



# WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

## ANNUAL REPORT JUNE 2011



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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 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 the Muchea Livestock Centre, revenue from livestock services and rentals 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 appointed under the Public Sector Management Act (1994) manages the Authority.

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

## CHAIRMAN'S REPORT 2010/2011

### **To all industry stakeholders,**

In the year ending 30 June 2011 the Board has been very active on a number of matters with particular attention being given to settling the operations of the Muchea Livestock Centre which opened in May 2010. While there remains some work to be done to make the Centre fully operational and with all facilities brought up to a good operational standard a great deal of work has been finalised during the year making operations much more effective. WAMIA was particularly pleased in being able to appoint Lyndon Henning as Manager of the Muchea Livestock Centre and he has been instrumental in assisting and arranging improving operations there.

During the year State Cabinet decided to complete the process of transferring the old Midland Saleyard Site to the Midland Redevelopment Authority and that action is now complete. During the year State Cabinet also determined to have the sum of \$21.5 million remaining in WAMIA's account following sale of land at Midland transferred to the Department of Agriculture and Food to assist in the construction of new sheep yards at Katanning and the retirement of debt at the Great Southern Regional Cattle Yards at Mount Barker.

The issue of lamb branding was again debated at length during the year as a result of which the CEO Renata Paliskis has scheduled a workshop meeting to encourage industry input early in the new financial year.

Illegal meat slaughter remains an issue for the Board and, although occurrences seem to be much rarer than in early days, the Board maintains vigilance with respect to the issue and will maintain that vigilance as time goes by.

As part of its ongoing operations the Board through the CEO is looking to further amend regulations for the better management of the Board's operations pursuant to its legislative mandate, particularly in relation to the Muchea Livestock Centre. This will include (subject to further decision) amendments in relation to lamb branding.

During the year the Board also finalised an up to date Business Plan looking forward for the next three (3) years and we will use this in planning future operations and expansion of WAMIA's activities subject to its legislative mandates. This will include activities directed towards further developing the Muchea Livestock Centre as an agribusiness precinct. This will assist the Board in increasing its cash flow so it can meet all WAMIA's obligations as they fall due.

A particular change which occurred during the year related to the retirement of long standing members Malcolm Seymour (Deputy Chairman and Chairman of the Midland Saleyard Relocation Committee), John Pugh and Graham Haynes. I pay tribute to the very considerable work and input from the three former members over the years. The Board has now welcomed Erin Gorter, Sally O'Brien and Kim McDougall to the Board.

WAMIA will have a number of challenges in the times ahead in finalising remaining remedial and upgrading work at Muchea, and also with respect to its other legislative obligations. I feel certain that the Board including the new members will work enthusiastically towards ensuring that all decisions made will be for the best interests of all stakeholders in the meat and livestock industry within Western Australia.

**Kerry McAuliffe**  
CHAIRMAN

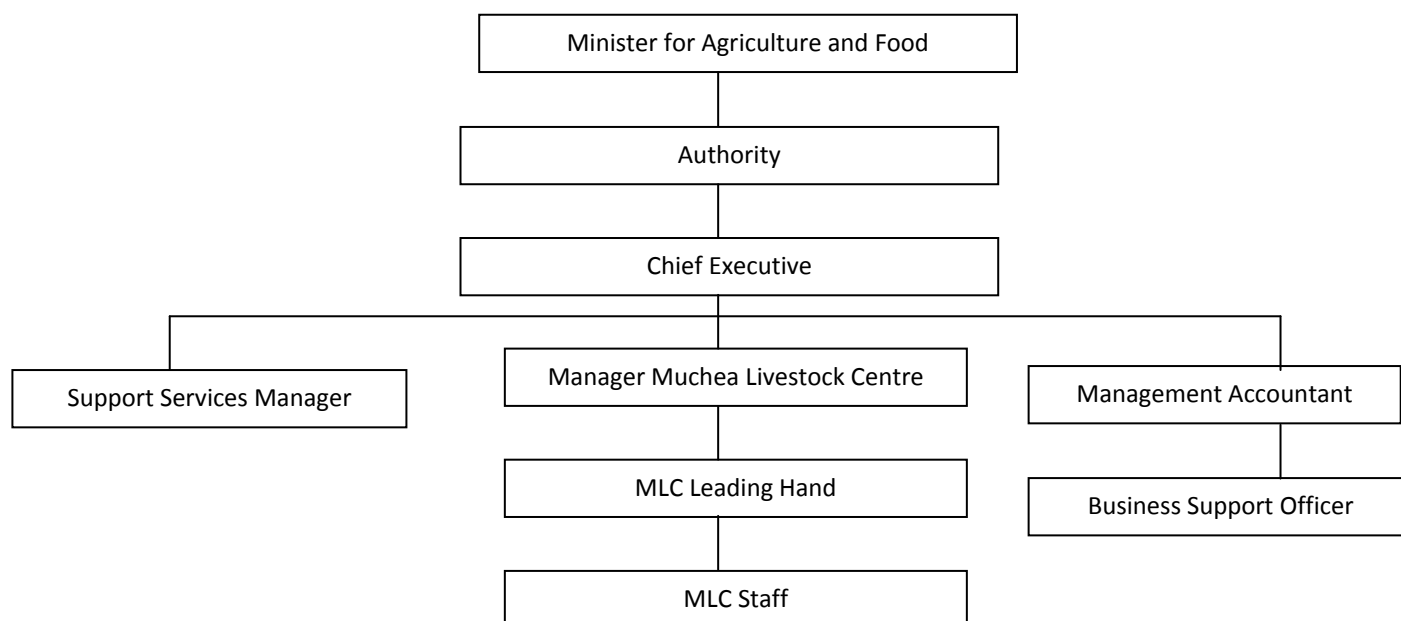
## CORPORATE STRUCTURE

### 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 2011 were:

Kerry McAuliffe (Chairman)	- Representing the Minister
Warren Robinson (Deputy Chairman)	- Representing the Wholesale and Retail Meat Industry
Kevin Chennell	- Representing the Director General of the Department of Agriculture and Food
Erin Gorter	- Representing the Producers of Meat
Des Griffiths	- Representing Private Meat Processors
Kim McDougall	- Representing Employees of the Industry
Sally O'Brien	- Representing the Producers of Meat
Mark Panizza	- Representing Private Meat Processors

### Organisational Chart



## Membership Changes in 2010/2011

There were three Membership changes in the 2010/2011 financial year, with:-

- Mr Malcolm Seymour replaced by Ms Erin Gorter;
- Mr John Pugh replaced by Ms Sally O'Brien; and
- Mr Graeme Haynes replaced by Mr Kim McDougall.

In March 2011 Mr Griffiths and Mr Robinsons were reappointed until March 2012 and Mr Panizza was appointed until March 2013. The terms of Mr McAuliffe the Chairman expires in March 2012.

The administrative staff of the Authority at 30 June 2011 were:

<b>Renata Paliskis</b>	Chief Executive
<b>Lyndon Henning</b>	Manager Muchea Livestock Centre
<b>Mark Elson</b>	Management Accountant
<b>Dave Saunders</b>	Support Services Manager
<b>Brooke Meredith</b>	Business Support Officer

The revised staff list and organisation chart were the result of a staff review that was undertaken in October 2010. This review was undertaken to identify efficiencies within WAMIA to best focus on the management of the Muchea Livestock Centre. As part of the process, the Compliance Officer's position was abolished and the incumbent, Mr John Donaldson was redeployed. He commenced with the Department of Commerce (WorkSafe) on 4 July 2011.

From 1 July 2011, the Compliance function will be undertaken by the Support Services Manager, Mr Dave Saunders.

## Administration Office

The Authority offices are located at 15 Spring Park Road Midland, Western Australia.

## 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 2010/11. Members' attendance at the meetings was as follows (maximum attendance in brackets):

Name of Member	Meetings Attended
Kerry McAuliffe (Chairman)	7 (7)
Malcolm Seymour	5 (5)
Des Griffiths	7 (7)
John Pugh	5 (5)
Mark Panizza	7 (7)
Graeme Haynes	3 (5)
Warren Robinson	6 (7)
Kevin Chennell	5 (7)
Erin Gorter	2(2)
Sally O'Brien	2(2)
Kim McDougall	2(2)

### Industry Participation

The Authority views the interaction of representatives of industry organisations as essential to its operations and has 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 and other subject specific meetings.

### Committee Participation

The following Authority 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 and Mr Donaldson. Executive support is provided by Mr Donaldson. This Committee met once during 2010/2011.
- *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 two (2) occasions during 2010/2011 and has since wound up.
- *Finance Committee – Responsible for overseeing the financial management of the Authority* – Membership made up of Mr Griffiths (Chairman), Ms Paliskis and Mr Elson and Mr Saunders. Executive support was provided by Mr Elson. This Committee met on ten (10) occasions during 2010/2011.

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 Committee Member representing the Authority. Executive support was provided by Mr Saunders.
- 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.
- Ms Paliskis is a member of the Western Australian Beef Industry Council.
- 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 as President.
- 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 its 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's 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.

In 2010/2011, the Authority reaffirmed its objectives and vision, but requested that privatisation be investigated by the Management as a second option of running the Muchea Livestock Centre.

## 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.

## 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:

- Flat organisational structure;
- Operation under a Delegated Authority Register;
- Continued review of Internal Audit processes; and
- Improved Internal Controls;

## LEGISLATIVE CHANGES

A review of the *Western Australian Meat Industry Authority Regulations (1985)* is being finalised to allow the Authority to operate the Muchea Livestock Centre. Industry stakeholders have been extensively consulted and it is planned that the Regulations will be in place from 1 September 2011.

## MIDLAND SALEYARD - RELOCATION STATUS AS AT 30 JUNE 2011

On 3 May 2010, the first inaugural sale was held at the Muchea Livestock Centre.

