



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

ANNUAL REPORT JUNE 2012



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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. 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. The Authority's web site is www.wamia.wa.gov.au

CHAIRMAN'S REPORT 2011/2012

To All Industry Stakeholders

The year ending 30 June 2012 has been a challenging one for WAMIA. It has been a year in which Western Australia has seen a significant decline in livestock numbers, primarily driven by the massive movement East of cattle and sheep during 2010 and consequent restocking this year. This, in turn was driven by drought conditions in Western Australia in 2010, whilst there were ample pastures in the Eastern states. This significant decline in volume had an impact on WAMIA's revenues. Forecasts indicate that livestock numbers are now returning and WAMIA's budget for the year ending June 2013 shows a lift in volumes and revenues.

The Muchea Livestock Centre has continued to be improved with rectification of minor defects as well as modifications which continue to be made to improve operational efficiency and safety.

On 31 March 2012, Kerry McAuliffe retired as Chairman of WAMIA. Kerry had been Chairman for many years and had overseen enormous changes at WAMIA, including the huge task of constructing Muchea and moving the operations to Muchea from Midland. On behalf of the Board I thank Kerry for his many years of service to WAMIA.

In May 2012 the Board and management met to review WAMIA's strategic direction. The strategies that were developed are now being implemented by management and we hope that all stakeholders will see a positive change in WAMIA. Some of the key strategies are:

1. To raise the perceived value of WAMIA with all of its stakeholders;
2. To increase livestock throughput through Muchea Livestock Centre by providing superior service to users of the centre;
3. To look for value-adding services and other activities which benefit stakeholders, particularly at Muchea;
4. Developing a long term plan for development of land at Muchea, which may include an agribusiness precinct;
5. Ensuring that WAMIA's compliance function is efficient, effective, focused and adds value to the Western Australian Meat Industry; and
6. Managing WAMIA's costs so that it provides an efficient, cost effective service.

The Board welcomes feedback from all stakeholders about your perception as to how well WAMIA is progressing towards achieving its strategic objectives.



David Lock
CHAIRMAN
23rd August 2012

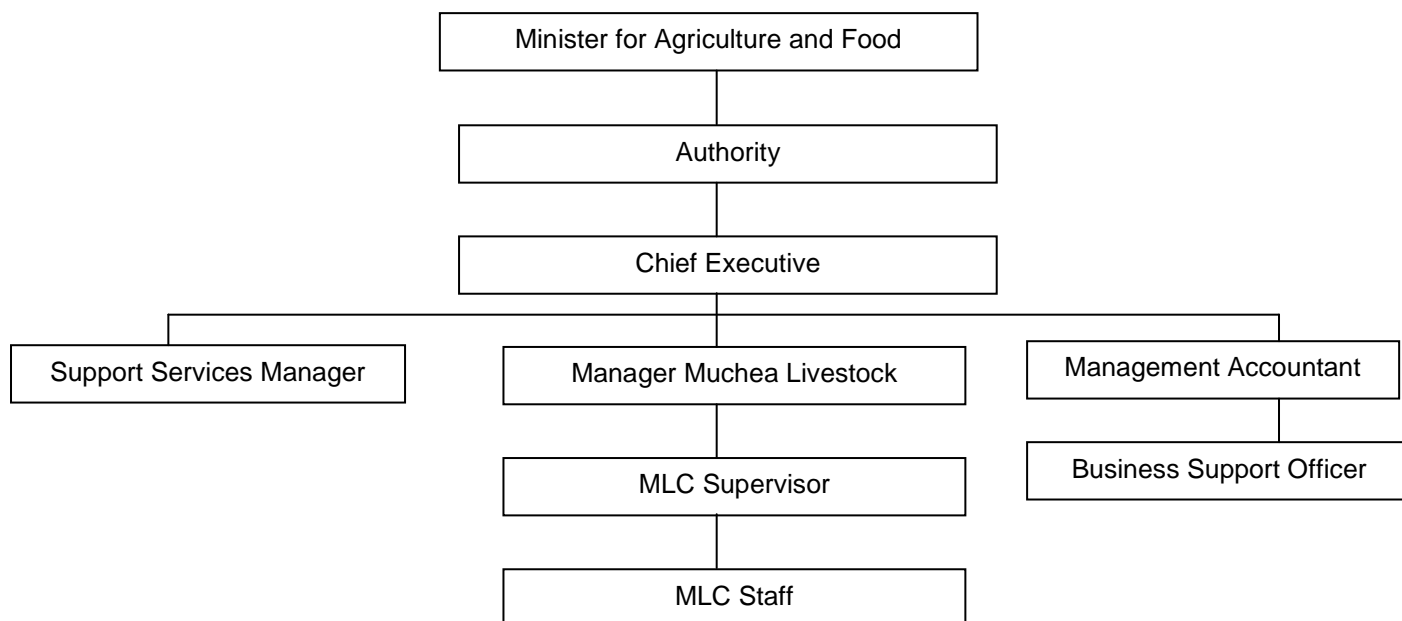
CORPORATE STRUCTURE

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 2012 were:

David Lock (Chairman)	- Representing the Minister
Warren Robinson (Deputy Chairman)	- Representing the Wholesale and Retail Meat Industry
Dr Andy Paterson	- 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 2011/2012

There were two Membership changes in the 2011/2012 financial year, with:-

Chairman Mr Kerry McAuliffe replaced by Mr David Lock and
Dr Kevin Chennell replaced by Dr Andy Paterson.

In March 2012 Mr Griffiths and Mr Robinson were reappointed until March 2015 and the Chairman Mr Lock was appointed until March 2015. The term of Mr Panizza expires in March 2013; the terms of all other Members expire in March 2014.

The administrative staff of the Authority at 30 June 2012 were:

Renata Paliskis	Chief Executive
Lyndon Henning	Manager Muchea Livestock Centre
Mark Elson	Management Accountant
Dave Saunders	Support Services Manager
Brooke Meredith	Business Support Officer
Marina Hodda	Executive Officer
Tiffany Marriott	School Based Trainee

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 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

Eight Authority meetings were held during 2011/12. Members' attendance at the meetings was as follows (maximum attendance in brackets):

Name of Member	Meetings Attended
Kerry McAuliffe (Chairman)	5 (6)
David Lock (Chairman)	2 (2)
Des Griffiths	7 (8)
Mark Panizza	7 (8)
Andy Paterson	3 (3)
Warren Robinson	8 (8)
Kevin Chennell	2 (5)
Erin Gorter	8 (8)
Sally O'Brien	8 (8)
Kim McDougall	8 (8)

Industry Participation

The Authority views the interaction of representatives of industry organisations as essential to its operations and has attendance by advisers from the Department of Agriculture & Food, 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 Saunders. Executive support is provided by Mr Saunders. This Committee did not meet during 2011/2012.

- *Finance Committee – Responsible for overseeing the financial management of the Authority* – Membership made up of Mr Griffiths (Chairman), Ms Paliskis and Mr Elson. Executive support was provided by Mr Elson. This Committee met on eight (8) occasions during 2011/2012.
- *MLC Community Consultative Group* – Required as a condition of the MLCs Department of Environment & Conservation approval provides the Local Community with an opportunity to provide input into the MLCs environmental operations. Membership made up of Ms Paliskis (Chairman), Mr Saunders and Mr Henning and community representatives and Shire of Chittering Officers. Executive support was provided by Ms Hodda. This Committee met on four (4) occasions during 2011/2012.
- *MLC Saleyard Users Group* – Set up as part of the WAMIA 2010-2015 Strategic Plan provides MLC users with an opportunity to provide input into the MLCs operations and recommend improvements to centre design and operations. Membership made up of Ms Paliskis (Chairman), Mr Saunders and Mr Henning and representatives of Agents, Transporters, Contractors and other MLC users. Executive support was provided by Ms Hodda. This Committee met on four (4) occasions during 2011/2012

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 Ms Hodda.
- Ms Paliskis is the treasurer of the Western Australian Beef Council (Incorporated).
- 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 serving as President up to March 2012.
- Mr Saunders continued to serve as a Director of NSQA the National Saleyard Quality Assurance Program.
- Mr Saunders continued as a member of the Katanning Saleyard Advisory Committee.

