



AGRICULTURAL PRODUCE COMMISSION

Encouraging Producer Initiative

**ANNUAL REPORT
FOR YEAR ENDED 30 JUNE 2016**

Agricultural Produce Commission

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This report is available in alternative formats upon request to the Commission.

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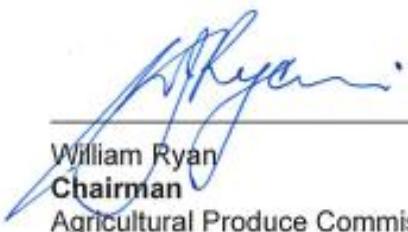
AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF COMPLIANCE For year ended 30th June 2016

Hon Dean Nalder MLA
Minister for Agriculture and Food

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Produce Commission for the financial year ended 30 June 2016.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and any other relevant written law.



William Ryan
Chairman
Agricultural Produce Commission

Date: 8/7/16



Graeme Robertson
Member
Agricultural Produce Commission

Date: 8/7/16

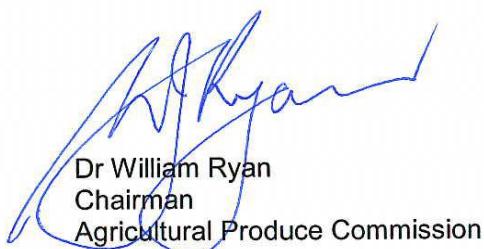
AGENCY OVERVIEW

EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

During the past year the Agricultural Produce Commission continued to pursue its objective of “encouraging producer initiative” through the ongoing support and oversight of the producers’ committees. Some of the highlights of 2015/2016 were as follows

- The appointment of Dr Catherine Bowen as a commissioner for a three year term. Catherine brings a wide range of skills to the Commission being a practicing farmer as well as having a PhD in family business succession. Dr William Ryan was also reappointed as Chair of the Commission for a further term of three years.
- The establishment of a new APC Producers’ Committee for the Wine Industry in Western Australia. Following extensive consultation the industry voted for the establishment of a Producers’ Committee in December 2015, with the first fee for service collection to be made on the 2016 vintage. The new wine committee is unique in structure in that it covers both the state wide industry association plus each of the regional wine industry associations in a single combined fee for service collection. This will enable the industry to undertake initiatives and services at a state level that impact on the whole industry as well as initiatives and services related to the specific needs of each of the different wine regions. This structure reflects the great flexibility industries have under the APC Act to structure their committees to meet their specific needs.
- The amendments to the APC Act were finalised and the new legislation drafted.
- The APC Producers’ Committees, with the support of the Commission, continue to have a very active role in relation to biosecurity. The Committees had an active involvement in the campaign for the eradication of QFly infestation in Alfred Cove including a commitment of financial support from fee for service funds for that program. Some Committees have now agreed to identify a biosecurity representative on each of the committees. The Commission has also continued to have ongoing dialogue and input into the deliberations of the Biosecurity Council of Western Australia to ensure there are opportunities for industry input to be considered.

The Commission continues to see examples of the value provided to different industries through the initiatives and activities of their respective Producers’ Committees and their contribution to the ongoing sustainability of their industries.



Dr William Ryan
Chairman
Agricultural Produce Commission

OPERATIONAL STRUCTURE

The Agricultural Produce Commission operates under the following Functions, as provided for in Section 6.1 of the Agricultural Produce Commission Act 1988.

- a. Establish Producers' Committees in relation to agricultural produce.
- b. Appoint members to Producers' Committees.
- c. Advertise for the formation of Producers' Committees.
- d. Conduct polls as prescribed under the Act, for the purposes of the establishment and operation of Producers' Committees.
- e. Dissolve Producers' Committees and appoint liquidators for the winding up of Producers' Committees.
- f. Provide such services in relation to the functioning of Producers' Committees as are necessary from time to time.
- g. Direct, coordinate and supervise the functioning and expenditure of Producers' Committees.
- h. Provide such other service to producers' committees as the Minister may direct.

ENABLING LEGISLATION

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

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

The Agricultural Produce Commission is listed as a statutory authority on Schedule 1 of the *Financial Management Act 2006*.

The Commission is not entitled to obtain advice from the Crown Solicitors Office and therefore seeks legal advice, when and as required, from the private sector.

RESPONSIBLE MINISTER

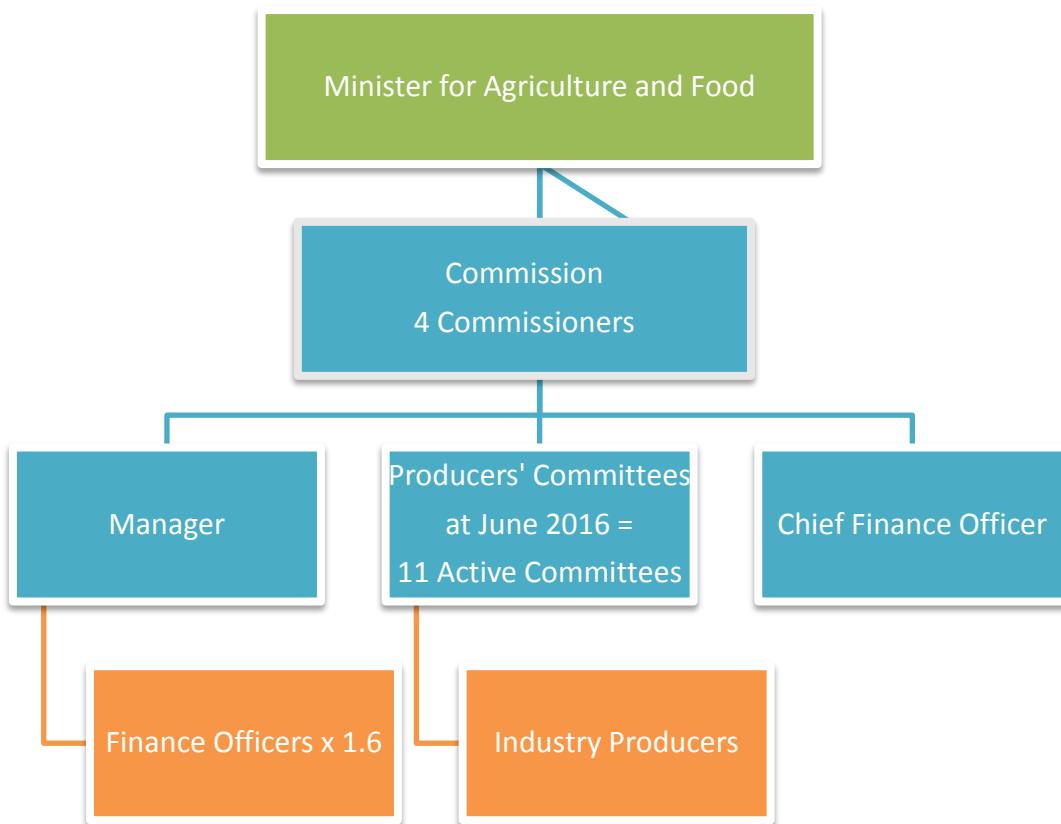
The Hon Dean Nalder, MLA, Minister for Agriculture and Food.

MISSION STATEMENT

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

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

ORGANISATIONAL STRUCTURE



THE COMMISSION

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

Commissioners are remunerated at rates set by the Public Sector Commission, and approved by the Minister for Agriculture and Food. Remuneration rates for the Commission were last reviewed in 2012.

The Commission's employs a Manager who is engaged through a secondment agreement with the Department of Agriculture and Food, WA and two finance officers at 1.6 full time equivalent.

LEGAL PROTECTION OF COMMISSIONERS

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

PRODUCERS' COMMITTEE MEMBERSHIP

Appointments to Producers' Committees are made by the Commission. Each year the Commission advertises Committee vacancies in appropriate newspapers and industry newsletters, calling for nominations from industry producers. Committee members whose term of office is expiring can apply for appointment for a further term.

The Commission appoints the inaugural Committee Chairperson for a three-year term; thereafter the Committee nominates subsequent Chairpersons to the Commission,

which appoints the Chairperson. To preserve continuity of service and experience, Committee tenures are usually arranged so that not all terms fall due in the same year. Remuneration and expenses for Committee members is available at approved rates. Committees use their discretion on whether to claim remuneration or not. A number of Committees do not presently claim remuneration for their members.

PRODUCERS' COMMITTEE ADMINISTRATION

Committees, working within directions issued by the Commission, have the autonomy to meet as they determine necessary for the efficient running of their Committee. The Commission's oversight of Committee activities includes ensuring that the services provided by Committees are those supported by the producers paying the FFS charge, that due diligence is conducted with relation to expenditure and that Committees are compliant with the Act. The Commission encourages every Committee to seek input from producers and in turn communicate with all producers on Committee activities.

The Commission maintains separate accounts for each Producers' Committee, providing Committees with comprehensive quarterly management revenue and expenditure reports. A number of Committees receive funding from other sources, such as matching research funds from national bodies, these funds can also be administered by the Commission.

PRODUCERS' COMMITTEE DIRECTIONS

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

ACTIVE APC PRODUCERS' COMMITTEES

As at 30 June 2016 the Commission had 11 active Producers' Committees and 4 Producers' Committees in recess. Members at 31 July 2016 were:

Producers' Committee	Functions Adopted	Members
APC Avocado Producers' Committee (Established 1995)	(a) to (k)	Alan Blight Ken Gwynne Neil Delroy
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Colin Fleay (Chair) Geoff Defrenne Kim Fewster Rod Pavay Tiffane Bates Gary Templeman
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) Darryl Hardman John Thomas John Kearney Chris Collins Michael Andreoli
APC Egg Producers' Committee (Established 2002)	(a) to (m)	Ian Wilson (Chair) Joe Saccia Terry Woodard Katie Mason Brendan Bell

Producers' Committee	Functions Adopted	Members
APC Pome, Citrus & Stone Fruit Producers' Committee (Established 1994). Pome Sub-Committee	(a) to (m)	Harvey Giblett (Chair) John Gregorovich Mario Casotti Mark Scott Sam Licciardello Bruce Wharton (Chair) Mick Mann Joseph Ling Andrew Pergoliti Tim Byl (Chair) Kim Tucker Anthony Fullam Steven Giumenti Robert Taddei Bruno DelSimone Danny Di Marco George Grozotis
Citrus Sub-Committee		
Stone Fruit Sub-committee		
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Glen Ryan (Chair) Sam Calameri Dom Della Vedova Mia Rose Terry Ackley Matthew Coccilone Bob Pessotto
APC Pork Producers' Committee (Established 2002)	(a) to (m)	Neil Ferguson (Chair) Rob Wilson Graeme Dent Ronald Penn Kim Nairn Torben Soerensen
APC Strawberry Producers' Committee (Established 1995)	(a) to (l) and (m)	Neil Handasyde (Chair) Anthony Yewers Jamie Michael Peter Doan Tri Triong Leonard Handasyde
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Allan Price (Chair) Roger Fahl Trevor Carter Matt Katich Darryl Trease Peter Nuich Kim Taylor
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) Joyce Babun Peter Ivankovich Dane Capogrecco Lisa Tana
APC Wine Producers' Committee (Established 2015)	(a) to (m)	Jeff Burch (Chair) Nigel Gallop Nial Twigger Kim Tyrer John Sprigg Catherine Howard Monica Radomiljac David Atkinson Jim Campbell Clause Jeff Dewar

PUBLICITY AND COMMUNICATION

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

CONFIDENTIALITY OF INFORMATION HELD BY THE COMMISSION

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

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

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

INSURANCE

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

PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

Government Goal	Desired Outcome	Services	Effectiveness Indicators	Efficiency Indicators
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission.	Establishment of, and support for, Producers' Committees.	Commission Effectiveness – APC Producers' Committee's satisfaction with services provided by the Commission	Commission Efficiency - APC Administration Charge as % of fee for service Income.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

No changes were made to the APC's Outcome Based Management Framework during the 2016 year.

