



# AGRICULTURAL PRODUCE COMMISSION

*Encouraging Producer Initiative*

**ANNUAL REPORT  
FOR YEAR ENDED 30 JUNE 2009**

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## STATEMENT OF COMPLIANCE

For the year ended 30th June 2009

**Hon Terry Redman MLA**

**Minister for Agriculture and Food**

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 2009.

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

### **Enabling Legislation**

The Agricultural Produce Commission is established under the Agricultural Produce Commission Act 1988 and;

### **Legislation impacting on the Board's activities**

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



**Peter Wells**

Chairman of Accountable Authority

Date: 4 August 2009



**Roger O'Dwyer**

Member of Accountable Authority

Date: 4 August 2009

## **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

September 1<sup>st</sup> 2009 will mark the 20 year anniversary of proclamation of the Horticultural Produce Commission Act, the forerunner of today's Agricultural Produce Commission Act. As such we can look back over 20 years and see the excellent work of producer committees over that time.

Producers in the many areas covered by the APC have given generously of their time and industry knowledge over those two decades to ensure the Commission is focused on the needs of producers.

The existence of highly focused low cost producer advisory groups ensures the Commission operates on an inclusive industry basis. By necessity, Committees need to focus on the issues of today and tomorrow. As an integral part of addressing tomorrow's issues the Commission has embraced generational change and is striving to provide opportunities and an environment for young progressive thinking producers to take up leadership roles within their industry. The important functions carried out by APC Producers' Committees provide producers with a unique opportunity to be part of shaping the direction of their industry.

The foundations on which Western Australian small business was built can be found in the primary industry sector. In the early settlement days our forebears established an economy around primary production, based on hard work and co-operation. Our geographic isolation and early circumstances provided challenges, benefits and opportunities. Our circumstances have moved on in many respects and our future now depends on working smarter and maximising benefits from plant science breakthroughs and innovative production and marketing techniques. However there remains a compelling argument for working together through the APC system if we are to maintain the research and industry development initiatives that are so critical to the future of primary industries in Western Australia.

As a 100% producer funded entity the APC and its committee structure fulfils an important industry role at a very modest cost compared to the achieved outcomes. The Commission has a very small but highly efficient staff and I extend our thanks to Ingrid Smith in particular, for her dedication to our 2008/09 objectives. I also thank my fellow Commissioners for their valuable contribution throughout the year.

I acknowledge, and place on the record appreciation of the contribution and sacrifices made by all current committee members. To past committee members I say - thankyou for the positive legacy of your good work.

More importantly, to the up and coming generation of producers my message is – get involved in your industry, engage in the APC process, help guide the future direction of your industry and make things happen! The Commission exists to help you achieve your goals and in the words of David Lloyd George, British Prime Minister (1916-22) *Don't be afraid to take a big step if one is indicated. You can't cross a chasm in two small jumps.*



Peter Wells

## **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 for 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 2009 there were:

- 10 active Producers' Committees;
- 3 Producers' Committees in recess.

Remuneration and expenses for Commissioners and Committee Members is available at rates approved by the Minister, however, Committees use their discretion on whether to claim remuneration or not, and a number of Committees have decided not to claim remuneration for their members.

## COMMISSION FUNDING

The Commission is funded by producers through Fee 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 Pome, Citrus & Stone Fruit Committee can monitor apple production by variety.

The Commission is responsible for collecting the Fee for Service. 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.

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 its administration charge to Committees in March 2009, and again resolved not to increase the administration charge to Committees, who now have not had a rate increase since 2007. As part of its review of the administration charge the Commission resolved to assess the Commission's financial position in relation to its operating costs for any given year and should it be possible resolved to return to Committees any excess funds. 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 participated in meetings as below:

### COMMISSION MEETINGS 2008/2009

Commissioner	Eligible to Attend	Attended	Leave of Absence Granted
Yvonne Fahl	9	7	2
Ken Boughton	9	8	1
Peter Wells	9	9	
Roger O'Dwyer	9	9	

## 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 13 March 2009.

The Commission expanded the 2009 meeting to include two members of each Committee, with all Committee members to be invited to attend the meeting scheduled for March 2010.

The more interactive meeting provided for constructive discussion and facilitated communication between both Producers' Committees and the Commission.

The meeting workshopped issues relating to the need for pro-active strategic plans aimed at protecting and growing industries into the future. Committees were encouraged to embrace good governance procedures in Committee operations, ensuring APC Committees have the skills and knowledge to provide the best service to their producers.

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.

### **COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES**

During the 2008/9 year no compliance issues arose in relation to public sector standards, the WA Code of Ethics or the Commission's Code of Conduct.

### **APC COMMITTEE DIRECTIONS**

The Commission, under section 11.3 of the APC Act, provides Producers' Committees with Directions which govern Committee operations.

In line with business improvement strategies in July 2009, the Commission revised these Directions to provide Committees with a relevant and sound governance base.

### **APC CODE OF CONDUCT**

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

### **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 Manual details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

### **SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT**

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

- promote agricultural produce including sales and marketing promotion;
- develop means of controlling pests and diseases;
- conduct research that advantages producers;
- conduct educational programmes relating to production;
- develop/expand markets for Western Australia agricultural produce;
- establish voluntary insurance schemes for the benefit of producers;
- provision of supply and demand forecasts;
- formulate schemes to accredit producers;
- establish quality control, inspection, grading, packing, transport and storage systems;
- address market failure issues, developing industry based solutions; and
- establish compensation schemes for crops lost or destroyed as part of pest or disease control measures.

*Source: Agricultural Produce Commission Act 1988, Section 12.1*

## **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.

## **SIGNIFICANT EVENTS DURING THE YEAR**

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

Details of individual Committee Fee for Service initiatives are provided in the section 'Committee Reports'.

Overall, Committees provided services to their industries in the form of:

- Industry Development and Training Officers who are available to producers to assist them on a variety of industry issues.
- Research projects (some jointly funded with other organisations) in such varied areas as Avocado production in the South West, Improving the visual quality of potatoes, Carnarvon banana pest survey and Pork CRC.
- Funding for Industry Associations – West Australian Pork Producers Association (WAPPA), Western Australian Fruit Growers Association (WAFGA), Potato Growers Association (PGA), Vegetable Growers Association (vegWA), Commercial Egg Producers Association (CEPA). These associations carry out functions on behalf of the Producers' Committee, as allowed by the Service Functions of the APC Act.
- Promotion and advertising of produce via such avenues as in-store taste testing, recipe cards, advertising on buses, support for community events (eg Donnybrook Apple Festival) and use of stickers on produce that identifies it as WA grown.
- Ensuring the quality of produce that reaches consumers, through the *Table Grape Maturity Testing* process.

- Development of the *Citrus Fruits Grading Code 2008*, which will govern the eating quality of citrus sold fresh in Western Australia.
- Industry newsletters that keep producers informed and up to date on industry issues (*Bee Informed, WA Fruit Grower, WA Grower*).
- Compensation to WA apple growers in relation to the 2006 outbreak of apple scab in Western Australia.

#### **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.

As part of its Strategic Review the Commission undertook a review of the Regulations governing Fee for Service collection and compliance and has identified procedures which will reduce non-compliance, thus providing a fairer service to all producers.

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

The Commission continues to promote to Committees the importance of maintaining producer and industry knowledge of Committee activities and funding initiatives.

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. Committee 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 – vital industry projects.

#### **ESTABLISHING PRODUCER COMMITTEES**

During the year under review, the Commission conducted a poll of commercial tomato growers to ascertain whether they wanted to join the APC Vegetable Producers' Committee.

A majority vote in favour of joining the Committee was made and the Commission subsequently resolved that commercially grown tomatoes came within the jurisdiction of the APC Vegetable Producers' Committee. A Fee for Service on commercially grown tomatoes came into effect on 1 August 2009.

The Commission has participated in ongoing discussions with representatives from the wine industry on the possible formation of a producers committee for the industry.

