
<b>Increase/(Decrease) in liabilities:</b>		
Current payables	640,949	(30,403)
Accrued Salaries	(2,431)	9,340
Current Provisions	(7,075)	4,355
Non current provisions	(4,510)	161
Net cash provided by/(used in) operating activities	(322,590)	(332,297)

**18 Remuneration of Members of the Commission**

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

	2007	2006
\$0 - \$10,000	5	2
\$10,001 - \$20,000	1	1

The total remuneration of the members of the Commission is:

29,535	33,595
--------	--------

The superannuation included here represents the superannuation expense incurred in respect of members of the Commission.

No members of the Commission are members of the Pension Scheme.

**19 Commitments**

**(a) Capital expenditure commitments**

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

**(b) Other expenditure commitments**

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

**(c) Guarantees and undertakings**

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

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**20 Financial instruments**

**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Commission are cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans 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.

**Credit risk**

The Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

**Liquidity risk**

The Authority has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

**Cash flow interest rate risk**

The Commission's exposure to market risk for changes in interest rates relate primarily to any long-term debt obligations. Any Commission borrowings are obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Otherwise, the Commission is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing) and finance leases (fixed interest rate).

**(b) Interest Rate Risk Exposure**

The following table details the Commission's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate %	Fixed Interest rate Maturity							Non-interest bearing \$	Total \$
		Variable interest rate \$	Within 1 year \$	1-2 Years \$	2-3 Years \$	3-4 Years \$	4-5 Years \$	More than 5 Years \$		
<b>2007</b>										
<b>Financial Assets</b>										
Cash assets	5.98%	8,239,708	-	-	-	-	-	-	-	8,239,708
Receivables Loans and advances		-	-	-	-	-	-	-	348,444	348,444
		<u>8,239,708</u>	-	-	-	-	-	-	<u>348,444</u>	<u>8,588,152</u>
<b>Financial Liabilities</b>										
Payables									710,236	710,236
									<u>710,236</u>	<u>710,236</u>
<b>2006</b>										
<b>Financial Assets</b>										
Cash assets	5.55%	8,562,297	-	-	-	-	-	-	-	8,562,297
Receivables Loans and advances		-	-	-	-	-	-	-	531,494	538,014
		<u>8,562,297</u>	-	-	-	-	-	-	<u>531,494</u>	<u>9,100,311</u>
<b>Financial Liabilities</b>										
Payables									69,287	69,287
									<u>69,287</u>	<u>69,287</u>

**Fair value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

**2007**  
\$

**2006**  
\$

**21 Contingent liabilities and contingent assets**

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

**22 Events occurring after reporting date**

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

**23 Related bodies**

There are no related bodies with the Agricultural Produce Commission.

**24 Supplementary financial information**

**Write-off, losses and gifts**

The Agricultural Produce Commission - Potato Producers Committee, wrote off "What no Potato" campaign material. The materials have been either, used up, or where there was no value destroyed. There were no losses or gifts of Public Property during the year.

**2007**  
\$ 6,520

**2006**  
\$ -

**25 Remuneration of auditor**

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts, financial statements and performance indicators

The expense is included at Note 8 'Other expenses'.

12,200

6,300

**AGRICULTURAL PRODUCE COMMISSION**  
**Notes to the financial statements**  
**for year ended 30 June 2007**

**26 Explanatory Statement**

Explanation of significant variations are considered to be those greater than 10% and >\$20,000.

