



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

ANNUAL REPORT JUNE 2010





Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY
FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2010**

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

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

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

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards 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. This document is available on the OAG website under "How We Audit".

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

Western Australian Meat Industry Authority
Financial Statements and Key Performance Indicators for the year ended 30 June 2010

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Meat Industry Authority at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2010.



COLIN MURPHY
AUDITOR GENERAL
16 September 2010

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INTRODUCTION

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

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

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

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

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

In May 2010, the Midland Saleyard ceased operation and the Muchea Livestock Centre was opened. The Muchea Livestock Centre is located on Lot 5 Muchea East Road Muchea.

CHAIRMAN'S REPORT 2009/2010

To all industry stakeholders,

At the time of my last report the long-planned Livestock Centre at Muchea was under construction with an anticipated opening date set for January 2010. As it transpired there were a number of delays in finalising the construction and associated works but at last the Centre was open for business in the first week of May 2010. This was the culmination of over 10 years planning and design work and now Western Australia can claim to have possibly the best sheep and cattle saleyards in Australia. There remain a few teething problems but the Western Australian Meat Industry Authority (WAMIA) is confident most of these will be dealt with shortly.

Now that the Muchea Livestock Centre is operational WAMIA is concentrating its efforts on increasing internal efficiency and is also reviewing its legislative brief and proposing a number of changes to government to ensure it can operate in a manner most beneficial to the meat industry and all its stakeholders. As part of its ongoing operations WAMIA will continue to meet regularly with industry stakeholders and work to assist the meat industry in all its branches.

Animal welfare will remain a top priority for WAMIA and the new facility at Muchea is designed to ensure the treatment of animals remains at the highest standard. It is the aim of WAMIA to ensure that animal welfare standards in Western Australia are the best in Australia.

The Board of WAMIA will make a regional visit in 2011 but at this stage details are still in the preliminary planning stage. WAMIA is also following closely a number of challenges affecting the meat industry including market and seasonal factors.

My thanks go to our Chief Executive Renata Paliskis, our Chief Financial Officer Dona Hill, Project and Operations Manager Dave Saunders, and all staff for the efforts put in by them during what has been a difficult and challenging year.

I wish to thank particularly our Vice-Chairman Malcolm Seymour who has spent countless hours as Chairman of WAMIA's Relocation Committee to ensure the Muchea Livestock Centre was completed to the standard of which we stand proud. Thanks also to all stakeholder representatives for their advice and support to WAMIA during the year.

In conclusion I wish to thank my fellow Board members for their attendances and valuable contributions during the past year and I look forward to working with them again in this new financial year.

Kerry McAuliffe
CHAIRMAN

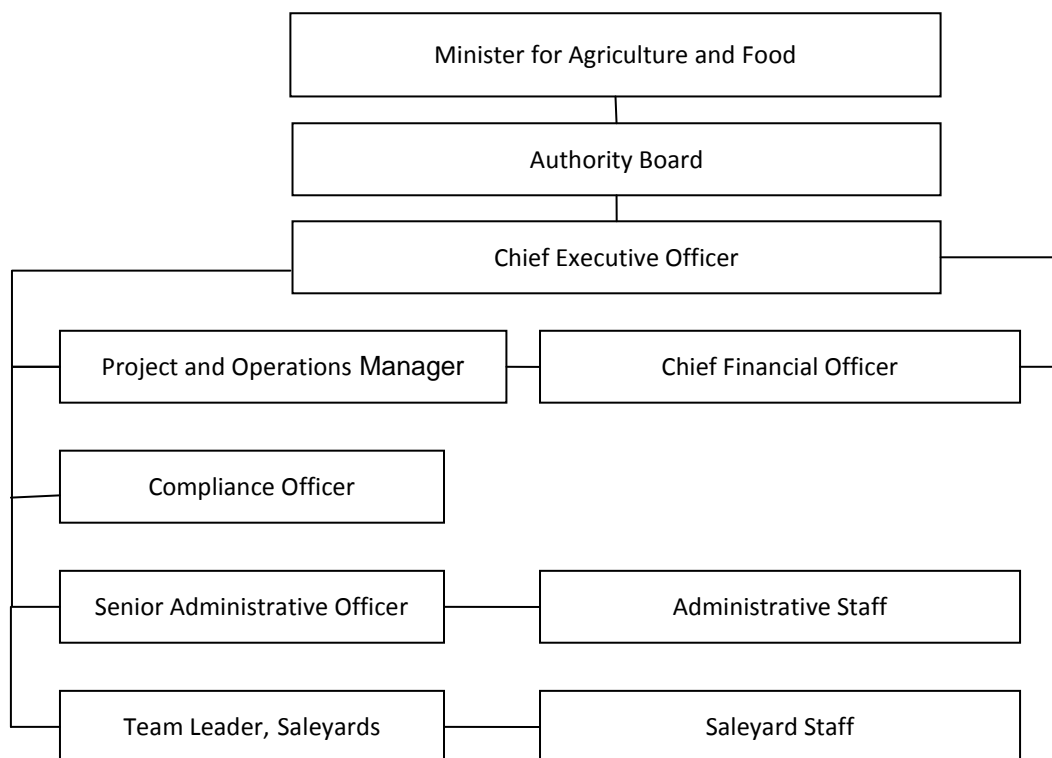
CORPORATE STRUCTURE

Members

The accountable Authority is the Western Australian Meat Industry Authority (the Authority), which consists of seven members appointed by the Minister and one member nominated by the Department of Agriculture and Food (DAFWA) as a representative. The Authority Members at 30 June 2010 were:

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

Organisational Chart



Membership Changes in 2009/2010

There was one Membership changes in the 2009/2010 financial year, with Dr Mark Dolling resigning in December 2009 and being replaced by Dr Kevin Chennell in March 2010

In May 2010 Mr Griffiths, Mr Robinson, Mr Pugh, Mr Panizza and Mr Haynes were reappointed until March 2011. The terms of Mr McAuliffe the Chairman expires in March 2012 and Mr Seymour Deputy Chairman expires in March 2011.

The administrative staff of the Authority at 30 June 2010 were:

Renata Paliskis	Chief Executive
Dona Hill	Chief Financial Officer
David Saunders	Project and Operations Manager
John Donaldson	Compliance Officer
Brooke Lowden	Senior Administrative Officer
Jeannette Gowland	Part Time Administrative Officer
Brooke Meredith	Trainee

Ms Brooke Meredith, Trainee, part of the Public Sector School Based Traineeship Program continued her trainee ship which will end in October 2010.

The newly created position of Chief Financial Officer was filled on the 21st September 2009.

Administration Office

The Authority offices have been located at 15 Spring Park Road Midland since August 2005; this move followed the sale of a portion of the saleyard reserve to the Midland Redevelopment Authority (MRA). This will be a temporary location with future offices being considered as part of the relocation to the Muchea Livestock Centre.

Functions of the Authority

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

- (a) Surveys, and keeps under review, the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- (b) Inspects, and where appropriate, approves the premises and facilities, and operations of saleyards, processing establishments and works and records in respect of each establishment its effective capacity and actual performance.
- (c) Implements schemes and practices for the branding of carcasses or meat, to define and identify source, methods of production, processing treatments, quality and other characteristics.
- (d) Manages Midland Saleyard or its replacement, the Muchea Livestock Centre.
- (e) Encourages and promotes improved efficiency throughout the meat industry.
- (f) Advises the Minister generally, and in particular as to:
 - i. methods of overcoming areas of conflicting interest within the meat and livestock industries;
 - ii. future requirements for saleyards, processing establishments and works;
 - iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary; and

- iv. carries out such other functions as are required to give effect to the Act generally, in relation to saleyards, processing establishments, and other facilities, undertakings or activities in the meat industry.