It is possible to be naturally immune to *Pasteurella pestis* and HIV, the viruses that cause two well known wide spread killers, the black plague and AIDS. This is thanks to a genetic mutation in ones DNA called CCR5-delta 32, or Delta 32 for short. This mutation cuts off the means for a virus, to attach to our white blood cells and enter the immune system. Both parents must posses it to provide immunity, although possession of only one chromosome for delta-32 is likely to delay the virus from spreading for long periods of time. This mutation isn't known to ever have a negative effect on any individual, only positive

**FEE FOR SERVICE SCALES**

<u>Avocados</u>	\$0.0150 per kilogram
<u>Beekeepers</u>	\$15.00 per beekeeper per annum (calendar year 2009) plus \$1.10 per hive per annum (calendar year 2009)
<u>Carnarvon bananas</u>	\$0.0154 per kilogram
<u>Citrus (Mandarins)</u>	\$0.0130 per kilogram
<u>Citrus (Other)</u>	\$0.0100 per kilogram
<u>Citrus (processing)</u>	\$0.0100 per kilogram
<u>Pome fruit</u>	\$0.0067 per kilogram
<u>Pome (processing)</u>	\$0.0050 per kilogram
<u>Pork</u>	\$0.0080 per kilogram carcass weight
<u>Potatoes</u>	
Processing, seed and ware export	\$5.00 per tonne
Domestic ware	\$25.75 per tonne
<u>Strawberries</u>	\$0.0100 per kilogram
<u>Stone fruit</u>	\$0.0090 per kilogram
<u>Stone fruit (processing)</u>	\$0.0060 per kilogram
<u>Table grapes</u>	\$0.0070 per kilogram
<u>Vegetables and tomatoes</u>	\$0.04 per individual package of 100kg or less \$0.15 per individual package of 101kg to 500kg \$0.30 per individual package of 501kg to 1000kg and in \$0.15 increments per 500kg upwards. Applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables

As at 1 August 2009

**INDUSTRY SECTOR STATISTICS**

Industry/Sector	Gross value of production (\$m)	Percentage
<b>APC Industry Coverage</b>		
Avocado	9.20	1.47
Carnarvon Banana	17.80	2.84
Fruit	89.30	14.25
Potatoes	38.30	6.11
Strawberries	23.00	3.67
Table Grapes	14.40	2.30
Vegetables (excluding potato, mushrooms, tomatoes, herbs)	212.70	33.95
<b>TOTAL</b>	<b>404.70</b>	<b>64.59</b>
<b>Potential Industry Coverage</b>		
Olives	10.50	1.68
Wine Grapes	81.90	13.07
Floriculture - cut flowers	33.30	5.31
Floriculture - nurseries	65.80	10.50
Fruit - Other (including Kiwi and other tropical fruits other than that grown in Kununurra and Carnarvon Bananas)	13.60	2.17
Vegetables - Other (herbs, mushrooms and tomatoes)	16.80	2.68
<b>TOTAL</b>	<b>221.90</b>	<b>35.41</b>
<b>GRAND TOTAL</b>	<b>626.60</b>	<b>100.00</b>

NOTE: Statistics for the above are based on ABS and Department of Agriculture and Food figures, both of which carry disclaimers on accuracy. Data for prescribed industries not included.

## ACTIVE APC PRODUCERS' COMMITTEES AT DATE OF PUBLICATION

Producers' Committee	Functions Adopted	Members
APC Avocado Producers' Committee (Established 1991)	(a) to (k)	Alan Blight(Chair) Phil Minchin Dave Duncan Wayne Franceschi
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Colin Fleay (Chair) Harry East Afon Edwards Leilani Leyland Kim Fewster Rod Pavy
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Michael Andreoli Ivan Bilcich Tom Day Darryl Hardman John Thomas
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Cameron Bell Joe Sacca Terry Woodard John Simpson
APC Pome, Citrus & Stone Fruit Producers' Committee (Established 1994)	(a) to (m)	Angelo Logiudice Ben Darbyshire Steven Guimelli Dianne Fry Bevan Eatts Bruce Wharton Vic Grozotis
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Sam Calameri (Chair) Dom Della Vedova Herbert Russell Ross Ryan Vacancy (3)
APC Pork Producers' Committee (Established 2002)	(a) to (m)	Neil Ferguson (Chair) Dr Rob Wilson Dr. Chris Brennan Graeme Dent Errol Howard
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Gerry Verheyen (Chair) Neil Handasyde Kerry Langlands Wes Tweedie Anthony Yewers
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Roger Fahl (Chair) Trevor Carter Matt Katich Tony Lovreta Peter Nuich Kim Taylor Allan Price
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) David Anderson Rod Copeland Paul Humble Jason Neave Greg Jones Brett Metcalfe

## 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. 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.

## COMMITTEE REPORTS 2008/09

### APC AVOCADO PRODUCERS' COMMITTEE

*Chairperson: Alan Blight*

The Committee's main investment for 08/09 was in the funding of an industry development officer (IDO). Cengiz Erol took over the position at a time when there were large divisions within the avocado industry and has made steady progress in this position. His focus this year has been largely on the problems with biennial bearing in the WA avocado industry. It is hoped that the availability of an industry specific IDO, working to identify and resolve industry issues, will be the mechanism for the introduction of a new enthusiasm into the Western Australian avocado industry.

As it has done for a number of years, APC funds have been used to conduct a promotional program using, amongst others, media advertising, in-store taste testing and avocado competitions in schools. This program has largely targeted long-term, generic promotion of avocados in order to raise consumer awareness of such things as health benefits, versatility and taste of avocados. The full effect of such promotion is difficult to gauge, but a long-term increase in per capita consumption of avocados has been identified.

APC funds have also been used to set up an irrigation project in Avocado production in the south west. It is expected that this project will identify and generate results that will be of use to all avocado producers in WA.

Funding also assisted the update and maintenance of the Avocado Growers Association website which delivers important industry information to all producers in a cost effective manner.

### APC BEEKEEPERS PRODUCERS' COMMITTEE

*Chairperson: Colin Fleay*

*Secretary: Lucy Radzikowska*

#### *Enhanced Disease and Pest Surveillance & Monitoring*

An enhanced Disease and Pest Surveillance & Monitoring program conducted in conjunction with the Department of Agriculture and Food continues to be one of the largest components of the FFS. The 2009 program focused on targeted apiary inspections; export inspections involving live bees; and Southern Port Surveillance. State-wide honey samples were taken (Honey Culture Tests) to test for European and American Foulbrood disease.

#### *Bee Informed Newsletter*

The *Bee Informed* newsletter has moved from strength to strength in "bee-ing" a relied upon magazine, with up to date news, events and information for every registered beekeeper in WA. The newsletter is also distributed to government departments that deal with bee industry issues to maintain clear communication channels.

#### *Committee*

Mrs Roxanne Fewster and Mr Dan Dowsett retired from the Committee after contributing a great amount throughout their tenure as Committee members. With the retirement of the inaugural Chairman Mr Harry East, Mr Colin Fleay was elected Chairman. The Committee and the industry thank Harry for his many years of dedicated and keen service to the industry through the APC Beekeepers Producers' Committee.

### APC CARNARVON BANANA PRODUCERS' COMMITTEE

*Chairperson: Bruce Munro*

*Executive Officer: David Parr*

#### *The Industry*

The banana industry remains stable at 55 growers over the year with the area under production increasing by 12% to 160ha at December 2008. District average production was 40 tonnes per hectare and was an increase on 2007 of 18%

The gross value of production was \$11.7million, a decrease of 9% from 2007.

The Gascoyne River flowed for 126 days. There were three flows occurring in February, April and June. The flows had peak levels of 3.52m, 3.21m and 0.70m respectively

There were no cyclone events in the year under review.

### *Review of Scheme Rules*

A comprehensive review of the Scheme Rules was concluded during the year with a new definition limiting the boundaries of the Carnarvon Irrigation area being approved, and minor housekeeping changes being made to bring the rules up to date.

A special general meeting of members rejected a motion, aimed at preventing small claims, to amend the rules relating to the basis for making a claim.