Strategic Planning

The Western Australian Meat Industry Authority Board held a Strategic Planning workshop on 11 May 2012. The Workshop, facilitated by the new Chairman David Lock developed a new Strategic Plan for WAMIA, including:-

- Purpose,
- Values
- Strategic Issues, Strategies, Strategic Initiatives and Key Performance Indicators for the Western Australian Meat Industry Authority.

As at 30 June 2012, this document was still in draft form, but was being fine-tuned. The document was approved by the Western Australian Meat Industry Authority Board on 24 July, 2012 (after the current reporting period).

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; and
- Continued review via Internal Audit.

LEGISLATIVE CHANGES

The *Western Australian Meat Industry Authority Amendment Regulations 2011* were gazetted on the 6 December 2011. The Regulations provide the Authority with the required legislation to operate the Muchea Livestock Centre and were drawn up after extensive consultation with Industry stakeholders.

MIDLAND SALEYARD – RELOCATION STATUS AS AT 30 JUNE 2012

The Midland Saleyard Relocation Project was completed on the 18 July 2011, with the transfer of the saleyard reserve Lot 14241 (Midland Saleyard lot) to the Midland Redevelopment Authority.

The disposal was subject to a State Cabinet direction in 2010/2011 that Lot 14241 to be transferred to at no cost. At the direction of the Office of the Auditor General,

WAMIA undertook a valuation of the lot resulting in an un-remediated value of \$46.6 million.

Land Sales

No land sales have occurred in the reporting period.

MUCHEA LIVESTOCK CENTRE (MLC)

2011/2012 saw the MLC complete its second full year of operations and while sale throughput was reduced for the period, Management and staff continued to review its operations, carry out improvements and promote the Centre to ensure the MLC maintained its position as Western Australia's premium selling centre.

Communications

The Authority considers that good communication is important for successful operations and implemented the following initiatives:

- The Muchea News, now in its second year, is a monthly one page advertorial that is printed in the Farm Weekly. This weekly publication has a readership of 13,000. The Muchea News is the main means by which news about the MLC is circulated to its stakeholders. News includes: changes in fees, profiling of new board members, requests for customer feedback, promotion of special sales and animal welfare messages.
- Development of the website to include user feedback and interaction for agents and processors.
- Continued promotion of the Centre Manager, Mr Lyndon Henning as the key MLC contact with person to person relationships to be built with Centre users on a day to day basis. This is supported by his attendance at User Group meetings, Community Consultative Group meetings, industry and community functions.

Improvements

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

- Additional slam latches throughout the centre including keeper modifications;
- Slam latches to selling pen internal gates;
- Additional gates at cattle ramps;
- Spring Latches to all mangates;
- New walk way connecting the main selling area to the cattle load-in ramp area; and
- Trial of alternative soft floor replacement material reducing dust and replacement cost.

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

- Completion of addition of bottom rails to selling and holding pens;
- Spring Latches to all mangates; and
- Installation of steps to the auctioneers' walkways.

Achievements in other areas for the period were as follows:-

- Landscaping of office areas and main driveway;
- Remediation of embankments to prevent significant erosion. Horizontal contours were installed along with sealed vertical drains. The surface was covered with woodchips and topsoil. At the end of the reporting period, the remediation work had withstood significant rainfall and was holding up very well;
- Clearing of outside paddocks was undertaken. This has allowed the establishment of approx 40ha of hay crop (sown 12 June 2012) which will be used to supplement purchased feed; and
- Repairs to effluent pond walls due to erosion.

Defects

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

- Sprinklers;
- Effluent pumping system;
- Water pumping system; and
- Septic system.

Animal Welfare

Compliance with Animal Welfare requirements is an essential element of the MLC's operation and the MLC has a zero tolerance policy for animal cruelty with any cases immediately referred to regulators. MLC staff work daily with MLC users to ensure that the centre maintains the highest standards possible which include.

- Planning and contingencies for animal welfare incidents;
- Maintenance and design of MLC holding facilities and equipment;
- Ensuring Staff competency;
- Management of weak, ill or injured livestock at the Saleyard;
- General management of livestock at the Saleyard; and
- Humane destruction of stock.

MLC Management has also worked closely with regulatory authorities to develop uniform interpretations of animal welfare requirements and assisted in training of Animal Welfare Officers.

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 2011-2015 Strategic Plan. The aim of the group is to recommend improvements to centre design and operations.

WAMIA in the period sought industry feedback for the relocation of surplus bulk weighing Platform Scales from the Midland Saleyard to complement existing single weigh equipment. The negligible feedback could not justify the required expenditure and the installation did not proceed.

Occupational Health & Safety

Occupational Health and Safety is a key consideration of the MLC's Operations and to ensure that the MLC operates at the highest standards quotations WAMIA has initiated an independent safety review that will be completed in 2012/2013.

A major requirement for the Centre is inductions of persons seeking access to the Centre's operational area and out of hour's access. Some 670 persons have been inducted by Authority staff since the MLCs opening.

MLC - AGRIBUSINESS AREA

The development of an agribusiness area within the MLC buffer zone has been identified as part of the overall Muchea Employment Node master plan and as an essential element to improve the viability of the MLC operations. The Agribusiness Plan development is part of the 2012-2015 Strategic Plan.

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 2011/2012 financial year, examples include:-

- Participation in the Muchea Livestock Centre User Group.
- Meeting with agents individually to discuss and determine:-
 - Promotion of special sales and
 - Any operational issues associated with their sales.

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:-

- Transhipment;
- Feeding;
- Agistment;
- Live export cattle depoting – AQIS accredited;
- Venue for community meetings and functions;
- Pregnancy Testing; and
- Dentition.

LIVESTOCK YARDINGS FOR THE WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Cattle throughput in the 2011/2012 year was its lowest for many years with 19,610 head less than the previous year with 86,582 head yarded. Of the number of cattle yarded, 10.2% were veal. The lower yardings can be attributed to herd rebuilding in the pastoral areas evident by the lower veal numbers and the continuing impact of livestock movements to the Eastern States the previous year. Of note was the lack of store and weaner sales.

Sheep and lamb numbers declined significantly by 278,533 head less than the previous year to 423,081 head. The significant downward trend was experienced by both major Western Australian Sheep Selling centres. A number of factors impacted on the decline with the most significant being the low State sheep population.

According to the Department of Agriculture and Food of Western Australia, the Western Australian sheep population in the 2011/2012 financial year fell 0.9m to 14.4m as at 30 June 2012. Meat and Livestock Australia projections continue to predict the commencement of a slow flock rebuild in 2012 /2013.

The sheep market while very strong at the start of the period saw demand reduce over the year with prices improving towards the end of 2011/2012. The cattle market has steadily improved over the period to see the year finish with a strong market.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2009/2010 and for the Muchea Livestock Centre from 2010/2011 onwards 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
2011/2012	86,582	423,081	0

Joint Venture

Since July 2001, the Midland Sales Management Joint Venture (MSMJV) at Midland Saleyards between the Authority, Elders Rural Services Pty 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, Muchea Acting Supervisor Mr Ray Showler 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.

In early 2012, the Management Committee agreed that a full time manager should be appointed to oversee the Joint Venture's MLC and regional operations. It was considered that the appointment would improve communications between key stake holders. It is expected that an appointment will be made in late 2012.

Service Agreements between LLWA and the agents have been drafted during the period for implementation in 2012. Components of the agreements include pen plan approvals, written drafting instructions and price parity.

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 2011/2012 this involvement included regular briefings to the Executive Committees of the WA Farmers Federation and the Pastoralists and Graziers Association and the Livestock and Rural Transporters Association.

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. The major overhaul of the web site commenced in 2010/2011, was completed in 2011/2012. The website provides up to date yardings and market reports as well as information on WAMIA's functions, staffing and governance and is used to advertise special sales and employment opportunities. During the period it averaged 100 "hits" per week.

Development of the website will continue in 2012/2013 with the next phase providing a point of interaction for processors, livestock agents and producers so that invoices can be paid and returns can be submitted electronically.

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 and other educational institutions. Some of these students have become employees of the LLWA.

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

The WAMIA Chief Executive was awarded the Meat and Livestock Australia scholarship to undertake the Australian Rural Leadership Program. This prestigious experimental program run by the Australian Rural Leadership Foundation in Canberra commenced in May 2012 and will conclude in September 2013.