Since that time,

- Material was salvaged from Midland Saleyards for future use at the Muchea Livestock Centre.
- Remnant material was stacked and prepared for the Midland Saleyard Clearing Sale which was held on 10 June 2011. 240 lots were sold yielding a gross return of over \$200,000.

WAMIA access to the Midland Saleyard site has been granted by the Midland Redevelopment Authority from 1 July to 30 September 2011 to allow for final salvage of the site.

## 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 was subject to State Cabinet direction which was decided in 2010/2011. Lot 14241 (Midland Saleyard lot) was determined to be transferred to Midland Redevelopment Authority at no cost. This occurred on 18 July 2011. At the direction of the Office of the Auditor General, WAMIA have undertaken a valuation of the lot returning an un-remediated valuation of \$46.6 million.

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

The WAMIA Staff Review that was undertaken in 2010 resulted in the creation of the position Manager Muchea Livestock Centre. In February 2011, Mr Lyndon Henning was appointed to that position.

## Improvements

Achievements in the Cattle area for the period were as follows:-

- Relocation of chains from gates to posts (for reasons of occupational health and safety);
- Alignment of misaligned gates;
- Scheduled soft floor replacement utilizing existing machinery; and

Achievements in the Sheep area for the period were as follows:-

- Additional bottom rails added to the pens;
- Clips added to gate chains in external pens;
- Sweeping floors rather than washing (more cost and labour effective)
- Purchase of a dedicated sweeper; and
- Installation of auctioneers' walkways.

## Defects

Mr Henning is working closely with Project Manager, Savills (formerly Incoll) and Builders Cooper and Oxley to rectify building defects including:-

- Roof sheeting;
- Bitumen pavement;
- Sprinklers;
- Effluent pumping system;
- Water pumping system; and
- Septic system.

## Industry Consultation

To make the Centre a better place to work, the Muchea Livestock Centre Users Group (MLCUG) was established. This was a commitment under the WAMIA 1011-2015 Strategic Plan. The aim of the group is to identify operational efficiencies, identify any design issue or defects and report on improvements. The group met on three occasions 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 approximately 500 persons during the reporting period.

## Centre Operations - Professionalism

The Muchea Livestock Centre WAMIA team is to be congratulated for the dedication, commitment and professionalism – making the Centre a better place for users and operating a proactive maintenance program. This enables buyers and agents to get on with the job of buying and selling livestock under the comfort of a roof rather than operating in the open exposed sale yard at Midland.

Further, the Centre has good stock flow minimizing stress and soft flooring allowing stock to be presented in the best condition with minimal stress.

## Working with the Muchea Livestock Agents

WAMIA has taken on the role of facilitating the discussions between agents of the Muchea Livestock Centre to yield mutual benefits. During the 2010/2011 financial year, examples include:-

- Muchea Livestock Centre User Group.
- Meeting with agents to discuss and determine:-
  - Method of selling out (agent or category); and
  - Order of Selling.

## **Other services**

The Muchea Livestock Centre is not a saleyard, but a Livestock Centre. It has been built with the vision of becoming the hub for the livestock industry in Western Australia. Already, the Centre offers the following additional services to that of selling stock:-

- Transshipment;
- Feeding;
- Agistment;
- Live export depoting – AQIS accredited.
- Venue for community meetings and functions.

## **LIVESTOCK YARDINGS FOR THE WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY**

Cattle throughput in the 2010/2011 year was very similar to 2009/2010 (increased by 5,934 head) with a total of 106,183 head yarded. Of the number of cattle yarded, 22.5% were veal, many of which were pastoral or early weaned agricultural cattle turned off due to the low 2010 winter rains. Store sales of pastoral stock held in June and July 2010 resulted in better than average returns for the vendors.

The live cattle export ban to Indonesia imposed by the Federal Government in June 2011 had a negligible impact on cattle numbers and prices during June.

Sheep and lamb numbers were slightly higher than the previous year by 53,409 head to 701,614 head. The general downward trend from the 2003/2004 continued however. This is generally the result of an approximate 40% reduction on sheep numbers in the Muchea sheep catchment area.

According to the Department of Agriculture and Food of Western Australia, the Western Australian sheep population in the 2008/9 financial year fell 2m to 15.7m as at 30 June 2009. During the 2009/10 year, numbers reduced again to an estimated 15.5m. Meat and Livestock Australia <sup>1</sup> estimate that at the end of 2011, Western Australia's sheep flock will be 12.4m head. They predict that this lowpoint in sheep numbers will be followed by the commencement of a slow flock rebuild in 2012 -13.

Meat and Livestock Australia attribute the low numbers to :-

- A very severe drought in Western Australia, with 2010 rainfall in the south east the lowest on record. This followed a run of poor seasons over the past decade. During this time, livestock producers struggled to hold on to core breeding stock, as feed and water supplies disappeared.
- At least one million head of sheep were sold and transported to the eastern states, particularly in the second half of 2010. This was due to the improved seasonal condition in the eastern states.

Despite the turnoff, Western Australian prices have been strong and underpinned by eastern states purchases. Prices are expected to remain strong, given low supplies, eastern states and re-stocker demand.

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<sup>1</sup> Meat and Livestock Australia – Australian Sheep Industry Projections 2011.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2010/2011 are listed in the table below:

Year	Cattle	Sheep and lambs	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402,	19,729
2002/2003	137,422	1,006,357	14,700
2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	104,132	913,597	0
2009/2010	100,249	648,205	0
2010/2011	106,183	701,614	0

## Joint Venture

Since July 2001, the Midland Sales Management Joint Venture (MSMJV) 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 (Livestock Logistics WA) is Ms Renata Paliskis, the Chief Executive of the Western Australian Meat Industry Authority.

The growth of the LLWA in 2010/2011 year stabilised with the loss of the sheep physical processing for Primaries, but the retention of electronic sheep processing for all agents.

The Livestock Exchange Saleyard Software was modified in 2008/9 to incorporate Mob Based Movement Recording for Sheep.

With the move to the Muchea Livestock Centre in 2010, the new Livestock Exchange software package, Marketplace was installed to accommodate the single weighing of cattle. While there was some concern about the speed of weighing cattle singly (in contrast to bulk weighing as at Midland Saleyard), speeds of single weighing have exceeded 240 head per hour with an average weigh speed of approximately 200 per hour (in excess of the Midland Saleyard bulk weighing average of 180 head).

## 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 2010/2011 this involvement included:

- Membership of the Beef Industry Council;
- Membership of the state National Livestock Identification Scheme Committee;
- Board membership of the National Saleyard Quality Assurance 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 and the Livestock Transporters and Country Bulk Carriers Association;
- Attendance and presentations at the annual conferences of major industry organisations.

### Animal Welfare Standards for Western Australian Saleyards

These Standards were developed in close consultation with industry stakeholders in 2008. The Standards and Associated Operating Manual have been in use since that time. These Manuals are 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.

The Animal Welfare Standards for Western Australian Saleyards were a first for Australia and demonstrates the importance of animal welfare to the Western Australian Saleyard Industry.

### Beef Stocktake Project

The Beef Stocktake Project was undertaken in 2008-9 with \$162,440 funding from Meat and Livestock Australia, the Federal Government, the Western Australian Cattle Industry Compensation Fund and the Australian Meat Processing Corporation. The objectives 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.

The consultant was Warwick Yates and Associates and the Project Manager was Renata Paliskis, WAMIA Chief Executive. The Beef Stocktake recommendations 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 Review

The Minister accepted the recommendation and formed the Beef Industry Council in May 2010. The Beef Industry Council is administered by the Department of Agriculture and Food under the guidance of the Minister for Agriculture and Food. Renata Paliskis is a member of the Beef Industry Council, as is Authority Member, Mr Mark Panizza.

## 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](http://www.wamia.wa.gov.au). In 2010/2011, the website received a major overhaul, and, since that time has received 100 “hits per week”. The website provides up to date yardings and market reports as well as information on WAMIA's functions, staffing and governance.

The website will be further developed in 2011/2012 providing a point of interaction for livestock agents and producers so that invoices can be paid and yard returns can be submitted.

## Education

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

Further, the Muchea Livestock Centre has been visited by many overseas delegates (including livestock managers and veterinarians). The Centre has given them an appreciation of the high standard that the livestock handling and management in Western Australia.

## 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 30/06/10	NUMBER AT 30/06/11
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.	9	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	1#
<b>Total</b>			<b>28</b>	<b>28</b>

## Approval changes – Domestic to Export

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

- March 2011, the Shark Lake Food Group upgraded from Domestic to Export.

## 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:

	2008/2009	2009/2010	2010/2011
Applications to construct an establishment	0	0	1
Applications to operate	1	1	0
Applications for variation to approval	0	0	0

## Approved Abattoirs as of the 30 June 2011

CATEGORY	ABATTOIR	LOCATION
<b>Export</b>	Beaufort River Meats	Beaufort River via Woodanilling
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Geraldton Meat Exports Pty Ltd	Moonyoonooka
	Hillside Meats Pty Ltd	Narrogin
	International Exporters Pty Ltd	Gingin
	Western Meat Processors Pty Ltd	Cowaramup
	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
	Shark Lake Food Group Pty Ltd	Esperance

<b>Domestic Unrestricted</b>	T E Cullen and Sons	Coolgardie
	Dardanup Butchering Company	Picton
	DRG Family Trust	Corrigin
	Gingin Meatworks	Gingin
	Goodchild Abattoirs	Australind
	Hagan Bros	Greenough
	P R Hepple and Sons Pty Ltd	Northam
	Great Eastern Abattoir	Tammin
<b>Domestic Restricted</b>	B J and J A Haslam	Hyden
	Kellerberrin Butchery	Kellerberrin
<b>Other Species</b>	Konynen Farm (Rabbits)	Baldivis
<b>Special Abattoirs</b>	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
	Narrogin Agricultural College	Narrogin
	Morawa Agricultural College	Morawa
	Karnet Prison Farm	Serpentine
	Murdoch University	Murdoch

## Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that Standards are maintained. In the case of new applications, changes in management, or where problems have occurred, joint visits to the establishments are made with the relevant regulatory agency. At June 30 2011, 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 2009/10 and 2010/11.