No changes were made to the compensation rate.

### *Committee*

There were no changes to the Committee membership with three retiring members being re-appointed unopposed.

The Committee has developed a Strategic Plan to clarify the role of the Committee within the Carnarvon banana industry. The plan is to be reviewed annually.

### *Committee meetings*

Three ordinary meetings were held in the year with two additional short meetings required to resolve rule change issues and the Strategic Plan.

### *Newsletter*

A newsletter was sent to all members in February 2009 advising members of committee activities with members being provided with annual production statistics and the planting plan for each property in February 2008

### *Crop Insurance*

Storm cover is still unavailable at affordable rates.

### *Fee for Service*

The balance of the Compensation fund was \$5 million at 30 July 2009

The balance of the Biosecurity fund was \$43 thousand at 30 July 2009

The Biosecurity Fee for Service was reduced to zero from 1 April 2009. This funding will be continued from the National Banana Levy, as administered by the Australian Banana Growers Committee. The levy will continue to be calculated at the same rate and paid quarterly. The APC has agreed to administer these funds at no cost to the Committee.

### *Biosecurity Project*

Regulations pertaining to the Biosecurity and Agricultural Management Act, which condenses several Acts into one, have not been completed and as a result the review of legislation affecting the banana industry has been unable to be conducted.

A survey of banana production areas to determine nematode species and numbers was conducted in March. The survey was conducted in a biometrically sound process with regard to sampling level and method. The survey team was from the Department of Agriculture and Food and consisted of a plant pathologist, an entomologist, and a nematologist.

This survey establishes the pest and disease status of the industry. No exotic pests were detected.

A comprehensive report has been published and circulated, with copies available through the Committee. The survey was financed jointly by the APC Biosecurity Scheme and the Department of Agriculture and Food.

## **APC EGG PRODUCERS' COMMITTEE**

*Chairperson: Ian Wilson*

*Secretary: Lucy Radzikowska*

In consideration of its budget the Committee resolved to sponsor only essential activities to benefit the industry during 2009. As such, the Committee funded The Commercial Egg Producers Association Inc to undertake activities on behalf of all egg producers in WA. The Committee is working with the Association on a number of programs including, biosecurity, animal welfare, marketing, promotion, research and development and extension activities within the egg industry in WA.

Other areas of funding were: generic promotion of eggs in WA; registration costs for egg producers to attend a Poultry Industry Information Exchange Forum; and the purchase of protective clothing for industry participants.

The Committee intends to fund projects in 2010 that will further encourage the purchase of WA laid eggs.

During the year, Mr Kevin McLeod retired from his position on the Committee with Mr Cameron Bell filling the vacancy.

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

*Chairperson: Angelo Logiudice*

*Secretary: Jonathan Cutting*

*Fee for Service* - The total Fee for Service collection for 2008/09 was \$486,683. The collection from individual commodity groups was Pome fruit \$278,441, Citrus fruit \$112,076 and Stone fruit \$96,116.

During the 2008/9 year the committee funded a range of activities contracted out to the Western Australian Fruit Growers' Association (WAFGA) which included industry communication, bio-security, strategic planning, policy activity, interaction with DAFWA, peak body relationship building, an industry-wide citrus fruit quality programme, promotional and industry development activities on behalf of Fee for Service paying growers.

The Committee part funds two Industry Development Officers (Pome and Citrus), who are largely industry directed and managed. The Industry Development Officers continue to work closely with growers to assist them in new cultural practice adoption and refinement which will ultimately lead to a more effective and efficient fruit industry.

*Issues and Challenges* – During the year there was an apple scab outbreak at Mt Barker. The industry's resourcing inability to respond to this disease incursion was a major disappointment and a blow to apple growers. The matter is receiving attention at different levels and a long-term resolution to the problem will be achieved in 2009/10.

The Committee and WAFGA have been aware of the limitations and inefficiencies of the existing arrangements, contractual and otherwise, for some time. The parties began discussions in 2008 to analyse the range of services provided with a view to rationalising, reducing costs, becoming more responsive and strategic and providing improved value to producers. During the year the Committee completed a change program, while working closely with WAFGA, focussed around industry rationalisation that will lift the level of services provided to the State's fruit growers. Final agreement by all parties on the change programme was achieved on 29<sup>th</sup> June 2009, facilitated by the Commission chair Peter Wells.

A revamped Committee that will take direct control of the delivery of services will be appointed soon. This Committee will continue with the task of developing both strategic and industry management plans that identify and address critical issues across the short-medium- and long-term as well as implementing the plans and ensuring successful outcomes. New Committee members will take up this challenge during 2009/10.

The Committee in office during 08/09 is thanked for their contributions and willingness to embrace the change that was necessary to improve Fee for Service outcomes and we are optimistic for our industry as we look forward to 2009/10 and beyond.

*Vale - Henry Edward Jarvis – 29 April 2009*

The fruit industry, and the APC Pome, Citrus & Stone Fruit Producers' Committee, lost a dedicated member during the year with the passing of Henry Jarvis of Donnybrook. Henry was a valued member of the Committee since its beginning and completed a number of terms as Chairman of the Committee. Henry's industry involvement included service as -  
 Member of AP C Pome, Citrus & Stone Fruit Producers' Committee;  
 Chairman of WAFGA Apple and Pear Council; and  
 Australian Apple and Pear Growers Association delegate.

Henry's service to the industry was recognised in 2008 when awarded WA Fruit Growers Association Life Membership.

## **APC PORK PRODUCERS' COMMITTEE**

*Chairperson: Neil Ferguson*

*Fee for Service funded activities* - The APC Pork Producers' Committee continues to support a diverse range of activities including: Technology Transfer; Industry Training; Production Research; Veterinary Research; Nutritional Research and Industry Administration.

*Production Research* – The Committee contributes \$50,000 per annum towards the Pork CRC.

The Pork CRC has successfully commercialised a number of new technologies on behalf of industry with Western Australian producers readily adopting:

- One of the new Triticale varieties.
- the new Field Pea variety
- NRIS Technology to rapidly determine the Digestible Energy content of grain.

The Pork CRC has also commercialised an APP vaccine, has done excellent work on the benefits of pork in diabetic weight loss diets and in conjunction with DAFWA determined that Australian bred pigs have the ability to produce some outstanding FCR figures.

Please refer to the Pork CRC web site [www.porkcrc.com.au](http://www.porkcrc.com.au) for a full list of the project and activities that the Pork CRC supports.

*Nutritional Research* - This year the Committee funded several areas of nutritional research, including Alternative Feed Ingredients and Strategies for Weaner Pigs, the use of ractopamine to improve the quality of moisture infused pork and a study into the Sow Herd Iron and Mineral Status. These projects are near completion and the APC expect the researchers to be putting forward their results to industry during the second half of 2009.

*Industry Administration* - The West Australian Pork Producers Association (WAPPA) is the peak industry body representing the interests of all WA pig producers on matters of industry importance. This year WAPPA had a highly successful year including the development of the "Fit To Load Guide" which Australian Pork Limited is now looking to adopt on a national basis. With the success of the "Fit to Load Guide" WAPPA has been contracted to take the project a step further by developing a new manual designed to educate producers on "How to Care for the Comprised Pig".

APC Pork Committee/WAPPA continued to financially support members of the Australian Pig Breeders Association in putting together the extremely popular pig display at the Perth Royal Show.

*Veterinary Research/Extension* – The APC has financially support a number of projects during the course of the year including:

- Investigation into High Non Productive Sow Days
- A Study Superficial Inguinal Lymph Nodes
- Changes in the Prevalence of PCV2

These projects are nearing completion with final reports being communicated to industry during the 2009/10 financial year.

*Technology Transfer* – The Department of Agriculture and Food facilitates extension to all WA pork producers. DAFWA plays a key role in providing research within the state. This year DAFWA conducted four producer seminars, a number of on farm assessments and individual site inspections, all designed to either improve the skill base of WA producers or provide methods of reducing the industry's Cost of Production.