CORPORATE ACTIVITIES

Authority Meetings

Seven Authority meetings were held during 2009/10. Members' attendance at the meetings was as follows (maximum attendance in brackets):

Name of Member	Meetings Attended
Kerry McAuliffe (Chairman)	7 (7)
Malcolm Seymour	6 (7)
Mark Dolling	2 (2)
Des Griffiths	6 (7)
Graeme Haynes	5 (7)
Mark Panizza	6 (7)
John Pugh	6 (7)
Warren Robinson	6 (7)
Kevin Chennell	1(1)

Industry Participation

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

Committee Participation

The following Board members and senior staff participated in:

- ❑ *Compliance Committee – Responsible for regulatory compliance activities and industry liaison* - Membership made up of Ms Paliskis (Chairman) Mr Panizza, Mr Saunders and Mr J. Donaldson. Executive support is provided by Mr Donaldson. This Committee met on two (2) occasions during 2009/2010.
- ❑ *Relocation Committee and Project Control Group – Responsible for the Relocation of Midland Saleyards to Muchea Project* – Membership made up of Mr. Seymour (Chairman), Mr Kerry McAuliffe, Ms Paliskis, Mr. Saunders and representatives of Incoll Project Management and the Department of Building Management and Works. Executive support is provided by Incoll Project Management. This Committee met on ten (10) occasions during 2009/2010.
- ❑ *Finance Committee – Responsible for the financial management of the Authority* – Membership made up of Mr Griffiths (Chairman), Ms Paliskis, Ms Hill and Mr Saunders. Executive support was provided by Ms Hill. Mr Panizza acted as deputy Chair when required. This Committee met on twelve (12) occasions during 2009/2010.

Other representations included:

- ❑ *Livestock Logistics WA Management Committee* - Mr Robinson held the position of independent Chairman of the Committee with Ms Paliskis sitting as Managing Director and Mr Saunders as Member both representing the Authority. Executive support was provided by Mr Saunders.
- ❑ Both Ms Paliskis and Mr Saunders represented the Authority on the State Cattle Industry Consultative Committee and the State Sheep Industry Consultative Committee.
- ❑ Mr Donaldson represented the Authority on the Northern Abattoir Review Group
- ❑ Ms Paliskis represented Western Australia on the Federal Department of Agriculture, Forestry and Fisheries Meat Marketing Group.
- ❑ Mr Saunders represented the Authority on the State Committees to implement the National Livestock Identification System for cattle and sheep, with Ms Paliskis representing Livestock Logistics WA on the Cattle Committee.
- ❑ Mr Saunders represented the Western Australian Saleyard Operators on the Livestock Saleyards Association of Australia and was elected President of the Association in October 2009.
- ❑ Mr Saunders continued to serve as a Director of NSQA the National Saleyard Quality Assurance Program.

Strategic Planning

A strategic planning workshop was held in March 2010; with a refocus on the Western Australian Meat Industry Authority principle strategic directions being:

- 1) Ensure we run efficient, well managed livestock sale operations;
- 2) Meet our obligations under the Act;
- 3) Invest in stakeholder management through communication and marketing of our functions; and
- 4) Improve corporate governance and the business of WAMIA;
- 5) Manage information to drive WAMIA, stakeholder and customer decisions and opportunities.

The linked objectives were set as:-

1. Achieve a target percentage of livestock sales to sustain the Muchea facility;
2. To be recognised as a transparent selling centre;
3. Compliance functions will be focussed and risk based;
4. To capture and manage intellectual property to build the reputation as the credible information source
5. Ancillary (agribusiness) activities developed to drive a return on assets.

The Authority vision was set as :

A valuable and viable business delivering quality services to build producer to consumer confidence in the Western Australian meat industry.

National Livestock Identification Scheme (NLIS)

The Authority continued to represent saleyards and meat processors on the State Committees responsible for the implementation of NLIS for both sheep and cattle into Western Australia.

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

Corporate Governance

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

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

LEGISLATIVE CHANGES

Only one legislative amendment was made in 2009/2010, this was the gazettal of the Muchea Livestock Centre which brought the Centre under the Western Australian Meat Industry Authority Act & Regulations 1985. A review of legislation is currently underway to allow the Authority to operate the replacement Livestock Centre facility at Muchea. This review will be completed in 2010/2011.

MIDLAND SALEYARD - RELOCATION ANNUAL REPORT 2009/2010

Background

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

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

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

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

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

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

Status of Relocation Project as at 30 June 2010

The builder, Cooper and Oxley completed the project in March 2010; this cumulated in the opening of the Centre on the 5th May 2010. The Project is running to budget with only final contract variations to be assessed as at 30 June 2010.

Development Application for the Livestock Centre Muchea

As at 30 June 2010, all Development Application conditions (as set by the Shire of Chittering) had been met.

Works Approval Application for the Livestock Centre Muchea

Following the granting of planning approval in December 2005, WAMIA commenced preparation of a Works Approval Application for submission to the Department of Environment and Conservation (DEC). This application was submitted in December 2006 with Works Approval granted in April 2008. On completion of works a Licence to Operate was granted in April 2010.

A Community Consultative Group has been formed and has met as required to discuss any community concerns about the Centre. This Group is made up of Shire Councillors, local residents and the local Landcare Officer. In the reporting period no complaints have been received.

As part of its environmental commitment the Authority undertook base line monitoring for noise & odour and continues quarterly water monitoring. Remedial work will be undertaken in 2010/2011 including the planting of trees, improved pastures and site cleanup.

Industry Consultation

Throughout the final stages of the project Industry groups have been consulted consistently on all aspects of the project and the Authority would particularly like to acknowledge the contribution from the Livestock and Rural Transporters Association in finalizing the design of the Centres loading/unloading facilities.

Throughout the reporting period a number of industry groups undertook supervised tours of the Muchea Livestock Centre or received pictorial tours of the site. In addition, once the Centre was handed over to the Authority, a number of open days were held to allow user access to the site. These proved to be very well attended and successful with very positive feedback being provided.

Land Sales

Previous land sales made by WAMIA included: - 16.4 ha of its Hazelmere freehold land to Western Power for \$6.5 million, the sale of Crown Reserve Lot 14240 to the Midland Redevelopment Authority (MRA) for \$1.59 million, Lot 69 Bushmead Road Hazelmere to Eastcourt Properties Pty Ltd for \$3.2 million, Lot 101 Military Road in Midland to the Western Australian Planning Commission for \$0.4m and lot, 33ha lot 402 Bushmead Road for \$68m (net).

No land sales have occurred in the reporting period.

Commercial valuations have been undertaken on the remaining WAMIA land holdings. The disposal of the saleyard reserve Lot 14241 is the subject to State Cabinet direction.

MUCHEA LIVESTOCK CENTRE (MLC) - THE FIRST TWO MONTHS OF OPERATION

Centre Opening

The Centre was opened on the 5th May 2010 by the Premier the Hon Colin Barnett MLA and the Hon Terry Redman MLC Minister for Agriculture & Food. The opening was attended by over 300 invitee's including politicians, industry leaders and Centre users. The highlight of the opening was the auction of the first three pens of cattle and sheep from each agent with part or all of the proceeds (exceeding \$11,000) donated to the Royal Flying Doctor Service. Primaries donated all of the proceeds, while Landmark and Elders donated their commission from the livestock sale.

Industry Consultation

To facilitate efficient management of the Centre the Muchea Livestock Centre Users Group (MLCUG) has been established. The aim of the group is to identify operational efficiencies, identify any design issue or defects and report on improvements. The group met on one occasion in the reporting period.

Occupational Health & Safety

A major new requirement for the Centre was the need for persons who wanted to enter restricted areas of the facility or attend after normal operating hours to attend an induction course covering basic site rules, OH&S issues and animal welfare. Authority staff inducted over 600 persons in the reporting period.

Centre Operations

Overall the MLC has met its design criteria creating a safe working environment from both a human and animal welfare perspective. It has good stock flow minimizing stress and the undercover facilities allow stock to be presented in the best condition possible. These features provide confidence to both sellers & buyers and allowed two significant store sales to be held for stock from drought affected pastoral areas and MSA cattle to be sold.

Further work has been undertaken to create additional revenue sources including: the MLC has been accredited as a live export holding facility and has also been accredited for animal handling training with the first use booked in early 2010/2011

There have, however, been some design and defect issues identified. The Authority through its Project Manager Incoll is working with the builder and design team to correct these defects.

ESTABLISHMENT APPROVALS

Establishment Categories

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

CATEGORY	STANDARD/ INSPECTION	MARKET ACCESS	NUMBER AT 30/06/09	NUMBER AT 30/06/10
Export	Export standards and importing country requirements. AQIS Inspection.	No restrictions in Australia	10	10
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	10	9
Domestic (no government meat inspection)	Australian standard. Special conditions apply	Distribution and capacity restrictions	2	2
Special Prison farm and Agricultural Colleges.	Australian standard. Health Dept/ Local Govt Inspection	Internal supply and capacity restrictions	6	6
Closed with current approval	Required to maintain basic environmental standards	Nil	1	2
Total			29	29

Approval changes – Export to Domestic

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

- ☐ None.