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 30/06/11	NUMBER AT 30/06/12
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	8
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	5
Closed with current approval	Required to maintain basic environmental standards	Nil	1	3
Under construction	Non operational	Non operational	0	1
Total			28	29

Approval changes – No abattoir approval status changes occurred during the period:

Applications for Approvals

During the year, the Authority considered the following applications:

	2009/2010	2010/2011	2011/2012
Applications to construct an establishment	0	1	0
Applications to operate	1	0	0
Applications for variation to approval	0	0	0

Approved Abattoirs as of the 30 June 2012

CATEGORY	ABATTOIR	LOCATION
Export	Beaufort River Meats	Beaufort River via Woodanilling
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Geraldton Meat Exports Pty Ltd	Moonyoonooka
	Hillside Meats Pty Ltd *	Narrogin

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

* Hillside Meats – Currently closed and on the market for sale

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 2012, all operating 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 2010/11 and 2011/12.

ESTABLISHMENT CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOAT	PIGS
Export	20010/11	279,496	1,111,947	1,747,609	105,482	483,493
	2011/12	263,595	694,396	1,481,310	74,663	485,503
	% Change	(5.7%)	(37.5%)	(15.2%)	(29.2%)	0.4%
Domestic (unrestricted)	20010/11	163,099	174,524	292,926	6,696	22,343
	2011/12	132,257	71,746	299,703	7,284	23,216
	% Change	(18.9%)	(58.9%)	2.3%	8.7%	3.9%
Domestic without Meat Inspection	20010/11	125	273	261	17	156
	2011/12	73	161	150	9	89
Special#	20010/11	1,804	4,216	38	0	154
	2011/12	1,928	3,986	59	0	120
Totals	20010/11	444,524	1,290,960	2,040,834	112,196	506,150
	2011/12	398,166	770,289	1,781,222	81,956	508,924
	% Change	(10.4%)	(40.3%)	(12.7%)	(27%)	0.5%

4 Agricultural Colleges, Murdoch University & Karnet Prison

ESTABLISHMENT CATEGORY	YEAR	DEER	ALPACCAS	BUFFALO	RABBIT	HORSE
Export	20010/11	133	0	0	0	0
	2011/12	111	0	0	0	0
Domestic (unrestricted)	20010/11	768	0	2	31,787	4
	2011/12	699	7	0	32,075	2
Special	20010/11	0	0	0	0	0
	2011/12	0	0	0	0	0
Total	20010/11	901	0	2	31,787	0
	2011/12	810	7	0	32,075	2

COMPLIANCE ACTIVITIES

Compliance Committee

The Committee did not meet during 2011/2012 however the Compliance Officer maintained regular contact with 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 is currently reviewing its compliance and audit functions to ensure that they avoid duplication to industry, target areas of concern and maintain awareness of WAMIA's functions within the industry.

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 carcass 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.

In July 2011, the WAMIA Board called for industry submissions and held an industry forum to seek feed back as to whether there is a future for lamb roller branding in Western Australia. While there was some support for change the majority of respondents supported the retention of the current requirements. In view of this response on 23 August 2011 the WAMIA Board endorsed retention of the current lamb branding legislation.

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	2011/2012
Abattoirs	61	39	6
Boning Rooms	22	4	0
Smallgoods Establishments	8	1	0
Retailers	229	218	52
Other premises	34	28	7

Note Compliance activities were reduced in 2011/2012 with the move to a part time position and Compliance Officer unavailability due to leave commitments.

Investigations undertaken	2010/2011			2011/2012		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	2	1	2	2	0	4
Product mis-description	1	1	0	2	2	0
Labelling issues	1	1	0	0	0	0
Over the hooks	1	1	0	0	1	0
Brand issues	3	3	0	0	0	0
Other	2	2	0	0	0	0
Assist other regulators	2	2	0	0	0	0

Legal Action Completed

- None at the time of reporting.

Ongoing

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

Statistical Services

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

HUMAN RESOURCES

Staffing Levels

The number of salary and wages staff employed by the Authority at 30 June 2011 and 30 June 2012 is listed below:

Title	FTE *as at 30/06/2011	FTE *as at 30/06/2012
Chief Executive Officer	1.0	1.0
Manager Muchea Livestock Centre	1.0	1.0
Management Accountant	1.0	1.0
Support Services Manager	1.0	1.0
Executive Officer	0	.4
Compliance Officer	1.0	0
Saleyard Supervisor	1.0	1.0
Centre Cleaning, Maintenance, Feeding	3.4	4.4
Total	9.4	9.8

*FTE = Full Time Equivalent

Staff Training and Development

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

In 2011/2012, the Authority recommenced its involvement in the Public Sector School Based Traineeship Program with Ms Tiffany Marriott from the Hampton Senior High School commencing in February 2012.

Industrial Relations

All administrative and supervisory staff are covered by 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. This agreement has been renegotiated and a new agreement will be registered in early 2012/2013. All wage increases are in line with the State Government Wages Policy.

Ministerial Directives

There were no Ministerial Directives in the reporting period

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 -
 - (a) Midland saleyard; and
 - (b) 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 did not receive any FOI requests during the 2011/2012 period.

RISK MANAGEMENT

In 2012 the Authority board identified and endorsed a risk register. Strategies were developed to deal with risks and the significant risks reported on at every Board meeting.

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 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 did not incur any expenditure of this nature.

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. No compliance issues have been considered in the period

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 and saleyard users through its reference group. 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.

A detailed OH&S review of the MLC was undertaken on construction and is to be followed by a further review of its operations in 2012/2013

The table below lists the target reporting for 2011/2012:

Indicator	2011/2012 Target	2011/2012 Actual
Number of Fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injured works returned to work within (1) 13 weeks & (2) 26 weeks	80%	100%
Percentage of Managers and supervisors trained in occupational safety, health and injury management responsibilities	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.

- In 2011/2012 the Authority undertook a review of its record keeping plan as required by the State Records Act.
- A staff training program has been agreed to with training commencing in early 2012/2013.
- A full review of the effectiveness and efficiency of the Record Keeping Plan will take place in 2012/2013.
- The WAMIA induction program addresses employee roles and responsibilities in regard to their compliance with the record keeping plan.

The Western Australian Meat Industry Authority

Financial Statements

For the year ended 30 June 2012



Auditor General

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 2012, 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 2012 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.

Report on Controls

I have audited the controls exercised by the Western Australian Meat Industry Authority during the year ended 30 June 2012.

Controls exercised by the Western Australian Meat Industry Authority are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Authority complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

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 during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators

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 and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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 and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

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 2012.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2012 included on the Authority's website.

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



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
19 September 2012

DISCLOSURES AND LEGAL COMPLIANCE

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2012

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 2012 and the financial position as at 30 June 2012.

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)
David Lock
Chairman of the Western
Australian Meat Industry Authority

19 September 2012



(Signature)
Mark Elson
Management Accountant of the
Western Australian Meat Industry
Authority

19 September 2012



(Signature)
Des Griffiths
Board Member of the Western
Australian Meat Industry Authority
19 September 2012

Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
INCOME			
Revenue			
Sales	7	13,035	8,749
Provision of services	8	1,402,942	1,677,298
Interest revenue	9	461,470	1,151,562
Other revenue	10	231,608	303,986
TOTAL INCOME		2,109,055	3,141,595
EXPENSES			
Employee benefits expense	11	1,022,241	1,044,255
Supplies and services	12	1,159,795	1,093,334
Depreciation and amortisation expense	13	1,229,982	1,207,754
Accommodation expenses	14	54,309	36,448
Other expenses	15	164,066	220,399
TOTAL EXPENSES		3,630,393	3,602,190
Loss before payments to State Government		(1,521,338)	(460,595)
Payment to Department of Agriculture and Food	16	-	(21,500,000)
LOSS FOR THE PERIOD		(1,521,338)	(21,960,595)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	25	(47,269,219)	24,100,000
Gains/losses recognised directly in equity		-	-
Total other comprehensive income		(47,269,219)	24,100,000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(48,790,557)	2,139,405