*With Gratitude* - The APC Pork committee could not support the projects we do without the contribution and support of all WA producers, for that the Committee thanks all producers in Western Australia for their valuable contribution.

**APC POTATO PRODUCERS' COMMITTEE***Chairperson: Sam Calameri**Executive Officer: Jim Turley*

The Committee supported the marketing and promotion of fresh potatoes in Western Australia through their ongoing funding of Western Potatoes. This was the fourth year the Committee provided funding to Western Potatoes.

The peak industry body, the Potato Growers Association of WA (Inc) received funding to continue with its provision of services in representing and developing the Western Australian potato industry on behalf of the Committee and producers.

Research projects funded in 08/09 included: Improving the visual quality of WA fresh potatoes, aimed at improving the consumption per capita of fresh potatoes; virus testing of seed potatoes with the objective to prevent the spread of diseases; Carnarvon PSTVD survey, aimed at the eradication of PSTVD in Carnarvon; the export of seed potatoes to Mauritius as part of assisting in the development of export markets and funding of the seed potato scheme in WA which is focused on achieving a higher standard of seed potatoes.

**APC STRAWBERRY PRODUCERS' COMMITTEE***Chairperson: Gerry Verheyen**Research Projects**Facilitating the development of the strawberry industry in W.A. (co-funded through HAL)*

This three year project was completed in May 2008 with the final report submitted to Horticulture Australia Limited in June 2008. The results of the project were given considerable press coverage after the final report was completed. Media outlets who printed stories about the project included Farm Weekly, Bullsbrook Ellenbrook Advocate, Wanneroo Times, North Coast Times Community, Countryman Horticulture, Albany Advertiser and nationally, Good Fruit and Vegetables.

A final presentation to growers on the findings of the project was delivered at the Strawberry Growers Association of WA Annual General Meeting on 31 October 2008. Three information notes on the key findings of the research were produced by DAFWA researchers and are available through DAFWA.

*Increasing the shelf life of Australian strawberries (co-funded through HAL)*

A full season of research at Albany has been completed with the second season planting commenced in May/June 2008, with preparations made for the 2008/09 season during the non-fruiting period from June to October.

A comprehensive seminar on the project for a group of growers and allied industry was held on 31 October at the Strawberry Growers Association of WA Annual General Meeting.

Expenditure for the project is behind budget due to the delayed start up of the project.

**APC TABLE GRAPE PRODUCERS' COMMITTEE***Chairperson: Roger Fahl**Secretary: Lucy Radzikowska**Table Grape Maturity Inspection Service*

Minimum Maturity Standards are in place for all WA table grapes. As the only State with legislated standards for table grapes, consumers are assured of consistently good quality fruit. McAlpine Management Services Pty Ltd were once again contracted to undertake table grape maturity testing which commenced in November 2008. Testing was conducted at Market City Canning Vale, wholesales/distribution centres and retail outlets throughout the greater Perth region and country towns Busselton, Bunbury, Donnybrook, Bridgetown, Manjimup, Mandurah, Carnarvon and Kununurra. The ongoing provision of an efficient regulatory maturity inspection service still remains the primary concern of the Committee and the industry at large.

### *Table Grape Promotion*

The Committee acknowledged that promotion/advertising at a consumer level at point of purchase ie, supermarket was one way that a direct positive correlation existed between advertising/product tasting and increased sales during the day on which this activity takes place. As such, during the 2009 season Fresh Finesse was contracted to provide their expertise in the development of a promotional campaign throughout the print media with media reports for each month that grapes were in season, retailer newsletters, and demonstrations within Coles stores.

### *Committee*

This year saw Vlade Skroza retire from the Committee. We thank Vlade for his contribution over the years, especially as Chairman. Trevor Carter was appointed to the Committee. Trevor and his family are grape growers from the Capel area in the southwest.

### **TURF PRODUCERS' VOLUNTARY COMMITTEE**

*Chairperson: Adrian Pitsikas*

Due to the commencement of a federal levy on turf, the Committee resolved to cease operations during the 08/09 year.

### **APC VEGETABLE PRODUCERS' COMMITTEE**

*Chairperson: Maureen Dobra*

*Secretary: Jim Turley*

This year saw the Committee fund an industry field extension officer who is available to support and provide liaison for growers.

Projects funded by the Committee included, Nutritional Value of West Australian carrots and screening of herbicides for lettuce production.

The Committee also funded direct retail and promotion activities, encouraging and stimulating a better understanding of health benefits of fresh vegetables.

The funding of vegWA, the peak industry body, was continued this year with the Association carrying out activities, and representing the promotion and development of the industry, on behalf of the Committee.

An industry poll was conducted of commercial tomato growers in WA with the tomato industry being included in the APC Vegetable Producers' Committee as of 1 August 2009.

## 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 2009 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.

## ESTIMATES, DISCLOSURES, STATEMENTS

### ESTIMATES FOR 2008/09

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides its estimates for the 2009/10 financial year.

<b>Expenses</b>	<b>2008/9 Budget</b>	<b>2008/9 Actual</b>	<b>2009/10 Budget</b>
DAFWA Contracted Services – Commission Administration	60,000	57,800	71,000
Producers' Committee Operating Costs	2,858,217	2,475,716	3,103,327
Employee Benefits	78,713	74,545	84,700
Other Expenses	84,950	78,260	97,300
<b>Total Expenses</b>	<b>3,081,880</b>	<b>2,686,321</b>	<b>3,356,327</b>
<b>Revenue</b>			
Fee for Service	2,672,000	2,708,678	3,062,259
Grants	32,000	37,105	42,000
Interest	401,814	409,635	324,822
Other Revenue		10,217	13,634
<b>Total Revenue</b>	<b>3,105,814</b>	<b>3,165,635</b>	<b>3,442,715</b>
<b>Net Cost of Services</b>	<b>23,934</b>	<b>479,314</b>	<b>86,389</b>
<b>Income from State Government</b>			
Resources Received Free of Charge	7,700	5,998	8,000
<b>Total Income from State Government</b>	<b>7,700</b>	<b>5,998</b>	<b>8,000</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>31,634</b>	<b>485,312</b>	<b>94,389</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 2008/09 financial year, the Commission incurred expenditure in the following areas.

Advertising agencies	\$70,359
Media advertising organizations	
<b>Total Expenditure</b>	<b>\$70,359</b>

### Financial Statements

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

Income Statement	Page 21
Balance Sheet	Page 22
Changes in Equity	Page 23
Cash Flow Statement	Page 24
Notes to Financial Statements	Page 25

# AGRICULTURAL PRODUCE COMMISSION

## CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2009

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 fairly represent the financial transactions for the financial year ending 30 June 2009.

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



P Wells  
Chairman of Accountable Authority

Date: 4 August 2009



R L O'Dwyer  
Member of Accountable Authority

Date: 4 August 2009



S Tong  
Chief Finance Officer

Date: 4 August 2009

**AGRICULTURAL PRODUCE COMMISSION**

**CERTIFICATION OF PERFORMANCE INDICATORS**

**For year ended 30 June 2009**

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 2009.



P Wells  
Chairman of Accountable Authority

Date: 4 August 2009



R L O'Dwyer  
Member of Accountable Authority

Date: 4 August 2009



**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 2009**

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 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

**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 [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

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

## **Agricultural Produce Commission**

### **Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Agricultural Produce Commission at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the 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 2009.