Approval changes - Domestic

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

- ☐ None

Applications for Approvals

During the year, the Authority considered the following applications:

	2007/2008	2008/2009	2009/2010
Applications to construct an establishment	0	0	0
Applications to operate	2	1	1
Applications for variation to approval	0	0	0

Approved Abattoirs as of the 30 June 2010

CATEGORY	ABATTOIR	LOCATION
Export	Beaufort River Meats	Beaufort River via Woodanilling
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Geraldton Meat Exports Pty Ltd	Moonyoonooka
	Hillside Meats Pty Ltd	Narrogin
	International Exporters Pty Ltd	Gingin
	Western Meat Processors Pty Ltd	Cowaramup
	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
Domestic Unrestricted	T E Cullen and Sons	Coolgardie
	Dardanup Butchering Company	Picton
	DRG Family Trust	Corrigin
	Gingin Meatworks	Gingin
	Goodchild Abattoirs	Australind
	Hagan Bros	Greenough
	P R Hepple and Sons Pty Ltd	Northam
	Shark Lake Food Group Pty Ltd	Esperance

Domestic Restricted	B J and J A Haslam	Hyden
	Kellerberrin Butchery	Kellerberrin
Other Species	Konynen Farm (Rabbits)	Baldivis
Special Abattoirs	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
	Narrogin Agricultural College	Narrogin
	Morawa Agricultural College	Morawa
	Karnet Prison Farm	Serpentine
	Murdoch University	Murdoch

Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that Standards are maintained. In the case of new applications, changes in management, or where problems have occurred, joint visits to the establishments are made with the relevant regulatory agency. At June 30 2010, all establishments in Western Australia complied with the relevant Australian Standards.

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

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

Industry Liaison

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

STATE PROCESSING STATISTICS

The Authority maintains processing statistics for the State by type of animal and category of processing establishment. The following table show performance for the years 2008/09 and 2009/10.

ESTABLISHMENT CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOATS	PIGS
Export	2008/09	307,109	1,644,083	2,098,201	183,352	497,782
	2009/10	259,951	1,048,898	1,751,620	207,527	459,843
	% Change	(15.3%)	(36.2%)	(16.5%)	13.1 %	(7.6%)
Domestic (unrestricted)	2008/09	154,8078	325,299	446,383	4,777	34,821
	2009/10	164,640	192,335	304,965	5,857	24,408
	% Change	6.3%	(40.8%)	(31.6%)	22.6%	(29.9%)
Domestic without Meat Inspection	2008/09	151	177	531	14	143
	2009/10	128	131	431	10	142
Special	2008/09	1,618	5,881	31	0	103
	2009/10	1,981	4,526	0	0	105
Totals	2008/09	463,685	1,975,440	2,545,146	188,143	532,849
	2009/10	426,700	1,245,890	2,057,016	213,394	484,498
	% Change	(7.9%)	(36.9%)	(19.2%)	13.4%	(9%)

ESTABLISHMENT CATEGORY	YEAR	DEER	EMUS	BUFFALO	RABBIT	OSTRICH
Export	2008/09	0	0	0	0	0
	2009/10	0	0	0	0	0
Domestic (unrestricted)	2008/09	1,196	0	44	21,302	0
	2009/10	994	0	1	25,738	0
Special	2008/09	0	0	0	0	0
	2009/10	0	0	0	0	0
Total	2008/09	1,196	0	44	21,302	0
	2008/09	994	0	1	25,738	0

COMPLIANCE ACTIVITIES

Compliance Committee

The Committee met on two occasions during 2009/2010 and the meetings include advisors from the Department of Health (DOH), AUS-MEAT, Australian Meat Industry Council (AMIC) and the Australian Quarantine Inspection Service (AQIS). The Authority considers interaction with its advisors to be an essential part of its regulatory activities and acknowledges the valuable contribution of these officers from the DOH, AUS-MEAT, AMIC and AQIS.

Compliance Officer

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

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

Processing Compliance

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

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

Carcase Branding Activity

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

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

Branding Compliance

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

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

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

Compliance Activity Summary

Investigations undertaken	2008/2009	2009/2010
Abattoirs	61	51
Boning Rooms	22	16
Smallgoods Establishments	8	5
Retailers	229	191
Other premises	34	92

Investigations undertaken	2008/2009			2009/2010		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	4	2	2	3	2	3
Product misdescription	2	2	1	3	3	0
Labelling issues	4	4	0	0	4	0
Over the hooks	1	1	0	0	0	0
Brand issues	1	1	0	2	2	0
Other	3	3	0	3	2	1
Assist other regulators	2	2	0	3	2	1

Legal Action Completed

- ☐ None at the time of reporting.

Ongoing

- ☐ 3 investigations into the alleged slaughter and sale of meat for human consumption.
- ☐ 1 of alleged sale of pet meat for human consumption.

Statistical Services

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

MIDLAND SALEYARD - MANAGEMENT

Background

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

On April 26th 2010, the last livestock sale was held at the Midland Saleyards marking the end of a one hundred year involvement of livestock marketing on the site. To mark the occasion retired workers and past users of the facility were invited to an informal breakfast function. This was very well attended allowing many old colleagues to reunite swap tales of the past and say a farewell to a facility that had been pivotal in livestock trading in the state.

Management of the Midland facility during its final months of operations concentrated on ensuring that the facility met its Occupational Health & Safety, Animal Welfare requirements and continued to maintain its level of services to the livestock industry. A key part of this strategy was to ensure that the change to the Muchea Livestock Centre provided a minimum level of disruption to yard users.

With the closure of Midland, work commenced on the salvage of material and equipment that could be used at the Muchea Livestock Centre and the identification of equipment and material that was surplus to requirements. This activity will continue in early 2010/2011 with a final clearing sale expected to be held on site in late 2010.

Livestock Yardings for the Western Australian Meat industry Authority

Cattle throughput in the 2009/2010 year was very similar to 2008/2009 (decreased by 3,883 head) with a total of 100,249 head yarded. Yardings were influenced by a number of factors including a fire at a major processors boning facility taking them out of the market for a number of months and seasonal conditions which saw reduced store sales. The 2010 Pastoral season has seen drought affect many areas while several store sales were held to assist pastoralists to market stock it is unlikely that pastoral numbers will match previous years which will have greater impact on the 2010/2011 yardings. The requirement to cap numbers in the first weeks of the Muchea Livestock Centres operations has a negligible impact on numbers for both species.

As outlined above, the loss of the major processor in late 2009 had a major impact on the market particularly for slaughter cattle (with prices for cows dropping 30c/kg). By the end of the period the market (and prices) returned to normal although unfinished and lighter stock returned lower values.

Sheep and lamb numbers were significantly lower by 265,392 head (on the previous year) to 648,205 head. As identified in the 2008/2009 Annual Report producers switching to alternative farming practices moving out of sheep and some seasonal factors have contributed to the decrease in numbers. The market however, ended the year with all categories of stock recording very strong prices and market indicators continuing to trend upwards.

Pig sales at Midland ceased in November 2006 due to prohibition notices issued by WorkSafe on the pig selling facility. Midland was the last pig market operating in the State, with the low number of pigs available for sale and no pig facility has been included in the Muchea Livestock Centre. To date an alternative venue has not been identified and it is therefore most unlikely that there will be a replacement facility.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2009/2010 are listed in the table below (note that the figures include for May and June 2010 yardings for the Muchea Livestock Centre):

Year	Cattle	Sheep and lambs	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402,	19,729
2002/2003	137,422	1,006,357	14,700
2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	104,132	913,597	0
2009/2010	100,249	648,205	0

Joint Venture Arrangement

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

The growth of the LLWA in 2009/2010 year continued with the provision of the sheep physical and electronic processing for Primaries and expansion of the stock pickup service to several other buyers/transporters.

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

INDUSTRY DEVELOPMENT

Activities

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

During 2009/2010 this involvement included:

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

Animal Welfare Standards for Western Australian Saleyards

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

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

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

During the 2009/2010 financial year, the Standards were implemented through Training Programs.

Beef Stocktake Program

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

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

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

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

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

The Beef Stocktake recommendations (released by the Minister for Agriculture and Food in October 2009) were:-

1. Formation of a WA Beef Producers Round Table
2. Formation of WA Beef Industry Investment Council
3. Identification and Protection of Existing Meat Processing Sites
4. Restructure and Development of the Meat Processing Sector
5. Beef Processing Industry Restructure Fund
6. WAMIA to Provide WA Beef Industry Investment Council Secretariat and Coordinate Development of Livestock Processing Precincts
7. DAFWA with other government agencies, target unnecessary or burdensome compliance rules and take action to minimise the current burden on the beef industry.
8. Stocktake Program Annual Review

The Minister released a government response to the Western Australian Beef Industry Stocktake Report in February 2010. The Minister supported the formation of a WA Beef Industry Council to lead the industry response to the Report in partnership with Government.