	Budget 2007	Actual 2007	Variance Between 2007 Budget & 2007 Actual	Note	Actual 2006	Variance Between 2006 Actual & 2007 Actual	Note
	\$	\$	\$		\$	\$	
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Dept of Agriculture and Food contracted services							
- Producers committees' operating costs	3,134,654	3,687,001	552,347	26.7	2,670,042	1,016,959	26.1
- Administration	118,500	104,148	(14,352)		75,375	28,773	26.2
Employee benefits	68,000	91,297	23,297	26.8	125,148	(33,851)	26.3
Doubtful debts		3,478	3,478			3,478	
Other expenses	51,600	51,155	(445)		12,875	38,280	26.4
<b>Total cost of services</b>	<b>3,372,754</b>	<b>3,937,079</b>	<b>564,324</b>		<b>2,883,440</b>	<b>1,053,638</b>	
<b>Revenues</b>							
Fee for service	2,460,686	2,281,098	(179,588)	26.9	2,288,173	(7,075)	
Interest	507,840	509,421	1,581		468,879	40,542	26.5
Other revenue	61,000				83,435	(83,435)	26.6
<b>Total revenue</b>	<b>3,029,526</b>	<b>2,790,519</b>	<b>(178,007)</b>		<b>2,840,487</b>	<b>(49,968)</b>	
<b>NET COST OF SERVICES</b>	<b>(343,228)</b>	<b>(1,146,559)</b>	<b>(742,331)</b>		<b>(42,953)</b>	<b>1,003,670</b>	
<b>INCOME FROM STATE GOVERNMENT</b>							
Resources received free of charge							
<b>Total income from State Government</b>	<b>6,000</b>	<b>7,468</b>	<b>1,468</b>		<b>6,575</b>	<b>893</b>	
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(337,228)</b>	<b>(1,139,092)</b>	<b>(740,863)</b>		<b>(35,378)</b>	<b>1,004,563</b>	

**(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.**

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered those greater than 10% and \$20,000.

**(26.1) Producers committees' operating costs**

The increase is related to the following key points:

- (a) Avocado Committee's annual commitment to HAL "Improving technology uptake" activities were increased.
- (b) The Bee Committee conducted a Future International Conference AAA.
- (c) Carnarvon Banana Producers Committee expenditure increased in the current year as result of the claim for compensation payment for wind damage during the year.
- (d) The Eggs Committee funded research and grant funding for the Commercial Egg Producers Association WA.
- (e) Kununurra paid out remaining balance to the Fruit Fly Surveillance.
- (f) The Pome, Citrus and Stone Fruit Committee's commitment to WA Fruit Growers Association (WAFGA) activities were reduced as a result of the non payment of the allocated funds towards the eradication of the hills area Apple Scab incursion.
- (g) Pork Committee increased its research activities with Murdoch University.
- (h) Strawberry committee funded HAL in the research of shelf life and strawberry propagation materials.
- (i) Table Grape Committee increased its research and Maturity testing to ensure market compliance and increased advertising during the year.

**(26.2) Administration**

The implementation of the Oracle APC system demanded additional staff resources to test and data cleanse to implement the system. The Free of charge (FOC) increased from the previous year.

**(26.3) Employee Benefits**

Additional staff were engaged by the Commission during the year to undertake the implementation of the new APC system and review and cleansing of APC data. The final payout for the retirement of the Executive Officer and placement of the new Executive Officer. Additionally the Commissioners' remuneration is now classified under "Other Expenses" reducing the Employee Benefits.

**(26.4) Other Expenses**

Due to the inclusion of the Commissioners' fee under "Other Expenses" and the increase in the audit fee for 2006/07.

**(26.5) Interest Received**

Current year interest earnings were higher due to larger fund balances being held by the APC as result of the Bananas, Egg and Pork Committee funds.

**(26.6) Other Revenue**

For 2006 funds were received from HAL for Table Grape research and development and a grant was received by the Bee-keepers Committee from various industry associations to support their activities and as well as receiving newsletter subscriptions and revenue from advertising space.

**(ii) Significant variations between 2007 estimates and 2007 actual results for the financial year.**

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% and \$20,000.

**(26.7) Producers committees' operating costs**

Carnarvon Banana Producers Committee expenditure increased in the current year as result of the claim for compensation payment for storm damage during the year.

**(26.8) Employee benefits**

Employee benefit charges were under estimated.

**(26.9) Fee For Service**

The variation relates mostly to-

- Fruit Committee fee for service was lower than anticipated.

## AGRICULTURAL PRODUCE COMMISSION

### PERFORMANCE INDICATORS

#### GOVERNMENT GOAL

Jobs and Economic Development – Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.

