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 2017

Hon Alannah MacTiernan MLC
Minister for Regional Development; Agriculture and Food; Minister Assisting the
Minister for State Development, Jobs and Trade

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 2017.

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 August 2017

Ian Longson
Member
Agricultural Produce Commission

Date: 8 August 2017
EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

During the 2016/17 year the activities of the Agricultural Produce Commission remained focused on its objective of “encouraging producer initiative” through the ongoing support and oversight of the producers’ committees. With deregulation and biosecurity incursions it was a challenging year for many of the industries involved with the APC. Key highlights for the year were;

- The first collection of Fee for Service for the Wine Industry using a model where Fee for Service was collected for both statewide industry activities as well as for the specific activities within each wine region as determined by the regional wine associations. Total collections amounted to 94% of the initial budget which is an outstanding result for the first year of collection.

- The revision of the grant funding agreement used by committees when they are contracting services from third parties. The new agreements ensure that all committees are operating with current governance standards.

- The Commission reviewed a number of its policies during the year, resulting in;
  - Changing its policy on the retention of carryover funds by both the Commission and producers’ committees. The upper limit of retained funds was increased to 50% of the previous years’ annual expenditure. This is a risk management decision in response to increasing uncertainty on fee for service collection due to industry changes and the impact of increasing biosecurity incursions, such as the Tomato Potato Psyllid (TPP) and Dickeya Dianthicola.
  - The decision during budgeting for the coming year (17/18) to increase the administration charge to producers’ committees by 1% as of the 17/18 year. This follows a period of deficit budgeting, which is reflected in the current year financial closing position of the Commission. This period of deficit budgeting was undertaken to reduce reserves down to the desired level.
  - Developed a policy relating to “unreasonable complainant conduct” from a committee or individual so as to improve governance and minimise the negative impact on staff when such matters arise.
  - An increased involvement of both APC staff and industry committees in biosecurity matters. Recent incursions have had major impacts on a number of industries and have greatly increased grower’s awareness of the importance of biosecurity.
  - The Annual Meeting of Committees this year was focused on probity and good corporate governance. Committees were provided with a comprehensive presentation by specialists in this field on the legal and ethical requirements of running an effective committee.
The value of the services provided through APC producers’ committees to producers and their industries continues to be demonstrated through the many positive outcomes to the producers and their industries. These are more fully reported in the ‘Producers Committee Reports’ section of this report. Membership on a producers' committee brings with it many responsibilities and time imposts. Growers and producers who become members on committees give generously of their time and knowledge on behalf of their industries. The contributions of these members should not be underestimated and is gratefully acknowledged on behalf of their industries.

I would like to thank retiring Commissioners Dr Graeme Robertson and Samantha Tough for their invaluable support and contribution during this and previous years. Samantha and Graeme retired from the Commission on 9 February 2017 and 9 July 2017 respectively. Ian Longson and Elizabeth Brennan were subsequently appointed by the Minister to commence with the Commission on 9 July 2017.

I would also like to acknowledge the staff of the Commission for the great contribution they make to the effective operation of both the producers’ committees and the Commission.

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 Alannah MacTiernan, MLC, Minister for Regional Development; Agriculture and Food; Minister Assisting the Minister for State Development, Jobs and Trade.

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 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 2017 the Commission had 11 active Producers’ Committees and 4 Producers’ Committees in recess. Members at 30 June 2017 were:

<table>
<thead>
<tr>
<th>Producers’ Committee</th>
<th>Functions Adopted</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>APC Avocado Producers’ Committee (Established 1995)</td>
<td>(a) to (k)</td>
<td>Alan Blight, Ken Gwynne, Neil Delroy</td>
</tr>
<tr>
<td>APC Beekeepers Producers’ Committee (Established 2003)</td>
<td>(b), (c), (d), (h), (l), (la), (m)</td>
<td>Colin Fleay (Chair), Geoff Defrenne, Kim Fewster, Rod Pavy, Tiffane Bates, Gary Templeman, Tristan Campbell, Wayne Ridley</td>
</tr>
<tr>
<td>APC Carnarvon Banana Producers’ Committee (Established 1999)</td>
<td>(a) to (m)</td>
<td>Bruce Munro (Chair), Darryl Hardman, John Thomas, John Kearney, Chris Collins, Michael Andreoli</td>
</tr>
<tr>
<td>APC Egg Producers’ Committee (Established 2002)</td>
<td>(a) to (m)</td>
<td>Ian Wilson (Chair), Terry Woodard, Katie Mason, Brendan Bell</td>
</tr>
<tr>
<td>Producers’ Committee</td>
<td>Functions Adopted</td>
<td>Members</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>APC Pome, Citrus &amp; Stone Fruit Producers’ Committee (Established 1994). Pome Sub-Committee</td>
<td>(a) to (m)</td>
<td>Harvey Giblett (Chair) Mario Casotti Mark Scott Sam Liciardiello</td>
</tr>
<tr>
<td>Citrus Sub-Committee</td>
<td></td>
<td>Jason Jarvis Wayne Ghilarducci Mick Mann (Chair) Joseph Ling Andrew</td>
</tr>
<tr>
<td>Stone Fruit Sub-committee</td>
<td></td>
<td>Pergoliti Tim Byl (Chair) Anthony Fullam Robert Taddei Bruno DelSimone</td>
</tr>
<tr>
<td>APC Potato Producers’ Committee (Established 2001)</td>
<td>(a) to (m)</td>
<td>Glen Ryan (Chair) Sam Calameri Dom Della Vedova Mia Rose Terry Ackley</td>
</tr>
<tr>
<td>APC Pork Producers’ Committee (Established 2002)</td>
<td>(a) to (m)</td>
<td>Matthew Cocciolone</td>
</tr>
<tr>
<td>APC Strawberry Producers’ Committee (Established 1995)</td>
<td>(a) to (l) and (m)</td>
<td>Neil Handasyde (Chair) Jamie Michael Peter Doan Tri Trion</td>
</tr>
<tr>
<td>APC Table Grape Producers’ Committee (Established 1991)</td>
<td>(a) to (l) and (m)</td>
<td>Leonard Handasyde</td>
</tr>
<tr>
<td>APC Vegetable Producers’ Committee (Established 2005)</td>
<td>(a) to (m)</td>
<td>Maureen Dobra (Chair) Joyce Babun Peter Ivankovich James Wringe Lisa Tana</td>
</tr>
<tr>
<td>APC Wine Producers’ Committee (Established 2015)</td>
<td>(a) to (m)</td>
<td>Jeff Burch (Chair) Nigel Gallop Nial Twigger Kim Tyrer John Sprigg</td>
</tr>
</tbody>
</table>
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 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 growers and producers and other 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.