National Livestock Reporting Service (NLRS)

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

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

State Saleyard Database

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

Web Site

The Authority maintains a web site www.wamia.wa.gov.au.

Education

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

Other Major Selling Centres

The Authority continues to work with other major saleyard operators the Shires of Plantagenet and Katanning and the Western Australian Livestock Salesman's Association to promote industry efficiencies and consider operational and strategic issues relevant to the operation of Saleyards.

WAMIA assisted the Department of Agriculture and Food and the Department of Treasury and Finance and Treasury Corporation to develop a Public Sector Comparator for the Business Case for the Regional Saleyard Strategy. The Business Case considered a range of options for Government to implement the Strategy.

HUMAN RESOURCES

Staffing Levels

The number of salary and wages staff employed by the Authority at 30 June 2010 is listed below:

Title	FTE *as at 30/06/2009	FTE *as at 30/06/2010
Chief Executive Officer	1.0	1.0
Project and Operations Manager	1.0	1.0
Compliance Officer	1.0	1.0
Chief Financial Officer	0	1.0
Senor Administrative Officer	0.8	0.8
Administrative Assistant	0.8	0.8
Administrative Trainee	0.4	0.4
Saleyard Team Leader	1.0	1.0
Saleyard Cleaning & Maintenance	5.2	2.0
Midland Saleyard Salvage	0	2
Total	11.2	11.0

*FTE = Full Time Equivalent

Staff Training and Development

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

During the period, the Authority continued its participation in the Public Sector School Based Traineeship Program, with Ms Brooke Meredith from the Governor Stirling Senior High School who commenced her traineeship in February 2009 and will expire at the end of the 2010 school year. The Authority is pleased to be in a position to offer a young person an opportunity to gain essential skills and make a contribution to the local community.

Industrial Relations

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

DIRECTION BY THE MINISTER

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

Freedom of Information Statement

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

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

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

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

WAMIA received one FOI request during the 2009/2010 period.

RISK MANAGEMENT

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

COMPLIANCE WITH THE ELECTORAL ACT 1907

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

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

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

EQUAL EMPLOYMENT OPPORTUNITY

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

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

PUBLIC SECTOR STANDARDS

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

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

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

PUBLIC INTEREST DISCLOSURE ACT

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

DISABILITY ACCESS AND INCLUSION PLAN

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

1. *People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.*
 - All policies, guidelines and practices that govern the operation of Authority facilities and services are consistent with the policy on disabled access.
2. *People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.*
 - The Authority's administration building has disabled toilets and full access throughout the building. The new Muchea Livestock Centre has full disabled access and facilities.
 - The proposed replacement saleyard facility located at Muchea has been designed to allow for disabled access as well as provide disabled facilities.
3. *People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*
 - Authority information is available in person, via telephone, website and in hard copy and can be provided in a variety of formats upon request. All information is available in a clear, concise and easy to understand language and can be modified to suit individual requirements.
4. *People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.*
 - Authority staff members with key client and public roles are aware of the key access needs of people with disabilities as well as their families and carers who use Authority facilities and services.
5. *People with disabilities have the same opportunities as other people to make complaints to a public authority.*
 - Complaints can be made to the Authority by various means. These include in person, in writing, by telephone or electronically.
6. *People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*
 - When required, issues for public comment are advertised via local newspaper articles, media releases on the Authority website and letters to homeowners surrounding the relevant land area. Responses can be made by telephone, letter, e-mail or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

OCCUPATIONAL SAFETY AND HEALTH

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

The table below lists the target reporting for 2009/2010:

Indicator	2009/2010 Target	2009/2010 Actual
Number of Fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0

STATE RECORDS ACT

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

WASTE PAPER RECYCLING

Due to the small size of the office, a minimal amount of waste paper is produced. Most documents of a confidential nature are shredded or disposed of appropriately. In 2009/2010, 2 x 240 litre bins were sent for recycling.

ENERGY SMART GOVERNMENT POLICY

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

CORRUPTION PREVENTION

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



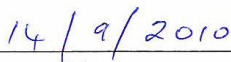
FINANCIAL STATEMENTS

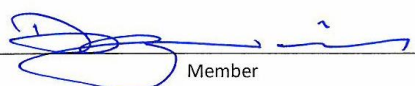
CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

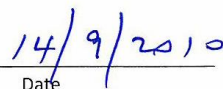
The accompanying financial statements of Western Australian Meat Industry Authority (The Authority) have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2010 and the financial position as at 30 June 2010.

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


Member


Date


Member


Date


Management Accountant


Date

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
INCOME			
Revenue			
Sales	6	13,007	18,908
Provision of services	7	1,174,736	1,278,879
Interest revenue	8	1,377,340	3,425,796
Other revenue	9	104,365	117,862
		2,669,448	4,841,445
EXPENSES			
Expenses			
Cost of sales	6	-	6,058
Employee benefits expense	10	920,972	874,033
Supplies and services	11	857,097	602,589
Depreciation expense	12	271,553	70,779
Impairment expense	19	-	684,294
Other expenses	13	734,166	446,522
Total Expenses		2,783,788	2,684,275
PROFIT/(LOSS) FOR THE PERIOD		(114,340)	2,157,170
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve	23	(23,145,000)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(23,259,340)	2,157,170

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	24(a)	30,243,110	54,477,882
Inventories	14	3,216	-
Receivables	15	583,802	2,614,529
Other current assets	16	6,122	984
Total Current Assets		30,836,250	57,093,395
Non-Current Assets			
Property, plant and equipment	18	80,833,156	82,841,732
Other non-current assets	17	242,263	224,776
Total Non-Current Assets		81,075,419	83,066,508
TOTAL ASSETS		111,911,669	140,159,903
LIABILITIES			
Current Liabilities			
Payables	20	1,164,240	6,183,804
Provisions	21	314,481	280,624
Other Current Liabilities	22	-	5,780
Total Current Liabilities		1,478,721	6,470,208
Non-Current Liabilities			
Provisions	21	14,886	12,291
Total Non-current Liabilities		14,886	12,291
Total Liabilities		1,493,607	6,482,499
Net Assets		110,418,062	133,677,402
EQUITY			
Reserves	23	25,001,537	48,146,537
Retained earnings	23	85,416,525	85,530,865
TOTAL EQUITY		110,418,062	133,677,402

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2010

	Note	Reserves \$	Accumulated Surplus/ Deficit \$	Total Equity \$
Balance at 1 July 2008	23	48,146,537	84,528,781	132,675,318
Correction of prior period errors	23	-	(1,155,086)	(1,155,086)
Restated balance at 1 July 2008		<u>48,146,537</u>	<u>83,373,695</u>	<u>131,520,232</u>
Total comprehensive income for the year		-	2,157,170	2,157,170
Balance at 30 June 2009		<u>48,146,537</u>	<u>85,530,865</u>	<u>133,677,402</u>
Balance at 1 July 2009		48,146,537	85,530,865	133,677,402
Total comprehensive income for the year		-	(114,340)	(114,340)
Revaluation decrement land		(23,145,000)	-	(23,145,000)
Balance at 30 June 2010		<u>25,001,537</u>	<u>85,416,525</u>	<u>110,418,062</u>

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		13,007	18,908
Provision of services		1,151,966	1,319,139
Interest received		1,378,860	3,154,326
GST receipts on sales		2,286,973	828,184
Other receipts		86,878	72,520
Payments			
Employees benefits		(883,157)	(838,168)
Supplies and services		(1,947,574)	(1,002,977)
GST payments on purchases		(243,179)	(1,972,378)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	24(b)	1,843,774	1,579,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(26,078,546)	(18,581,484)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(26,078,546)	(18,581,484)
Net Increase/(decrease) In cash and cash equivalents			
		(24,234,772)	(17,001,930)
Cash and cash equivalents at the beginning of period			
		54,477,882	71,479,812
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	24(a)	30,243,110	54,477,882

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

1. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

General

The Authority's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term "Australian Accounting Standards" refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Authority has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early Adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Authority for the annual reporting period ended 30 June 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

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

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

(c) Reporting Entity

The reporting entity comprises the Authority.

(d) Income

Revenue Recognition

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

Sale of goods

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

Provision of Services

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

Interest

Revenue is recognised as the interest accrues.