ESTABLISHMENT CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOATS	PIGS
Export	2009/10	259,951	1,041,067	1,741,971	199,201	459,843
	2010/11	279,496	1,111,947	1,747,609	105,482	483,493
	% Change	7.5%	6.8%	(0.3%)	(47%)	5.1%
Domestic (unrestricted)	2009/10	164,640	192,335	304,965	5,857	24,408
	2010/11	163,099	174,524	292,926	6,696	22,343
	% Change	(0.9%)	(9.2%)	(3.9%)	14.3%	(8.4%)
Domestic without Meat Inspection	2009/10	128	131	431	10	142
	2010/11	125	273	261	17	156
Special#	2009/10	1,981	4,526	0	0	105
	2010/11	1,804	4,216	38	0	154
Totals	2009/10	426,700	1,238,059	2,047,367	205,068	484,498
	2010/11	444,524	1,290,960	2,040,834	112,196	506,146
	% Change	4.0%	4.2%	.32%	(45.3%)	4.2%

# 4 Agricultural Colleges, Karnett Prison

ESTABLISHMENT CATEGORY	YEAR	DEER	EMUS	BUFFALO	RABBIT	OSTRICH
Export	2009/10	0	0	0	0	0
	2010/11	133	0	0	0	0
Domestic (unrestricted)	2009/10	994	0	1	25,738	0
	2010/11	768	0	2	31,787	0
Special	2009/10	0	0	0	0	0
	2010/11	0	0	0	0	0
Total	2008/09	994	0	1	25,738	0
	2010/11	901	0	2	31,787	0

## COMPLIANCE ACTIVITIES

### Compliance Committee

The Committee met on one occasion during 2010/2011 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 Functions

The Authority has maintained 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 mis-description and illegal abattoirs.
- Participation in joint investigations with other industry bodies.

From 1 July 2011, the Compliance function will be undertaken by the Support Services Manager.

### Processing Compliance

The Authority maintained close liaison with other regulatory authorities to ensure that only approved establishments 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.

During the 2010/2011 financial year, the WAMIA Board have discussed as to whether there is a future for lamb roller branding in Western Australia. WAMIA maintain that the identification of lamb (on the carcase) should remain, but suggest that this should be restricted to a single stamp in a prominent position. As at 30 June 2011,

- State Solicitors advice had been sought as to the implications of this view for the WAMIA Legislation and Regulations.
- An industry consultation meeting has been proposed for 28 July 2011 to discuss whether lamb branding in its current regulated form is still applicable for Western Australia.

### 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.

## Compliance Activity Summary

Inspections undertaken	2009/2010	2010/2011
Abattoirs	61	39
Boning Rooms	22	4
Smallgoods Establishments	8	1
Retailers	229	218
Other premises	34	28

Investigations undertaken	2009/2010			2010/2011		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	3	2	3	2	1	2
Product mis-description	3	3	0	1	1	0
Labelling issues	0	4	0	1	1	0
Over the hooks	0	0	0	1	1	0
Brand issues	2	2	0	3	3	0
Other	3	2	1	2	2	0
Assist other regulators	3	2	1	2	2	0

## Legal Action Completed

- None at the time of reporting.

## Ongoing

- 2 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 of government, industry organisations and processors.

## HUMAN RESOURCES

### Staffing Levels

The number of salary and wages staff employed by the Authority at 30 June 2010 and 30 June 2011 is listed below:

Title	FTE *as at 30/06/2010	FTE *as at 30/06/2011
Chief Executive Officer	1.0	1.0
Manager Muchea Livestock Centre	0	1.0
Management Accountant	0	1.0
Support Services Manager	0	1.0
Chief Financial Officer	1.0	0
Project and Operations Manager	1.0	0

Compliance Officer	1.0	1.0#
Saleyard Team Leader	1.0	1.0
Centre Cleaning, Maintenance, Feeding	2.0	3.46
Total	7.0	8.46

\*FTE = Full Time Equivalent

# The Compliance Officer ceased employment with WAMIA on 1 July 2011

## 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.

In 2009/2010, the Authority participated in the Public Sector School Based Traineeship Program with Ms Brooke Meredith from the Governor Stirling Senior High School. Ms Meredith is now a full time employee of WAMIA holding the position of Business Support Officer.

WAMIA is looking forward to participating in the Public Sector School Based Traineeship Program again in the 2012 calendar year.

## Industrial Relations

All administrative and supervisory staff are covered by the Public Service and Government Officers Salary General Agreement 2008. This was registered on 27 June 2011 as the Public Service and Government Officers Salary General Agreement 2011. Saleyard employees are covered by the Australian Workers Union (Western Australian Public Sector) General Agreement 2010. All wage increases are in line with the State Government Wages Policy.

## 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;
  - b) 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, telephone (08) 9274 7533 located at 15 Spring Park, Midland, WA.

WAMIA received one FOI request during the 2009/2010 period which it dealt with in the 2010/11 period.

## RISK MANAGEMENT

Section 15A(2) of The Authority's Act

The Authority is developing a risk register. Strategies will be developed to deal with risks, particularly in relation to administration and regulatory controls for the Muchea Livestock Centre.

## 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 which 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 Muchea Livestock Centre has full disabled access and 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 The Muchea Livestock Centre 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 2010/2011:

Indicator	2010/2011 Target	2010/2011 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 2010/2011, approximately 18 x 240 litre bins were sent for recycling, most of which were used for the disposal of old post-archived records of WAMIA and the WA Meat Commission.

## 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



## **INDEPENDENT AUDITOR'S REPORT**

**To the Parliament of Western Australia**

### **WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY**

#### **Report on the Financial Statements**

I have audited the accounts and financial statements of the Western Australian Meat Industry Authority.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Board's Responsibility for the Financial Statements*

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 for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Meat Industry Authority at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions

## Western Australian Meat Industry Authority

### Report on Controls

I have audited the controls exercised by the Western Australian Meat Industry Authority. The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

### Opinion

In my opinion, the controls exercised by the Western Australian Meat Industry Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

### Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Meat Industry Authority. The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

### Opinion

In my opinion, the key performance indicators of the Western Australian Meat Industry Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2011.

### Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY  
AUDITOR GENERAL  
15 September 2011

## Disclosures and Legal Compliance

### Financial Statements

#### Certification of Financial Statements

##### For the year ended 30 June 2011

The accompanying financial statements of the Western Australian Meat Industry 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 2011 and the financial position as at 30 June 2011.

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

(Signature)

Mark Elson

Management Accountant Western Australian  
Meat Industry Authority

13 September 2011

(Signature)

Renata Paliskis

Chief Executive of the Western Australian  
Meat Industry Authority

13 September 2011



(Signature)

Des Griffiths

Board Member of the Western Australian  
Meat Industry Authority



## Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$	2010 \$
<b>INCOME</b>			
Revenue			
Sales	7	8,749	13,007
Provision of services	8	1,677,298	1,174,736
Interest revenue	9	1,151,562	1,377,340
Other revenue	10	303,986	104,365
<b>TOTAL INCOME</b>		<b>3,141,595</b>	<b>2,669,448</b>
<b>EXPENSES</b>			
Employee benefits expense	11	1,044,255	920,972
Supplies and services	12	1,093,334	857,097
Depreciation and amortisation expense	13	1,207,754	271,553
Accommodation expenses	14	36,448	31,063
Other expenses	15	220,399	703,103
<b>TOTAL EXPENSES</b>		<b>3,602,190</b>	<b>2,783,788</b>
Profit/(loss) before payments to State Government		(460,595)	(114,340)
Payment to Department of Agriculture and Food	16	(21,500,000)	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(21,960,595)</b>	<b>(114,340)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus	24	24,100,000	(23,145,000)
Gains/losses recognised directly in equity		-	-
Total other comprehensive income		<b>24,100,000</b>	<b>(23,145,000)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,139,405</b>	<b>(23,259,340)</b>

See also note 35 'Schedule of Income and Expenses by Service'.

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

## Statement of Financial Position

**As at 30 June 2011**

	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	25	8,955,347	30,243,110
Inventories	17	7,496	3,216
Receivables	18	296,644	583,802
Other current assets	19	2,089	6,122
<b>Total Current Assets</b>		<b>9,261,576</b>	<b>30,836,250</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	20	103,474,985	80,833,156
Other non-current assets	19	246,601	242,262
<b>Total Non-Current Assets</b>		<b>103,721,586</b>	<b>81,075,419</b>
<b>TOTAL ASSETS</b>		<b>112,983,162</b>	<b>111,911,669</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	22	122,848	1,164,240
Provisions	23	298,514	314,481
<b>Total Current Liabilities</b>		<b>421,362</b>	<b>1,478,721</b>
<b>Non-Current Liabilities</b>			
Provisions	23	4,334	14,886
<b>Total Non-Current Liabilities</b>		<b>4,334</b>	<b>14,886</b>
<b>TOTAL LIABILITIES</b>		<b>425,696</b>	<b>1,493,607</b>
<b>NET ASSETS</b>		<b>112,557,466</b>	<b>110,418,062</b>
<b>EQUITY</b>	24		
Contributed equity		-	-
Reserves		49,101,537	25,001,537
Retained earnings		63,455,929	85,416,525
<b>TOTAL EQUITY</b>		<b>112,557,466</b>	<b>110,418,062</b>