See also note 37 '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 2012

	Note	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	8,846,828	8,955,347
Inventories	17	6,595	7,496
Receivables	18	133,626	296,644
Other current assets	19	2,044	2,089
Total Current Assets		8,989,093	9,261,576
Non-Current Assets			
Property, plant and equipment	20	55,180,068	103,474,985
Intangible Assets	21	10,399	-
Other non-current assets	19	152,024	246,601
Total Non-Current Assets		55,342,491	103,721,586
TOTAL ASSETS		64,331,584	112,983,162
LIABILITIES			
Current Liabilities			
Payables	23	222,989	122,848
Provisions	24	330,667	298,514
Total Current Liabilities		553,656	421,362
Non-Current Liabilities			
Provisions	24	11,019	4,334
Total Non-Current Liabilities		11,019	4,334
TOTAL LIABILITIES		564,675	425,696
NET ASSETS		63,766,909	112,557,466
EQUITY	25		
Contributed equity		-	-
Reserves		1,832,318	49,101,537
Retained earnings		61,934,591	63,455,929
TOTAL EQUITY		63,766,909	112,557,466

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 2012

	Note	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2010	25	-	25,001,537	85,416,525	110,418,062
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2010			25,001,537	85,416,525	110,418,062
Total comprehensive income for the period			-	(21,960,596)	(21,960,596)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	24,100,000	-	24,100,000
Distributions to owners		-	-	-	-
Total		-	24,100,000	(21,960,596)	2,139,404
Balance at 30 June 2011		-	49,101,537	63,455,929	112,557,466
Balance at 1 July 2011		-	49,101,537	63,455,929	112,557,466
Deficit for the Period		-	-	(1,521,338)	(1,521,338)
Other comprehensive Income		-	(47,269,219)	-	(47,269,219)
Total comprehensive income for the period		-	1,832,318	61,934,591	63,766,909
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2012		-	1,832,318	61,934,591	63,766,909

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 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		13,035	8,750
Provision of services		1,402,942	2,124,488
Interest received		461,470	1,151,560
GST receipts on sales		137,563	203,806
Other receipts		231,609	299,647
Payments			
Employee benefits		(928,775)	(1,070,774)
Supplies and services		(988,450)	(1,841,290)
Accommodation		(54,309)	(36,448)
GST payments on purchases		(168,920)	(193,180)
Payments to State Government		-	(21,500,000)
Other payments		-	-
Net cash provided by/(used in) operating activities	26	106,165	(20,853,441)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds from sale of non-current physical assets		-	-
Payments			
Purchase of non-current physical assets		(214,684)	(434,322)
Purchase of investments		-	-
Net cash provided by/(used in) investing activities		(214,684)	(434,322)
Net increase/(decrease) in cash and cash equivalents		(108,519)	(21,287,763)
Cash and cash equivalents at the beginning of the period		8,955,347	30,243,110
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	26	8,846,828	8,955,347

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 2012

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2012 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. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2012.

Note 2. Summary of significant accounting policies

(a) General statement

The Authority is a not-for-profit reporting entity that prepares general purpose financial statements 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 impose legislative provisions that govern 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 (\$).

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 Western Australian Meat Industry Authority.

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

(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 by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

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 revaluation so 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. When buildings are re-valued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount.

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.

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 20 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount

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

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 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
Software	4 years
Motor vehicles	8 years

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Authority have a finite useful life and zero residual value.

The expected useful lives for each class of intangible asset are:

Licences	up to 10 years
Development Costs	3 to 5 years
Software(a)	3 to 5 years
Website costs	3 to 5 years

(a) Software that is not integral to the operation of any related hardware

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets 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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

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.

(i) Leases

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.

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.

(j) Financial instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted 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.

(k) 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.

(l) Accrued salaries

Accrued salaries [see note 23 'Payables'] 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.

(m) Inventories

Inventories are measured at the lower of cost and 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 first 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.

(n) 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.

(o) 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.

(p) 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 that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of 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 end of the reporting period.

Long service leave

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled

Long service leave that is not expected to be settled within 12 months after the end of 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 end of the reporting period. Pre-conditional and 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) administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

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). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Authority makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS

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'.

(q) 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 2(p) 'Provisions – Employee Benefits' under Superannuation

(r) Jointly controlled operations

The Authority has interests in joint ventures that are 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.

(s) 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. 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 WAMIA is a not-for-profit entity.

The board formed the opinion not to impair the asset though future cash-inflows from trading activities were low.

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 2011 that impacted on the Authority.

AASB 1054

Australian Additional Disclosures

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. There is no financial impact.

AASB 2009-12

Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact.

AASB 2010-5

Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-6

Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]

This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7.

An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

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 Int 2, 112 & 113]

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-5

Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

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.

AASB 9

Financial Instruments

This Standard supersedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.

The Standard was reissued in December 2010. The Authority has not yet determined the application or the potential impact of the Standard.

**Operative
for
reporting
periods
beginning
on/after
1 Jan 2013**

		Operative for reporting periods beginning on/after
AASB 10	<i>Consolidated Financial Statements</i>	1 Jan 2013
	<p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 11	<i>Joint Arrangements</i>	1 Jan 2013
	<p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 12	<i>Disclosure of Interests in Other Entities</i>	1 Jan 2013
	<p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>The Standard was issued in August 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 13	<i>Fair Value Measurement</i>	1 Jan 2013
	<p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	

		Operative for reporting periods beginning on/after
AASB 127	<i>Separate Financial Statements</i>	1 Jan 2013
	<p>This Standard supersedes requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 128	<i>Investments in Associates and Joint Ventures</i>	1 Jan 2013
	<p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 1053	<i>Application of Tiers of Australian Accounting Standards</i>	1 Jul 2013
	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	
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 & 1038 and Int 10 & 12]</i>	1 Jul 2013
	[Modified by AASB 2010-7]	

		Operative for reporting periods beginning on/after
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This 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. There is no financial impact.</p>	1 Jul 2013

		Operative for reporting periods beginning on/after
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 2011-9	<p><i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i></p> <p>This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jul 2012
AASB 2011-10	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact.</p>	1 Jan 2013
AASB 2011-11	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013
AASB 2012-1	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013
Int 20	<p><i>Stripping Costs in the Production Phase of a Surface Mine</i></p>	1 Jan 2013
AASB 2010-8	<p><i>Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]</i></p>	1 Jan 2012
AASB 2010-10	<p><i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & 2010-7]</i></p>	1 Jan 2013

		Operative for reporting periods beginning on/after
AASB 2011-4	<i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]</i>	1 Jul 2013
AASB 2011-12	<i>Amendments to Australian Accounting Standards arising from Int 20 [AASB 1]</i>	1 Jan 2013

Changes in accounting estimates

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

	2012 \$	2011 \$
Sales	15,396	8,749
Cost of Sales:		
Opening inventory	-	-
Purchases	2,361	-
	-	-
Closing inventory	2,361	-
Cost of Goods Sold	2,361	-
Trading Profit	13,035	8,749

Note 8. Provision of services

	2012 \$	2011 \$
Saleyard Fees and Services	875,833	1,082,448
Livestock Services	307,394	386,046
Abattoir Licensing and Services	91,223	93,139
Truck Wash	59,288	55,612
Joint Venture	69,204	60,053
	1,402,942	1,677,298

Note 9. Interest revenue

	2012 \$	2011 \$
Interest revenue	461,470	1,151,562
(Interest on Term Deposits held with Bankwest)	461,470	1,151,562

Note 10. Other revenue

	2012	2011
	\$	\$
Rental Income	80,302	73,369
Share of Joint Venture Income	100,000	4,339
Sale of Sundry Equipment	6,980	181,610
Other Income	44,326	44,668
	231,608	303,986

Note 11. Employee benefits expense

	2012	2011
	\$	\$
Wages and salaries(a)	897,888	960,852
Superannuation – defined contribution plans(b)	45,141	35,142
Superannuation – defined benefit plans (note 24 'Provisions')	79,212	48,261
	1,022,241	1,044,255

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 24 'Provisions'.