#### DESIRED OUTCOME

The formation of industry committees to allow for the collection of funds to provide services that benefit producers and their industries. Producer industries are encouraged to become self sufficient and pro-active in the implementation of bio-security and compensation planning.

The Commission aims to achieve this through encouraging and assisting Western Australian agricultural producers to set up industry committees within the legal framework of the Agricultural Produce Commission Act. As the Commission is funded through an administration charge imposed on Committees, the Commission ensures that its administration is cost effective, thereby keeping the administration charge paid by Committees to a minimum, thus enabling the producers industry to achieve maximum benefit from Fee for Service collected.

When set up in 1989 the APC Act provided for services to producers in Western Australian horticultural industries. In August 2000 the Act was amended so that in addition to horticulture industry, the services could be provided to prescribed agricultural industries, except broadacre cropping and grazing industries. Agricultural industries that have been prescribed under the Act since 2000 are the pork, egg and beekeeper industries. APC Producer Committees for the pork and egg industries were set up in 2002 and for beekeepers in 2003.

#### SERVICE

To encourage initiatives among agricultural producers to join the Commission, which provides services to commodity groups particularly the collection and distribution of funds.

#### **PI 1 – Effectiveness in establishing APC Producers’ Committees to service the horticultural industry**

The % of horticultural industry serviced by the APC.	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07
	34.9	38.8	46.1	41.5	43	46.5	64.0	63.1	61.6

#### *Note PI 1:*

*Horticultural industries that have APC Committees include, apple, avocado, Carnarvon banana, citrus, Kununurra horticulture, pear, stone fruit, strawberry, table grapes and most vegetable commodities. As in other years during 2006/2007 the APC was in contact with a number of horticultural industries in regard to the establishment of producer committees. The main one of these was the wine industry.*

#### **PI 1 - Efficiency indicator – Polling Cost**

At the request of agricultural producers or industry groups the APC, in accordance with the Act and Regulations, conducts a poll to determine whether or not the sector concerned wants to join the APC. Under the Act the promoters of a new committee are required to deposit the estimated cost of a poll with the APC. A major constraint to the establishment of new committees can be the polling cost.