Each year the Commission publishes on the APC website aggregated information relating to the quantity of produce on which the Fee for Service has been collected.

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

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

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

No changes were made to the APC’s Outcome Based Management Framework during the 2017 year.
AGENCY PERFORMANCE AND SIGNIFICANT ISSUES IMPACTING THE AGENCY

Actual Results vs Budget Estimates 2016/17 and Budget Estimates 2017/18

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides budget comparatives for the 2016/17 year and budget estimates for the 2017/18 financial year. Further explanations for variations are available in the financial statements at Note 21 – Explanatory Statements.

This table is unaudited

AGRICULTURAL PRODUCE COMMISSION (APC) BUDGET ESTIMATES FOR 17/18

<table>
<thead>
<tr>
<th>EXPENDITURE</th>
<th>2016/17 Budget</th>
<th>2016/17 Actual Estimates</th>
<th>2017/18 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAFWA Contracted Services – Commission Administration</td>
<td>150,328</td>
<td>74,003</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>118,416</td>
<td>200,144</td>
<td>283,836</td>
</tr>
<tr>
<td>Commissioners Sitting Fees</td>
<td>56,500</td>
<td>56,065</td>
<td>56,500</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>113,050</td>
<td>128,046</td>
<td>117,660</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>438,294</strong></td>
<td><strong>458,258</strong></td>
<td><strong>457,996</strong></td>
</tr>
</tbody>
</table>

| REVENUE                                           |                |                          |                |
| Administration Charge from Committees             | 314,319        | 314,867                  | 363,311        |
| Contributions                                     | 27,398         | 30,000                   | 31,000         |
| Interest                                          | 3,400          | 7,346                    | 6,821          |
| **Total Revenue**                                 | **345,117**    | **352,213**              | **401,132**    |
| **Net Cost of Services**                          | **-**          | **93,177**               | **-**          | **56,864**    |

INCOME FROM STATE GOVERNMENT

| Resources Received Free of Charge/Income from State Government | 53,000 | 68,350 | 72,000 |

| SURPLUS/(DEFICIT) FOR THE PERIOD | -      | 40,177 | -      | 37,695 | 15,136 |

2016/17 'Actual' figures are provided before completion of final audit and may change.

As part of its risk and budget management review the Commission considered its policy on budget reserves in the 2017 year. The Commission resolved that as of the 17/18 budget, a reserve of up to 50% of the previous years’ of annual expenditure could be retained by the Commission and producers’ committees. This decision was based on the uncertainty within agricultural industries at present. This uncertainty is largely due to significant biosecurity incidents which have affected industries in the current and recent years. The Commission sought to ensure that where the Commission or producers’ committees have entered into contracts that there can be reasonable confidence that those contracts can be met.

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 broad full cost recovery methodology.

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 Commission fixed overheads and other costs associated with providing ongoing financial and support services.