Note 12. Supplies and services

	2012	2011
	\$	\$
Communications	47,999	60,033
Computing	26,827	53,829
Consultants and contractors	317,055	222,830
Market Reporting	20,200	18,027
Repairs and Maintenance	152,108	118,463
Travel	12,568	6,797
Waste Management	83,700	94
Water Power Gas	81,115	81,222
Other Services	418,223	532,059
	1,159,795	1,093,334

Note 13. Depreciation and amortisation expense

	2012	2011
	\$	\$
Depreciation		
Plant, equipment and vehicles	84,041	74,575
Buildings	1,145,647	1,133,179
Total depreciation	1,229,688	1,207,754
Amortisation		
Intangible assets	294	-
Development costs	-	-
Total amortisation	294	-
Total depreciation and amortisation	1,229,982	1,207,754

Note 14. Accommodation expenses

	2012	2011
	\$	\$
Lease rentals	44,110	28,350
Cleaning	10,199	8,098
	54,309	36,448

Note 15. Other expenses

	2012	2011
	\$	\$
Relocation Costs	1,045	109,675
Bank Fees	562	878
Midland Salvage	-	29,620
Induction Training	-	800
Write Off of non-current assets	-	446
Other	162,459	78,980
	164,066	220,399

Note 16. Payment to State Government

	2012	2011
	\$	\$
Payment made during the Year		
Regional Saleyard Strategy Initiative(a)		
Payment to the Department of Agriculture and Food of Western Australia	-	21,500,000
	-	21,500,000

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

Note 17. Inventories

	2012	2011
	\$	\$
Current		
Inventories held for resale	-	-
Finished goods (Hay)	-	-
At cost	6,595	7,496
At net realisable value		
Total Current	<u>6,595</u>	<u>7,496</u>

Note 18. Receivables

	2012	2011
	\$	\$
Current		
Receivables	112,426	152,203
Allowance for impairment of receivables	(24,314)	(24,314)
Accrued revenue	45,514	168,755
GST/PAYG Refundable	-	-
Total current	<u>133,626</u>	<u>296,644</u>
Non-current	-	-
Total non-current	-	-
Total receivables	<u>133,626</u>	<u>296,644</u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	(24,314)	(8,006)
Doubtful debts expense	-	(16,308)
Amounts written off during the period	-	-
Amount recovered during the period	-	-
Balance at end of period	<u>(24,314)</u>	<u>(24,314)</u>

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

Note 19. Other Assets

	2012	2011
	\$	\$
Current		
Prepayments	2,044	2,089
Other	-	-
Total current	<u>2,044</u>	<u>2,089</u>
Non-current		
Other – the authority holds a one third interest in the Midland Scales Joint Venture	152,024	246,601
Total non-current	<u>152,024</u>	<u>246,601</u>

Note 20. Property, plant and equipment

	2012 \$	2011 \$
<u>Land</u>		
At fair value(a)	4,930,000	52,199,219
Accumulated impairment losses	-	-
	<u>4,930,000</u>	<u>52,199,219</u>
<u>Buildings</u>		
At fair value(a)	52,309,978	52,195,771
Accumulated depreciation	(2,470,256)	(1,324,608)
Accumulated impairment losses	-	-
	<u>49,839,722</u>	<u>50,871,163</u>
<u>Buildings under construction</u>		
Construction costs	0	-
	<u>0</u>	<u>-</u>
<u>Plant, equipment and vehicles</u>		
At cost	506,094	448,621
Accumulated depreciation	(265,184)	(242,582)
Accumulated impairment losses	-	-
	<u>240,910</u>	<u>206,039</u>
<u>Motor Vehicles</u>		
At cost	361,133	367,667
Accumulated depreciation	(191,697)	(169,103)
Accumulated impairment losses	-	-
	<u>169,436</u>	<u>198,564</u>
	<u><u>55,180,068</u></u>	<u><u>103,474,985</u></u>

- a) Freehold land was re-valued as at 1 July 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30th June 2012 and recognised at 30th June 2012. The fair value of all land has been determined by reference to recent market transactions.

The buildings and the associated infrastructure that comprise the Muchea Livestock Centre were commissioned in May 2010. The building warranty period has now expired and the asset is held at cost. The term of three years to revalue buildings has been preferred in the past and a revaluation is due for next financial year.

	Land	Buildings	Buildings under construction	Plant, equipment and vehicles	Leased plant, equipment and vehicles	Total
	\$	\$	\$	\$	\$	\$
2012						
Carrying amount at start of period	52,199,219	50,871,163	-	404,603	-	103,474,985
Additions	-	114,206	-	89,784	-	203,990
Transfers	-	-	-	-	-	-
Other disposals (a)	(46,600,000)	-	-	-	-	(46,600,000)
Classified as held for sale	-	-	-	-	-	-
Revaluation increments	(669,219)	-	-	-	-	(669,219)
Impairment losses (b)	-	-	-	-	-	-
Impairment losses reversed (b)	-	-	-	-	-	-
Depreciation	-	(1,145,647)	-	(84,041)	-	(1,229,688)
Carrying amount at end of period	4,930,000	49,839,722	-	410,346	-	55,180,068

2011						
Carrying amount at start of period	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 (b)	-	-	-	-	-	-
Impairment losses reversed (b)	-	-	-	-	-	-
Write-Off	-	-	-	(446)	-	(446)
Depreciation	-	(1,133,178)	-	(74,576)	-	(1,207,754)
Carrying amount at end of period	52,199,219	50,871,163	-	404,603	-	103,474,985

- a) In accordance with a State Cabinet decision of the 8th June 2011 Lot 14241 (the old Midland Saleyard site) was transferred to the Midland Redevelopment Authority on the 15th July 2011 for nominal consideration. The Authority had previously valued the property at \$46.6m. The value of the land has been adjusted accordingly.
- b) 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.

Note 21. Intangible assets

	2012 \$000	2011 \$000
<u>Computer software</u>		
At cost	10,693	-
Accumulated amortisation	(294)	-
Accumulated impairment losses	-	-
	<u>10,399</u>	<u>-</u>
Reconciliations:		
<u>Computer software</u>		
Carrying amount at start of period	-	-
Additions	10,693	-
Classified as held for sale	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(294)	-
Carrying amount at end of period	<u>10,399</u>	<u>-</u>
	2012 \$000	2011 \$000
<u>Computer software</u>		
At cost	10,693	-
Accumulated amortisation	(294)	-
Accumulated impairment losses	-	-
	<u>10,399</u>	<u>-</u>
Reconciliations:		
<u>Computer software</u>		
Carrying amount at start of period	-	-
Additions	10,693	-
Classified as held for sale	-	-
Revaluation increments	-	-
Impairment losses recognised in Statement of Comprehensive Income	-	-
Impairment losses reversed in Statement of Comprehensive Income	-	-
Amortisation expense	(294)	-
Carrying amount at end of period	<u>10,399</u>	<u>-</u>

Note 22. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2012.

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 as historical cost.

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 2012 have been written-off.

Note 23. Payables

	2012	2011
	\$	\$
<u>Current</u>		
Trade payables	21,700	40,694
GST, PAYE payables	17,899	26,223
Accrued expenses	127,768	31,911
Accrued salaries	55,622	24,020
Total current	222,989	122,848

Note 24. Provisions

	2012	2011
	\$	\$
<u>Current</u>		
Employee benefits provision		
Annual leave(a)	113,317	131,182
Long service leave(b)	72,895	65,876
Superannuation(d)	119,000	75,255
	305,212	272,313
<u>Other provisions</u>		
Employment on-costs(c)	25,455	26,201
	25,455	26,201
	330,667	298,514
<u>Non-current</u>		
Employee benefits provision		
Long service leave(b)	9,366	3,684
	9,366	3,684
<u>Other provisions</u>		
Employment on-costs(c)	1,653	650
	1,653	650
	11,019	4,334

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2012	2011
	\$	\$
Within 12 months of the end of the reporting period	96,766	119,879
More than 12 months after the end of the reporting period	29,143	25,879
	125,909	145,758

(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 end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2012 \$	2011 \$
Within 12 months of the end of the reporting period	31,817	29,451
More than 12 months after the end of the reporting period	64,960	48,051
	96,777	77,502

(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. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 19 'Other expenses'.