  
COLIN MURPHY  
AUDITOR GENERAL  
11 September 2009

**FINANCIAL STATEMENTS**

**AGRICULTURAL PRODUCE COMMISSION  
INCOME STATEMENT  
FOR YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Department of Agriculture and Food contracted services			
- Administration	4	57,800	94,204
Producers' Committee operating costs	5	2,475,716	2,597,257
Employee benefits	6	74,545	70,013
Other expenses	7	78,260	74,778
		<u>2,686,321</u>	<u>2,836,252</u>
<b>Total cost of services</b>			
<b>Income</b>			
<i>Revenue from operating activities</i>			
User charges and fees	8	2,708,678	2,301,096
Grants		37,105	30,000
Polling deposit		8,000	-
Other revenue		2,217	596
Interest		409,635	510,689
		<u>3,165,635</u>	<u>2,842,381</u>
<b>Total Revenue</b>			
		<u>3,165,635</u>	<u>2,842,381</u>
<b>Total income other than income from State Government</b>			
		<u>(479,314)</u>	<u>(6,129)</u>
<b>NET COST OF SERVICES</b>			
<b>INCOME FROM STATE GOVERNMENT</b>			
Resources received free of charge	9	5,998	7,659
		<u>5,998</u>	<u>7,659</u>
<b>Total income from State Government</b>			
		<u>485,312</u>	<u>13,788</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>			

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

**AGRICULTURAL PRODUCE COMMISSION**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	16	8,102,663	7,569,717
Receivables	10	238,476	203,004
Other current assets	11	67,104	145,313
<b>Total Current Assets</b>		<u>8,408,243</u>	<u>7,918,034</u>
<b>TOTAL ASSETS</b>		<u>8,408,243</u>	<u>7,918,034</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	12	30,254	28,834
Accrued Salaries	13	-	430
Provisions	14(a)	9,685	9,300
<b>Total Current Liabilities</b>		<u>39,939</u>	<u>38,564</u>
<b>Non Current Liabilities</b>			
Provisions	14(b)	10,954	7,432
<b>Total Non Current Liabilities</b>		<u>10,954</u>	<u>7,432</u>
<b>TOTAL LIABILITIES</b>		<u>50,893</u>	<u>45,996</u>
<b>NET ASSETS</b>		<u><b>8,357,350</b></u>	<u><b>7,872,038</b></u>
<b>EQUITY</b>			
Contributed equity	15(a)	3,596,697	3,596,697
Accumulated surplus/(deficit)	15(b)	4,760,653	4,275,341
<b>TOTAL EQUITY</b>		<u><b>8,357,350</b></u>	<u><b>7,872,038</b></u>

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

**AGRICULTURAL PRODUCE COMMISSION  
STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>Balance of equity at start of period</b>		7,872,038	7,858,250
<b>CONTRIBUTED EQUITY</b>			
Balance at start of period	15(a)	<u>3,596,697</u>	<u>3,596,697</u>
Balance at end of period		<u>3,596,697</u>	<u>3,596,697</u>
<b>ACCUMULATED SURPLUS</b>			
Balance at start of period	15(b)	4,275,341	4,261,553
Surplus / (Deficit) for the period		<u>485,312</u>	<u>13,788</u>
Balance at end of period		<u>4,760,653</u>	<u>4,275,341</u>
<b>Balance of equity at end of period</b>		<u>8,357,350</u>	<u>7,872,038</u>
<b>Total income and expense for the period <sup>(a)</sup></b>		<u>485,312</u>	<u>13,788</u>

(a) The aggregate net amount attributable to each category of equity is:  
- surplus \$485,312 (2008: surplus \$13,788)

The 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 2009**

	<b>Note</b>	<b>2009</b> \$	<b>2008</b> \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(71,067)	(72,517)
Supplies and services		(2,604,357)	(3,439,982)
<b>Receipts</b>			
Receipts from producers		2,673,205	2,316,849
Receipts from others		47,322	30,596
Interest		487,844	495,063
<b>Net cash (used in)/provided by operating activities</b>	16(b)	<u>532,947</u>	<u>(669,991)</u>
<b>Net increase/(decrease) in cash and cash equivalent</b>		532,947	(669,991)
Cash and cash equivalent at the beginning of period		7,569,717	8,239,708
<b>CASH AND CASH EQUIVALENT AT THE END OF PERIOD</b>	16(b)	<u><u>8,102,664</u></u>	<u><u>7,569,717</u></u>

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

## NOTES TO THE FINANCIAL STATEMENTS 2009

### 1. Australian equivalents to International Financial Reporting Standards

#### (a) General

The Commission's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

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

The 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 Authority for the annual reporting period ended 30 June 2009.

### 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.

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 22 "Related bodies".

#### (d) Contributed Equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, 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 recognized 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, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 15 '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.

**(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 or changes in value, and bank overdrafts.

**(g) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The carrying amount is equivalent to the fair value as it is due for settlement within 30 days. See Note 2(o) '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 2(o) '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 resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See Note 14 'Provisions'.

**(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 balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date. When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted 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 balance sheet date.

*(ii) Superannuation*

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in WA.

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 Commission 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 benefit on-costs*

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See Note 6 'Employee benefit expense'

**(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 (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans - 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. Commencing 2008-9 the reporting of annual movements in these notional liabilities has been discontinued and is no longer recognized 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 pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to the net fair value.

**(l) 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.

**(m) 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.

**(n) 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.

**(o) Financial Instruments**

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

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

These have been disaggregated into the following classes:

*Financial Assets*

- Cash and cash equivalents
- Receivables

*Financial Liabilities*

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(p) Comparative Figures**

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

**3. Disclosure of changes in accounting policy and estimates**

**Initial Application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Commission.

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions'

AASB 1052 'Disaggregated Disclosures'

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB3, AASB5, AASB8, AASB101, AASB114, AASB116, AASB127 & AASB137] and

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretations make some modifications to disclosures and provide additional guidance (for example, Australian Guidance to AASB 116 'Property, Plant and equipment' in relation to heritage and cultural assets has been introduced), otherwise there is no financial impact.

## 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 and which may impact the Commission but are not yet effective. Where applicable, the Commission plans to apply these Standards and Interpretations from their application date:

The following standards are:

(a) to be applied to annual reporting periods beginning on or after 1 July 2009

- AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB5 and AASB110]'. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Commission where Crown land is to be sold by the Department for Planning and Infrastructure. The Commission does not expect any financial impact when the Standard is first applied prospectively.

(b) to be applied to annual reporting periods beginning on or after 1 January 2009:

-AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Commission does not expect any financial impact when the Standard is first applied.

-AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Commission does not expect any financial impact when the Standard is first applied.

### 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:

	2009	2008
	\$	\$
Administration		
<b>Total Dept of Agriculture &amp; Food Contracted Services</b>	<b>57,800</b>	<b>94,204</b>
<b>5. APC – Producers' Committee Operating Costs</b>		
Compensation payments	11,241	32,603
Promotion, publicity and advertising	67,948	61,042
Polling Costs	13,617	
Research Grants	524,587	703,118
Grant Funding	1,753,978	1,702,917
Committee Sitting Fees and Allowances	22,471	13,087
Other	81,874	84,490
<b>Total Producers' Committee Operating Costs</b>	<b>2,475,716</b>	<b>2,597,257</b>

<b>6. Employee Benefits</b>		
Wages & Salaries	66,413	57,052
Change in employee entitlement provision	3,905	3,975
Superannuation	3,447	8,540
Annual Leave & Long Service Leave Expense	780	446
<b>Total Employee Benefits</b>	<b>74,545</b>	<b>70,013</b>

Employment on-costs such as workers' compensation insurance are included at Note 7 'Other Expenses'. The employment on-costs liability is included in Note 14 'Provisions'.

<b>7. Other expenses</b>		
Audit fees	14,000	14,000
Employment on-costs <sup>(a)</sup>	1,152	782
Commissioner fees and related costs	40,499	39,895
Polling Costs	7,426	
Administration costs	9,185	12,442
Resources received free of charge	5,998	7,659
<b>Total other expenses</b>	<b>78,260</b>	<b>74,778</b>

<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>8. APC Fee for Service revenue</b>		
Fee for Service	2,708,678	2,301,096
<b>Total APC Fee for Service</b>	<b>2,708,678</b>	<b>2,301,096</b>

**9. Income from State Government**

Resources received free of charge determined on the basis of the following estimates provided by agencies:

<b>Department of Agriculture and Food</b>	<b>5,998</b>	<b>7,659</b>
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Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues 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 they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Commission makes an adjustment direct to equity.