AGENCY PERFORMANCE AND SIGNIFICANT ISSUES IMPACTING THE AGENCY**ACTUAL RESULTS VS BUDGET ESTIMATES 2015/16 AND BUDGET ESTIMATES 2016/17**

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides budget comparatives for the 2015/16 year and budget estimates for the 2016/17 financial year. Further explanations for variations are available in the financial statements at Note 21 – Explanatory Statements.

This table is unaudited

EXPENDITURE	2015/16 Budget	2015/16 Actual Estimates	2016/17 Budget
DAFWA Contracted Services – Commission Administration	148,786	149,362	150,328
Employee Benefits	101,118	90,363	118,416
Commissioners Sitting Fees	56,500	49,540	56,500
Other Expenses	116,334	90,632	113,050
Total Expenditure	422,738	379,897	438,294
REVENUE			
Admin Charge from Committees	264,972	272,969	316,695
Contributions	26,729	60,889	27,398
Interest	6,972	5,786	3,400
Total Revenue	298,673	339,644	347,493
Net Cost of Services	-124,065	-40,253	-90,802
INCOME FROM STATE GOVERNMENT			
Resources Received Free of Charge/Income from State Government	74,384	50,656	53,000
SURPLUS/(DEFICIT) FOR THE PERIOD	-49,681	10,403	-37,802

COMMISSION ADMINISTRATION CHARGE

The Commission is principally funded through an administration charge to its Producers' Committees. This charge is reviewed annually and is based on a full cost recovery methodology.

As part of its prudent budget management the Commission has a policy to maintain reserves of between 25 – 35% of annual expenditure.

All functions of the Commission and Producers' Committees, including general administration, financial management, accounting for Fee for Service collection, administration of the Act and legislative compliance, are funded on broad 'user pays' principles. Should a Committee suspend Fee for Service collections, an annual fee is charged to cover APC fixed overheads and other costs associated with providing ongoing financial and support services.

This table is unaudited

Committee	Admin Charge 15/16	Change from 14/15
Avocado	\$5,000	No change
Banana	11%	No change
Bees	13%	No change
Eggs	\$5,000	No change
Fruit	9%	No change
Pork	9%	No change
Potato	8%	No change
Potato Promo	Nil	No change
Strawberry	14%	No change
Table Grapes	14%	No change
Vegetables	9%	No change
Wine	Charge will apply as of 16/17	

COMMISSION MEETINGS 2015/16

The Commission meets as necessary during the year. Most meetings are face to face, although telephone or conferencing technology is also used. During the year under review Commissioners participated in meetings as below:

Commissioner	Eligible to Attend	Attended	Leave of Absence
William Ryan	5	5	-
Samantha Tough	5	4	1
Graeme Robertson	5	5	-
Cathie Bowen	3	3	-

During the 2015/16 year the Commission invited representatives from Committees to attend Commission meetings as appropriate.

ANNUAL MEETING WITH COMMITTEE CHAIRPERSONS' & MEMBERS

Commissioners meet with Producers' Committees annually in order to review the past year and discuss future needs. The 2016 annual meeting was held at the Innovation Centre of WA, Bentley on Friday 8 April 2016.

The meeting was open to all members of APC Committees, with all active Producers' Committees being represented at the meeting.

A significant outcome of the 2016 meeting was a request from Committees for a biosecurity specific meeting to be organised. The meeting would allow Committees to consider the challenges, and options to address challenges, in unified manner as well as on an industry basis. A meeting was subsequently held for Committees with good discussion on how to address biosecurity challenges into the future.

AMENDMENTS TO THE APC ACT 1988

The Commission continues to support the identified and requested amendments to the Act and intends to continue to promote the potential benefits of the proposed amendments in the 2017 year.

ESTABLISHING PRODUCERS' COMMITTEES

In December 2016, following a poll of wine producers, the Commission established the APC Wine Producers' Committee.

The Committee will commence collecting the FFS charge, and therefore providing services to producers, as of July 2016. The FFS charge which will be collected in July/August 2016 will relate to the 2015 wine crush.

The Committee, through consultation with producers, identified that the most effective manner to provide regional services would be through the wine associations which are set up in relation to the federally gazette GI regions, with services relative to whole of industry to be provided through the state association.

During the year under review Commission representatives also continued to work with other agricultural industries and stakeholders to provide a better understanding of the APC and the abilities of APC Producers' Committees.

FEE FOR SERVICE INITIATIVES

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

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

- Industry Development and Training Officers who are available to producers to assist them on industry issues.
- Research projects (some jointly funded with other organisations).
- Funding for Industry Associations – West Australian Pork Producers Association (WAPPA), Potato Growers Association (PGA), Vegetable Growers Association (vegWA), Commercial Egg Producers Association (CEPA). These associations carry out functions on behalf of the Producers' Committee, as allowed by the Service Functions of the APC Act.
- Promotion and advertising of produce.
- Quality assurance of produce.
- Communication with Industry.
- Compensation in identified instances.
- Biosecurity initiatives.
- Marketing of produce.

FEE FOR SERVICE COMPLIANCE

To ensure producers and their respective industries can maximise service benefits, the Act requires all producers to pay Fee for Service on produce grown in Western Australia. Non-compliance by producers is of concern to all Committees as it limits an industry's capacity to undertake and support initiatives identified as required by FFS paying producers. Non-compliance also places those who are compliant at a disadvantage as they are funding services intended to benefit all producers.

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

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

PRODUCERS' COMMITTEE REPORTS 2015/16

APC Avocado Producers' Committee

The Avocado Producers' Committee did not collect Fee for Service during the 2016/17 year.

The Committee continued funding for one research project into controlling greenhouse thrips with parasitic wasps in Western Australian avocado orchards. Funding used in this project came from residual funds held by the Committee when collection of the FFS charge was stopped.

APC Beekeepers Producers' Committee

Chairperson: Colin Fleay

Secretary: Tarsh Bates

Disease and Pest Surveillance & Monitoring – With biosecurity remaining an important issue for the industry, the Committee has set aside sufficient funds to undertake a first response in the event of a bee pest incursion. The Committee continues to develop a Government Bee Policy in WA and is committed to supporting the surveillance and eradication of pests of other industries, contributing funding to assist with the recent Queensland Fruitfly eradication program following an incursion.

Bee Informed Newsletter – this industry newsletter is sent out three times per year to all registered beekeepers and continues to supply valuable information to industry of all events and biosecurity issues that ensure beekeepers are kept up to date. Editor Geoff Croker has taken on the job with skill and enthusiasm and is producing a varied and informative publication. Contributions from interested parties are encouraged and welcomed.

Industry Unity - The APC committee has become a member of the new Bee Industry Council of Western Australia (BICWA), established to provide a unified voice for the industry and a body able to apply for grants for funding crucial research projects that investigate Western Australian honeybees. Committee Chairman Colin Fleay is a director of BICWA and was instrumental in setting up the organisation. Member Tiffane Bates is the alternative representative of the Committee to BICWA.

Reimbursement Scheme - The Committee continues to put aside funds for the purpose of reimbursement to beekeepers for hives destroyed in the event of an eradication attempt of an exotic pest or disease. The Evidence Framework for Owner Replacement Costs is included in the DAFWA Industry Biosecurity Plan.

Registration – Signs explaining the importance of having beehives registered continue to be displayed at major bee equipment suppliers, Symond Seeds, John Guilfoyle and The Honey Shop.

Support Funding – The Committee provided funding in support of the establishment of BICWA, an accredited Biosecurity and Beekeeping training course, purchase of flow hives by WA Apiarist Society for education purposes, a WABA field day, the Queensland Fruitfly eradication program, and a research project with the Chem Centre to test the chemical composition of Jarrah & Marri honey.

APC Carnarvon Banana Producers' Committee

Chairperson: Bruce Munro

Secretary: Alexandra Maslen

Compensation payments for Cyclone Olwyn, which affected all Carnarvon banana plantations on the 13th March 2015, were paid at the end of the 2014/15 financial year and the start of the 2015/16 financial year according to preference. The payments made during this reporting period were \$1,675,000.

Biosecurity Fund - The Carnarvon Banana Producers' Committee (CBPC) have received no money into the Biosecurity Fund. The committee were asked to contribute money towards the Queensland fruit fly outbreak in Alfred Cove to assist with biosecurity measures to eradicate it. Although fruit fly does not directly affect the banana industry it would have implications for other fruit and vegetable growers in the region. The committee contributed \$2,000 towards the eradication program.

The CBPC is currently working with the Department of Agriculture and Food on a biosecurity project for the Carnarvon banana growing area. The project is to be funded through Horticulture Innovation Australia and will include the revision and updating of the 2004 protection plan; conducting pest and disease status surveys biennially, and hosting banana experts to Carnarvon.

Fee For Service (FFS) - The Committee reviewed the FFS rate, in line with the requirements of the Scheme Rules, at a meeting on the 1st October 2015. Taking into account predicted closing balances for the 2015/16 financial year and predicted climate changes, with more severe weather events occurring, they recommended and requested a change in the FFS rate from 20 cents per 13 kilo carton to 30 cents per 13 kilo carton. This new rate was approved by the Commission and will be effective from 1st July 2016.

Industry overview – The CBPC started 2015 with 48 growers and ended the year with 44 growers. The total area of banana crops (producing and non-producing) at the end of 2015 was 154 hectares. In 2014 it was 165 hectares. Total production was 1,352 tonnes of bananas for 2015. The district average was 13.17 tonnes per hectare. Data for the end of the financial year will not be available until mid-July.