(d) Defined benefit superannuation plans

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

	Pension Scheme		Pre-transfer benefit – Gold State Superannuation Scheme	
	2012 \$	2011 \$	2012 \$	2011 \$
Current service cost	-	-	-	-
Interest cost (unwinding of the discount)	-	-	4	4
Net actuarial losses/(gains) recognised	-	-	40	(5)
Total, included in 'Employee benefits expense' (note 13 'Employee benefits expense')	-	-	44	(1)

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

Present value of unfunded obligations	-	-	75	75
Liability in the statement of financial position	-	-	119	75
Reconciliation of the unfunded liability recognised in the statement of financial position is as follows:				
Liability at start of period	-	-	75	76
Current service cost	-	-	-	-
Interest cost (unwinding of the discount)	-	-	4	4
Net actuarial losses/(gains) recognised	-	-	40	(5)
Benefits paid	-	-	-	-
Liability at end of period	-	-	119	75
Reconciliation of the fair value of plan assets is as follows:				
Fair value of plan assets at start of period	-	-	-	-
Employer contributions	-	-	-	-
Benefits paid	-	-	-	-

Fair value of plan assets at end of period	-	-	-	-
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The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2012	2011
Discount rate	2.84%	5.28%
Future salary increases	5.50%	4.50%

Historic summary

	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$
Pension scheme:					
Present value of unfunded obligation	119	75	76	84	64
Fair value of plan assets	-	-	-	-	-
Deficit	119	75	76	84	64

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	(15)	(6)	(11)	9	4
Pre-transfer benefit – Gold State Superannuation Scheme	-	-	-	-	-

Movements in other provisions

	2012	2011
	\$	\$

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount at start of period	26,851	21,994
Additional provisions recognised	257	11,534
Payments/other sacrifices of economic benefits	(-)	(6,677)
Unwinding of the discount	-	-
Carrying amount at end of period	27,108	26,851

Note 25. 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.

Reserves

	2012	2011
	\$	\$
<u>Asset revaluation surplus</u>		
Balance at start of period	49,101,537	25,001,537
Net revaluation increments/(decrements):		
Land(a)	(47,269,219)	24,100,000
Buildings	-	-
Plant and equipment	-	-
Balance at end of period	1,832,318	49,101,537

Retained earnings

	2012	2011
	\$	\$
Balance at start of period	63,455,929	85,416,525
Result for the period	(1,521,338)	(21,960,596)
Income and expense recognised directly in equity	-	-
Balance at end of period	61,934,591	63,455,929
Total Equity at end of period	63,766,909	112,557,466

(a) In accordance with a State Cabinet decision of the 8th June 2011 Lot 14241 (the old Midland Saleyard site) was transferred to the Midland Redevelopment Authority on the 15th July 2012 for nominal consideration. The authority had previously valued the property at \$46.6m. The value of land has been adjusted accordingly.

Note 26. 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:

	2012	2011
	\$	\$
Cash and cash equivalents	865,458	974,130
Term Deposits	7,981,370	7,981,217
	8,846,828	8,955,347

Reconciliation of loss to net cash flows provided by operating activities

	2012	2011
	\$	\$
Loss for the period	(1,521,338)	(21,960,595)
<u>Non-cash items:</u>		
Depreciation and amortisation expense	1,229,982	1,207,754
Net (gain)/loss on disposal of property, plant and equipment	-	446
Share of Joint Venture Income	79,175	(4,339)
<u>(Increase)/decrease in assets:</u>		
Current receivables(a)	163,018	447,190
Current inventories	950	(4,280)
Other current assets	(9,191)	4,033
<u>Increase/(decrease) in liabilities:</u>		
Current payables(a)	199,606	(543,354)
Current provisions	(16,499)	(15,967)
Other current liabilities	(26,223)	26,223
Non-current provisions	6,685	(10,552)
Net cash provided by/(used in) operating activities	106,165	(20,853,441)

(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 27. Resources provided free of charge

	2012	2011
	\$	\$
During the period services for Government Accommodation were provide free of charge.		
Department of Finance through Building Management and Works.	4,852	-
	<u>4,852</u>	<u>0</u>

Note 28. Commitments

Capital expenditure commitments

	2012	2011
	\$	\$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	738,236	636,799
Later than 1 year and not later than 5 years	1,134,000	1,055,000
Later than 5 years	-	-
	<u>1,872,236</u>	<u>1,691,799</u>

The capital commitments include amounts for:

Drainage, Sheep Truck Wash, Bitumen repair	261,236
Monitoring Bore and Capping	15,000
Landscape Embankment	70,000
Earthworks – paddocks	50,000
Concrete Aprons Feeding	50,000
Tree Planting	5,000
Tub Mixer	35,000
Slasher	12,000
Tele-handler	120,000
Website Agent Login	20,000
Contingency	100,000
Total	<u>738,236</u>
Landscaping Embankment	70,000
Tree Planting	30,000
Truck Parking Hard Stand	109,000
Storage Shed	25,000
Export Holding Area	150,000
Business Precinct	450,000
Contingency	300,000
	<u>1,134,000</u>

Lease Commitments

	2012	2011
	\$	\$
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	23,384	22,819
Later than 1 year and not later than 5 years	66,516	23,460
Later than 5 years	-	-
	89,900	46,279
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	89,900	46,279
	89,900	46,279

Non-cancellable operating lease commitments

	2012	2011
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	23,384	22,819
Later than 1 year and not later than 5 years	66,516	23,460
Later than 5 years	-	-
	89,900	46,279

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 29. 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 30. Events occurring after the end of the reporting period

There were no notable events after the end of the reporting period.

Note 31. Explanatory statement

Significant variances between estimate and actual for 2012

	2012 Estimate \$	2012 Actual \$	Variance \$
Income			
Provision of Services			
Muchea Livestock Centre – Calves Yard Fees	87,571	33,251	(54,320)
Muchea Livestock Centre – Sheep Yard Fees	323,778	252,381	(71,397)
Expenditure			
Employee Benefit Expenses			
Muchea Livestock Centre – Employee Costs	307,070	365,994	(58,924)

Income

Provision of Services

Muchea Livestock Centre – Calves Yard Fees

The previous year involved unusual numbers of livestock being sent to the eastern states due to the ten year drought being broken. The current year has had producers re-building on-farm livestock numbers and young stock has been held back.

Muchea Livestock Centre – Sheep Yard Fees

The breaking of the drought had a number of sheep being transported to the eastern states resulting in a significant reduction in the W.A. sheep population. The economic pressures of the high Australian dollar on exports, the attractiveness of cropping have contributed to less interest in holding sheep.

Expenditure

Employee Benefit Expenses

Muchea Livestock Centre – Employee Costs

The year involved the establishment of the Saleyard Managers position and the hours involved were under estimated. The involvement of employees in activities that were unforeseen was also a contributor to the higher than expected expenditure.

Significant variances between actual results for 2011 and 2012

	2012 \$	2011 \$	Variance \$
	Actual	Actual	Variance
Income			
Provision of Services	1,402,942	1,677,298	(274,356)
Interest Revenue	461,470	1,151,562	(690,092)

Income

Provision of Services

The Muchea Livestock Centre is reliant on the numbers of cattle and sheep that are put through the facility for yard fee income. The previous year involved interest from eastern states buyers that has stopped this year. The population of livestock is in a re-building phase and yard fees are lower as a result.

Interest Revenue

The principle amounts held in term deposits were reduced by the \$21.5m payment for the Regional Saleyard Strategy last year. Interest rates have reduced gradually throughout this year.

Note 32. 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 the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 32(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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans and finance leases. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the 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.

(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:

	2012 \$	2011 \$
<u>Financial Assets</u>		
Cash and cash equivalents	865,458	974,130
Term Deposits	7,981,370	7,981,216
Receivables(a)	112,426	152,203
Other Current Assets	45,514	168,755
<u>Financial Liabilities</u>		
Financial Liabilities measured at amortised cost	21,700	40,694
Other Current Liabilities	201,289	55,931

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the Authority's maximum exposure to credit risk 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.

Liquidity risk and interest rate exposure

The following table details the Authority's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

(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.

Ageing analysis of financial assets							
	Carrying Amount \$	Not due and not impaired \$	<u>Past due but not impaired</u>				Impaired financial assets \$
			Up to 3 months \$	3-12 months \$	1-2 years \$	2-5 years \$	
Financial Assets							
2012							
Cash and cash equivalents	865,458	865,458	-	-	-	-	-
Restricted cash and cash equivalents	7,981,370	7,981,370	-	-	-	-	-
Receivables ^(a)	112,426	91,679	6,819	13,928(b) -	-	-	-
Other financial assets	45,514	45,514	-	-	-	-	-
	9,004,768	8,984,021	6,819	13,928 -	-	-	-
2011							
Cash and cash equivalents	974,130	974,130	-	-	-	-	-
Restricted cash and cash equivalents	7,981,216	-	-	-	-	-	-
Receivables ^(a)	152,203	152,203	131,720	20,483 -	-	-	-
Other financial assets	168,755	168,755	-	-	-	-	-
	9,276,304	1,295,088	131,720	20,483 -	-	-	-

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

(b) There was one debtor that has issued a writ holding back any further debt recovery. The amount originally owed was \$17,107 of which \$6,569 has been paid, \$10,537 is still outstanding.