<b>10. Receivables</b>	<b>2009</b>	<b>2008</b>
Current		
Receivables	237,634	173,004
Accrued revenue	842	30,000
	<b>238,476</b>	<b>203,004</b>

See also Note 2(g) 'Receivables' and Note 19 'Financial Instruments'

**Reconciliation of changes in the allowance for impairment of receivables:**

Balance at start of year	(3,478)
Amounts written off during the year	3,478
Balance at end of year	

**Credit Risk**

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

Not more than 3 months	237,634	173,004
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<b>11. Other current assets</b>		
Current		
Accrued interest	67,104	145,313
<b>Total other current assets</b>	<b>67,104</b>	<b>145,313</b>
<b>12. Payables</b>		
Current		
Trade payables	30,254	28,834
<b>Total payables</b>	<b>30,254</b>	<b>28,834</b>
<b>13. Accrued salaries</b>		
Employee Entitlement		430
<b>Total accrued salaries</b>		<b>430</b>
<b>14. Provisions</b>		
(a) Current		
Employee benefits provision		
Annual Leave <sup>(a)</sup>	9,685	9,300
<b>Total current provision</b>	<b>9,685</b>	<b>9,300</b>
(b) Non-current		
Employee benefits provision		
Long service leave <sup>(b)</sup>	9,802	6,651
Other provisions		
Employment on-costs <sup>(b)</sup>	1,152	781
<b>Total non-current provision</b>	<b>10,954</b>	<b>7,432</b>
<b>Total employee provision</b>	<b>20,639</b>	<b>16,732</b>
Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance sheet date	5,724	4,802
More than 12 months after balance sheet date	3,961	4,498
	<b>9,685</b>	<b>9,300</b>
Long service leave liabilities have been classified as current as there is no unconditional right to defer settlement for at last 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
More than 12 months after balance sheet date	10,954	7,432
	<b>10,954</b>	<b>7,432</b>
The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. See also Note 7 "Other Expenses".		
<b>15. Equity</b>		
(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		
<b>Contributed Equity</b>		
Balance at start of year	3,596,697	3,596,697
<b>Balance at end of year</b>	<b>3,596,697</b>	<b>3,596,697</b>
(b) Accumulated surplus/(deficit)(Retained Earnings)		
Balance at start of year	4,275,341	4,261,553
Result for the period	485,312	13,788
<b>Balance at end of year</b>	<b>4,760,653</b>	<b>4,275,341</b>

<b>16. Notes to the Cash Flow Statement</b>		
(a)	Reconciliation of cash	
	Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:	
	Cash and cash equivalents	8,102,663      7,569,717
(b)	Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities	
	Net cost of services	479,314      6,129
	<b>Non-cash items</b>	
	Resources received free of charge	5,998      7,659
	(Decrease)/Increase provision for doubtful debts	(3,478)
	<b>(Increase)/decrease in assets</b>	
	Current receivables	
	Receivables	(35,471)      19,231
	Other current assets	78,210      (15,626)
	<b>Increase/(decrease) in liabilities</b>	
	Current payables	1,420      (681,402)
	Accrued salaries	(430)      (6,479)
	Current provisions	385      1,729
	Non current provisions	3,522      2,246
	<b>Net cash provided by/(used in) operating activities</b>	<b>532,948      (669,991)</b>

**17. Remuneration of members of the Commission**      **2009**      **2008**

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:

	Number of Members	
	<u>2009</u>	<u>2008</u>
\$0 - \$10,000	1	1
\$10,001 - \$20,000	2	2
\$20,001 - \$30,000	<u>1</u>	<u>1</u>

**The total remuneration of the members of the Commission is:**      **40,499**      **39,895**

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.

**18. 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.

## 19. Financial Instruments

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

Financial instruments held by the Commission are cash and cash equivalents, 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*

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 19 (b) 'Financial Instruments Disclosures'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that 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.

Allowance for impairment of financial assets is calculated based on evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 19(b) 'Financial Instrument Disclosure'.

#### *Liquidity risk*

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

#### *Market risk*

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

Other than as detailed in the interest rate sensitivity analysis table at Note 19(b), the Commission is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash equivalents and restricted cash are non-interest bearing and have no borrowings.

### (b) Categories of Financial Instruments

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

	2009	2008
<b>Financial Assets</b>		
Cash and Cash Equivalents	8,102,663	7,569,717
Loans & Receivables	305,580	348,317
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	30,254	29,264

### (c) Financial Instrument Disclosures

#### *Credit risk and interest rate risk exposure*

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposure and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

#### **Interest rate exposure and ageing analysis of financial assets**

	<i>Interest rate exposure</i>				<i>Past due not impaired</i>		
	Weighted average effective interest rate	Carrying amount	Variable interest rate	Non-interest bearing	Up to 3 months	3 to 12 months	Over 12 months
<b>Financial Assets 2009</b>	%		\$	\$	\$	\$	\$
Cash and cash equivalents	5.39	8,102,663	8,102,663	-	-	-	-
Receivables		305,580	-	305,580	305,580	-	-
		8,408,243	8,102,663	305,580	305,580	-	-
<b>Financial Assets 2008</b>							
Cash and cash equivalents	7.03	7,569,717	7,569,717	-	-	-	-
Receivables		348,317	-	348,317	348,317	-	-
		7,918,034	7,569,717	348,317	348,317	-	-

#### *Liquidity Risk*

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment has been made where material.

#### **Interest rate exposures and maturity analysis of financial liabilities**

	<i>Interest rate exposure</i>				<i>Maturity dates</i>		
	Weighted average effective interest rate	Carrying amount	Variable interest rate	Non-interest bearing	Up to 3 months	3 to 12 months	Over 12 months
<b>Financial Liabilities 2009</b>	%						
Payables	5.39	30,254	-	30,254	30,254	-	-
Accrued salaries		-	-	-	-	-	-
		30,254	-	30,254	30,254	-	-
<b>Financial Liabilities 2008</b>							
Payables	7.03	28,834	-	28,834	28,834	-	-
Accrued salaries		430	-	430	430	-	-
		29,264	-	29,264	29,264	-	-

*Interest rate sensitivity analysis*

The following table represents a summary of the interest rate sensitivity of the Commission's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$'000	-1% change		+1% change	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial Assets 2009</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	8,102,663	(81,027)	(81,027)	81,027	81,027
	8,102,663	(81,027)	(81,027)	81,027	81,027
<b>Financial Assets 2008</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	7,569,717	(75,697)	(75,697)	75,697	75,697
	7,569,717	(75,697)	(75,697)	75,697	75,697

*Fair value*

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

**20. Contingent liabilities and contingent assets**

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

**21. Events occurring after reporting date**

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

**22. Related bodies**

There are no related bodies with the Commission.

**23. Affiliated bodies**

There are no affiliated bodies with the Commission

**24. Supplementary financial information**

**2009**

**2008**

**Write-offs –irrecoverable amounts**

During the financial year nil (2008: \$4,941) was written off in bad debts under the authority of:

**The accountable authority**

**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**

**14,000**

**14,000**

The expense is included in Note 7 'Other expenses'