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 2011

	Note	Contributed equity	Reserves	Retained earnings	Total equity
		\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	24	-	48,146,537	85,530,865	133,677,402
Changes in accounting policy or correction of prior period errors	-	-	-	-	-
<b>Restated balance at 1 July 2009</b>	-	48,146,537	85,530,865	133,677,402	
Total comprehensive income for the year			-	(114,340)	(114,340)
Transactions with owners in their capacity as owners:					
Capital appropriations	-	-	-	-	-
Other contributions by owners	-	-	-	-	-
Distributions to owners	-	(23,145,000)		-	(23,145,000)
<b>Total</b>	-	(23,145,000)	(114,340)	(23,259,340)	
<b>Balance at 30 June 2010</b>	-	25,001,537	85,416,525	110,418,062	
<b>Balance at 1 July 2010</b>	-	25,001,537	85,416,525	110,418,062	
Total comprehensive income for the year	-		-	(21,960,596)	(21,960,596)
Transactions with owners in their capacity as owners:					
Capital appropriations	-	-	-	-	-
Other contribution by owners	-	24,100,000	-	-	24,100,000
Distributions to owners	-				
<b>Total</b>	-	-	-	-	-
<b>Total</b>		24,100,000	(21,960,596)	2,139,404	
<b>Balance at 30 June 2011</b>		49,101,537	63,455,929	112,557,466	

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 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		8,750	13,007
Provision of services		2,124,488	1,151,966
Interest received		1,151,560	1,378,860
GST receipts on sales		203,806	2,286,973
Other receipts		299,647	86,878
<b>Payments</b>			
Employee benefits		(1,070,774)	(883,157)
Supplies and services		(1,841,290)	(1,916,511)
Accommodation		(36,448)	(31,063)
GST payments on purchases		(193,180)	(243,179)
Payment to State Government		(21,500,000)	
Net cash provided by/(used in) operating activities	25	<b>(20,853,441)</b>	<b>1,843,774</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		-	-
<b>Payments</b>			
Purchase of non-current physical assets		(434,322)	(26,078,546)
Purchase of investments		-	-
<b>Net cash provided by/(used in) investing activities</b>		<b>(434,322)</b>	<b>(26,078,546)</b>
Net increase/(decrease) in cash and cash equivalents		(21,287,763)	(24,234,772)
Cash and cash equivalents at the beginning of period		30,243,110	54,477,882
<b>CASH AND CASH EQUIVALENT ASSETS AT THE END OF PERIOD</b>	25	<b>8,955,347</b>	<b>30,243,110</b>

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



## Notes to the Financial Statements

For the year ended 30 June 2011

### Note 1. Australian Accounting Standards

#### General

The Authority's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards 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 2011.

### Note 2. Summary of significant accounting policies

#### (a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 AASB.

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

#### (b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for 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 (\$), except for note 23(d) defined benefit super plans.

Note 4 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Authority's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 5 'Key sources of estimation uncertainty' discloses 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.

### **(c) Reporting entity**

The reporting entity comprises the Authority and there are no affiliated bodies included.

### **(d) Contributed equity**

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

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

### **(e) Income**

#### Revenue recognition

Revenue is recognised and 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 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.

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

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

Other non-reciprocal contributions that are not contributions by owners are recognised at

their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Authority obtains control over the funds. The Authority obtains control of the funds at the time the funds are deposited into the Authority's bank account.

#### Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

### **(f) Property, plant and equipment and infrastructure**

#### Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure 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 immediately 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

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, the cost is the fair value at the date of acquisition.

#### Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure and historical cost for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical 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. Buildings are revalued 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 revalued amount.

In the absence of market-based evidence, 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.

Land and buildings are independently valued 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.

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

#### Derecognition

Upon disposal or de-recognition of an item of property, plant and equipment and infrastructure, any revaluation 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 20 '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.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

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

Land is not depreciated.

### **(g) 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 the

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 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.

#### **(h) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Authority is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

#### **(i) Financial instruments**

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

Receivables;  
Term deposits; and  
Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets  
Cash and cash equivalents  
Receivables  
Term deposits  
Financial Liabilities  
Payables

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

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

#### **(j) Cash and cash equivalents**

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

#### **(k) Accrued salaries**

Accrued salaries (see note 22) represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its net fair value.

## **(l) Inventories**

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

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

## **(m) Receivables**

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

## **(n) 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 settlement is generally within 30 days.

## **(o) Provisions**

Provisions are liabilities of uncertain timing or 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 the end of each reporting period.

### Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

#### *Annual leave*

The liability for annual 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 liability is settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the

reporting period.

#### *Long service leave*

The liability for 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 liability is settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

#### *Superannuation*

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS 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.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS 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 Mercer Actuaries using the projected unit credit method.

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

The GSS, the WSS, and the GESBS, where the current service superannuation charge is paid by

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

The GSS is a defined benefit scheme for the purposes 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*

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

##### *Restoration costs*

A provision is recognised where the Authority has a legal or constructive obligation to undertake restoration work. Estimates are based on the present value of expected future cash outflows.

#### **(p) 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.

See also note 23 'Provisions – Employee Benefits

#### **(q) Jointly controlled operations**

The Authority has one interest in a joint venture the Midland Scales Joint Venture and has jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves the use of assets and other resources of the venturers rather than the establishment of a separate entity. The Authority recognises its interests in the jointly controlled operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint venture. The Authority also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.



## **(r) Comparative figures**

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

## **Note 3. Other Accounting Policies**

### **Rental Income**

The Authority receives rental income from lease agreements with Livestock Agents and other parties. The income is accounted for on a straight-line basis over the term of the lease. Contingent rental income is recognised as income in the period in which it is earned.

## **Note 4. 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 the amounts recognised in the financial statements. The Authority evaluates these judgements regularly.

### **Operating lease commitments**

The Authority has entered into a lease for buildings for office accommodation. The lease relates to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, the lease has been classified as an operating lease.

## **Note 5. Key sources of estimation uncertainty**

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

### **Long Service Leave**

Several estimations and assumptions used in calculating the Authority's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

### **Estimating fair values of freehold land**

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

### **Impairment of the Muchea Livestock Centre**

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 received advice from the Department of Treasury and Finance that the reduction of livestock population in the MLC catchment area required two

consecutive years to prove an effect on revenue streams.

The board formed the opinion not to impair the asset though future cashflow from trading activities was a concern.

#### **Previous Year Capital Accruals for the Muchea Livestock Centre**

As at 30 June, 2010, there were capital accruals amounting to \$1,287,173. The bulk of the accruals relate to contingencies to ensure that the facility was operational from 3 May 2010. The Department of Treasury and Finance had not yet invoiced the amount owned as at 30 June 2010. The Muchea Livestock Centre (MLC) is now fully operational and the warranty period is close to expiring, therefore, the capital accruals are now removed and the MLC is shown at cost as at 30 June 2011.

### **Note 6. 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 2010 that impacted on the Authority.

2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land & buildings recognised in the financial statements have not been found to significantly expose the Authority to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows reported in the Authority's Statement of Cash Flows relate to increases in recognised assets.

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

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

		<b>Operative for reporting periods beginning on/after</b>
AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12].</i>	1 Jan 2013

The amendment to AASB 7 Financial Instruments: Disclosures requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

		Operative for reporting periods beginning on/after
AASB 2009-12	<i>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</i>	1 Jan 2011
	This Standard introduces a number of terminology changes. There is no financial impact on the Authority resulting from the application of this revised Standard.	
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	
	The Standard does not have any financial impact on the Authority. However it may affect disclosures in the financial statements of the Authority if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.	
AASB 2010-2	<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.	
	The Standard is not expected to have any financial impact on the Authority. However this Standard may reduce some note disclosures in financial statements of the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.	
AASB 2011-2	<i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 &amp;</i>	1 July 2011

*AASB 1054]*

This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

AASB 2010-5	<i>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &amp; 1038 and Interpretations 112, 115, 127, 132 &amp; 1042] (October 2010)</i>	1 Jan 2011
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This Standard introduces a number of terminology changes as well as minor presentation changes to the notes to the Financial Statements. There is no financial impact on the Authority resulting from the application of this revised Standard.

AASB 2010-6	<i>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &amp; AASB 7]</i>	1 July 2011
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This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.

The Standard is not expected to have any financial impact on the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

AASB 9	<i>Financial Instruments</i>	<b>Operative for reporting periods beginning on/after</b> 1 Jan 2013
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This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.

The Standard was reissued on 6 Dec 2010 and the Authority is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.

AASB 2010-7	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2013
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*arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*

This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.

AASB 1054 *Australian Additional Disclosures* 1 July 2011

This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]* 1 July 2011

This Amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

## Changes in accounting estimates

**Note:** Disclosures of the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods is required, except when it is impracticable to estimate that effect on future periods.

## Note 7. Trading Profit

	2011	2010
	\$	\$
Sales	8,749	13,007
Cost of Sales:		
Opening inventory	-	-
Purchases	-	-
	-	-
Closing inventory	-	-
Cost of Goods Sold	-	-
<b>Trading Profit</b>	<b>8,749</b>	<b>13,007</b>

## Note 8. Provision of services

	2011	2010
	\$	\$
Saleyard Fess and Services	1,082,448	769,539
Livestock Services	386,046	188,493
Abattoir Licensing and Services	93,139	79,030
Truck Wash	55,612	62,058
Waste Management	-	25,540
Joint Venture	60,053	50,076
	<b>1,677,298</b>	<b>1,174,736</b>

## Note 9. Interest revenue

	2011	2010
	\$	\$
Interest revenue	1,151,562	1,377,340
(Interest on Term Deposits held with Bank-West)	<b>1,151,562</b>	<b>1,377,340</b>

## Note 10. Other revenue

	2011	2010
	\$	\$
Rental Income	73,369	54,517
Share of Joint Venture Income	4,339	17,487
Sale of Sundry Equipment	181,610	552
Other Income	44,668	31,809
	<b>303,986</b>	<b>104,365</b>

## Note 11. Employee benefits expense

	2011	2010
	\$	\$
Wages and salaries(a)	960,852	840,765
Superannuation – defined contribution plans(b)	35,142	29,344
Superannuation – defined benefit plans	48,261	50,863
	<b>1,044,255</b>	<b>920,972</b>

Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

Employment on-costs expenses, such as workers' compensation insurance, are included in note 15 'Other expenses'.