Rental Income

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

Gains

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

(e) Property, Plant and Equipment

Capitalisation/Expensing of Assets

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

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

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

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

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

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

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

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset Revaluation Surplus

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

Depreciation

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

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

Buildings and yards	50 years
Plant and equipment	10 years
Motor vehicles	8 years

(f) Impairment of Assets

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a

not-for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

(g) Inventories

Inventories are measured at cost and adjusted when applicable for any loss of service potential.

(h) Jointly Controlled Operations

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

(i) Financial Instruments

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

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

These have been disaggregated into the following classes:

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

Financial Liabilities:

- Payables;

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

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

(j) Cash and Cash Equivalents

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

(k) Receivables

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

(l) Leased Assets

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

(m) Payables

Payables are recognised at the amounts payable when the Authority 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.

(n) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting period.

Provisions - Employee Benefits

Annual and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period 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 reporting period 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 end of the reporting period.

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

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

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

Sick Leave

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

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

Superannuation

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

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

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

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

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

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

Provisions – other

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 not included as part of the Authority's 'Employee benefits expense' and the related liability is included in Employment on-costs provision."

(o) Superannuation Expense

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

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

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

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

(p) Accrued Salaries

Accrued salaries (refer to note 20' Payables) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(q) Comparative Figures

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

3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on amounts recognised in the financial statements. The Authority evaluates these judgements regularly.

- Capitalisation of certain expenses as capital works.

Management applies judgement in ascertaining the indirect costs to allocate to the Muchea project and to capitalise as capital works. Management bases its judgements of the proportion of indirect costs to capitalise based on the time spent by staff and contractors in undertaking tasks associated with the Muchea project compared to the total time spent.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The Authority makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Estimating fair values of freehold land

Management manage the risk of material misstatement by engaging the Western Australian Land Information Authority (Valuation Services) to undertake a valuation of the freehold land held by the Authority at the end of the reporting period. It is the policy of the Authority to carry freehold land based on the valuations provided by the Western Australian Land Information Authority (Valuation Services).

- Impairment of buildings

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

The Muchea Livestock Centre (MLC) is recognised at cost. The WAMIA Board considered the issue of impairment of the asset and formed the opinion that with only two months trading and uncertainty surrounding the revenue streams for the 2010/11 financial year it would be prudent to review the question of impairment of the asset during the next financial year.

5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Authority.

<i>AASB 101</i>	<i>Presentation of Financial Statements</i> (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
<i>AASB 2007-10</i>	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i> . This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
<i>AASB 2009-2</i>	<i>Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 & AASB 1038</i> . This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this standard.

Future impact of Australian Accounting Standards not yet operative

The authority cannot early adopt an Australian Accounting Standard unless specifically permitted by the Treasurer's instruction Ti1101 "Application of Australian Accounting Standards and Other Pronouncements" Consequently, the Authority has not applied early any following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Standards from their application date.

Prior Year Adjustment

Schedule of Prior Year Adjustment

Prior Year Adjustment	2009	Adjustment	2009
Retained Earnings Beginning	84,428,780	(1,055,086)	83,373,694
Income for period	2,157,170	0	2,157,170
Retained Earnings Restated	86,585,950	0	85,530,864
Capital Works in Progress	22,142,698	1,055,086	23,197,784

Retained Earnings

	2010 \$	2009 \$
Balance at start of year	84,475,779	84,528,781
Capital Works in Progress		(1,055,086)
Accumulated Surplus/Deficit	1,055,086	
	85,530,865	83,373,695

During the course of reviewing the costs that had been included in Capital Works in Progress an error was discovered that related to an understatement of costs for the 2008 financial year. There were two invoices from the Department of Treasury and Finance Building Management and Works department which were not included as Capital Works in Progress. The two invoices related to selling cost and were for \$927,273 and \$227,813. These costs should have been included in selling expenses associated with the sale of Lot 402 Bushmead Road Hazelmere. As these costs (\$1,155,086) were less than 5% of the Net Assets for Financial Year 2008 (0.8%) and 2010 (1%), WAMIA management consider that under AASB 101 a third Statement of Financial Position is not required.

6. TRADING PROFIT

	2010 \$	2009 \$
Tag Sales	1,427	7,700
Manure Sales	11,580	11,208
Total Sales	13,007	18,908
Cost of goods sold	-	(6,058)
Trading Profit	13,007	12,850

7. PROVISION OF SERVICES

	2010	2009
	\$	\$
Saleyard fees and services	769,539	902,570
Livestock services	188,493	142,454
Abattoir licensing and services	79,030	83,092
Truck wash	62,058	78,441
Waste management	25,540	25,665
Joint venture management	50,076	46,657
	1,174,736	1,278,879

8. INTEREST REVENUE

Interest revenue	1,377,340	3,425,796
	1,377,340	3,425,796

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

9. OTHER REVENUE

Rental income	54,517	55,121
Share of joint venture income (net)	17,487	45,342
Other	32,361	17,399
	104,365	117,862

10. EMPLOYEE BENEFITS EXPENSE

Wages and Salaries (a)	711,805	664,765
Superannuation	76,045	81,082
Board Fees and travel	77,184	63,610
Long Service Leave (b)	21,244	25,860
Annual Leave (b)	34,694	38,716
	920,972	874,033

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

(b) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance and payroll tax are included at note 13 'Other Expenses'. The employment on-costs liability is included at note 21 'Provisions'.

11. SUPPLIES AND SERVICES

	2010	2009
	\$	\$
Communication	50,055	41,168
Computing	26,770	40,413
Consultants and contractors	340,987	268,479
Livestock marketing reporting service	18,401	19,800
Repairs and maintenance	75,993	109,463
Travel	16,986	14,432
Waste Management	1,789	3,581
Water power and gas	75,057	52,683
Other	251,059	52,570
	857,097	602,589

12. DEPRECIATION EXPENSE

Buildings	191,429	12,013
Plant and Equipment	55,361	37,144
Vehicles	24,763	21,622
Total Depreciation	271,553	70,779

13. OTHER EXPENSES

Audit cost	35,900	17,887
Bad debts expense	451	18,212
Relocation	597,203	276,169
Other	100,612	134,254
	734,166	440,522

14. INVENTORIES

Inventories held for resale:

- Hay (at cost)	3,216	-
	3,216	-

15. RECEIVABLES

	2010 \$	2009 \$
Current receivables	126,714	110,693
Provision for impairment of receivables	(8,006)	(8,006)
	<u>118,708</u>	<u>102,687</u>
Accrued Income	295,009	296,529
GST/PAYG Refundable	170,085	2,215,313
	<u>583,802</u>	<u>2,614,529</u>
Reconciliation of changes in the allowances for impairment of receivables:		
Balance at start of year	8,006	8,006
Doubtful debts expense recognised in the income statement	452	18,212
Amounts written off during the year	(452)	(18,212)
Balance at the end of the year	<u>8,006</u>	<u>8,006</u>

16. OTHER CURRENT ASSETS

Prepayments	6,122	984
More than 3 months but less than 6 months	<u>6,122</u>	<u>984</u>

17. OTHER NON-CURRENT ASSETS

Investment accounted for using the equity method	242,263	224,776
More than 3 months but less than 6 months	<u>242,263</u>	<u>224,776</u>

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

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

Financial Position:

Current assets	648,693	586,689
Non-current assets	284,209	56,197
Current liabilities	(161,073)	(220,323)
Non-current liabilities	(9,425)	(18,239)
Net assets	<u>762,404</u>	<u>674,324</u>
Authority's share of jointly controlled entities' net assets	242,262	224,776

Financial performance:

	2010 \$	2009 \$
Income	1,226,915	1,212,096
Expenses	1,164,913	1,076,070
Authority share of jointly controlled entities' profit	17,488	45,342

Distribution received from joint ventures

During the year, the Authority received no distributions (2009: nil) from its jointly controlled entity.

18. PROPERTY, PLANT AND EQUIPMENT

Plant, equipment and vehicles

At cost	903,598	562,932
Accumulated depreciation	(514,495)	(395,530)
	389,103	167,402

Freehold Land (1)

At fair value	28,090,000	51,235,000
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Building and Yards (2)

At cost	52,545,481	-
Accumulated depreciation	(191,428)	-
	52,354,053	-

Capital Works in Progress

	-	31,439,330
	80,833,156	82,841,732

- (1) Freehold land was re-valued at 1 July 2009 by Western Australian Land Information Authority (Valuation Services). In April 2008, a potential purchaser of the land on which the Midland Saleyards operate engaged environmental consultants Coffey Environments to determine an estimate of the remedial costs in relation to redevelopment of this land.