Interest rate exposure and maturity analysis of financial assets

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates					
			Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2012												
Financial Assets												
Cash and cash equivalents	4.25	865,458	-	865,458	-	865,458	865,458	-	-	-	-	
Restricted cash and cash equivalents	4.25	7,981,370	7,981,370	-	-	7,981,370	-	-	7,981,370	-	-	
Receivables(a)	-	112,426	-	-	112,426	112,426	97,296	15,130	-	-	-	
Other financial assets	4.25	45,514	-	-	45,514	45,514	45,514	-	-	-	-	
		9,004,768	7,981,370	865,458	157,940	9,004,768	1,008,268	15,130	7,981,370	-	-	
2011												
Cash and cash equivalents	4.6	974,130	-	-	974,130	974,130	974,130	-	-	-	-	
Restricted cash and cash equivalents	4.6	7,981,216	7,981,216	-	-	7,981,216	-	-	7,981,370	-	-	
Receivables(a)	-	152,203	-	-	152,203	152,203	131,720	20,483	-	-	-	
Other financial assets	4.9	168,755	-	-	168,755	168,755	168,755	-	-	-	-	
		9,276,304	7,981,216	-	1,295,088	9,276,304	1,274,605	20,483	7,981,370	-	-	

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

Interest rate exposure and maturity analysis of financial liabilities

Interest rate exposure and maturity analysis of financial liabilities	Weighted Average Effective Interest Rate %	<u>Interest rate exposure</u>				Nominal Amount \$	<u>Maturity dates</u>				
		Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2012											
<u>Financial Liabilities</u>											
Payables -		21,700	-	-	21,700	21,700	18,779	2,291	-	-	-
Other Current Liabilities -		201,289	-	-	201,289	201,289	201,289	-	-	-	-
		222,989	-	-	222,989	222,989	220,289	2,921	-	-	-
2011											
Payables -		40,695	-	-	40,695	40,695	35,219	5,476	-	-	-
Other Current Liabilities -		55,930	-	-	55,930	55,930	55,930	-	-	-	-
		96,625	-	-	96,625	96,625	91,149	5,476	-	-	-

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

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
	\$	\$	\$	\$	\$
2012					
<u>Financial Assets</u>					
Cash and cash equivalent	865,458	(8,654)	(8,654)	8,654	8,654
Term Deposits	7,981,370	(79,813)	(79,813)	79,813	79,813
Other financial assets	-	-	-	-	-
<u>Financial Liabilities</u>					
Bank overdraft	-	-	-	-	-
Total Increase/(Decrease)		(88,467)	(88,467)	88,467	88,467

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	\$	\$	\$	\$	\$
2011					
<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)		(89,553)	(89,553)	89,553	89,553

Note 33. Jointly controlled operations

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

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

	2012	2011
	\$	\$
Current assets		
Cash and cash equivalents	100,000	-
	100,000	-

	2012	2011
	\$	\$
Current assets		
Cash and cash equivalents	100,000	-
	100,000	-
Non-current assets		
Buildings under construction	-	-
Other	152,024	246,601
	152,024	246,601
Total assets	252,024	246,601

Note 34. 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:

\$	2012	2011
Up to 10,000	6	4
10,000 to 20,000	1	3
	\$	\$
The total remuneration of members of the accountable authority	68,699	82,918

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:

\$	2012	2011
20,001 – 30,000	-	1
30,001 - 40,000	-	-
40,001 – 50,000	-	-
50,001 – 60,000	-	1
60,001 – 70,000	-	-
70,001 – 80,000	-	-
80,001 – 90,000	1	-
90,001 – 100,000	-	-
100,001 – 110,000	2	-
110,001 – 120,000	-	-
120,001 – 130,000	-	1
130,001 – 140,000	-	-
140,001 – 150,000	-	-
150,001 – 160,000	-	-
160,001 – 170,000	1	1
	\$	\$

The total remuneration of senior officers

490,320	427,710
---------	---------

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 35. Remuneration of auditor

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

	2012 \$	2011 \$
Auditing the accounts, financial statements and key performance indicators	25,600	20,020

Note 36. Supplementary financial information

(a) Write-offs

	2012 \$	2011 \$
Public property written-off by the WAMIA Board during the financial year	-	446
	-	446

(b) Losses through theft, defaults and other causes

	2012 \$	2011 \$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

	2012 \$	2011 \$
Gifts of public property provided by the Authority	300	-
	300	-

Note 36. Supplementary financial information

(a) Write-offs

	2012 \$	2011 \$
Public property written-off by the WAMIA Board during the financial year	-	446
	-	446

(b) Losses through theft, defaults and other causes

	2012 \$	2011 \$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

	2012	2011
	\$	\$
Gifts of public property provided by the Authority	300	-
	300	-

Note 37. Schedule of income and expenses by service

The Muchea Livestock Centre provides livestock selling and management facilities to the livestock industry. Compliance and Licensing provides a regulatory service to the meat and livestock industry. Development and Administration is to provide a development and informative service to the government and the meat and livestock industry.

	Muchea Livestock Centre		Compliance and Licensing		Development and Administration		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Sales	13,035	8,749					13,035	8,749
Provision of services	1,311,719	1,584,159	91,223	93,139			1,402,942	1,677,298
Commonwealth grants and contributions								
Interest revenue					461,470	1,151,562	461,470	1,151,562
Other revenue	207,545	87,769			24,063	216,217	231,608	303,986
Gain on disposal of non-current assets								
Total Income	1,532,299	1,680,677	91,223	93,139	485,533	1,367,779	2,109,055	3,141,595
Expenses								
Cost of sales								
Employee benefits expense	362,270	466,489	49,136	72,096	610,835	505,670	1,022,241	1,044,255
Supplies and services	1,139,766	1,045,847	5,142	23,413	14,887	24,074	1,159,795	1,093,334
Depreciation and amortisation expense	1,229,982	1,207,754					1,229,982	1,207,754
Finance costs								
Accommodation expenses					54,309	36,448	54,309	36,448
Grants and subsidies						21,500,000		21,500,000
Other expenses	157,571	61,250		36,539	6,495	122,610	164,066	220,399
Total expenses	2,889,589	2,781,340	54,278	132,048	686,526	22,188,802	3,630,393	25,102,190
Profit/(loss) before grants and subsidies from State Government	(1,357,290)	(1,100,663)	36,945	(38,909)	(200,993)	(20,821,023)	(1,521,338)	(21,960,596)
Grants and subsidies from State Government								
Profit/(loss) before grants and subsidies	(1,357,290)	(1,100,663)	36,945	(38,909)	(200,993)	(20,821,023)	(1,521,338)	(21,960,596)

from State Government
Income tax equivalent expense
Profit/(loss) for the period

(1,521,338) (21,960,596)

Ministerial Directives

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 \$46.6m. 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 Treasury.

The current fees and charges were published in the Gazette on 31 December 2011 and introduced/payable from 7 January 2012. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

Capital projects incomplete

No incomplete capital projects were present at the 30th June 2012.

Capital projects completed

No capital projects were completed during 2011-12.

Employment and Industrial Relations

Staff Profile

	2012	2011
Full-time permanent	7	5
Full-time contract	0	2
Part-time measured on a FTE basis	2	2
On secondment	0	-
	9	9

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.

Workers Compensation

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 WAMIA 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 for the period was \$114,121.

Other Legal Requirements

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

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>

PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2012.



(Signature)

David Lock

Chairman of the Western Australian Meat Industry Authority

19 September 2012



(Signature)

Des Griffiths

Board Member of the Western Australian Meat Industry Authority

19 September 2012

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 Centre 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 2011/2012. 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 2011/2012 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 the second highest market share for sheep.