Employment on-costs liability is included at note 23 'Provisions'.

## Note 12. Supplies and services

	2011	2010
	\$	\$
Communications	60,033	50,055
Computing	53,829	26,770
Consultants and Contractors	222,830	340,987
Market Reporting	18,027	18,401
Repairs and Maintenance	118,463	75,993
Travel	6,797	16,986
Waste Management	94	1,789
Water Power Gas	81,222	75,057
Other Services	532,059	251,059
	<b>1,093,334</b>	<b>857,097</b>

## Note 13. Depreciation and amortisation expense

	2011	2010
	\$	\$
Depreciation		
Plant, equipment and vehicles	74,575	80,124
Buildings	1,133,179	191,429
Infrastructure	-	-
Leased plant, equipment and vehicles	-	-
Total depreciation	<b>1,207,754</b>	<b>271,553</b>
Amortisation		
Intangible assets	-	-
Total amortisation	-	-
<b>Total depreciation and amortisation</b>	<b>1,207,754</b>	<b>271,553</b>

## Note 14. Accommodation expenses

	2011	2010
	\$	\$
Lease rentals	28,350	22,410
Repairs and maintenance	-	-
Cleaning	8,098	8,653
	<b>36,448</b>	<b>31,063</b>

## Note 15. Other expenses

	2011	2010
	\$	\$
Relocation Costs	109,675	597,203
Bank Fees	878	2,439
Midland Salvage	29,620	3,023
Induction Training	800	10,001

Write-Off of non-current assets	446	-
Other	78,980	90,437
	<b>220,399</b>	<b>703,103</b>

## Note 16. Payment to State Government

	2011	2010
	\$	\$
Payments made during the year:		
Regional Saleyards Strategy Initiative(a)	-	-
Payment to the Department of Agriculture and Food of Western Australia	21,500,000	-
	<b>21,500,000</b>	<b>-</b>

(a) This is a State Government Initiative the Regional Saleyards Strategy is to replace and refurbish saleyards in the regional areas of Katanning, Mount Barker and Boyanup.

## Note 17. Inventories

	2011	2010
	\$	\$
Current		
Inventories held for resale		
Finished goods (Hay)		
At cost	7,496	3,216
At net realisable value	-	-
<b>Total current</b>	<b>7,496</b>	<b>3,216</b>

## Note 18. Receivables

	2011	2010
	\$	\$
Current		
Receivables	152,203	126,714
Allowance for impairment of receivables	(24,314)	(8,006)
Accrued revenue	168,755	295,009
GST/PAYG Refundable	-	170,085
<b>Total Current</b>	<b>296,644</b>	<b>583,802</b>
<b>Total receivables</b>	<b>296,644</b>	<b>583,802</b>
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at start of year	(8,006)	(8,006)
Doubtful debts expense	(16,308)	-
Amounts written off during the year	-	-
Amount recovered during the year	-	-
<b>Balance at end of year</b>	<b>(24,314)</b>	<b>(8,006)</b>



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

## Note 19. Other assets

	2011	2010
	\$	\$
<u>Current</u>		
Prepayments	2,089	6,122
Other	-	-
<b>Total current</b>	<b>2,089</b>	<b>6,122</b>
<u>Non-current</u>		
Other – the authority holds a one third interest in the Midland Scales Joint Venture	246,601	242,262
<b>Total non-current</b>	<b>246,601</b>	<b>242,262</b>

## Note 20. Property, plant and equipment

	2011	2010
	\$	\$
<u>Land</u>		
At fair value <sup>(a)</sup>	52,199,219	28,090,000
Accumulated impairment losses	-	-
	<b>52,199,219</b>	<b>28,090,000</b>
<u>Buildings</u>		
At fair value <sup>(a)</sup>	52,195,771	52,545,481
Accumulated depreciation	(1,324,608)	(191,429)
Accumulated impairment losses	-	-
	<b>50,871,163</b>	<b>52,354,053</b>
<u>Buildings under construction</u>		
Construction costs	-	-
	-	-
<u>Plant and equipment</u>		
At cost	448,621	549,035
Accumulated depreciation	(242,582)	(381,427)
Accumulated impairment losses	-	-
	<b>206,039</b>	<b>167,608</b>
<u>Motor Vehicles</u>		
At cost	367,667	354,563
Accumulated depreciation	(169,103)	(133,068)
Accumulated impairment losses	-	-
	<b>198,564</b>	<b>221,495</b>
	<b>103,474,985</b>	<b>80,833,156</b>

(a) Freehold land and buildings were re-valued as at 1 July 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. The fair value of all land and buildings has been determined by reference to recent market transactions.

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

	Land \$	Buildings \$	Buildings under construction \$	Plant, equipment and vehicles \$	Leased plant, equipment and vehicles \$	Total \$
<b>2011</b>						
Carrying amount at start of year	28,090,000	52,354,053	-	389,103	-	80,833,156
Additions	9,219	416,085	-	90,522	-	515,826
Write down of Prior Year Accruals	-	(765,797)	-	-	-	(765,797)
Other disposals	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-
Revaluation increments	24,100,000	-	-	-	-	24,100,000
Impairment losses <sup>(a)</sup>	-	-	-	-	-	-
Impairment losses reversed <sup>(a)</sup>	-	-	-	-	-	-
Write-Off	-	-	-	(446)	-	(446)
Depreciation	-	(1,133,178)	-	(74,576)	-	(1,207,754)
<b>Carrying amount at end of year</b>	<b>52,199,219</b>	<b>50,871,163</b>	<b>-</b>	<b>404,603</b>	<b>-</b>	<b>103,474,985</b>

	Land \$	Buildings \$	Buildings under construction \$	Plant, equipment and vehicles \$	Leased plant, equipment and vehicles \$	Total \$
<b>2010</b>						
Carrying amount at start of year	51,235,000	0	31,439,330	167,402	--	82,841,732
Additions	-	54,443,127	23,003,797	340,667	-	77,787,591
Transfers	-	(1,897,645)	(54,443,127)	-	-	(56,340,772)
Other disposals	-	-	-	(38,842)	-	(38,842)
Revaluation increments	(23,145,000)	-	-	-	-	(23,145,000)
Impairment losses <sup>(a)</sup>	-	-	-	-	-	-
Impairment losses reversed <sup>(a)</sup>	-	-	-	-	-	-
Depreciation	-	(191,429)	-	(80,124)	-	(271,553)
Write-Off assets	-	-	-	-	-	-
<b>Carrying amount at end of year</b>	<b>28,090,000</b>	<b>52,354,053</b>	<b>-</b>	<b>389,103-</b>	<b>-</b>	<b>80,833,156</b>

a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in the Statement of Comprehensive Income. Where a previously revalued asset is written-down to recoverable amount, the loss is recognised as a revaluation decrement in the Statement of Changes in Equity.

b) The estimated fair value of an asset that has been subject to revaluation is restated as the net

amount.

## Note 21. Impairment of assets

There were no indications of impairment to property, plant and equipment as at 30 June 2011.

The Authority did, however, consider the matter of impairment and took advice from the Department of Treasury and considered it appropriate to leave the value of assets, using the historical cost values.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2011 have either been classified as assets held for sale or written-off.

## Note 22. Payables

	2011	2010
	\$	\$
<u>Current</u>		
Trade payables	40,694	246,594
GST, PAYE payable	26,223	16,171
Accrued expenses	31,911	239,076
Accrued salaries	24,020	18,907
Accrued Capital Expenses	-	643,587
Other	-	(95)
Total current	<b>122,848</b>	<b>1,164,240</b>

Note: the accrued capital expenses in 2010 were an estimate of the remaining expenditure within the MLC construction project plan.

## Note 23. Provisions

	2011	2010
	\$	\$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	131,182	138,520
Long service leave <sup>(b)</sup>	65,876	77,738
Superannuation <sup>(e)</sup>	75,255	76,229
	<b>272,313</b>	<b>292,487</b>
<i>Other provisions</i>		
Employment on-costs <sup>(d)</sup>	26,201	21,994
	<b>26,201</b>	<b>21,994</b>
	<b>298,514</b>	<b>314,481</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	3,684	13,434
	<b>3,684</b>	<b>13,434</b>

*Other provisions*

Employment on-costs<sup>(d)</sup>

650	1,452
650	1,452
<b>4,334</b>	<b>14,886</b>

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

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Within 12 months of the end of the reporting period	119,879	85,837
More than 12 months after the reporting period	25,879	66,903
	<b>145,758</b>	<b>152,740</b>

(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 will occur as follows:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Within 12 months of the end of the reporting period	29,451	85,512
More than 12 months after the reporting period	48,051	14,886
	<b>77,502</b>	<b>100,398</b>

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

(d) Defined benefit superannuation plans

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

	<b>Pre-transfer benefit – Gold State</b>			
	<b>Pension Scheme</b>		<b>Superannuation Scheme</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
Current service cost	-	-	-	-
Interest cost (unwinding of the discount)	-	-	4	4
Net actuarial losses/(gains) recognised	-	-	(5)	(12)
Total	-	-	(1)	(8)

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

Present value of unfunded obligations	-	-	76	84
Liability in the statement of financial position	-	-	76	84

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

Liability at start of year	-	-	76	84
Current service cost	-	-	-	-
Interest cost (unwinding of the discount)	-	-	4	4
Net actuarial losses/(gains) recognised	-	-	(5)	(12)
Benefits paid	-	-	-	-
Liability at end of year	-	-	75	76
Reconciliation of the fair value of plan assets is as follows:				
Fair value of plan assets at start of year	-	-	-	-
Employer contributions	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at end of year	-	-	-	-