## 26 Explanatory statement

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

	Budget 2009 \$	Actual 2009 \$	Variance Between 2009 Budget & 2009 Actual \$	Note	Actual 2008 \$	Variance Between 2008 Actual & 2009 Actual \$	Note
<b>COST OF SERVICES</b>							
<b>Expenses</b>							
Dept of Agriculture and Food contracted services							
- Administration	60,000	57,800	(2,200)		94,204	(36,404)	26.1
Producers committees' operating costs	2,858,217	2,475,716	(382,501)	26.4	2,597,257	(121,541)	
Employee benefits	78,713	74,545	(4,168)		70,013	4,532	
Other expenses	84,950	78,260	(6,690)		74,778	3,482	
<b>Total cost of services</b>	<b>3,081,880</b>	<b>2,686,321</b>	<b>(395,559)</b>		<b>2,836,252</b>	<b>(149,931)</b>	
<b>Income</b>							
User charges and fees	2,672,000	2,708,678	36,678		2,301,096	407,582	26.2
Grants	32,000	37,105	5,105		30,000	7,105	
Polling deposit	-	8,000	8,000		-	8,000	
Interest	401,814	409,635	7,821		510,689	(101,054)	26.3
Other revenue	-	2,217	2,217		596	1,621	
<b>Total revenue</b>	<b>3,105,814</b>	<b>3,165,635</b>	<b>59,821</b>		<b>2,842,381</b>	<b>323,254</b>	
<b>NET COST OF SERVICES</b>	<b>23,934</b>	<b>479,314</b>	<b>455,380</b>		<b>6,129</b>	<b>473,185</b>	
<b>INCOME FROM STATE GOVERNMENT</b>							
Resources received free of charge							
<b>Total Income from State Government</b>	<b>7,700</b>	<b>5,998</b>	<b>(1,702)</b>		<b>7,659</b>	<b>(1,661)</b>	
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>31,634</b>	<b>485,312</b>	<b>453,678</b>		<b>13,788</b>	<b>471,524</b>	

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

### 26.1 Commission Administration

A combination of the Commission reducing its staffing requirement and having one position unstaffed for a period of time led to a reduction in administrative expenditure.

### 26.2 User Charges and Fees

Carnarvon Banana, Pome, Citrus & Stone Fruit, Strawberry, Table Grape and Vegetable Producers' Committees all exceeded their Fee for Service budgets for the year.

### 26.3 Interest

The average interest rate for 07/08 was 7.03% and for 08/09 the average interest rate was 5.39%. This resulted in a reduction in interest income.

- (ii) **Significant variations between 2009 estimates and 2009 actual results for the financial year.**

### 26.4 Producers' Committee Operating Costs

Due to a rescheduling of projects by a number of Producers' Committees actual expenditure was lower than budgeted expenditure. Committees will undertake rescheduled projects in coming years.

## AGRICULTURAL PRODUCE COMMISSION

### PERFORMANCE INDICATORS

#### GOVERNMENT GOAL

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

#### DESIRED OUTCOME

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

#### SERVICES

Establishment of, and support for, Producer Committees.

#### EFFECTIVENESS INDICATORS

##### ***PI1 - Commission Effectiveness – APC Producers' Committees coverage of the horticultural industry***

The % of horticultural industry serviced by the APC based on production value.	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
	46.1	41.5	43	46.5	64.0	63.1	61.6	66	64.6

**NOTE:** The APC's coverage of the Western Australian horticultural industry demonstrates the 'market share' held by the APC in the overall horticultural industry in Western Australia. By maintaining, and aiming to increase, its coverage of the industry the APC affirms its value to the greater industry through enabling growth and prosperity of the industry via the investment of producer funds.

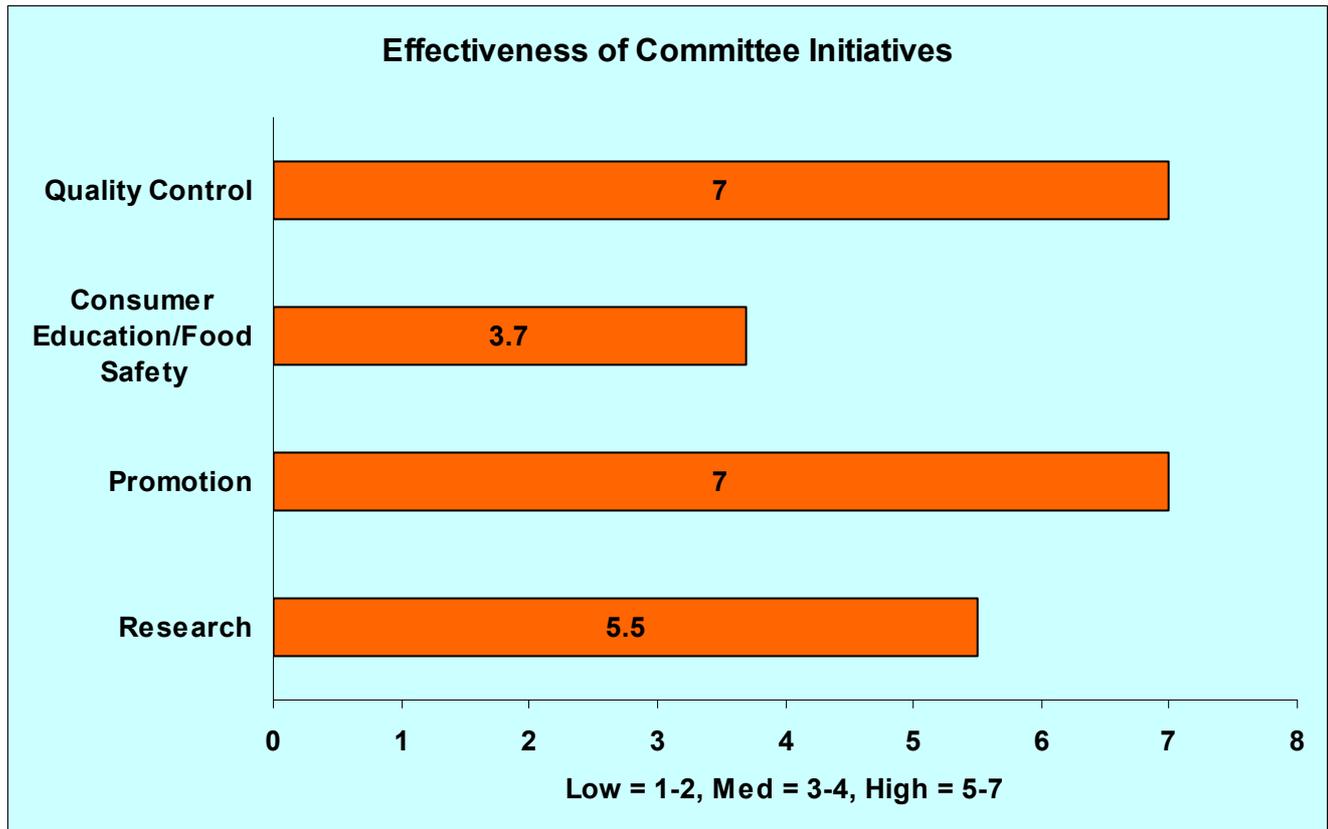
Prescribed industries for the purposes of the APC are not included in the data set. Prescribed industries are eggs, pork and beekeeping. Horticultural industries that have APC Committees include apple, avocado, Carnarvon banana, pear, citrus, stone fruit, strawberry, table grapes and most vegetable commodities.

As the result of a favourable poll held in April of 2009, of 1 August 2009, tomatoes will be joining the APC as a Fee for Service paying product and thereby further increasing the APC Producers' Committee coverage of the horticultural industry.

**Target:** Maintain current and further increase percentage of industry serviced by APC Producers' Committees to 66 - 70%.

**NOTE:** Statistics for the above are based on ABS and Department of Agriculture and Food figures, both of which carry disclaimers on accuracy.