Newsletter - A newsletter was sent to all members in February 2016 advising members of committee activities with members being provided with annual production statistics and the planting plans for their property.

APC Egg Producers' Committee

Chairperson: Ian Wilson

Secretary: Lucy Radzikowska

The Egg Producers Committee provided funding to The Commercial Egg Producers' Association of WA to undertake work in area of policy, regulation, promotion and representation at a State and Federal level in dealings with Government, non-government bodies and their representatives. The Association provided Secretariat to the APC Egg Producers Committee and works hard to secure uniformity of action on matters affecting the common interests of egg producers in Western Australia.

This year, some of the main areas that the Association has done work on for the benefit of industry in the past 12 months is as follows:

- Participated at the Farm 2 Food Pavilion during the 2015 Perth Royal Show teaching young children about egg production. Each year the industry focuses on different area of egg production to educate the next generation on.
- Representing egg producers through a written submissions on a variety of topics such as the review of the RSPCA of WA funding and objectives, stable fly management and labelling of country of origin.
- Working with the State and Federal Government on appropriate definition of Free Range Eggs and development of a National Information Standard. This is very important both for the producers to know what standards to implement on farm and for consumers to have a better understanding of the product that they are purchasing.

- Working with the Australian Egg Corporation to ensure that R&D activities undertaken/funded by the organisation are reflective of WA industry needs into the future.
- Working with the Department of Health on stamping of individual egg register and salmonella initiatives to ensure that egg producers meet the highest industry and regulatory standards.
- Working with the Department of Agriculture and Food on biosecurity matters of – emergency preparedness and response activities in the event of a pest and disease outbreak.
- Converting The Australian Model Code of Practice for the Welfare of Animals – Domestic Poultry 4th Edition into Animal Welfare Standards and Guidelines for Poultry.
- Establishing national peak body, Egg Farmers of Australia Limited so that the views of egg producers across Australia can be advocated by one peak industry body.
- Working with the Department of Planning to ensure that existing regulations take into account commercial egg producers and their needs into the future.
- Continue to liaise with a number of Government Departments and Members of Parliament to inform decision makers about the industry and their needs to grow and be able to produce eggs for the ever growing domestic market.

APC Pome, Citrus and Stone Fruit Producers' Committee

In September 2014, the manner of operation for the Pome Citrus & Stone Fruit Producers' Committee changed. This change resulted in the formation of three 'Sub-committees', one for each of the industries for which this Committee collects the FFS charge. A report is provided below for each of the Sub-committees.

Pome Fruit Sub-Committee

Chairperson: Harvey Giblett

Executive Officer: Nardia Stacy

This year has been an extremely active year for the Pome industry.

A new Strategic Plan for 2016 – 2020 was developed along with a Biosecurity Strategic Plan which assisted the Committee directing activities for the future development and benefit. Increasing productivity, demand for product, market access and adoption of best practice were identified priorities.

Projects addressing the criteria of the Strategic Plan were approved for funding and ranged from promotion, variety development, research and biosecurity risk management through monitoring and funding eradication programs.

Commercialisation Project - ANABP 01 Variety - The Committee, through Fee for Service, continued funding the Fruit West Co-operative and ensured the success of the fruit from first year of production. After 20 years in the making, the well anticipated fruit from the ANABP 01 variety was named, trademarked (Bravo™) and launched. Packing and marketing services were also engaged, efforts surrounding developing high quality specifications ensured the fruit would sit as a premium line in the retail market.

Funding also supported the launch of Bravo™ with a Ministerial name launch at Parliament House along with wide spread and prolonged media coverage and ongoing retail launches in premium outlets.

The major outcomes have created an excellent consumer reaction to the apple, ensured high grower returns for the pioneer growers and in turn created consumer and grower demand. Other outcomes include the development of new plantings and tree production along with engaging with growers Australia wide building confidence in the variety. Ongoing consultation with Western Australian Agriculture Authority has continued to improve agreements and practises along the way, including several research and development projects measuring maturity along with storage research.

Maturity Standards Project - The Western Australian pome fruit industry has been funding quality program work over recent years to deliver improved quality to consumers and to build better business capability and profitability for members. Ashmere Consultants has built on this work, and in the last two years enabled the Western Australian pome fruit industry to establish minimum maturity standards for three varieties of apples set to commence in 2017.

The expected outcomes from the project are an improved program of development for the maturity standards for three apple varieties, Royal Gala, Granny Smith and Pink Lady. The maturity data will be used as a basis for proposed legislated maturity standards to be included in the BAM Act similar to Western Australia table grapes and citrus standards. The development of maturity standards for three apple varieties will benefit industry and ensure a legislated approach to allow industry to deliver a consistent supply of high quality product to consumers.

Fruit Fly Surveillance Trapping - High quality pest surveillance data is of key importance for retaining market access, both interstate and with international trading partners. Surveillance for specific pests is often carried out by state or territory departments of primary industries or independent parties. However, industry-driven surveillance is becoming an important tool in proving regional, area, or state freedom from pests of quarantine concern. The extent of surveillance that is necessary is highly specific to each importing country or state. Export approval can often depend on the major primary industries in that country, the importing country's pest status and the level of assurance needed by that country to be confident about importing Australian produce.

The Pomewest Committee believe industry have identified the need to protect existing markets and gain new export markets. To achieve this Ashmere Consultants have been engaged to demonstrate that orchard surveillance programs capture pest numbers throughout the season and they also have documented pre and postharvest control measures in place to prove Area of Low Pest Prevalence (ALPP) trading status. A proactive Medfly surveillance program is both a useful pest control tool and insurance policy to maintain and gain markets for the Western Australian pomefruit industry.

As such the Surveillance Trapping Network Project has been funded over the past 2 years to develop a Surveillance for Medfly. The project commenced in 2015 with

Medfly traps located in 12 grower orchards and 6 town properties in the south west of Western Australia. The first year of the project has targeted Donnybrook, Kirup, Manjimup and Pemberton with deployment of 168 Medfly traps that are checked and serviced each two to four weeks based on sound knowledge of the pest's biology and ecology. The aim in the first year is to collect and collate Medfly baseline data from pome fruit properties in the area.

The project will determine Medfly numbers in key production areas and ensure continuation of surveillance and monitoring of the five year Medfly trapping program in the South West of Western Australia.

Biosecurity - Pomewest continues to fund the monitoring of Codling Moth and supported, along with other grower groups, the recent eradication of Qfly and reinstatement of Area Freedom in WA. Pomewest continue to engage with the relevant statutory organisations with the future biosecurity strategies and developments and ongoing funding structures.

Communications - A recent development to our communications strategy enabled Pomewest to contribute to the WA Grower quarterly magazine produced by Vegetables WA. This benefits our members to be updated on Pomewest activities and project outcomes but also has the added advantage of cross industry information which covers many common issues.

Research and Development - Pomewest has also supported the Flavonoid Project with UWA with HIA, APAL and DAFWA which identifies the enhanced development of health attributes of Australian Apples. Findings include the prevention of heart disease via the lowering of blood pressure and increasing blood vessel function as a result of ingesting the skin of apples containing high flavonoids levels. Testing of WA bred apples bred under the Australian National Breeding Program is ongoing. It is the intention to continue this work for a tangible outcome which enhances marketability benefits to the industry and in turn increased consumption.

Stewart Learmonth of DAFWA continues his work monitoring mites and natural predatory solutions to improve orchard practise. This occurs under joint funding from Pomewest and the Stonefruit Sub-committee.

Pomewest continues to support the Climate Change and Netting projects with Rohan Prince DAFWA and Susie Murphy White Pomewest, along with the regional APAL Future Orchard walks and Roadshow programs.

Promotion - Fresh Finesse continue to promote fruit in various activities including School programs, seasonal media and our major promotional event the Perth Royal Show.

Citrus Sub-Committee

Chairperson: Bruce Wharton

For 2015/16 the citrus sub-committee welcomed a new member to the committee, Mr A Pergoliti. There were three projects funded by the citrus fee for service that were completed to satisfaction. An additional initiative from the industry was to reduce the

general FFS paid on export citrus fruit sold outside of Australia. All these activities deliver across all objectives of the WA citrus industry strategic plan. These cover promotion, communication, production efficiency, product development, biosecurity and industry leadership.

There has also been a high level of interaction with the Department of Agriculture and Food, WA and other industry groups on progressing plans for biosecurity within the WA horticulture industry as part of the FFS projects.

In addition to the general FFS projects, the citrus biosecurity fee for service contributed to the Queensland fruit-fly outbreak eradication, which was not originally part of the 2015/16 budget. The biosecurity fee for service expenditure will be guided by the WA citrus industry biosecurity strategy plan.

The Citrus Sub-committee has been well supported by interaction with key stakeholders such as the industry association (WA Citrus) and the Department of Agriculture and Food, WA.

Stone Fruit Sub-Committee

Chairperson: Tim Byl

Secretary: Wilma Byl

The newly formed “WA Stonefruit – APC Sub Committee” understood its highest priority was to work on developing a marketing strategy for WA Stonefruit to identify locally grown from that which has been imported from out of the state.

The new branding campaign was developed by agency Braincells so that consumers and buyers could easily identify locally grown produce, with point-of-sale material for retailers drawing attention to locally-produced stonefruit

The Committee launched the marketing campaign “Summer Romance – fall in love with WA stone fruit” to encourage consumers to look for WA-grown produce to enjoy freshly picked, flavourful stone fruit.

The WA stonefruit season runs from October to April with fruit coming from Carnarvon, Gingin, Perth Hills and Manjimup-Donnybrook. There are approximately 250 growers throughout the State producing high quality stonefruit. Over 175 growers are from the Perth Hills, Southern regions and its surrounds and roughly 30-50 growers in the Carnarvon and Gingin regions.

WA growers joined forces with the independent retailers belonging to the Great Greengrocer Campaign, a marketing campaign managed by the Perth Market Authority promoting locally-produced fresh produce to the community through independent retailers.

Fruit testing was also carried out in the markets in order to optimise producers’ ability to reach fruit maturity at harvest that meets consumer expectations.

The Stone fruit Sub Committee worked closely with DAFWA with the Q-fly outbreak in Alfred Cove, and has also been actively involved in ensuring growers have been represented at both a state and federal level as changes to biosecurity protocols are proposed.

The Stone fruit Sub Committee is working on those items identified in the budget, and is focussed on providing value to growers for FFS dollars collected.

APC Pork Producers’ Committee

Chairperson: Neil Ferguson

The Committee supported the following during the 2015/16 year:

Fee-for-Service Funded Activities – The APC Pork Producers’ Committee is charged with the responsibility of ensuring funds generated from the industry on a fee-for-service basis support activities or programs that directly benefit Western Australian producers. The Committee’s four key funding areas revolve around: Research and Development; Industry Administration; Technology Transfer; as well as Industry Training and Education.