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2011	2010
Discount rate	5.28%	5.48%
Future salary increases	4.50%	4.50%

#### Historic summary

	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
Pension scheme:					
Present value of unfunded obligation	75	76	84	64	60
Fair value of plan assets	-	-	-	-	-
Deficit	75	76	84	64	60

#### Pre-transfer benefit – Gold State Superannuation Scheme:

Present value of unfunded obligation	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-
Deficit	-	-	-	-	-

#### Experience adjustments arising on plan liabilities:

Pension scheme	(6)	(11)	9	4	1
Pre-transfer benefit – Gold State Superannuation Scheme	-	-	-	-	-

#### **Movements in other provisions**

	2011 \$	2010 \$
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	21,994	-
Additional provisions recognised	11,534	21,994
Payments/other sacrifices of economic benefits	(6,677)	-

Unwinding of the discount	-	-
<b>Carrying amount at end of period</b>	<b>26,851</b>	<b>21,994</b>

## Note 24. Equity

The Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

<b>Reserves</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<u>Asset revaluation surplus</u>		
Balance at start of period	25,001,537	48,146,537
Net revaluation increments/(decrements):		
Land	24,100,000	(23,145,000)
Buildings	-	-
Plant and equipment	-	-
<b>Balance at end of period</b>	<b>49,101,537</b>	<b>25,001,537</b>
<b>Retained earnings</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Balance at start of period	85,416,525	85,530,865
Result for the period	(21,960,596)	(114,340)
Income and expense recognised directly in equity	-	-
<b>Balance at end of period</b>	<b>63,455,929</b>	<b>85,416,525</b>
<b>Total Equity at end of period</b>	<b>112,557,466</b>	<b>110,418,062</b>

## Note 25. Notes to the Statement of Cash Flows

### 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:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	974,130	397,084
Term Deposits	7,981,217	8,167,923
Term Deposit reserved for the Regional Saleyard Strategy Initiative		21,678,103
	<b>8,955,347</b>	<b>30,243,110</b>

## Reconciliation of loss to net cash flows provided by operating activities

	2011	2010
	\$	\$
Loss for the period	(21,960,595)	(114,340)
Non-cash items:		
Depreciation and amortisation expense	1,207,754	271,553
Write-down of non-current assets classified as held for sale	446	38,842
Share of Joint Venture Income	(4,339)	(17,487)
(Increase)/decrease in assets:		
Current receivables(a)	447,190	2,030,897
Current inventories	(4,280)	(3,216)
Other current assets	4,033	(5,318)
Increase/(decrease) in liabilities:		
Current payables(a)	(543,354)	292,212
Current provisions	(15,967)	(646,184)
Other current liabilities	26,223	(5,780)
Non-current provisions	(10,552)	2,595
<b>Net cash provided by/(used in) operating activities</b>	<b>(20,853,441)</b>	<b>1,843,774</b>

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

## Note 26. Commitments

The commitments below are inclusive of GST where relevant.

### Capital expenditure commitments

	2011	2010
	\$	\$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	636,799	-
Later than 1 year and not later than 5 years	1,055,000	-
Later than 5 years	-	-
	<b>1,691,799</b>	<b>-</b>

The capital commitments include amounts for:

Truck-wash Drainage Modification	60,000
Additional Sprinklers	58,400
Bridges Walkways Sheep	10,627
Saleyard Pen Modification	80,000
Evaporative Pond Work	100,000
Truck Wash	60,000
Bore Monitoring and Capping	10,000
Tennant Sweeper	63,000
Tele-handler	94,772

Contingency year one	100,000
Total	<b>636,799</b>
Landscaping Embankment	150,000
Tree Planting	30,000
WAMIA Website	50,000
Platform Scales	50,000
Concrete Aprons Feed Trough	50,000
Bitumen Upgrade	200,000
Truck Parking	100,000
Storage Shed Office	25,000
Earthworks-Paddocks	50,000
Contingency year two	100,000
Export Holding Area	150,000
Contingency year three	100,000
Total	<b>1,055,000</b>

#### Lease commitments

	2011	2010
	\$	\$
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:		
Within 1 year	22,819	24,777
Later than 1 year and not later than 5 years	23,460	13,602
Later than 5 years	-	-
	<b>46,279</b>	<b>38,379</b>
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	46,279	38,379
Future finance charges on finance leases	-	-
	<b>46,279</b>	<b>38,379</b>

#### Non-cancellable operating lease commitments

	2011	2010
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	22,819	-
Later than 1 year and not later than 5 years	23,460	38,379
Later than 5 years	-	-
	<b>46,279</b>	<b>38,379</b>

The Authority has entered into a property lease which is a non-cancellable lease with a two year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the two year term for an additional term of two years.



## Note 27. Contingent liabilities and contingent assets

### Contingent liabilities

There were no contingent liabilities that would affect the Authority at balance date.

### Contingent assets

There were no contingent assets present at the end of the financial year.

The authority has provided a guarantee of \$35,000 to its bankers to cover wage payments.

## Note 28. Events occurring after the end of the reporting period

The former Midland Sale-yard site Lot 14241 (Bushmead Road) was transferred to the Midland Redevelopment Authority on the 15th July 2011 by the Western Australian Meat Industry Authority (WAMIA) for the value of \$46.6 million. As part of the transfer WAMIA is to be indemnified of any future responsibilities associated with the site.

## Note 29. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011. Significant variations are considered to be those greater than 10% or \$50,000.

### Significant variances between estimate and actual for 2011

	2011 Estimate \$	2011 Actual \$	Variance \$
<u>Income</u>			
<u>Provision of Services</u>			
Muchea Livestock Centre – Income Transshipment	232,500	383,821	151,321
Muchea Livestock Centre – Agistment Income	56,600	6,263	(50,337)
Muchea Livestock Centre – Fees Livestock Logistics	123,000	72,358	(50,642)
Administration – Strategy Income	100,000	34,606	(65,394)
<u>Expenditure</u>			
<u>Employee Benefit Expenses</u>			
Muchea Livestock Centre – Employee Costs	339,146	410,977	(71,831)
Administration – Employee Costs	225,069	455,781	(230,712)
<u>Payment for Regional Saleyard Strategy</u>			
Investments – Term Deposits	270,000	20,357,224	(20,087,224)

### Income

#### Provision of Services

#### *Muchea Livestock Centre – Income Transshipment*

The year saw unusual Eastern States buyer activity due to the drought being broken in the Eastern States of Australia. Livestock were held at the Muchea Livestock Centre awaiting transport to move inter-state.

*Muchea Livestock Centre – Agistment Income*

The expectation was for the Live Export Trade to use the facility as a holding area the need did not eventuate.

*Muchea Livestock Centre – Fees Livestock Logistics*

The monthly fees based on cost recovery were lower than expected.

*Administration – Strategy Income*

The recouping of expenses on behalf of Livestock Agents proved to be lower than original estimates.

Expenditure

*Employee Benefit Expenses*

*Muchea Livestock Centre – Employee Costs*

The labour costs for maintenance and welding were higher than estimated.

*Administration – Employee Costs*

The year saw the implementation of the staff review and the redeployment took longer than anticipated, two employees claimed long service and contract staff were employed to assist with the transition.

Payment for Regional Saleyard Strategy

*Investments – Term Deposits*

The Regional Saleyard Strategy contribution of \$21.5m was paid to the Department of Agriculture and Food to administer the initiative. The date of the transfer was reliant on the direction from the Minister for Agriculture and Food and this occurred on the 21st February 2011.

**Significant variances between actual results for 2010 and 2011**

	2011 \$	2010 \$	Variance \$
	Actual	Actual	Variance
<u>Income</u>			
Provision of Services	1,677,298	1,174,736	502,562
Interest Revenue	1,151,562	1,377,340	(225,778)
Other Income	303,986	104,365	199,621
<u>Expense</u>			
Employee Benefits Expense	1,044,255	920,972	(123,283)
Supplies and Services	1,093,334	857,092	(236,242)
Depreciation	1,207,754	271,553	(936,201)
Other Expenses	220,399	703,103	482,704

Income

Provision of Service

The number of livestock throughput was higher than last year. This resulted in higher income levels for yard fees and transhipment.

Interest Revenue

The principle amounts held in term deposits was lower than last year due to the final payments for the construction of the facility being made early in the financial year. Interest earnings on the large term deposit were expired after the large payment of \$21.5m was made.

#### Other Income

The increased other income was due to the auctioning of sundry equipment in June 2011 resulting in proceeds of \$161,879.

#### Expense

##### Employee Benefits Expense

The 2011 year incurred termination costs, long service leave payments and contract staff. Supplies and Services

The costs were higher than last year as the Muchea Livestock Centre (MLC) established operations. Noticeable costs were for maintenance, electricity, the purchase of sundry equipment and livestock feed.

##### Depreciation

The MLC began operations in May of 2010 and depreciation has been charged at \$95k a month which resulted in depreciation cost of \$1.133m for the year.

##### Other Expenses

The 2010 year had expenditure relating to the closing of the Midland Sale Yards and relocation costs of moving to the new facility.

### **Note 30. Financial instruments**

#### **(a) Financial risk management objectives and policies**

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and 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 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 30(c) 'Financial instruments disclosures' and note 18 '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's 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 [for example, equity securities or commodity prices changes]. The Authority's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

The authority has no debt, has no borrowings from Treasury and has no finance leases, the long term debt is detailed in the interest rate sensitivity analysis table at note 30(c).

### **(b) Categories of financial instruments**

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

	2011	2010
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	974,130	397,084
Term Deposits	7,981,216	29,846,026
Receivables(a)	152,203	118,708
Other Current Assets	168,755	295,009
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	40,694	262,764
Other Current Liabilities	55,931	901,474

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

### (c) Financial instrument disclosures

#### Credit risk and interest rate exposures

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 end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Authority.