Coffey Environments estimated the remedial costs in relation to the redevelopment of this land to be approximately \$7.6 million excluding GST. The remedial costs calculated in the environmental report include a number of contingent items and also a number of items where no allowance for costing has been provided due to the uncertainty of making cost estimates. The report was not commissioned by the Authority and does not encompass all land held by the Authority at balance date.

Due to the specific reference made by the Western Australian Land Information Authority (Valuation Services) of this estimate it has been incorporated in the value of the Midland Saleyards land at 30 June 2010.

- (2) The Muchea Livestock Centre (MLC) is recognised at cost. The WAMIA Board considered the issue of impairment of the asset for the reporting period and due to the short time the facility has been operating (two months), the board formed the opinion impairment is nil.

Reconciliations

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

2010	Plant Equipment And Vehicles \$	Land \$	Capital Works in Progress \$	Building and Yards \$	TOTAL \$
Carrying amount at start of year	167,402	51,235,000	31,439,330	0	82,841,732
Additions	340,667	-	23,003,797	54,443,127	77,787,591
Depreciation	(80,124)	-	-	(191,429)	(271,553)
Transfers	-	-	(54,443,127)	(1,897,645)	(56,340,772)
Disposals	(38,842)	-	-	-	(38,842)
Revaluations	-	(23,145,000)	-	-	(23,145,000)
Carrying amount at year end	389,103	28,090,000	-	52,354,053	80,833,156

2009	Plant Equipment and Vehicles \$	Land \$	Capital Works in Progress \$	Building and Yards \$	TOTAL \$
Carrying amount at start of year	101,547	51,235,000	9,396,632	438,044	61,171,223
Additions	124,621	-	23,197,784	258,262	23,580,667
Depreciation	(58,766)	-	-	(12,012)	(70,778)
Impairment	-	-	-	(684,294)	(684,294)
Written - off	-	-	(1,155,086)	-	(1,155,086)
Carrying amount at year end	167,402	51,235,000	31,439,330	0	82,841,732

19. IMPAIRMENT OF ASSETS

There were no indications of impairment of buildings, property, plant and equipment at 30 June 2010.

An impairment expense of nil (\$684,294 2009) was recognised in the statement of comprehensive income.

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

All surplus assets at 30 June 2010 have been classified as non-current assets held for sale or written off.

20. PAYABLES

	2010 \$	2009 \$
<i>Current</i>		
Trade Payables	246,594	6,074,340
PAYG Payable	16,171	12,318
Other Payables	(95)	5,971
Accrued Expenses	239,076	79,411
Accrued Salaries	18,907	11,764
Accrued Capital Expenses (Note 4)	643,587	-
	1,164,240	6,183,804

21. PROVISIONS

Current

Employee benefits provision		
Annual leave (a)	138,520	120,701
Long service leave (b)	77,738	85,398
Superannuation (d)	76,229	74,525
	292,487	280,624
Other provisions		
Employment on costs (c)	21,994	-
	21,994	-
	314,481	280,624

Non Current

Employee benefits provision		
Long service leave (b)	13,434	12,291
Other provisions		
Employment on-costs (c)	1,452	-
	1,452	-
	14,886	12,291

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

	2010 \$	2009 \$
Within 12 months of the end of the reporting period	85,837	61,523
More than 12 months after the reporting period	66,903	59,178
	152,740	120,701

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

Within 12 months of the end of the balance sheet date	85,512	85,398
More than 12 months after the reporting period	14,886	12,291
	100,398	97,689

- (c) The settlement of annual and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 13 'Other expenses'.

- (d) Defined Benefit Superannuation Plans

The amounts recognised in the Statement of Comprehensive Income are as follows:

Current Service Cost

Interest cost	1,704	7,500
Net actuarial losses/(gains) recognised	-	-
Total included in 'Employee Benefits Expense (See Note 10)	1,704	7,500

The amounts recognised in the statement of financial positions are as follows:

Present value of unfunded obligations	76,229	74,525
Liability in the statement of financial position	76,229	74,525

Reconciliation of the unfunded liability recognised in the statement of financial position is as follows:

Liability at start of year	74,525	67,025
Total expense recognised	1,704	7,500
In the income statement		
Benefits paid	-	-
Liability at end of year	76,229	74,525

Movements in other provisions

Movement in other provisions during the financial year, other than employee benefits are set out below.

	2010 \$	2009 \$
Carrying amount at start of year	-	-
Annual leave loading	14,220	-
Long Service Leave on costs	7,774	-
Carrying amount at end of year	21,994	-

22. OTHER CURRENT LIABILITIES

Accrued Board Fees	-	5,780
	-	5,780

23. EQUITY

Reserves

Asset Revaluation Surplus

Balance at start of year	48,146,537	48,146,537
Net Revaluation Decrement Crown Reserve (a)	(23,145,000)	-
Net Revaluation Decrement on Crown Reserve transfer	-	-
	-	-
Balance at end of year	25,001,537	48,146,537

(a) The land held at Muchea had not decreased in value, however the land in Midland (other than the Crown Reserve) had decreased in value. The Midland freehold land was re-valued on the basis of the Property Asset Valuation Report provided by Landgate (Valuation Services) that devalued the land by \$15,545,000. The valuation also included a further devaluation of \$7,600,000 for possible environmental concerns which may impact the sale value (requiring remediation).

Retained Earnings

Balance at start of year	85,530,865	83,373,693
Result for the period	(114,340)	2,157,172
Balance at end of year	85,416,525	85,530,865

24. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010 \$	2009 \$
Cash at bank and on hand	397,084	895,241
Term Deposit	29,846,026	53,582,641
	30,243,110	54,477,882

Reconciliation of profit to net cash flows provided by operating activities

Profit (loss)	(114,340)	2,157,172
Non cash Items:		
Depreciation expense	271,553	70,778
Share of joint venture income	(17,487)	(45,342)
Impairment expense	-	684,294
Assets written off	38,842	-
(Increase)/Decrease in assets:		
Current receivables	2,030,897	(1,321,033)
Other current assets	(8,534)	205
Increase/(decrease) in liabilities:		
Current payables	292,212	(6,538)
Current provisions	(646,184)	81,673
Other current liability	(5,780)	(5,992)
Non-current provisions	2,595	(35,663)
Net cash provided by Operating Activities	1,843,774	1,579,554

25. REMUNERATION OF MEMBERS OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

Remuneration of Members of Accountable Authority

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

	2010	2009
Up to \$10,000	5	5
\$10,001 - \$20,000	2	2
Total remuneration of the members of the accountable authority is:	\$77,183	\$80,665

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

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

Remuneration of Senior Officers

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

	2010	2009
\$70,001 - \$110,000	1	1
\$110,001 - \$170,000	2	1
Total remuneration of senior officers is:	\$338,173	\$266,325

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

No senior officers are members of the Pension Scheme.

26. REMUNERATION OF AUDITOR

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

	2010	2009
	\$	\$
Auditing the accounts, financial statements and performance indicators	27,400	17,887

27. EXPLANATORY STATEMENT

This statement provides details of any significant variations between estimates and actual results for 2010 and between the actual results for 2010 and 2009. Significant variations are considered to be those greater than 10% or \$50,000.

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

INCOME FROM ACTIVITIES	2010 Actual \$	2010 Estimate \$	Variance \$
Interest Received <i>Interest received is 84% above estimates due to the delay in the opening of the Muchea Livestock Centre, final invoicing not complete at year end and funds not being allocated to the Regional Saleyard Project (awaiting release of Strategy document)</i>	1,377,340	747,553	629,787
Saleyard Fees and Services <i>Yardings for sheep were 17% below estimates due to seasonal and market conditions resulting in a 23% reduction in revenue</i>	769,539	423,000	346,539

EXPENDITURE	2010 Actual \$	2010 Estimate \$	Variance \$
Professional Services <i>Professional Services were 185% above estimates due mainly to accounting fees paid to external Accountants because of the delay in securing a Chief Financial Officer</i>	140,013	49,000	(91,013)
Depreciation <i>Depreciation was 56% below estimates due to the delay in opening the MLC.</i>	271,553	720,000	448,447

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

INCOME	2010 Actual \$	2009 Actual \$	Variance \$
Interest received <i>The 60% lower interest received is due to the draw down of term deposit funds to pay for building costs Muchea Livestock Centre</i>	1,377,340	3,425,796	(2,048,456)

EXPENDITURE	2010 Actual \$	2009 Actual \$	Variance \$
Depreciation <i>The 283% increase in depreciation reflects two months depreciation costs for the Muchea Livestock Centre.</i>	271,553	70,778	200,775
Relocation <i>The 116% increase is due mainly to costs associated with pumping waste from the Midland Saleyard site.</i>	597,203	276,169	321,034

28. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

The two key services of the Authority:

Service 1A: Saleyards MIDLAND (10 months of reporting period): This service is to provide livestock selling and management facilities to the livestock industry.