Technology Transfer & Research Development – Historically the Department of Agriculture and Food WA (DAFWA) facilitated extension to WA pork producers and has played a key role in providing research within Western Australia. As a result of budget constraints and a realignment of investment priorities DAFWA ceased conducting activities for the Pork Industry at the end of the 2014/15 financial year.

The Committee would like to thank the DAFWA team lead by Dr Bruce Mullan for their efforts over the years in helping to improve the productivity, economics and welfare of our Industry.

Research in Western Australia has been transferred to Pork Innovation WA (PIWA). The Pork Committee has agreed to fund PIWA for the forthcoming financial year.

Research and Development – The Pork CRC is the core project in this area. The Committee contributes \$75,000 annually, qualifying the WA Industry as an essential partner within the Pork CRC.

Please refer to the Pork CRC website (www.porkcrc.com.au) for a full list of projects and activities supported by the Pork CRC.

Industry Administration – The West Australian Pork Producers’ Association (WAPPA) is the peak industry body representing the pork sector in WA, and is funded by the APC Pork Producers’ Committee to provide services on behalf of the Committee.

WAPPA successfully worked through and oversaw the process that enable two key Industry players successfully renew their Labour Agreement. Again this process can quickly be rolled out to other local producers.

WAPPA’s role in advocacy and service is ever evolving as it continues to work cohesively with various government agencies in the areas of:

- Animal Welfare/Livestock Compliance Unit (DAFWA)
- Animal Welfare/Pig Industry Regulations (DAFWA)
- Environmental Regulations
- Research & Development (DAFWA)
- Land Transport of Pigs/WA Regulations
- Veterinary Surgeons Board
- Department of Immigration & Citizenship/Workforce Planning & Development.

WAPPA’s objective is to develop supply chain efficiencies that enable producers to compete effectively by utilising the available technologies in production, allowing the industry to exploit current and potential markets for pork products.

Pork Training – Pork Industry Training (WA) continues to facilitate training courses designed around Certificate III in Pork Production. Under the Industry’s Model Code, all pork producers are required to have competent people caring for their pigs, with competency being assessed at Certificate III level.

Financial Position – The fee-for-service has remained stable since the inception of the APC. The current fee stands at 0.08c/kg dressed weight and will remain so for the 2016/17 financial year. Previously the Committee had considered an increase to the fee for service. Currently this is not needed as the State’s kill has increased in recent years

to over 670,000 animals and is forecasted to rise further in coming years. On the back of increased kill numbers, the committee has been able to meet its expenditure needs whilst maintaining its reserves policy.

The Committee maintains a minimum reserve policy of \$1.2m.

With Gratitude – The APC Pork Producers' Committee is funded by the fee-for-service paid by every producer in Western Australia. The Committee wishes to thank each and every producer for their ongoing support of the APC and allowing us to support locally based projects and initiatives.

APC Potato Producers' Committee

Chairperson: Glen Ryan

Executive Officer: Simon Moltoni

The Potato industry is in a period of uncertainty and has been for all of this current financial year. This is causing a lot of frustration and anxiety amongst growers, their families, employees and others in our communities associated with potatoes. Because of this turmoil within the industry, the committee has shifted priorities from encouraging and funding Research and Development projects to funding the essential projects only.

The PPC believe the double blows of the abolition of regulation in the ware market and withdrawal of the only player in the crisping industry, has the ability to impact on the fee for service collected by our committee and also how it is collected. Undoubtedly there will be rationalisations.

The approach mentioned above will leave options open for the industry going forward in regard to funding future projects. We feel that renewed consultation will be required once the settling process has finished. This process will cover all aspects of the committee's activities and hopefully give the PPC a clear direction so we can move on from the holding pattern we are in currently.

The length of time required before the industry settles is unknown, but that is one of many hurdles that has to be overcome. The PPC understands and acknowledges this and as mentioned will work through it with all growers who remain.

Bio security is in the forefront of growers' thoughts with such devastating diseases on our door step as, Potato Cyst Nematode, Zebra Chip, Viruses Y and Y ntn, Bacterial Wilt and Potato Spindle Tuber Viroid. It is imperative the industry keeps its guard up to keep them at bay.

We look forward to a better outlook in the ensuing seasons.

APC Strawberry Producers' Committee

Chairperson: Neil Handasyde

With the loss of research capacity as a result of Aileen Reid taking a voluntary redundancy in September 2015 and as the re-organisation of HAL to form HIA no new research projects have been initiated. The withdrawal of VC funding by industry for HIA funded projects is an additional impediment.

A pesticide monitoring project was funded through the APC fee for service over the 2015 season and highlighted ongoing issues with a couple of pesticides still being used by a few growers that had their registration or Minor Use Permits withdrawn or discontinued in 2015.

APC Table Grape Producers' Committee

Chairperson: Allan Price

The 2015-16 table grape season was generally disappointing.

Carnarvon was affected by poor budburst and subsequent reduced crop loads. With a number of vineyards also in transition to new varieties the production levels were estimated 30% down on anticipated levels. Sales were strong for good fruit.

The Swan Valley fruit was down on anticipated yields also, with below expectation fruit development and then heavy losses to several heavy rain events near maturity. Some growers reported greater than 50% losses for the season. Market prices were a little higher during this normally glut period due to the reduced presentations but growers needed to work hard to present fruit suitable for sale.

South West fruit was also down probably by 20%, with both colour issues for red varieties and crop losses due to weather damage.

FFS collections were down by \$21,860 (44%) on budget, as a result. Hopefully some late FFS payments will be received after June 30.

Projects supported by the Committee were:

The mainstay of our activities is the setting of minimum maturity standards and the employment of inspectors to enforce the standards. Almost \$22,000 was invoiced for inspectorial services by Total Quality Assurance Systems (TQAS). This was \$8,000 below budget, a satisfactory result given the extra work the inspectors provided keeping an eye on imported product.

In addition \$3,000 was paid to DAFWA to do sugar and acid testing for growers at Carnarvon, Forrestfield and Bunbury. Hopefully this will be ongoing as growers are increasingly using this service to ensure compliance with harvest maturity, provided DAFWA has the staff to do the testing.

Two significant rejections were recorded early this season, one from Carnarvon and one from the Swan Valley. This fruit was dumped under supervision and the growers informed by the inspectors. The potential for Eastern States grapes entering into WA in the future will likely increase inspection efforts but there is currently capacity in the current allocation to cover this in the short term.

I would like to thank the inspectors at TQAS for their diligence and efforts in checking product both at wholesale and at retail. I received several queries and complaints from growers both in the metropolitan area and in the South West about immature fruit in store. In each case that I referred, the inspectors handled the query quickly and efficiently.

No monies were allocated to promotions this year as we did not see value from the radio campaign of the previous year. We did have an input into the use of national levy promotional monies in WA. A seasonal advert campaign in the Fresh Magazine of the West Australian did keep the industry forward in consumer minds. We also had some input into new photographs for future campaigns which will be determined prior to season start. Given the reduced production levels fruit tended to clear quite quickly and late season storage was minimal. Extra promotion was not warranted and again proved the point that our enforced minimal maturity inspections are our best form of advertising. Provide the customer with confidence and they will return buy.

Some further Mealy Bug work was done this season by Stewart Learmonth of DAFWA. This has completed the work.

The committee has resolved that future funding will not be afforded to applicants where final reports are not provided for projects.

A proposed fruit fly project did not receive Federal levy funding and as such will not be going ahead. The WA industries cannot afford to fund such projects alone.

A number of research organisations are making demands on our meagre funding, including biosecurity issues, and Government departments need to realise their full cost recovery model is pricing them out of research funding.

The Table Grape producers' committee did not hold many meetings as issues were handled by telephone or e-mails given the distance and work schedules of members.

Much of my time as Chairperson was spent at Biosecurity meetings, Commissioners meetings etc, and since our members do not collect sitting fees, this does become tedious, and expensive at times.

Thanks to my fellow committee members and a special thanks to Ingrid for her help, particularly with the Biosecurity meetings and reminders. Thanks also, to Jennifer and the Commission staff for their assistance.

APC Vegetable Producers' Committee

Chairperson: Maureen Dobra

Executive Officer: John Shannon

The APC-Vegetable Producers' Committee (APC-VPC) supported eight projects in the financial year ending 30th June 2016. The main project funding went to vegetablesWA in order for the Association to provide services to FFS paying vegetable producers on behalf of the Committee. These services have proved to be extremely valuable with issues, such as labour and biosecurity, which have arisen during the 2015-16 year.

The major project funded by the APC-VPC is vegetablesWA, the main activities undertaken were:

The quarterly *WA Grower* magazine- vegetablesWA seek input from a range of sources to provide the growers specific information on a range of topics. These articles are very relevant to all growers and include information about production techniques, markets, broader industry/government information, as well as minor use permits etc. The weekly e-news also provides up to date information.

Labour - vegetablesWA continues to advocate strongly in this area. vegetablesWA have successfully leveraged external funding to gather the evidence required to support government policy change to introduce a "horticulture-skill" visa to replace reliance on 417 visa holders but provide better compliance on rogue labour hire companies. We have also been lobbying on a state level to regulate labour hire companies like the Employee Agents Licencing Act 1976. VegetablesWA is active in looking to achieve better regulatory systems around labour hire companies.

Biosecurity - vegetablesWA is representing growers on a range of biosecurity issues. Of relevance to the melon industry was the Cucumber Green Mottle Mosaic Virus incident in the state's south as well as the Queensland Fruit Fly incursion last year. vegetablesWA now sits on the industry committee working with government on developing future plans for dealing with a range of threats. Our Field Extension Officers provide ongoing assistance around pest and disease management.

Book Keeping- vegetablesWA offers a discounted book keeping service to members.

Wholesale markets- vegetablesWA led a campaign to ensure that an industry bid was successful against rival property developers when the WA government privatised the Market City site. This was successful and will ensure the ongoing viability of the site as a wholesale market centre rather than a residential development.

Wholesale markets - vegetablesWA provided input to the federal Horticulture Code of Conduct review. Our input was well informed by a case study provided by a WA melon grower. The review report quotes vegetablesWA input significantly.

Water policy - vegetablesWA has continued advocacy which has ensured that growers drawing on aquifers outside particular irrigation schemes have not had to pay licence

fees to government. This is a significant cost saving achievement compared to licencing regimes in Eastern states. We continue to work to ensure that growers retain their existing entitlements and are not unduly financially burdened.

Industry development- vegetablesWA has driven and sits on advisory committees under the WA Water for Food Project which look to promote and finance additional irrigation areas. These projects span the entire state of WA and include opportunities for expansion of the melon industry in areas such as Dongara, Myalup, Carnarvon and further North.