The Authority does not hold any collateral as security or other credit enhancement 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 <sup>(a)</sup>											
	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Past due but not impaired					Impaired financial assets \$
			Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$	Up to 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$	
<b>Financial Assets</b>											
<b>2011</b>											
Cash and cash equivalents	4.6	974,130	-	-	974,130	-	-	-	-	-	-
Restricted cash and cash equivalents	4.6	7,981,216	7,981,216	-	-	-	-	-	-	-	-
Receivables(a)	-	152,203	-	-	152,203	131,720	20,483	-	-	-	-
Other financial assets	4.9	168,755	-	-	168,755	-	-	-	-	-	-
		<b>9,276,304</b>	<b>7,981,216</b>	<b>-</b>	<b>1,295,088</b>	<b>131,720</b>	<b>20,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2010</b>											
Cash and cash equivalents	4.6	397,084	-	-	397,084	-	-	-	-	-	-
Restricted cash and cash equivalents	4.6	29,846,026	29,846,026	-	-	-	-	-	-	-	-
Receivables(a)	-	118,708	-	-	118,708	102,733	15,975	-	-	-	-
Other financial assets	4.9	295,009	-	-	295,009	-	-	-	-	-	-
		<b>30,656,827</b>	29,846,026	<b>-</b>	<b>810,801</b>	<b>102,733</b>	<b>15,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

**Interest rate exposure and maturity analysis of financial liabilities<sup>(a)</sup>**

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Non-Adjustment interest bearing discounting \$	Adjustment for \$	Total Nominal Amount \$	Maturity date				
			Fixed interest rate \$	Variable interest rate \$					Up to 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Financial Liabilities</b>													
<b>2011</b>													
Payables	-	40,695	-	-	40,695	-	-	-	-	-	-	-	-
Other Current Liabilities	-	55,930	-	-	55,930	-	-	-	-	-	-	-	-
		96,625	-	-	96,625	-	-	-	-	-	-	-	-
<b>2010</b>													
Payables	-	262,805	-	-	262,805	-	-	-	-	-	-	-	-
Other Current Liabilities	-	901,474	-	-	901,474	-	-	-	-	-	-	-	-
		<b>1,164,279</b>			<b>1,164,279</b>								
			-	-		-	-	-	-	-	-	-	-

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

### 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 in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
<b>2011</b>					
<u>Financial Assets</u>					
Cash and cash equivalent	974,130	(9,741)	(9,741)	9,741	9,741
Term Deposits	7,981,216	(79,812)	(79,812)	79,812	79,812
Other financial assets					
<u>Financial Liabilities</u>					
Bank Overdraft		-	-	-	-
Total Increase/(Decrease)		<b>(89,553)</b>	<b>(89,553)</b>	<b>89,553</b>	<b>89,553</b>
	Carrying amount \$	-100 basis points		+100 basis points	
	Carrying amount \$	Surplus \$	Equity \$	Surplus \$	Equity \$
<b>2010</b>					
<u>Financial Assets</u>					
Cash and cash equivalent	397,084	(3,970)	(3,970)	3,970	3,970
Term Deposits	29,846,026	(298,461)	(298,461)	298,461	298,461
Other financial assets		-	-	-	-
Total Increase/(Decrease)		<b>(302,431)</b>	<b>(302,431)</b>	<b>302,431</b>	<b>302,431</b>

### 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

## Note 31. Jointly controlled operations

Name of Operation	Principal Activity	Output Interest (%)
<b>Midland Scales Joint Venture</b>	Livestock Weighing	33

The following amounts represent the Authority's assets employed in the above jointly controlled operations, which are included in the financial statements:

	2011 \$	2010 \$
<u>Current assets</u>		
Cash and cash equivalents	-	-
	-	-
<u>Non-current assets</u>		
Buildings under construction	-	-
Other	246,601	242,262
	<b>246,601</b>	<b>242,262</b>
<b>Total assets</b>	<b>246,601</b>	<b>242,262</b>

## Note 32. Remuneration of members of the accountable authority and senior officers

### Remuneration of members of the 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:

\$	2011	2010
Up to 10,000	4	5
10,000 - \$20,000	3	2
<b>The total remuneration of members of the accountable authority</b>	<b>82,918</b>	<b>77,183</b>

The total remuneration includes the superannuation expense 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:

\$	2011	2010
50,001 – 60,000	1	-
60,001 – 70,000	-	-
70,001 – 110,000	1	1
110,001 – 170,000	2	2



<b>The total remuneration of senior officers</b>	<b>427,710</b>	<b>338,173</b>
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The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority

### Note 33. Remuneration of auditor

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

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Auditing the accounts, financial statements and key performance indicators	<b>20,020</b>	<b>24,356</b>

### Note 34. Supplementary financial information

#### (a) Write-offs

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Public property written-off by the WAMIA Board during the financial year	446	-
	<b>446</b>	<b>-</b>

#### (b) Losses through theft, defaults and other causes

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	<b>-</b>	<b>-</b>

#### (c) Gifts of public property

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Gifts of public property provided by the Authority	-	-
	<b>-</b>	<b>-</b>

### Note 35. Schedule of income and expenses by service

	Muchea Livestock Centre		Compliance and Licensing		Development and Administration		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Sales	8,749	13,007	0	0	0	0	8,749	13,007
Provision of services	1,584,159	1,095,706	93,139	79,030	0	0	1,677,298	1,174,736
Commonwealth grants and contributions	0	0	0	0	0	0	0	0
Interest revenue	0	0	0	0	1,151,562	1,377,340	1,151,562	1,377,340
Other revenue	87,769	95,125	0	0	216,217	9,240	303,986	104,365
Gain on disposal of non-current assets	0	0	0	0	0	0	0	0
<b>Total Income</b>	<b>1,680,677</b>	<b>1,203,838</b>	<b>93,139</b>	<b>79,030</b>	<b>1,367,779</b>	<b>1,386,580</b>	<b>3,141,595</b>	<b>2,669,448</b>
Expenses								
Cost of sales	0	0	0	0	0	0	0	0
Employee benefits expense	466,489	618,425	72,096	66,350	505,670	236,197	1,044,255	920,972
Supplies and services	1,045,847	794,353	23,413	32,510	24,074	30,234	1,093,334	857,097
Depreciation and amortisation expense	1,207,754	271,553	0	0	0	0	1,207,754	271,553
Finance costs	0	0	0	0	0	0	0	0
Accommodation expenses	0	0	0	0	36,448	31,063	36,448	31,063
Grants and subsidies	0	0	0	0	21,500,000	0	21,500,000	0
Other expenses	61,250	326,829	36,539	24,245	122,610	352,029	220,399	703,103
<b>Total expenses</b>	<b>2,781,340</b>	<b>2,011,160</b>	<b>132,048</b>	<b>123,105</b>	<b>22,188,802</b>	<b>649,523</b>	<b>25,102,190</b>	<b>2,783,788</b>
Profit/(loss) before grants and subsidies from State Government	(1,100,663)	(807,322)	(38,909)	(44,076)	(20,821,023)	737,057	(21,960,595)	(114,340)
Grants and subsidies from State Government	0	0	0	0	0	0	0	0
<b>Profit/(loss) after grants and subsidies from State Government</b>	<b>(1,100,663)</b>	<b>(807,322)</b>	<b>(38,909)</b>	<b>(44,076)</b>	<b>(20,821,023)</b>	<b>737,057</b>	<b>(21,960,595)</b>	<b>(114,340)</b>
Income tax equivalent expense							0	0
<b>Profit/(loss) for the period</b>							<b>(21,960,595)</b>	<b>(114,340)</b>

## Note 36. Supplementary financial information

The Muchea Livestock Centre is to provide livestock selling and management facilities to the livestock industry.

Compliance and Licensing provides a regulatory service to meat and livestock industry.

Development and Administration is to provide a development and informative service to the government and the meat and livestock industry.

## Additional Key Performance Indicator Information

### Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Model Statutory Authority's performance, and fairly represent the performance of the Model Statutory Authority for the financial year ended 30 June 2011.



(Signature)

Des Griffiths

Board Member of Western Australian  
Meat Industry Authority

13 September 2011



(Signature)

Renata Paliskis

Chief Executive Western Australian Meat  
Industry Authority

13 September 2011



## OUTCOME ONE (EFFECTIVENESS)

To ensure 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 the Muchea Livestock Centre .

### EFFECTIVENESS INDICATOR TO BE MEASURED

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 2010/2011. All saleyards are represented regardless of total throughput or frequency of operation.

### PERFORMANCE TO STATE THROUGHPUT

There are twenty seven (27) operating saleyards in Western Australia of these seven (7) saleyards operated on a regular basis (at least six sales per year) during the 2010/2011 financial year or accounted for at least 1% of State saleyards throughput of one species.

The results below indicate that 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 has retained a significant market share in sheep.

### COMPARATIVE PERFORMANCE

The following tables compare throughput at the Muchea Livestock Centre with all Western Australian saleyards.

#### Cattle and Calves

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
MLC	122,661	112,724	97,089	99,883	103,530	100,890	106,183
Total saleyards	285,058	263,676	229,865	251,239	242,927	259,195	250,649
% through MLC	43.0	42.6	42.23	39.8%	42.7%	39.3%	42.4%
Next highest saleyard	70,635	56,233	57,578	77,612	67,645	67,786	72,553

#### Sheep, Lambs and Goats

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
MLC	948,972	1,038,329	903,839	913,957	648,449	701,614
Total saleyards	2,214,521	2,133,714	2,010,372	2,149,313	1,745,192	1,845,041
% through MLC	42.8	48.7	45.0%	42.5%	37.2%	38.03%

Next saleyard	highest	990,386	1,00,915	998,828	1,140,728	991,579	1,155,265
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#### PERFORMANCE TO TARGETS

WAMIA set target throughputs as part of its 2010/2011 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2010/2011 actual throughput WAMIA met its expected targets with stock numbers for both sheep and cattle above estimates. Significant factors in this increase were the strong market conditions that prevailed throughout the mid part of the year for both cattle and sheep.