	2005/06	2006/7
Poll Cost (per ballot posted)	\$0	\$0

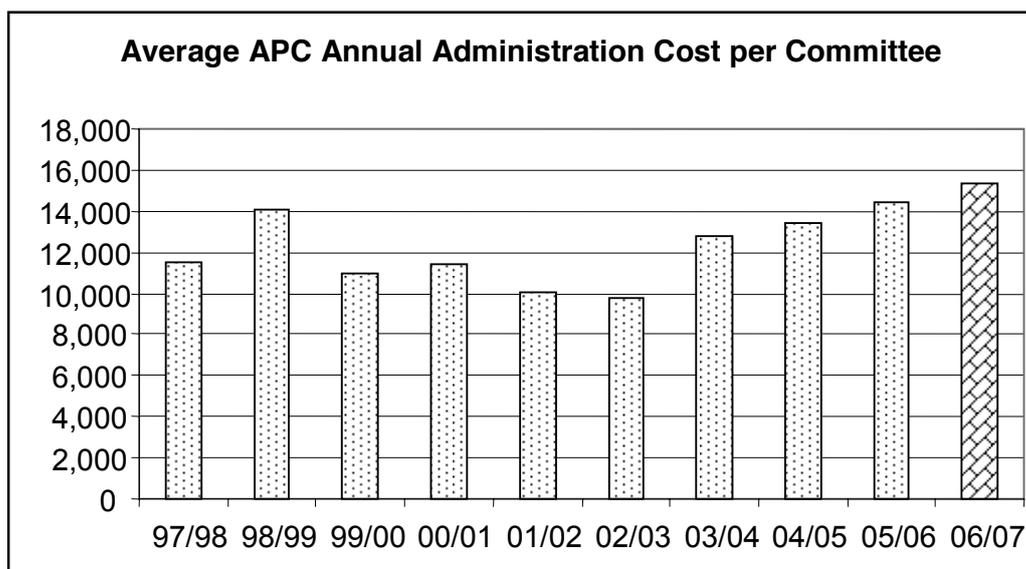
#### *Note PI 1:*

*2006/2007 – No polls were conducted.*

*2005/2006 – No polls were conducted.*

## PI 2 - Efficiency Indicator - Commission Administration cost per annum, per Committee

The Commission is responsible for the collection and administration of the Fee for Service, it also manages the funds of the member committees and monitors and enforces producer compliance with Fee for Service collection. Each committee pays the Commission for this service. The Commission aims at minimising the costs of managing the financial affairs of Committees to ensure maximum funds are available for industry services. This Performance Indicator demonstrates this aim based on total Commission annual administration costs expressed as an average cost incurred per committee.



### Note PI 2:

*2006/7 cost per Committee increased due to implementation of the Oracle APC Fee for Service system which required the employment of an extra staff member to perform data cleansing and testing of the new system.*

*2005/06 cost per Committee increased marginally. This is partly attributed to increased remuneration for the APC Chairman for considerably more work carried out by him than normal. The work included participation in a review of the Act, issues related to the repeal of industry compensation legislation and the associated transfer of funds to the APC.*

*In 2004/05 as a result of the electronic system and an increased focus on Fee for Service compliance, administration cost remained higher due to the requirement for extra resources.*

*Significant increase in costs in the financial year 2003/04 were partly due to the Commission administration moving to South Perth from Midland, but most of the increase was due to expenditure incurred in the development of the electronic fee for service compliance system.*

*The financial years 1999/00, 2000/01, 2001/02 and 2002/03 show a small downward trend in the cost ratio.*

*During 1998/99 administration expenditure included a one off consultancy for the Carnarvon banana industry plus there were legal consultation expenses related to legislative changes and resulting in a significant increase in administration costs.*

## **PROCEDURES TO JOIN THE AGRICULTURAL PRODUCE COMMISSION**

The procedure to set up a Producers' Committee under the Agricultural Produce Commission Act is as follows:

1. The APC receives a request from producers or an industry group to establish a producers committee (the formal request is usually made after a period of consultation with the APC and the industry concerned.).
2. The APC considers the request and clarifies with the applicant(s) the Section 12.1 service functions to be provided by the proposed committee, the agricultural produce covered, the area of the State involved and the poll type (postal or general meeting).
3. The APC passes a formal motion to initiate proceedings.
4. The APC notifies the Minister of Agriculture of the intention to establish the producers' committee and requests direction as to how the Notice of Intention should be published.
5. The Minister issues direction and the APC then publishes a Notice of Intention to establish the producers' committee. The notice is published in newspapers and industry newsletters – producers may be advised by direct mail if this is considered necessary. The notice explains in simple terms the function(s) of the committee, specific agricultural commodity involved, the region, and submissions are invited for and against the proposal from affected producers.
6. The Commission considers the submissions received regarding setting up the proposed committee. The Commissioners may invite producers to facilitate its consideration of submissions.
7. If the Commission decides to proceed the applicant(s) pay a deposit to cover the cost of the poll. This deposit is refundable if the poll is successful.
8. The Commissioners appoint a returning officer to conduct the poll.
9. The APC compiles a list of producers to be polled.
10. The APC publishes a Notice of Intention to conduct a poll in relevant newspapers, industry newsletter or direct mail if there is no industry newsletter. Producers are invited to submit a case for or against establishing the committee.
11. The APC summarises any submissions and prepares a summary to go out with the polling papers.
12. The returning officer appoints scrutineers.
13. The poll is conducted and the returning officer publishes the result in appropriate newspaper.
14. The Commissioners consider the results of the poll and if in favour decides whether to establish a committee. Approval to establish the committee is given by formal motion.
15. The Commission publishes the establishment of the committee in the Government Gazette and appropriate newspapers and producers are invited to nominate themselves for appointment to the committee.