Regional planning - vegetablesWA is working with a number of shire councils to ensure the best regulatory and planning outcomes for industry.

Food safety - given the recent food safety issues across various fruit and vegetable products, vegetablesWA have been active in facilitating relevant advice on relevant food safety risks.

Stable Fly - assisting growers reduce the incidence of this significant community pest.

Marketing – Make me a Hero project developing melon and other vegetable use amongst WA chefs.

The other projects which the APC-VPC committee approved were the Vietnamese Field Extension Officer in conjunction with the Department of Agriculture and Food WA, Field Extension Officer in conjunction with Horticulture Innovation Australia; Managing Biting Fly in Vegetable Crop Residues in conjunction with Horticulture Innovation Australia and local shires; vegetablesWA online portal tools, The Great Aussie Crunch and The University of Adelaide VISA labour research project. The two Field Extension Officer positions provide our WA vegetable growers with much needed support and R&D assistance. Both positions work very closely with the Department of Agriculture and Food WA, Department of Water, Worksafe, Ausveg and Horticulture Innovation Australia to ensure that field days & workshops are relevant and providing excellent information to the WA vegetable growers.

Managing Biting Fly in Vegetable Crop Residues has been an ongoing project for a number of years and there have been numerous trials in Gingin Shire and Capel. Through the project there have been a number solutions which work well for the growers without too much additional work and costs, these continue to be refined to work best with the WA vegetable growers.

vegetablesWA has launched a tool which allows growers to access and analyse their own production information in the context of the broader market and allows for analysis of seasonal variations across the different production zones using the APC data. This tool enables WA vegetable growers to better schedule their plantings and deal more authoritatively with retailers and other value chain participants. Linked to this is a tool which enables market participants to search for particular lines such as melons across the various supply windows.

As we move into the 2016-17 year the Committee continues to move forward and fund service projects which will help the WA vegetable growers with their businesses and the overall market.

APC Wine Producers' Committee

Chairperson: Jeff Burch

Executive Officer: Larry Jorgensen

The Wine Producers' Committee, which was established in December 2016, will represent all West Australian wine regions and with the security of funding will be able to instigate longer term programs to bring about positive change and growth for West Australian Wine Producers.

APC – Encouraging Producer Initiative

One already identified goal will be to increase recognition of Western Australian fine wine regions as some of the best, most distinctive, pure, and pristine in the world.

Collection of a Fee for Service Charge will not commence until the 2017 year.

DISCLOSURES AND LEGAL COMPLIANCE

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year under review.

ADMINISTERED LEGISLATION

SCOPE OF THE AGRICULTURAL PRODUCE COMMISSION ACT

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

Regulations to the Act define horticulture as:

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

The Commission has subsidiary legislation in the form of:

Agricultural Produce (Wine Industry) Regulations 2016

Agricultural Produce (Egg Production Industry) Regulations 2006

Agricultural Produce (Pork Production Industry) Regulations 2004

Agricultural Produce (Beekeeping Industry) Regulations 2003

Agricultural Produce (Prescribed Agricultural Industries and Services) Regulations 2001

Agricultural Produce (Horticultural Industry) Regulations 2001

Producers Committees (Polling) Regulations 1990

SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT

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

- (a) advertise and promote the agricultural produce;
- (b) control or develop the means of controlling pests and diseases if there is a likelihood of those pests or diseases affecting the quality or volume of output of the agricultural produce;
- (c) conduct research in relation to any matter, if in the opinion of the producers’ committee that research is of advantage to producers of the agricultural produce;
- (d) conduct educational or instructional programmes relating to the production of agricultural produce;
- (e) develop and expand markets for the agricultural produce in Western Australia and elsewhere;
- (f) establish a voluntary insurance scheme for the benefit of producers of the agricultural produce including insurance relating to crops;
- (g) undertake and provide market forecasting for the agricultural produce;
- (h) establish systems of inspection for the agricultural produce for the purpose of quality control or pest and disease control;
- (i) formulate schemes for declaring producers of the agricultural produce to be accredited producers;
- (j) establish systems to facilitate inspection of grading, packaging and storage of the agricultural produce including weight and uniformity (including uniformity of ripeness) within packages;

- (k) support, with or without grant of financial aid, and whether or not initiated by the committee or the Commission, any scheme or activity which in the committee's opinion is capable of assisting in the promotion or sale of the agricultural produce;
- (l) provide such other services for the agricultural produce as may be prescribed;
- (la) establish a compensation scheme for the benefit of producers whose agricultural produce is destroyed as a result of action taken to control a pest or disease of that produce;
- (m) arrange for the provision of all or any of the services or the exercise of any of the functions referred to in paragraphs (a) to (la) in whole or in part by another person or organization or in conjunction with the Commission or any other person or organization.

Source: Agricultural Produce Commission Act 1988, Section 12.1

AGRICULTURAL INDUSTRIES PRESCRIBED UNDER THE ACT

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being services that a Producers' Committee may provide in relation to the pork production industry (Gazetted 3 July 2001).
- **beekeeping industry** - prescribed as an agricultural industry under section 3.1 of the Act with section 12.1 (b), (c), (d), (h), (l), (la) and (m) services being services that a producers' committee may provide in relation to the beekeeping industry (Gazetted 23 October 2001).
- **egg production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

DECLARED PESTS AND DISEASES

Section 19a of the Act allows for pests and diseases to be declared a pest or disease in relation to the control of certain pests or diseases, and applies to commercial and non-commercial producers.

- *Mediterranean fruit fly (Ceratitis Capitata)* is a pest to which Section 19a of the Act is to apply. Notice gazetted on 19 September 2000.
- *Acarine (Tracheal mite, Acarapis Woodi), Africanised honey bee, Asian honey bee, Tropilaelaps mite (Tropilaelaps clareae), Bruala fly, Small hive beetle and Varroasis (Varroa destructor and Varroa jacobsoni)*. Notice gazetted on 9 January 2004.
- *American foul brood and European foul brood*. Notice gazetted on 9 January 2004.

FEE FOR SERVICE CHARGE REGULATIONS

Agricultural Produce (Horticultural Industry) Regulations 2001.

Regulation 5 notifies of the liability for producers to pay charges. Regulation 8 allows for the submission of returns by dealers and producers. For APC community fruit fly baiting committees Regulations 6 provides for local government authority to collect fees. Penalties apply for non-compliance.

Agricultural Produce (Beekeeping Industry) Regulations 2003. Under the Regulations, the Department of Agriculture and Food collects the Fee for Service on behalf of the

APC in conjunction with the beekeeper registration fees collected under the Biosecurity and Agriculture Management (Identification and Movement of Stock and Apiaries) Regulations 2013.

Agricultural Produce (Pork Production Industry) Regulations 2004 require abattoirs to collect and remit Fee for Service to the Commission not later than 14 days after the end of the month.

Agricultural Produce (Egg Production Industry) Regulations 2006 provide for Fee for Service collection direct from egg producers. However, as at 30 June 2016, the industry had not instituted a Fee for Service charge for eggs.

Voluntary Fee for Service – Horticultural groups can institute a voluntary Fee for Service under Section 19 of the Act, however Section 14 of the Act and the *Agricultural Produce (Horticultural Industry) Regulations 2001* do not apply.

OTHER KEY LEGISLATION IMPACTING ON THE APC's ACTIVITIES

- Auditor General Act 2006
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- Workers Compensation and Injury Management Act 1981

COMMISSION MEMBERSHIP AND REMUNERATION

Position	Name	Membership Term	Period of Membership 2016	This table is unaudited
				Gross Remuneration 2016
Chairman	Dr William Ryan	18/01/10 to 09/01/19	Full year	21,508
Member	Dr Graeme Robertson	08/08/11 to 09/07/17	Full year	11,904
Member	Dr Cathie Bowen	11/01/16 to 09/01/19	Commenced 11 January 2016	4,806
Member	Ms Samantha Tough	10/07/14 to 09/07/17	Full year	11,904
TOTAL				50,122

FEE FOR SERVICE CHARGE RATES FOR 2015/16

Fee for Service (FFS) charges are determined by the respective Committee, and reviewed annually. The Committee takes into account the ability of producers to pay the Fee for Service, measured against the benefits delivered by the services. The charge is applied to all produce of a particular commodity, usually at the first point of sale.

Fee for Service returns also capture grower and industry specific data enabling Committees to plot the changing production profile and needs of their industry. As an example, the Pome Sub-committee can monitor apple production by variety.

The Commission is responsible for administering collection and expenditure of the FFS.

The following table provides rates for 15/16

This table is unaudited

APC Industry Committee	Rate
Avocado	\$0.00 per kilogram
Beekeepers	\$15.00 per beekeeper per annum (calendar year 2015) plus \$1.10 per hive per annum (calendar year 2015)
Carnarvon bananas	\$0.0154 per kilogram
Citrus Citrus (processing)	\$0.022 per kilogram \$0.011 per kilogram
Pome Fruit Pome Fruit (processing)	\$0.017 per kilogram \$0.006 per kilogram
Pork	\$0.008 per kilogram carcass weight
Potatoes Processing Ware export Domestic ware Seed	\$6.00 per tonne \$6.00 per tonne \$8.00 per tonne \$6.00 per tonne (\$150 per hectare based on average yield of 25 tonnes per hectare)
Strawberries	\$0.01 per kilogram
Stone Fruit Stone Fruit (processing)	\$0.015 per kilogram \$0.006 per kilogram
Table Grapes	\$0.007 per kilogram
Vegetables incl tomatoes Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables	\$0.05 per individual package of 100kg or less \$0.40 per individual package of 101kg to 1,000kg \$0.70 per tonne contained within trailers/trucks
Wine	FFS charge to commence in 2016/17

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The APC Code of Conduct uses the WA Code of Ethics as its basis. The APC Code of Conduct applies to Commissioners and Commission staff, as well as Producers' Committee members and officers and is incorporated into the APC Code of Conduct and Committee Manual.

The APC manual assists Producers' Committee members in the effective operation of their Committee. It details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The APC did not share any responsibilities with other agencies during the year under review.

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 interest in existing or proposed contracts with the Agricultural Produce Commission other than normal contracts of employment of service.

EMPLOYMENT AND INDUSTRIAL RELATIONS

This table is unaudited

Staff Profile	2015/16 FTE @ 30 June 2016	2014/15 FTE
Seconded to APC or an APC Committee from Department of Agriculture and Food	4	2.6
Full time contract employed by APC	1	1
Full time contract employed by APC and seconded to an APC Committee	1.6	2.4

STAFF DEVELOPMENT

During the year under review staff development was limited to internal development.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Performance against Government Targets

This table is unaudited

Indicator	Government Target 2015/16	APC Actual	Target Achieved
Number of fatalities	0	0	Y
Lost time injury/disease (LTI/D) incidence rate	0 or 10% improvement on the previous 3 years	0	Y
Percentage of injured workers returned to work within (1) 13 Weeks (2) 26 Weeks	Greater than or equal to 80% return to work within 26 weeks	N/A	Y
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	100%	Y

The Commission, under its MOU arrangement with the Department of Agriculture and Food (DAFWA), utilizes and applies the occupational safety, health and injury management training, policies and procedures of the DAFWA. The DAFWA reviews its occupational safety and health policies at least every three years.