Service 1B: Saleyards MUCHEA (2 months of reporting period): This service is to provide livestock selling and management facilities to the livestock industry.

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

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

Schedule of Income and Expenses by Service

	Saleyards		Development and Implementation of Standards		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
INCOME						
Sales	11,580	11,208	1,427	7,700	13,007	18,908
Provision of Services	1,095,707	1,195,788	79,029	83,092	1,174,736	1,278,879
Interest revenue	1,377,340	3,376,544	-	49,252	1,377,340	3,425,796
Other Revenue	101,505	6,857	2,860	111,005	104,365	117,862
Total Income	2,586,129	4,590,397	83,316	251,049	2,669,448	4,841,445

	Saleyards		Development and Implementation of Standards		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Expenses						
Cost of sales	-	-	-	6,058	-	6,058
Employee benefits expense	612,438	458,622	308,534	415,411	920,972	874,033
Supplies and Services	568,721	425,516	288,376	177,073	857,047	602,589
Depreciation	245,193	60,162	26,360	10,616	271,553	70,779
Impairment	-	684,294	-	-	-	684,294
Other expenses	387,889	112,217	346,277	334,305	734,166	446,522
Total expenses from ordinary activities	1,845,690	1,740,811	943,184	943,463	2,783,788	2,684,274
Profit/(loss) for the period	740,439	2,849,586	(859,868)	(692,414)	(114,340)	2,157,172

29. COMMITMENTS

Capital Expenditure Commitments

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

	2010 \$	2009 \$
Within 1 year	-	27,063,231
	-	27,063,231

The capital commitments include amounts for:

Muchea saleyards	-	27,063,231
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Lease Commitments

Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statement as liabilities are payable as follows:

Within 1 year	24,777	14,389
Later than 1 year and not later than 5 years	13,602	4,002
	38,379	18,391
Representing:		
Cancellable Leases	-	-
Non-cancellable leases	38,379	18,391

30. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

- **Midland Livestock Centre site remediation**

Discussions are ongoing between the Midland Redevelopment Authority (MRA), the Minister for Agriculture and the Chairman of WAMIA in relation to the process concerning the transfer of the former Midland Saleyard site to the MRA.

Guarantees and undertakings

The Authority has provided a guarantee of \$35,000 (2009: \$35,000) to its bankers to cover wages payments.

31. RELATED AND AFFILIATED BODIES

There were no related or affiliated bodies associated with the Authority during 2009/2010.

32. EVENTS AFTER BALANCE SHEET DATE

The authority has received no information after the reporting period that can be identified as adjusting event or on a non-adjusting event.

33. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period 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 33(b) Financial instruments disclosures and note 15 Receivables.

The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period, there were no significant concentrations of credit risk.

Liquidity risk

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

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

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks. The Authority has limited exposure to interest rate risk because it has no borrowings. Interest rates associated with funds on deposit is detailed in the table at note 32(c).

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2010 \$	2009 \$
Financial Assets		
Cash and cash equivalents	30,243,110	54,477,882
Receivables (1)	118,708	102,687
Other current assets	295,009	296,529
Financial Liabilities		
Financial liabilities measured at amortised cost	262,764	6,092,629
Other current liabilities	901,474	96,955

(1) The amount of receivables excludes GST recoverable from the ATO (statutory receivable)

(c) Financial Instrument Disclosure

Credit Risk and Interest Rate Risk Exposure

The following table discloses the Authority's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the reporting period 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 financial assets. The table is based on information provided by senior management of the Authority.

The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets

	Weighted Average Effective interest rate %	<u>Interest rate exposure</u>				<u>Past due but not impaired</u>		Impaired Financial assets \$
		Carrying Amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non- interest Bearing \$	Up to 3 Months \$	3-12 Months \$	
<u>Financial</u>								
<u>Assets</u>								
2010								
Cash & cash equivalents	4.6	30,243,110	-	30,243,110	-	-	-	-
Receivables	-	118,708		-	118,708	102,733	15,975	-
Other current assets	4.9	295,009	-	295,009	-	-	-	-
		30,656,827	-	30,538,119	118,708	102,733	15,975	-

	Weighted Average Effective interest rate %	Carrying Amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non- interest Bearing \$	Up to 3 Months \$	3-12 Months \$	Impaired Financial assets \$
<u>Financial</u>								
<u>Assets</u>								
2009								
Cash & cash equivalents	4.5	54,477,882	-	54,477,882	-	-	-	-
Receivables	-	102,687		-	102,687	88,868	13,819	-
Other current assets	4.9	296,529	-	296,529	-	-	-	-
		54,877,098	-	54,774,411	102,687	88,868	13,819	-

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 end of the reporting period.

Interest rate exposures and maturity analysis of financial liabilities

<u>Interest Rate Exposure</u>						<u>Maturity details</u>			
Weighted Average Effective interest rate %	Carrying Amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non- interest Bearing \$		Up to 3 Months \$	3-12 Months \$	1-2 years \$	2-5 Years \$
<u>Financial Liabilities</u> 2010									
Payables	262,764	-		262,764		-	-	-	-
Other current liabilities	- 901,474	-	-	901,474		-	-	-	-
	1,164,238	-	-	1,164,238		-	-	-	-

	Weighted Average Effective interest rate %	Carrying Amount \$	Fixed Interest rate \$	Variable Interest rate \$	Non- interest Bearing \$	Up to 3 Months \$	3-12 Months \$	1-2 years \$	2-5 Years \$
<u>Financial Liabilities</u> 2009									
Payables		6,092,629	-		6,092,629	-	-	-	-
Other current liabilities	-	96,955	-	-	96,955	-	-	-	-
		6,189,584	-	-	6,189,584	-	-	-	-

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 100 basis point change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2010	Carrying Amount	-100 basis points		+100 basis points	
		Surplus	Equity	Surplus	Equity
<u>Financial Assets</u>					
Cash and cash equivalents (1)	30,243,110	(302,431)	(302,431)	302,431	302,431
Total Increase/(Decrease)		(302,431)	(302,431)	302,431	302,431
2009	Carrying Amount	-100 basis points		-100 basis points	
		Surplus	Equity	Surplus	Equity
<u>Financial Assets</u>					
Cash and cash equivalents	54,477,882	(544,779)	(544,779)	544,779	544,779
Total Increase/(Decrease)		(544,779)	(544,779)	544,779	544,779

(1) There is uncertainty surrounding WAMIA's control over \$21m in term deposits. If the release of the Regional Saleyard Strategy document directs WAMIA to transfer \$21m to Dept of Treasury and Finance the impact of interest rate sensitivity as stated above will not be of the same quantum.

Fair Values

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

PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2010.



.....MEMBER



.....MEMBER

OUTCOME ONE (EFFECTIVENESS)

To ensure Midland Saleyard and its replacement the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.

RELEVANCE OF OUTCOME

The Authority is required by legislation to assume responsibility for the management of Midland Saleyard and its replacement the Muchea Livestock Centre .

EFFECTIVENESS INDICATOR TO BE MEASURED

Midland Saleyard's and its replacement the Muchea Livestock Centre share of livestock marketed through saleyards in Western Australia.

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

In July 2006 the Western Australian Meat Industry Authority (WAMIA) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2009/2010. In previous years reporting was restricted only to saleyards that held at least one sale per month or accounted for at least one per cent of State saleyard throughput for one species. This year all saleyards are represented regardless of total throughput or frequency of operation.

PERFORMANCE TO STATE THROUGHPUT

There are twenty nine (29) operating saleyards in Western Australia of these ten (10) saleyards operated on a regular basis (at least six sales per year) during the 2009/2010 financial year or accounted for at least 1% of State saleyards throughput of one species.

The results below indicate that the Midland Saleyard and its replacement the Muchea Livestock Centre has maintained its position as the largest saleyard in the state by overall throughput and maintained its overall dominant market share in cattle and while suffering a decline in sheep numbers still retained a significant market share in sheep.