	TARGET	ACTUALS	VARIANCE
Cattle	100,000	106,183	6,183 6.18%
Sheep, lambs and goats	650,000	701,614	51,614 7.94%

#### OUTCOME ONE (EFFICIENCY MEASURE 1)

To ensure 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 the Muchea Livestock Centre.

#### EFFICIENCY INDICATOR TO BE MEASURED

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

#### RELEVANCE

As the cost to industry for using 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 Muchea Livestock Centre in 2010/2011 was \$2,262,518. The Muchea Livestock Centre's throughput for the year was 1,325,529 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units, cattle 7 units).

The cost per unit for 2010/2011 to maintain the Muchea Livestock Centre was \$1.71.

This calculation is based on the first full year of operations of the Muchea Livestock Centre (which commenced operations in May 2010). The comparative data prior to 2010/2011 is for the Midland Saleyards which closed in April 2010. The significant increase in expenditure and unit cost is attributable to the increase in depreciation and set up costs in the first year of operation.

## COMPARATIVE PERFORMANCE

	2006/07	2007/08	2008/09	2009/10	2010/2011
Total cost of maintaining Midland Saleyard	\$710,085	\$734,643	\$737,295	\$868,431	\$2,262,518
No. of livestock units handled in the Year	1,645,839	1,532,276	1,574,990	1,296,389	1,325,529
Cost per unit	\$0.43	\$0.48	\$0.47	\$0.67	\$1.71

## OUTCOME ONE (EFFICIENCY MEASURE 2)

To ensure the Muchea Livestock Centre is providing a 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 the 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 2010/11 were: rentals, 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 2010/2011 the cost of providing fee for service activities at the Muchea Livestock Centre was \$554,504. The income generated by these activities was \$615,657.

In 2010/2011 the return of fee for service activities at the Muchea Livestock Centre was \$1.13 for every \$1.00 incurred in providing the service. This represents a return of (13%) 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.

	2007/08	2008/09	2009/10	2010/11
Total cost of providing fee for service activities at Muchea Livestock Centre	\$360,475	\$319,224	\$336,896	\$554,504
Income generated by fee for service activities	\$399,398	\$311,283	\$365,580	\$615,675
Income generated for every \$1.00 incurred to	\$1.11	\$0.98	\$1.09	\$1.13

provide service				
Percentage return on costs	11%	(2%)	9%	13%

A comparison with the percentage return on fee for service activities in 2009/2010 has seen an increase in the percentage return on the provision of services at the Muchea Livestock Centre, the increased capacity and ability of the facility to handle large numbers of stock more efficiently had a significant impact on the percentage return. Expenditure increased significantly due to higher depreciation costs and increased amount of feed required to meet demand.

#### PERFORMANCE TO TARGETS

In the WAMIA set income target as part of its 2010/2011 budget process budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2010/2011 actual income, WAMIA exceeded its expected target.

	TARGET	ACTUALS	VARIANCE
Income	\$517,942	\$615,675	\$97,715 (18.86%)

#### OUTCOME TWO (EFFECTIVENESS)

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

#### RELEVANCE OF OUTCOME

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

#### EFFECTIVENESS INDICATOR TO BE MEASURED

Percentage of WA abattoirs meeting standards.

#### RELEVANCE OF INDICATOR

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

#### SOURCE OF INFORMATION/MEASUREMENT

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

#### PERFORMANCE

The State's abattoirs continue to maintain standards with the average rating for the twenty nine (29) abattoirs operating at 30 June 2011 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:

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Construction Standard	81.5%	78.6%	79.8%	79.3%	77.0%	77.0%
Product Description System	67.6%	64.3%	63.4%	62.9%	60.3%	60.3%
Health and Hygiene Standard	85.2%	82.1%	83%	82.8%	80.2%	80.2%
Training System	72.2%	68.8%	69.6%	69.0%	67.2%	67.2%
Quality Assurance System	45.7%	46.6%	46.4%	47.1%	44.8%	44.8%
Average Rating	70.4%	68.0%	68.5%	68.2%	65.9%	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 carcase tickets, approval procedures, associated board costs, prosecution costs, standards development and implementation costs, costs of liaison and networking with other regulatory authorities.

### PERFORMANCE

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$264,951. The cost of attaining the standard per abattoir \$264,951 divided by 29 approved abattoirs is \$9,136. The average rating for 2010/11 has been maintained at 65.9%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$212. This means that it cost the Authority \$138 to achieve each percentage point of achievement for abattoirs.

## COMPARATIVE PERFORMANCE

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

	2004/06	2006/07	2007/08	2008/09	2009/10	2010/11
Cost of achieving standards	\$296,038	\$257,610	\$250,825	\$253,819	\$230,997	\$264,951
Number of establishments	29	28	28	30	30	29
Cost per abattoir	\$10,208	\$9,200	\$8,958	\$8,460	\$7,700	\$9,136



Average abattoir rating	70.4%	68.0%	68.5%	68.2%	65.9%	65.9%
Cost per rating unit	\$145	\$135	\$132	\$124	\$113	\$138

The results show 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 2010/2011 was \$77,010.

Twenty nine (29) abattoirs, one hundred and fifth teen (115) processing works twenty seven (27) saleyards and forty eight (48) other outlets were operating during the 2010/11 year. The cost per establishment for delivering the service was \$352. (\$77,010 divided by 219 establishments).

### COMPARATIVE PERFORMANCE

	2006/07	2007/08	2008/09	2009/10	2010/11
Total cost of maintenance and distribution of information	\$77,907	\$88,861	\$85,032	\$74,004	\$77,010

Number of establishments	187	206	203	208	219
Cost per establishment for delivering service	\$416	\$431	\$419	\$356	\$352

## APPENDIX A

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

#### Construction standard

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

#### Product description system

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

#### Health and hygiene standards

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

#### Training standards

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

#### Quality assurance

Minimum HACCP Program implemented (externally audited)	1 point
Extended Quality Assurance Arrangement (based on ISO, externally audited)	2 points
Certified ISO Quality System, third party audited	3 points
<b>Total possible points for each abattoir</b>	<b>18 points</b>

## Ministerial Directives

### Regional Saleyard Strategy

The authority was directed to release funds for the Regional Saleyard Strategy Initiative in February of this financial year. The payment of \$21.5m was paid to the Department of Agriculture and Food of Western Australia who administers the initiative.

#### Lot 14241 Bushmead Road – Old Midland Sale-yard Site

On the 8th of June 2011 State Cabinet agreed that lot 14241 (the old Midland Sale-yard site) be transferred to the Midland Redevelopment Authority by the Western Australian Meat Industry Authority. In order that the transfer from the Western Australian Meat Industry Authority Management Vesting occur, and in line with section 50 of the Land Administration Act (1997), the management order must be revoked. The Minister for Agriculture and Food, Hon Terry Redman has therefore requested that the Management Order be revoked by the Minister for Lands, Hon Brendan Grylls with a surrender date of the 30th June 2011 and a transfer date of the 1st of July 2011. The land was transferred on the 15th of July 2011 and this will show in the financial statements for the next financial year.

**Note:** The former Midland Sale-yard site Lot 14241 (Bushmead Road) was transferred to the Midland Redevelopment Authority on the 15th July 2011 by the Western Australian Meat Industry Authority (WAMIA) for the value of \$46m. As part of the transfer the WAMIA is to be indemnified of any future responsibilities associated with the site.

## Other Financial Disclosures

### Pricing policies of services provided

The Authority charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by the Department of Treasury and Finance. The current fees and charges were published in the Gazette on 31 December 2010 and introduced/payable from 7 January 2011. Details are available on the Authority's website at [www.wamia.wa.gov.au](http://www.wamia.wa.gov.au).

### Capital Works

#### Capital project incomplete

No incomplete capital projects were present at the 30th June 2011.

#### Capital projects completed

No capital projects were completed during 2010-11.

## Employment and Industrial Relations

### Staff Profile

	2011	2010
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Full-time permanent	5	5
Full-time contract	2	2
Part-time measured on a FTE basis	2	2
On secondment	-	-
	<b>9</b>	<b>9</b>

### **Staff Development**

The Statutory Authority has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

During the financial year, our employees received training in excess of 15 hours of in-house and external training. As the result of our commitment to staff training and development, we are recognised as the industry leader in the information technology area in the public sector.

### **Workers Compensation**

One compensation claim concluded during the financial year and no claims were present at the end of the financial year.

## **Governance Disclosures**

### **Contracts with Senior Officers**

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Western Australian Meat Industry Authority other than normal contracts of employment of service.

### **Insurance premiums paid to indemnify members of the Board**

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2010-11 was \$98,589.

## **Other Legal Requirements**

### **Note : Annual Estimates**

Section 40 of the FMA provides for the accountable authority of a statutory authority to submit annual estimates of the annual operations of the statutory authority to the Minister for approval.

The estimates are to be prepared and submitted to the Minister at such times as determined by the Treasurer, or no later than three months before the commencement of the next financial year.

Statutory authorities not funded as a separate Division of the Consolidated Account Expenditure Estimates should include the approved annual estimates for the current financial year in the annual report of the preceding financial year submitted to the responsible Minister under the provisions of section 63 of the Act.

A comprehensive list of Other Legal Requirements is available from the Public Sector Commission's Annual Reporting Framework

<http://www.publicsector.wa.gov.au/Pages/A-ZPublications.aspx>

## **Government Policy Requirements**

Note : A comprehensive list of Government Policy Requirements is available from the Public Sector Commission's

Annual Reporting Framework at:

<http://www.publicsector.wa.gov.au/Pages/A-ZPublications.aspx>