The DAFWA has an injury management system and return to work program which are documented in an injury management policy. The DAFWA's early intervention injury management program exceeds the requirements of the *Workers Compensation and Injury Management Act 1981*.

The Commission is committed to the education of its officers in occupational safety health and injury management and mandatory training is provided through the DAFWA. The consultation process for Commission staff is through the Commission's manager, who then accesses the DAFWA's system for OSH management and consultation.

WORKERS COMPENSATION

No compensation claims were recorded during the year under review.

DISCLOSURE PURSUANT TO SECTION 175ZE(1) OF THE ELECTORAL ACT 1907

In accordance with the disclosure requirements of Section 175ZE of the Electoral Act 1907, the Agricultural Produce Commission of Western Australia reports that during the 2016 financial year, the Commission incurred advertising expenditure in the following areas.

This table is unaudited

Commission	Expenditure 2015/16
Advertising agencies	\$ Nil
Media advertising organizations	\$ Nil
Market research organizations	\$ Nil
Polling Organizations	\$ Nil
Direct Mail Organizations	\$ Nil
Total Expenditure	\$ Nil

UNAUTHORISED USE OF CREDIT CARDS

During the 2016 year there were no instances in which a credit card was used for personal use.

RECORDKEEPING PLANS

During the 2016 year the Commission continued to integrate into the Objective recordkeeping system via the Department of Agriculture and Food's system.

The Commission relies on the evaluations undertaken by the Department of Agriculture and Food, WA in relation to the efficiency and effectiveness of the Objective recordkeeping system.

All Commission employees have undertaken full training into the Objective recordkeeping system via the Department's training program.

All Commission employees are provided with an induction into the Commission's recordkeeping procedures on commencement of employment.

FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2016

The accompanying financial statements of the Agricultural Produce Commission have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2016 and the financial position as at 30 June 2016.

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

Mandy Taylor

Chief Finance Officer
Agricultural Produce Commission

Date: 8/7/16.

William Ryan

Chairman
Agricultural Produce Commission

Date: 8/7/16

Graeme Robertson

Member
Agricultural Produce Commission

Date: 8/7/16



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

AGRICULTURAL PRODUCE COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Agricultural Produce Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2016, 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.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Agricultural Produce Commission at 30 June 2016 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.

Commission's Responsibility for the Financial Statements

The Commission 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 Commission 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 for the Audit of the Financial Statements

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 Commission'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 Commission, 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.

Report on Controls

I have audited the controls exercised by the Agricultural Produce Commission during the year ended 30 June 2016.

Controls exercised by the Agricultural Produce Commission are those policies and procedures established by the Commission 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.

Opinion

In my opinion, in all material respects, the controls exercised by the Agricultural Produce Commission 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 2016.

Commission's Responsibility for Controls

The Commission 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 for the Audit of Controls

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Agricultural Produce Commission 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 Commission 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2016.

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

Opinion

In my opinion, in all material respects, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2016.

Commission's Responsibility for the Key Performance Indicators

The Commission 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 Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility for the Audit of Key Performance Indicators

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 Commission'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.

Independence

In conducting the above audits, 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 Agricultural Produce Commission for the year ended 30 June 2016 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission'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.


GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 July 2016

**AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 30 June 2016

	Notes	2016	2015
		\$	\$
COST OF SERVICES			
Expenses			
Department of Agriculture and Food contracted services - administration	5	149,362	141,096
Employee benefits expense	6	90,363	85,362
Other expenses	7	<u>140,172</u>	<u>159,722</u>
Total cost of services		<u>379,897</u>	<u>386,180</u>
 Income			
<i>Revenue</i>			
Administration Charge Producers' Committees		272,969	264,383
Contributions		60,889	26,836
Interest revenue		<u>5,786</u>	<u>5,867</u>
Total Revenue		<u>339,644</u>	<u>297,086</u>
Total income other than income from State Government		<u>339,644</u>	<u>297,086</u>
 NET COST OF SERVICES		<u>40,253</u>	<u>89,094</u>
 Income from State Government			
Services received free of charge	8	50,656	70,859
Total income from State Government		<u>50,656</u>	<u>70,859</u>
 SURPLUS / (DEFICIT) FOR THE PERIOD		<u>10,403</u>	<u>(18,235)</u>
 TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>10,403</u>	<u>(18,235)</u>

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

*Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016**

		2016	2015	2014
			Restated*	Restated*
	Notes	\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	12	122,097	190,506	198,638
Receivables	9	44,790	10,375	23,496
Other current assets		2,097	1,217	1,904
Total Current Assets		<u>168,984</u>	<u>202,098</u>	<u>224,038</u>
TOTAL ASSETS		<u>168,984</u>	<u>202,098</u>	<u>224,038</u>
LIABILITIES				
Current Liabilities				
Payables	10	16,166	68,753	63,734
Provisions	11	8,179	3,928	15,619
Total Current Liabilities		<u>24,345</u>	<u>72,681</u>	<u>79,353</u>
Non-Current Liabilities				
Provisions	11	23,921	19,102	16,135
Total Non-Current Liabilities		<u>23,921</u>	<u>19,102</u>	<u>16,135</u>
TOTAL LIABILITIES		<u>48,266</u>	<u>91,783</u>	<u>95,488</u>
NET ASSETS		<u>120,718</u>	<u>110,315</u>	<u>128,550</u>
EQUITY				
Accumulated surplus		<u>120,718</u>	<u>110,315</u>	<u>128,550</u>
TOTAL EQUITY		<u>120,718</u>	<u>110,315</u>	<u>128,550</u>

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

*Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June 2016

	Note	Contributed equity	Accumulated surplus	Total equity
		\$	\$	\$
Balance at 1 July 2014		-	42,550	42,550
Restatement of prior year *			86,000	86,000
Restated balance at 1 July 2014		-	128,550	128,550
Surplus/(deficit)			(18,235)	(18,235)
Total comprehensive income for the year		-	(18,235)	(18,235)
Balance at 30 June 2015		-	110,315	110,315
Balance at 1 July 2015		-	110,315	110,315
Surplus/(deficit)		-	10,403	10,403
Total comprehensive income for the year		-	10,403	10,403
Balance at 30 June 2016		-	120,718	120,718

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

* Restatement of prior year - refer to note 22

**AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF CASH FLOWS**
for the year ended 30 June 2016

		2016	2015
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(81,293)	(94,086)
Supplies and services		(315,571)	(224,940)
Receipts			
Receipts from producer committees		262,660	264,383
Receipts from others		60,889	39,957
Interest received		4,906	6,554
Net cash used in operating activities	12	<u>(68,409)</u>	<u>(8,132)</u>
Net decrease in cash and cash equivalents		(68,409)	(8,132)
Cash and cash equivalents at the beginning of the period		190,506	198,638
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	12	<u>122,097</u>	<u>190,506</u>

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

AGRICULTURAL PRODUCE COMMISSION

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This index does not form part of the financial statements.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 1: Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2016 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 Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Commission 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 Commission for the annual reporting period ended 30 June 2016.

Note 2: Summary of Significant Accounting Policies

(a) General statement

The Commission 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 (2006)* 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.

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

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

(b) Basis of preparation (continued)

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

Management make judgements in the application of accounting policies, and do not consider that any of these judgements result in a significant effect on amounts recognised in the financial statements, nor are there any 'Key sources of estimation uncertainty' 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 Commission only, as there are no related or affiliated bodies of the Commission.

(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:

Provision of Services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

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

Grants, donations, gifts and other non-reciprocal contributions

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

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

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

(f) Financial instruments

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

- Loans and receivables
- Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Receivables
- Financial Liabilities
 - Payables

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

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

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, 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.

(h) Accrued salaries

Accrued salaries (see Note 10 '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 Commission considers the carrying amount of accrued salaries to be equivalent to its fair value.

(i) 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 Commission 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.

(j) Payables

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

(k) 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.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

(k) Provisions (continued)

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

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability 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 Commission does not have an unconditional right to the defer settlement of the liability for at least 12 months after the end of the reporting period.

Long Service Leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore 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 component 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 Commission does not have an unconditional right to defer the 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 Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

(k) Provisions (continued)

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

The Commission 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 Commission's liability for superannuation charges.

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

The Commission has no liabilities under the GSS. All GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

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 Commission's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(l) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), WSS, the GESB, and other superannuation funds.

(m) Assets and services received free of charge or for nominal cost

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the Commission would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(n) Comparative figures

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

(o) Administration Expense

Each Producers' Committee pays a percentage of the "Fee for Service" collected to the Commission, which bears all the administration expenses.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

(p) Goods and Services Tax

In accordance with the grouping provisions the right to receive GST and the obligation to pay GST rests with the Agricultural Produce Commission with regard to all GST transactions incurred by members of the group.

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

(q) Key Source 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 provision

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.

Note 3. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2015 that impact on the Commission.

AASB 2013-9 *Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments*

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9.

AASB 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]*

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010) arising from the issuance of AASB 9 Financial Instruments in December 2014. The Commission has not yet determined the application or the potential impact of AASB 9.

AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Future impact on Australian Accounting Standards not yet operative

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

Operative for
reporting periods
beginning on/after

AASB 9	Financial Instruments	1 Jan 2018
	This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 15	Revenue from Contracts with Customers	1 Jan 2018
	This Standard establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 16	Leases	1 Jan 2019
	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2010-7	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 and 1038 and Int 2, 5, 10, 12, 19 & 127]	1 Jan 2018
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Operative for
reporting periods
beginning on/after

AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.	
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.	
AASB 2015-8	<i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 Jan 2017
	The Standard amends the mandatory effective date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Commission has not yet determined the application or the potential impact of AASB 15.	
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017
	This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i>	1 Jan 2018
	This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Commission has not yet determined the application or the potential impact.	

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 4: Restatement of Prior Year

Restatement of cash and retained earnings due to write off of Pig Skills Centre (Pty) Ltd loan not transferred on restatement of Producers' Committees in previous financial year

In 2009/10, a loan receivable which had been contributed to APC from the Pig Skills Centre (Pty) Ltd was written off. In the 2014/15 financial statements for the Agricultural Produce Commission, the contribution of the Pig Skills Centre loan was correctly transferred to the Pork Producers' Committee, however, the related write off was retained in the Commission itself. This error was identified in the current financial year, and the related write off has been transferred to the Pork Producers' Committee. This has the effect of reducing the cash balance in the Pork Producers' Committee and increasing the cash balance in the Commission.