COMPARATIVE PERFORMANCE

The following tables compare throughput at Midland Saleyard and its replacement the Muchea Livestock Centre with all Western Australian saleyards.

Cattle and Calves

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Midland/MLC	113,610	122,661	112,724	97,089	99,883	103,530	100,890
Total saleyards	268,033	285,058	263,676	229,865	251,239	242,927	259,195
% through Midland/MLC	42.4	43.0	42.6	42.23	39.8%	42.7%	39.3%
Next highest saleyard	61,521	70,635	56,233	57,578	77,612	67,645	67,786

Sheep, Lambs and Goats

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Midland/MLC	866,138	948,972	1,038,329	903,839	913,957	648,449
Total saleyards	2,080,087	2,214,521	2,133,714	2,010,372	2,149,313	1,745,192
% through Midland/MLC	41.6	42.8	48.7	45.0%	42.5%	37.2%
Next highest saleyard	1,115,949	990,386	1,000,915	998,828	1,140,728	991,579

Pigs

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

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

PERFORMANCE TO TARGETS

WAMIA set target throughputs as part of its 2009/2010 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2009/2010 actual throughput WAMIA was below its expected targets with stock numbers for both sheep and cattle below estimates. Significant factors in this reduction were seasonal, market conditions and the trending down of sheep numbers.

	TARGET	ACTUALS	VARIANCE
Cattle	105,000	101,890	-3,110 (-2.98%)
Sheep, lambs and goats	800,000	648,449	151,551 (18.94%)

OUTCOME ONE (EFFICIENCY MEASURE 1)

To ensure Midland Saleyard and its replacement the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.

RELEVANCE OF OUTCOME

The Authority is required by legislation to assume responsibility for the management of Midland Saleyard and its replacement the Muchea Livestock Centre.

EFFICIENCY INDICATOR TO BE MEASURED

The cost per livestock unit of the management of Midland Saleyard/Muchea Livestock Centre.

RELEVANCE

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

SOURCE OF INFORMATION

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

PERFORMANCE

The total cost of maintaining Midland Saleyard/Muchea Livestock Centre in 2009/2010 was \$868,431.00*. Midland Saleyard Muchea Livestock Centre's throughput for the year was 1,289,389 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units, pigs 3 units, cattle 7 units)

The cost per unit for 2009/2010 to maintain the Midland Saleyard/Muchea Livestock Centre was 67 cents.

(*The Midland saleyard ceased operations at the end of April 2010 a ten month period and its replacement the Muchea Livestock Centre commenced operations in May 2010 a two month period. This calculation is based on the combined costs from both centres.)

COMPARATIVE PERFORMANCE

	2005/06	2006/07	2007/08	2008/09	2009/10
Total cost of maintaining Midland Saleyard	\$725,891	\$710,085	\$734,643	\$737,295	\$868,431
No. of livestock units handled in the Year	1,688,991	1,645,839	1,532,276	1,574,990	1,296,389
Cost per unit	\$0.43	\$0.43	\$0.48	\$0.47	\$0.67

OUTCOME ONE (EFFICIENCY MEASURE 2)

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

RELEVANCE OF OUTCOME

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

EFFICIENCY INDICATOR TO BE MEASURED

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

RELEVANCE

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

SOURCE OF INFORMATION

Fee for service income was determined from Authority accounts. Fee for service activities for 2009/10 were: livestock transport truck wash, livestock transshipment service, removal and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees, livestock feeding charges and income derived from the Joint Venture. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle and other operating costs.

PERFORMANCE

In 2009/2010 the cost of providing fee for service activities at the Midland Saleyard/Muchea Livestock Centre was \$336,896. The income generated by these activities was \$365,580.

(*The Midland saleyard ceased operations at the end of April 2010 a ten month period and its replacement the Muchea Livestock Centre commenced operations in May 2010 a two month period. This calculation is based on the combined costs from both centres.)

In 2009/2010 the return of fee for service activities at the Midland Saleyard/Muchea Livestock Centre was \$1.09 for every \$1.00 incurred in providing the service. This represents a return of (9%) on the cost of those activities.

COMPARATIVE PERFORMANCE

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

	2006/07	2007/08	2008/09	2009/10
Total cost of providing fee for service activities at Midland Saleyard/Muchea Livestock Centre	\$307,568	\$360,475	\$319,224	\$336,896
Income generated by fee for service activities	\$365,733.	\$399,398	\$311,283	\$365,580
Income generated for every \$1.00 incurred to provide service	\$1.19	\$1.11	\$0.98	\$1.09
Percentage return on costs	19%	11%	(2%)	9%

A comparison with the percentage return on fee for service activities in 2008/2009 has seen an increase in the percentage return on the provision of services at Midland Saleyard/Muchea Livestock Centre, the increase in depreciation cost for the Muchea Livestock Centre had a significant impact on the percentage return

PERFORMANCE TO TARGETS

In the WAMIA set income target as part of its 2009/2010 budget process budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2009/2010 actual income, WAMIA fell just short of its expected target.

	TARGET	ACTUALS	VARIANCE
Income	\$380,000	\$365,850	\$14,150 (3.7%)

OUTCOME TWO (EFFECTIVENESS)

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

RELEVANCE OF OUTCOME

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

EFFECTIVENESS INDICATOR TO BE MEASURED

Percentage of WA abattoirs meeting standards.

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

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

PERFORMANCE

The State's abattoirs continue to maintain standards with the average rating for the twenty eight (28) abattoirs operating at 30 June 2010 calculated at 65.9%. This situation demonstrates that the activities of the Authority continue to be effective in this area.

COMPARATIVE PERFORMANCE

The following table compares ratings for abattoirs:

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Construction Standard	78.5%	81.5%	78.6%	79.8%	79.3%	77.0%
Product Description System	65.3%	67.6%	64.3%	63.4%	62.9%	60.3%
Health and Hygiene Standard	82.3%	85.2%	82.1%	83%	82.8%	80.2%
Training System	69.4%	72.2%	68.8%	69.6%	69.0%	67.2%
Quality Assurance System	46.2%	45.7%	46.6%	46.4%	47.1%	44.8%
Average Rating	68.3%	70.4%	68.0%	68.5%	68.2%	65.9%

OUTCOME TWO (EFFICIENCY MEASURE 1)

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

RELEVANCE OF OUTCOME

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

EFFICIENCY INDICATOR TO BE MEASURED

The cost per abattoir for development and implementation of standards.

RELEVANCE

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

SOURCE OF INFORMATION/MEASUREMENT

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

PERFORMANCE

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$267,428. The cost of attaining the standard per abattoir (\$230,997 divided by 30 approved abattoirs) is \$7,699.90. The average rating for 2009/2010 has been maintained at 65.9%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$113. This means that it cost the Authority \$113 to achieve each percentage point of achievement for abattoirs.

COMPARATIVE PERFORMANCE

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

	2004/05	2004/06	2006/07	2007/08	2008/09	2009/10
Cost of achieving standards	\$277,988	\$296,038	\$257,610	\$250,825	\$253,819	\$230,997
Number of establishments	31	29	28	28	30	30
Cost per abattoir	\$8,967	\$10,208	\$9,200	\$8,958	\$8,460	\$7,700
Average abattoir rating	68.3%	70.4%	68.0%	68.5%	68.2%	65.9%
Cost per rating unit	\$131	\$145	\$135	\$132	\$124	\$113

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

OUTCOME TWO (EFFICIENCY MEASURE 2)

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

RELEVANCE OF OUTCOME

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

EFFICIENCY INDICATOR TO BE MEASURED

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

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

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

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

PERFORMANCE

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads (includes the cost of providing the National Livestock Reporting Service). The total cost to the Authority for 2009/2010 was \$74,004.

Thirty (30) abattoirs, one hundred and twelve (112) processing works twenty nine (29) saleyards and thirty seven (37) other outlets were operating during the 2009/10 year. The cost per establishment for delivering the service was \$355.79. (\$74,004 divided by 208 establishments).

COMPARATIVE PERFORMANCE

	2005/06	2006/07	2007/08	2008/09	2009/10
Total cost of maintenance and distribution of information	\$80,784	\$77,907	\$88,861	\$85,032	\$74,004
Number of establishments	170	187	206	203	208
Cost per establishment for delivering service	\$475	\$416	\$431	\$419	\$356

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard

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

Product description system

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

Health and hygiene standards

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

Training standards

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

Quality assurance

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

Total possible points for each abattoir	18 points
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