COMPARATIVE PERFORMANCE

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

Cattle and Calves

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
MLC	112,724	97,089	99,883	103,530	100,890	106,183	86,582
Total saleyards	263,676	229,865	251,239	242,927	259,195	250,649	209,263
% through MLC	42.6	42.23	39.8%	42.7%	39.3%	42.4%	%
Next highest saleyard	56,233	57,578	77,612	67,645	67,786	72,553	59,788

Sheep, Lambs and Goats

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
MLC	948,972	1,038,329	903,839	913,957	648,449	701,614	423,081
Total saleyards	2,214,521	2,133,714	2,010,372	2,149,313	1,746,192	1,845,041	1,175,110
% through MLC	42.8%	48.7%	45.0%	42.5%	37.2%	38.03%	36.0%
Next highest saleyard	990,386	1,00,915	998,828	1,140,728	991,579	1,155,265	707,579

PERFORMANCE FOR THROUGHPUT

WAMIA set target throughputs as part of its 2011/2012 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2011/2012 actual throughput WAMIA did not meet its expected targets with stock numbers for both sheep and cattle below estimates. A number of factors including the impact of the previous year's record number of stock moved to the Eastern States and the continued decline of the State sheep flock attributed to the decrease in numbers. These factors impacted on all of the State's major selling centres.

	TARGET	ACTUALS	VARIANCE
Cattle	88,731	86,582	(2,149) 2.4%
Sheep, lambs and goats	450,000	423,081	(26,919) 5.9%

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 yard 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 2011/2012 was \$2,412,031 though the targeted cost was \$2,142,645. The Muchea Livestock Centre's throughput for the year was 985,040 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 2011/2012 to maintain the Muchea Livestock Centre was \$2.45 and the target was \$2.16. The cost of depreciation is now a significant portion of the total and \$1,031,038 was excluded to calculate the cost per unit less depreciation of \$1.40.

This calculation is based on two years of operations of the Muchea Livestock Centre (which commenced operations on 3 May 2010). The comparative data prior to 2010/2011 is for the Midland Saleyards which closed on 27 April 2010.

COMPARATIVE PERFORMANCE

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012
Total cost of maintaining Midland to 2009/2010 Muchea Livestock Centre	\$734,643	\$737,295	\$868,431	\$2, 262,518	\$2,395,567

2010/2011					
No. of livestock units handled in the Year	1,532,276	1,574,990	1,296,389	1,325,529	985,040
Cost per unit	\$0.48	\$0.47	\$0.67	\$1.71	\$2.39
Cost per unit (less depreciation)	\$0.47	\$0.44	\$0.48	\$0.85	\$1.40
Target					
Targeted cost of maintaining Midland to 2009/2010 Muchea Livestock Centre 2010/2011				\$1,908,760	\$2,124,645
No. of livestock units handled in the Year				1,325,529	985,040
Target per unit				\$1.44	\$2.16
Target per unit (less depreciation)				\$0.53	\$0.92

Actual to Target 2011/2012

The total cost of maintaining MLC was \$287,386 more than the targeted amount of \$2.124m.

The year had unforeseen expenditure on repairs to the embankment that surrounds the MLC for \$94k, repairs to the effluent pond dam wall for \$47k and repairs to the overflow absorption bank \$12k. The employee costs were higher than anticipated by \$26k due to the establishment of the saleyard manager's position and the conservative estimation on the demand for saleyard work.

Equipment hire was higher than anticipated due to machinery failure for \$17k. Repairs and maintenance costs were \$23k over target due to high electrical repairs and maintenance of small equipment. The cost of maintaining the soft-flooring for livestock was \$12k over target.

The cost per unit has increased as MLC begun operations in 2010 due to the facility providing higher standards of animal welfare, employee safety and providing efficiencies through mechanisation for animal weighing and handling. The throughput numbers have lowered significantly due to the drought breaking in eastern states, the increase the number of private sales for live export.

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 2011/12 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 2011/2012 the cost of providing fee for service activities at the Muchea Livestock Centre was \$572,370, though the target was \$539,504. The income generated by these activities was \$644,948 above the target of \$588,470 .

In 2011/2012 the return of fee for service activities at the Muchea Livestock Centre was \$1.11 for every \$1.00 incurred in providing the service. This represents a return of (11%) 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.

	2008/09	2009/10	2010/11	2011/12
Total cost of providing fee for service activities at Muchea Livestock Centre	\$319,224	\$336,896	\$554,504	\$572,370
Income generated by fee for service activities	\$311,283	\$365,580	\$615,657	\$644,948
Income generated for every \$1.00 incurred to provide service	\$0.98	\$1.09	\$1.13	\$1.11
Percentage return on costs	(2%)	9%	13%	11%
Target				
The target for providing fee for service activities at the Muchea Livestock Centre			\$464,868	\$539,503
Target Income by fee for service activities			\$627,943	\$588,470

Target income for every \$1.00 incurred to provide service			\$1.35	\$1.09
Target percentage return on costs			35%	9%

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 operational costs.

Actual to Target 2011/2012

The Income generated by service activities \$644k was \$56k above the target. The income included a \$100k distribution from the joint venture arrangement with Livestock Logistics and had not been included in target estimates.

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 five (25) abattoirs operating at 30 June 2012 calculated at 69.1%. 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:

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Construction Standard	78.6%	79.8%	79.3%	77.0%	77.0%	80.0%
Product Description System	64.3%	63.4%	62.9%	60.3%	60.3%	64.0%
Health and Hygiene Standard	82.1%	83%	82.8%	80.2%	80.2%	83.0%
Training System	68.8%	69.6%	69.0%	67.2%	67.2%	72.0%
Quality Assurance System	46.6%	46.4%	47.1%	44.8%	44.8%	66.7%
Average Rating	68.0%	68.5%	68.2%	65.9%	65.9%	69.1%
Target						
Construction Standard					80%	80%
Product Description System					65%	65%
Health and Hygiene Standard					85%	85%
Training System					75%	75%
Quality Assurance System					70%	70%
Targeted Average Rating					70%	70%

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 \$200,208 below target of \$218,165. The cost of attaining the standard per abattoir \$200,208 divided by 25 approved abattoirs) is \$8,008. The average rating for 2011/12 has been calculated at 69.1%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$116. This means that it cost the Authority \$116 to achieve each percentage point of achievement for abattoirs.

COMPARATIVE PERFORMANCE

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

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Cost of achieving standards	\$257,610	\$250,825	\$253,819	\$230,997	\$264,951	\$200,208
Number of establishments	28	28	30	30	29	25
Cost per abattoir	\$9,200	\$8,958	\$8,460	\$7,700	\$9,136	\$8,008
Average abattoir rating	68.0%	68.5%	68.2%	65.9%	65.9%	69.1%
Cost per rating unit	\$135	\$132	\$124	\$113	\$138	\$116
Target						
Target for achieving standards					\$247,579	\$218,165
Number of establishments					29	25
Target per abattoir					\$8,538	\$8,727
Average abattoir rating					65.9%	69.1%
Target per rating unit					\$129	\$126

The results show that the Authority has been able to reduce 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.

Actual 2010/2011 to 2011/2012

The area of compliance for 2010/11 had one full time employee committed to this activity. The 2011/2012 year implemented a staff review resulting in only an employee being dedicated part time to the activity. The costs of travel and associated costs are now less as a consequence.

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 2011/2012 was \$74,858 and the target was \$74,769.

Twenty nine (29) abattoirs, one hundred and fourteen (114) processing works twenty seven (27) saleyards and forty nine (49) other outlets were operating during the 2011/12 year. The cost per establishment for delivering the service was \$342. (\$74,858 divided by 219 establishments).

COMPARATIVE PERFORMANCE

	2007/08	2008/09	2009/10	2010/11	2011/12
Total cost of maintenance and distribution of information	\$88,861	\$85,032	\$74,004	\$77,010	\$74,858
Number of establishments	206	203	208	219	219
Cost per establishment for delivering service	\$431	\$419	\$356	\$352	\$342
Target					
Target for maintenance and distribution of information				\$67,257	\$74,769
Number of establishments				219	219
Target per establishment for delivering service				\$307	\$341

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard

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

Product description system

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

Health and hygiene standards

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

Training standards

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

Quality assurance

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

Total possible points for each abattoir	18 points
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