The retained earnings of the Commission and the cash of the Commission were both understated to the value of \$86,000. Further detail of the impact on the financial position of the Commission is contained in Note 22.

Note 5: Department of Agriculture and Food Contracted Service Costs

Effective 1 July 2000 the Agricultural Produce Commission ("the Commission") entered into a Memorandum of Understanding with the Department of Agriculture and Food (the Department). The objective of this arrangement is to establish the types and standards of services to be provided, the basis for determining the level and the costs of the services and the responsibilities of the Commission and the Department.

The costs of the above mentioned services are disclosed below:

	2016	2015
	\$	\$
Department of Agriculture and Food contracted services - administration	<u>149,362</u>	<u>141,096</u>

Note 6: Employee benefits expense

	2016	2015
	\$	\$
Wages and salaries ^(a)	77,267	80,418
Change in employee entitlement provision	6,815	(3,288)
Superannuation ^(b)	<u>6,280</u>	<u>8,232</u>
Total employee expenses	<u>90,363</u>	<u>85,362</u>

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

^(b) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance, are included at Note 7 'Other expenses'.

Employment on-costs liability is included at Note 11 'Provisions'.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 7: Other expenses

	2016	2015
	\$	\$
Audit fees	15,666	15,500
Employment on-costs	1,982	3,472
Commissioner fees and related costs	49,540	56,106
Travel expenses	564	152
Administration services provided by DAFWA	50,656	70,859
Other expenses	<u>21,764</u>	<u>13,633</u>
	<u>140,172</u>	<u>159,722</u>

Note 8: Income from State Government

Services received free of charge^(a) from other State government agencies during the period:

	2016	2015
	\$	\$
Department of Agriculture and Food	<u>50,656</u>	<u>70,859</u>

(a) Assets or services received free of charge or for nominal cost are recognised as revenue at the fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised directly in equity.

Note 9: Receivables

	2016	2015
	\$	\$
Receivables	10,400	91
Accrued revenue	-	-
GST receivable	34,390	10,284
Other debtor	<u>-</u>	<u>-</u>
	<u>44,790</u>	<u>10,375</u>

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

Note 10: Payables

	2016	2015
	\$	\$
Trade payables	-	5,604
Other payables	1,900	2,722
Accrued expenses	<u>14,266</u>	<u>60,427</u>
	<u>16,166</u>	<u>68,753</u>

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

Note 11: Provisions

	2016	2015
	\$	\$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	<u>7,287</u>	<u>3,499</u>
	<u>7,287</u>	<u>3,499</u>
<i>Other provision</i>		
Employment on-costs ^(c)	<u>892</u>	<u>429</u>
	<u>8,179</u>	<u>3,928</u>
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	21,363	17,076
<i>Other provision</i>		
Employment on-costs ^(c)	<u>2,558</u>	<u>2,026</u>
	<u>23,921</u>	<u>19,102</u>
	<u>32,100</u>	<u>23,030</u>

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

Within 12 months of the end of the reporting period	7,287	3,499
More than 12 months after the reporting period	-	-
	<u>7,287</u>	<u>3,499</u>

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

Within 12 months of the end of the reporting period	-	-
More than 12 months after the reporting period	21,363	17,076
	<u>21,363</u>	<u>17,076</u>

^(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.

Note 12: Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2016	2015
	\$	\$
Cash and cash equivalents	<u>122,097</u>	<u>190,506</u>

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 12: Notes to the Statement of Cash Flows

	2016	2015	Restated*
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities	\$	\$	\$
Net cost of services	(40,253)	(89,095)	
<u>Non-cash items</u>			
Services received free of charge	50,656	70,859	
<u>(Increase)/decrease in assets:</u>			
Current receivables ^(a)	(34,415)	13,121	
Other current assets	(880)	687	
<u>Increase/(decrease) in liabilities:</u>			
Current payables ^(a)	(52,587)	5,019	
Current provisions	4,251	(11,691)	
Non-current provisions	4,819	2,968	
Net cash provided by/(used in) operating activities	(68,409)	(8,132)	

^(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.

*Restated (see note 22)

Note 13: Remuneration of members of the Commission

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

	2016	2015
Remuneration band		
\$0 - \$10,000	1	-
\$10,001 - \$20,000	2	4
\$20,001 - \$30,000	1	1
	\$	\$
Base remuneration and superannuation	55,411	61,634
Annual leave and long service leave accruals	-	-
Other benefits	-	-
The total remuneration of the members of the Commission	55,411	61,634

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Commission.

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

Note 14: Commitments

Capital expenditure commitments

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

Other expenditure commitments

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

Note 15: Financial Instruments

(a) Accounting classifications	2016	2015
		Restated*
Financial assets not measured at fair value	\$	\$
Cash and cash equivalents	122,097	190,506
Loans and receivables ^(a)	10,400	91
	132,497	190,597
Financial liabilities not measured at fair value		
Other liabilities: Trade payables	16,166	68,753

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

*Restated (see note 22)

(b) Financial risk management

The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

(i) Credit Risk

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

Credit risk associated with the Commission's financial assets is minimal as the main receivable relates to amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The commission has policies in place to ensure that any sales of products and services are made to customers with an appropriate credit history. Furthermore, receivables balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

The carrying amount of financial assets represents the Commission's maximum exposure to credit risk.

At the end of the reporting period, receivables are neither past due nor impaired and are due within 30 days of the end of the reporting period.

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 15: Financial Instruments (continued)

(ii) Liquidity Risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

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

All Payables are due within 30 days of reporting date. Due to the short term nature of the payables, the fair value approximates the carrying amount as per the Statement of Financial Position.

(iii) Market Risk

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

The weighted average interest rate for the year is 2.27% (2015: 2.70%). If, at the end of the reporting period, there had been a 100 basis point increase/(decrease) in interest rates, held constant throughout the reporting period, then there would have been a resulting \$1,221 (2015: \$1,905) increase/(decrease) in profit or loss for the period.

(c) Fair value

All financial assets and liabilities recognised in the Statement of Financial Position are recognised at amounts that represent a reasonable approximation of fair value.

Note 16: Contingent liabilities and contingent assets

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

Note 17: Events occurring after the end of the reporting period

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

Note 18: Affiliated bodies

There are no affiliated bodies with the Commission.

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

Note 19: Producers' Committees – monies held on trust

The Commission has 10 (2015: 10) active Producers' Committees and one in recess, being Kununurra. Separate accounts are maintained for each Producer's Committee. The cash balance held for each Producer's Committee and the receipts and payments for the year are disclosed below.

APC Avocado Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	172,658	177,162
Receipts	3,758	4,996
Payments	<u>(21,733)</u>	<u>(9,500)</u>
Balance at end of year	<u>154,683</u>	<u>172,658</u>
APC Beekeepers Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	157,414	136,864
Receipts	59,608	58,729
Payments	<u>(56,925)</u>	<u>(38,178)</u>
Balance at end of year	<u>160,098</u>	<u>157,414</u>
APC Carnarvon Banana Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	4,113,457	4,886,936
Receipts	78,244	194,460
Payments	<u>(1,700,776)</u>	<u>(967,939)</u>
Balance at end of year	<u>2,490,925</u>	<u>4,113,457</u>
APC Egg Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	214,383	252,763
Receipts	-	6,620
Payments	<u>(35,632)</u>	<u>(45,000)</u>
Balance at end of year	<u>178,751</u>	<u>214,383</u>
APC Pome, Citrus & Stone Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	670,504	416,319
Receipts	1,353,793	1,146,119
Payments	<u>(1,215,287)</u>	<u>(891,934)</u>
Balance at end of year	<u>809,010</u>	<u>670,504</u>

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 19: Producer's Committees - monies held in trust (continued)

APC Potato Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	65,244	125,919
Receipts	570,044	490,604
Payments	<u>(472,863)</u>	<u>(551,279)</u>
Balance at end of year	<u>162,425</u>	<u>65,244</u>

APC Pork Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year as previously reported	1,408,741	1,456,773
Prior year adjustment *	<u>-</u>	<u>(86,000)</u>
Balance at beginning of year as restated	1,408,741	1,370,773
Receipts	403,375	361,812
Payments	<u>(517,042)</u>	<u>(323,844)</u>
Balance at end of year	<u>1,295,074</u>	<u>1,408,741</u>

APC Strawberry Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	246,526	289,672
Receipts	92,567	86,737
Payments	<u>(55,612)</u>	<u>(129,882)</u>
Balance at end of year	<u>283,480</u>	<u>246,526</u>

APC Table Grape Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	171,196	187,031
Receipts	103,489	49,544
Payments	<u>(121,506)</u>	<u>(65,378)</u>
Balance at end of year	<u>153,180</u>	<u>171,196</u>

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 19: Producer's Committees - monies held in trust (continued)

APC Vegetable Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	390,769	84,556
Receipts	870,764	821,671
Payments	<u>(555,200)</u>	<u>(515,459)</u>
Balance at end of year	<u>706,332</u>	<u>390,769</u>

APC Kununurra Producers' Committee	2016	2015
	\$	\$
Balance at beginning of year	1,258	1,223
Receipts	28	35
Payments	<u>-</u>	<u>-</u>
Balance at end of year	<u>1,286</u>	<u>1,258</u>

Note 20: Remuneration of auditor

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

	2016	2015
	\$	\$
Auditing the accounts, financial statements and performance indicators	<u>14,226</u>	<u>14,100</u>

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 21: Explanatory Statement

All variations between estimates and actual results for income and expense for 2016, and between the actual results for 2016 and 2015 are shown below. Significant variations are considered to be those greater than 10% or \$50,000.