**PI2 - Committee Effectiveness – APC Producers’ Committees focus and impact on key areas that contribute to their industry’s growth and prosperity**



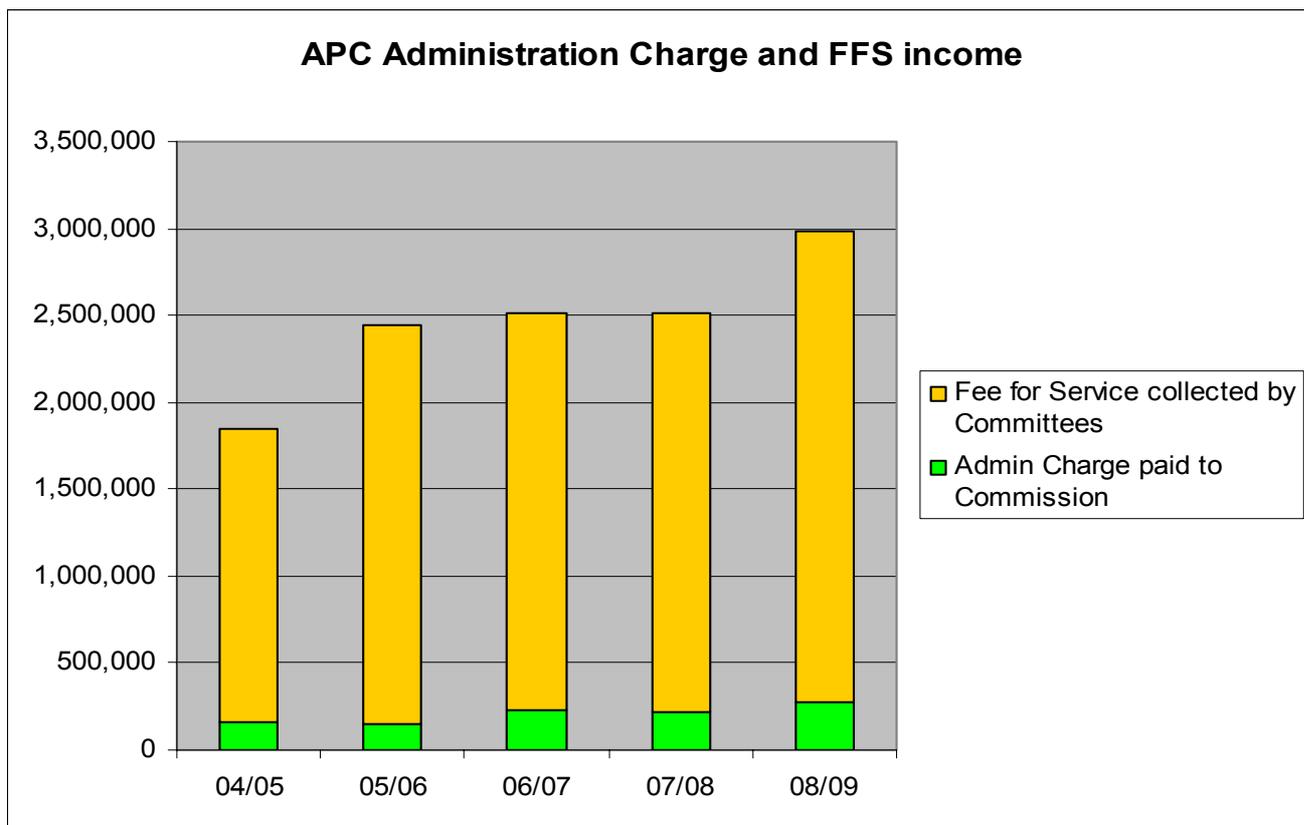
Results based on aggregated responses to survey of Committee activities for the 08/09 financial year, conducted with APC Committee members.

Results are based on a 'yes' response to surveys, where Committees have responded that they are undertaking the process being measured.

**Target:** To have Committees undertake initiatives in all targeted areas where their industry would benefit from the APC Producers’ Committee activities, and to have the impact for each initiative undertaken deliver a success rate of at least 4-6 (moderate to high success).

**EFFICIENCY INDICATORS**

**PI3 – Commission Efficiency - APC Administration Charge as % of Fee for Service (FFS) Income**

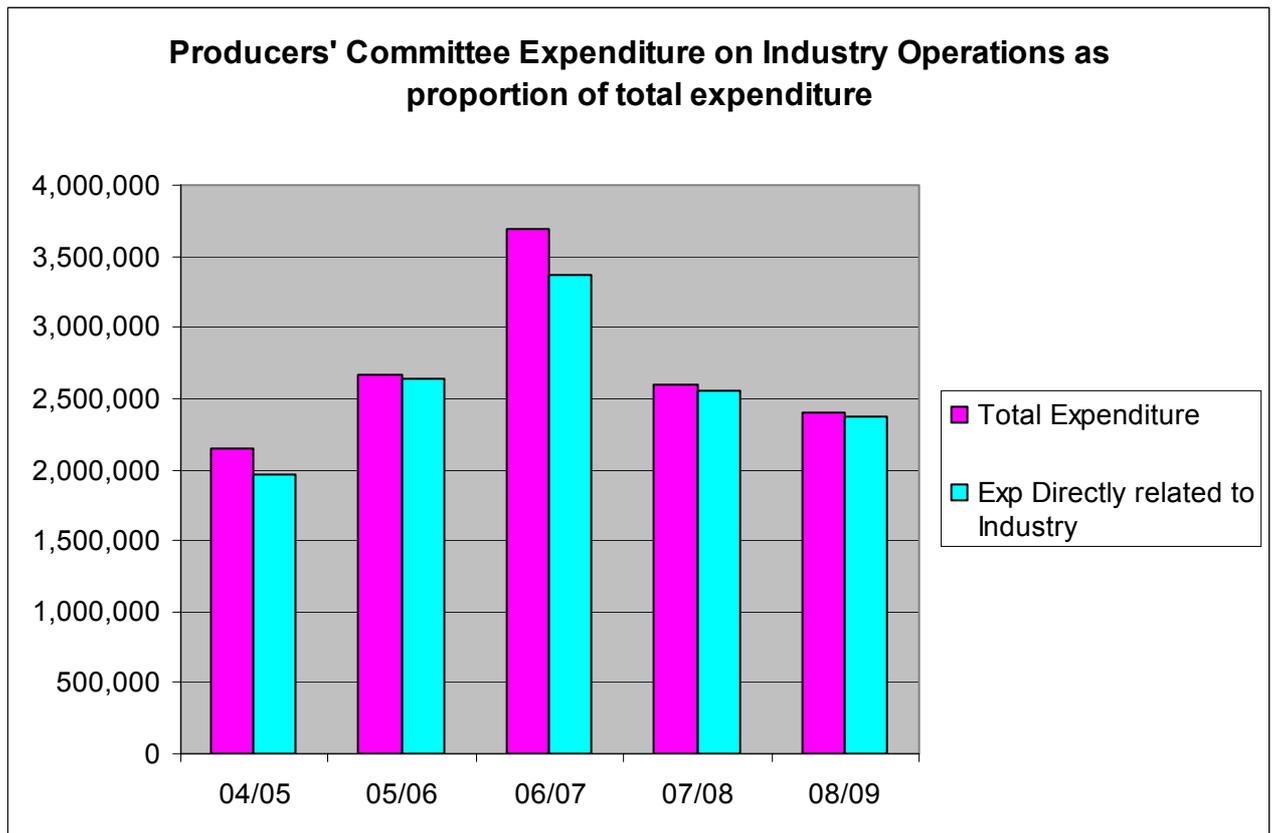


Year	04/05	05/06	06/07	07/08	08/09
<b>Admin Charge as % of Fee for Service Income</b>	9.21	6.66	10.05	9.29	10.35

**Note:** This indicator measures the administration charge paid to the Commission by Committees as a proportion of their total income. This income to the Commission is the sole funding the Commission receives to carry out its operations. To ensure that funds received by the Commission from Committees do not exceed Commission requirements, as of 09/10 the Commission has established a rebate scheme to Committees based on Commission costs.

**Target –** Commission operating costs kept within the 10 - 15% expenditure range in relation to overall FFS income.

**PI4 - Committee Effectiveness – Producer Committee expenditure on industry operations as proportion of total Committee expenditure.**



Year	04/05	05/06	06/07	07/08	08/09
<b>Producers' Committee Expenditure on Industry Operations as proportion of total expenditure</b>	91%	99%	92%	99%	99%

**Note:** Cash outflow directly related to industry operations includes research, compensation, support for industry associations, promotion activities, bio-security operations.

Expenditure not considered directly related to industry operations are funds expended on Committee meetings, sitting fees, travel or any expenditure directly related to the administrative operations of the Committee.

The APC Administration charge is excluded from this data. Costs related to industry polling undertaken in 2009 have been excluded from this data.

**Target –** Committees are able to return 85 to 90% of collected FFS to industry