Significant Variances between Budget and Actual for 2015/16

Statement of Comprehensive Income

for the year ended 30 June 2016

		<u>Actual</u>	<u>Budget Estimate</u>	<u>Variance</u>
NET COST OF SERVICES				
Expenses-Commission				
Department of Agriculture and Food contracted services - administration		149,362	148,786	576
Employee benefits expense	1	90,363	101,118	(10,755)
Other expenses	2	140,172	172,834	(32,662)
Expenses-Producer's Committees		-	-	-
Total cost of services		<u>379,897</u>	<u>422,738</u>	<u>(42,841)</u>
Income				
<i>Revenue</i>				
User charges and fees		-	-	-
Grants		-	-	-
Administration charge Producers' Committees		272,969	264,972	7,997
Other revenue		-	-	-
Contributions	3	60,889	26,729	34,160
Interest revenue	4	5,786	6,972	(1,186)
Total Revenue		<u>339,644</u>	<u>298,673</u>	<u>40,971</u>
Total income other than income from State Government		<u>339,644</u>	<u>298,673</u>	<u>40,971</u>
NET COST OF SERVICES		<u>(40,253)</u>	<u>(124,065)</u>	<u>83,812</u>
Income from State Government				
Services received free of charge	5	50,656	74,384	(23,728)
Total income from State Government		<u>50,656</u>	<u>74,384</u>	<u>(23,728)</u>
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>10,403</u>	<u>(49,681)</u>	<u>60,084</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>10,403</u>	<u>(49,681)</u>	<u>60,084</u>

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

Note 21: Explanatory Statement (continued)

1. Employee Benefits Expense – decrease \$10,755. The budget included an allowance for a period of two salaries during a hand-over training period. This allowance was not expended.
2. Other Expenses - decrease \$32,662. The efficiency and effectiveness of services provided by DAFWA has improved thereby reducing the charge to APC.
3. Contributions – Increase by \$34,160. Payment of \$25,000 from Department of Agriculture and Food WA (DAFWA) for the APC Grower Portal Project. Payment of \$15,000 for costs associated with the Wine Producers' Poll.
4. Interest revenue - decrease \$1,186. Due to lower cash balance and reduction in interest rates during the year.
5. Services received free of charge - decrease \$23,728. The efficiency and effectiveness of services provided by DAFWA has improved thereby reducing the charge to APC.

Significant Variances between Actual (2016) and Comparative (2015)

Statement of Comprehensive Income

for the year ended 30 June 2016

		2016	2015	Variance
NET COST OF SERVICES				
Expenses-Commission				
Department of Agriculture and Food contracted services - administration		149,362	141,096	8,266
Employee benefits expense		90,363	85,362	5,001
Other expenses	1	140,172	159,722	(19,550)
Total cost of services		379,897	386,180	(6,283)
Income				
<i>Revenue</i>				
Administration charge Producers' Committees		272,969	264,383	8,586
Contributions	2	60,889	26,836	34,053
Interest revenue		5,786	5,867	(81)
Total Revenue		339,644	297,086	42,558
Total income other than income from State Government		339,644	297,086	42,558
NET COST OF SERVICES		(40,253)	(89,094)	48,841
Income from State Government				
Services received free of charge	3	50,656	70,859	(20,203)
Total income from State Government		50,656	70,859	(20,203)
SURPLUS/(DEFICIT) FOR THE PERIOD		10,403	(18,235)	28,638
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,403	(18,235)	28,638

AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2016

Note 21: Explanatory Statement (continued)

1. Other expenses - \$19,550. The efficiency and effectiveness of services provided by DAFWA has improved thereby reducing the charge to APC. For a period of 6 months the Commission only had 3 members resulting in a reduction in fees paid to Commission members.
2. Contributions – Increase by \$34,053. Payment of \$25,000 from DAFWA for the APC Grower Portal Project.
3. Services received free of charge - decrease \$20,203. The efficiency and effectiveness of services provided by DAFWA has improved thereby reducing the charge to APC.

Note 22: Restatement of prior period cash and retained earnings

In 2009/10, a loan receivable which had been contributed to APC from the Pig Skills Centre (Pty) Ltd was written off. In the 2014/15 financial statements for the Agricultural Produce Commission, the contribution of the Pig Skills Centre loan was correctly transferred to the Pork Producers' Committee, however, the related write off was retained in the Commission itself. This error was identified in the current financial year, and the related write off has been transferred to the Pork Producers' Committee. This has the effect of reducing the cash balance in the Pork Producers' Committee and increasing the cash balance in the Commission.

The Retained earnings of the Commission and the cash of the Commission were both understated to the value of \$86,000. The correction of this error in the previous financial year effected the previously reported results, as follows:

Statement of financial position	2015		
	As previously reported	Adjustments	Restated
	\$	\$	\$
Current assets			
Cash and cash equivalents	104,506	86,000	190,506
Total current assets	116,098	86,000	202,098
Total assets	116,098	86,000	202,098
 Total liabilities			
Total net assets	91,783	-	91,783
 Equity			
Accumulated surplus/(deficit)	24,315	86,000	110,315
Total equity	24,315	86,000	110,315

AGRICULTURAL PRODUCE COMMISSION

Notes to the financial statements

for the year ended 30 June 2016

Note 22: Restatement of prior period cash and retained earnings (continued)

Statement of financial position	2014		
	As previously reported	Adjustments	Restated
	\$	\$	\$
Current assets			
Cash and cash equivalents	112,638	86,000	198,638
Total current assets	138,038	86,000	224,038
Total assets	138,038	86,000	224,038
 Total liabilities			
	95,488	-	95,488
Total net assets	42,550	86,000	128,550
 Equity			
Accumulated surplus/(deficit)	42,550	86,000	128,550
Total equity	42,550	86,000	128,550

The restatement of the prior period has no effect on the Statement of Comprehensive Income.

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For year ended 30 June 2016

We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agricultural Produce Commission's performance, and fairly represent the performance of the Agricultural Produce Commission for the financial year ended 30 June 2016.

William Ryan

Chairman

Agricultural Produce Commission

Date:

8/7/16

Graeme Robertson

Member

Agricultural Produce Commission

Date:

8/7/16

AGRICULTURAL PRODUCE COMMISSION

KEY PERFORMANCE INDICATORS 2016

GOVERNMENT GOAL

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

DESIRED OUTCOME

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

SERVICES

Establishment of, and support for, Producers' Committees.

EFFECTIVENESS INDICATOR

Key Performance Indicator 1

Commission Effectiveness - APC Producers' Committee's satisfaction with services provided by the Commission

The satisfaction of Producers' Committees with the service provided by the Commission, to its Producers' Committees, demonstrates the effectiveness of the Commission in meeting its obligation in the establishment and dissolution of Producers' Committees and of directing, coordinating and supervising the functions and expenditure of Producers' Committees.

Producers' Committees are provided annually with a score card survey.

The survey asks all Committee members to rate a range of essential services which are provided by the Commission to the Producers' Committee. These services are directly related to the functions of the Commission as set out in the APC Act.

The score card results are then aggregated into an overall satisfaction rating for all APC Producers' Committees. A score of 'acceptable' or above is deemed as meeting the overall satisfaction rating.

Target: An overall satisfaction rating of >= to 85%.

APC PRODUCERS' COMMITTEES	Target	2016	2015	2014
Overall satisfaction rating	85%	100%	99%	98%

	2015/16	2014/15	2013/14
Total Committees Surveyed	11	10	10
Total Members Surveyed	83	58	55
Total Responses Received	41	26	30
Percentage Response Rate	49%	45%	54%

The total number of members surveyed increased in 2016 due to the establishment of the APC Wine Producers' Committee in December 2016, as well as a slight increase in the number of members appointed to some of the existing Committees.

As the APC Wine Producers' Committee, during the year under review, had not yet commenced collection of a FFS charge and was not yet fully functioning, members provided a response only in relation to a specific question on quality of support and process for establishment of new committees.

EFFICIENCY INDICATOR

Key Performance Indicator 2

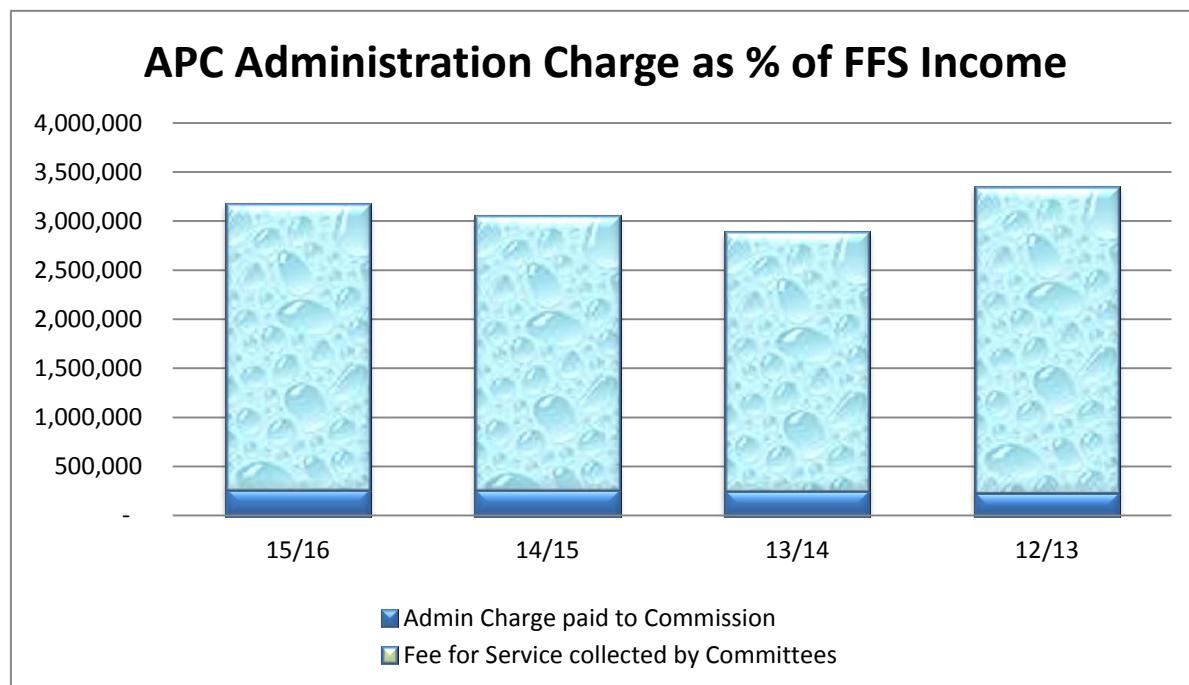
Commission Efficiency - APC Administration Charge as % of Fee for Service (FFS) Charge Income

This indicator measures the annual administration charge paid to the Commission, by Committees, as a proportion of the Producers' Committees total annual Fee for Service income.

The services provided by the Commission to Committees are funded through the administration charge received from Committees.

To ensure that funds received by the Commission from Committees are appropriate and do not exceed Commission requirements, the Commission reviews its administration charge to Committees on an annual basis. The Commission uses a broadly based 'user pays' methodology to identify the administration charge to individual Committees.

Target – Commission overall administration charge as % of FFS income <= 15%.



Performance Indicator 1	15/16	14/15	13/14	12/13
Admin Charge paid to Commission	272,973	264,383	254,381	235,740
Fee for Service collected by Committees	2,892,899	2,781,574	2,628,159	3,105,422
Admin Charge as % of FFS Income	9.44%	9.50%	9.68%	7.59%

In the year under review the Commission met the set target, with an overall charge of 9.4% of FFS income.

This constitutes a slight decrease over the 2013/14 financial year, mainly attributable to the Commission costs remaining constant, and a small increase in Fee for Service revenue.



Encouraging Producer Initiative