<table>
<thead>
<tr>
<th>Committee</th>
<th>Admin Charge 16/17</th>
<th>Change from 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avocado</td>
<td>$5,000</td>
<td>No change</td>
</tr>
<tr>
<td>Banana</td>
<td>11%</td>
<td>No change</td>
</tr>
<tr>
<td>Bees</td>
<td>13%</td>
<td>No change</td>
</tr>
<tr>
<td>Eggs</td>
<td>$5,000</td>
<td>No change</td>
</tr>
<tr>
<td>Fruit</td>
<td>9%</td>
<td>No change</td>
</tr>
<tr>
<td>Pork</td>
<td>9%</td>
<td>No change</td>
</tr>
<tr>
<td>Potato</td>
<td>8%</td>
<td>No change</td>
</tr>
<tr>
<td>Potato Promo</td>
<td>Nil</td>
<td>No change</td>
</tr>
<tr>
<td>Strawberry</td>
<td>14%</td>
<td>No change</td>
</tr>
<tr>
<td>Table Grapes</td>
<td>14%</td>
<td>No change</td>
</tr>
<tr>
<td>Vegetables</td>
<td>9%</td>
<td>No change</td>
</tr>
<tr>
<td>Wine</td>
<td>10%</td>
<td>Not in effect</td>
</tr>
</tbody>
</table>

**COMMISSION MEETINGS 2016/17**

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:

<table>
<thead>
<tr>
<th>Commissioner</th>
<th>Eligible to Attend</th>
<th>Attended</th>
<th>Leave of Absence</th>
</tr>
</thead>
<tbody>
<tr>
<td>William Ryan</td>
<td>6</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Samantha Tough</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Graeme Robertson</td>
<td>6</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Cathie Bowen</td>
<td>6</td>
<td>6</td>
<td>-</td>
</tr>
</tbody>
</table>

During the 2016/17 year the Commission conducted one meeting in Bunbury, including prior to the meeting, a site visit to a major table grape organisation and attendance at a pome sub-committee meeting.

The Commission also held meetings with industry members and bodies in relation to the activities of some producers’ committees.

**ANNUAL MEETING WITH COMMITTEE CHAIRPERSONS’ & MEMBERS**

Commissioners meet with Producers’ Committees annually in order to review the past year and discuss future activities. The 2017 annual meeting was held at the Technology Park in Bentley on Friday 24 February 2017.

The meeting was open to all members of producers’ committees, with all active producers’ committees being represented at the meeting.
The Commission focus for this meeting was two-fold - governance and probity and biosecurity.

Attendees were provided with a governance and probity briefing by ‘Blue Zoo’, a strategic performance consultancy as well as updates on current biosecurity matters and developments in Western Australia by the Department of Agriculture and Food, WA.

**AMENDMENTS TO THE APC ACT 1988**

The Commission met with Minister MacTiernan during the year to consider amendment which are being sought to the Act, and will pursue these amendments further during the 2018 year.

**ESTABLISHING PRODUCERS’ COMMITTEES**

During the year under review Commission representatives continued to work with agricultural industries which do not currently have APC producers’ committees as well as industry 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, as allowed in Section 12.1 of the Act, 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 s 12.1 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, where an APC producers’ committee has been established for an industry, 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.
Any figures quoted in producers’ committee reports are unaudited

**APC Avocado Producers’ Committee**

Chairperson: Alan Blight

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

The Committee again funded one research project, carried out by the Department of Agriculture and Food (DAFWA), into controlling greenhouse thrips with parasitic wasps in Western Australian avocado orchards. The 2016/17 year was the last year for this project.

The Committee also provided funding to DAFWA towards the 2016 Alfred Cove Q Fly incursion and eradication.

Funding used came from residual funds held by the Committee when collection of the FFS charge was ceased.

**APC Beekeepers Producers’ Committee**

Chairperson: Colin Fleay  
Secretary: Tarsh Bates

*Disease and Pest Surveillance & Monitoring* – The WA Bee Biosecurity Officer position, funded by the Committee in association with Plant Health Australia and DAFWA, was advertised and an officer will be employed in the first quarter of the 17/18 year. The Committee has requested that the officer update the current pest and disease sampling and testing process.

The Committee has also initiated the development of a bee pest app for mobile phones through the DAFWA and supported the DAFWA to standardise varroa screen brood boxes for sentinel hives.

The Committee has contributed funding to several bee hygiene research projects being undertaken by the new Cooperative Research Centre led by the University of Western Australia and has initiated a scoping study for Small Hive Beetle eradication in the North–West. The Committee continues to develop government Bee Policy in WA, including participation in the DAFWA BeeGuard and HortGuard initiatives.

*Bee Informed Newsletter* – the 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 to ensure that beekeepers are kept informed and 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 beekeepers committee has continued to be represented on the 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.

Industry FFS did not change during the 2017 year.

Support Funding – The Committee provided funding in support of development of a medicinal honey research project and was a sponsor of the annual West Australian Farmers Federation Beekeepers Conference.

Preliminary results from the ChemCentre Jarrah honey research project funded by the Committee last year have suggested that Jarrah and Marri honeys have higher levels of antimicrobial activity than Manuka honey, which has significant potential for the certification and promotion of novel WA honeys.

APC Carnarvon Banana Producers’ Committee
Chairperson: Bruce Munro  Secretary: Alexandra Maslen

Compensation - No compensation payments were made in this financial year. Carnarvon bananas came back on the market in April 2016 following the wipe out from Cyclone Olwyn, and we are now heading towards full production again.

Biosecurity - An outbreak of Panama TT4 in Tully, Queensland has reminded Carnarvon growers that they need to be vigilant with their biosecurity practise, such as removing all pant material and soil from machinery and footwear before they are brought onto their farms.

Banana marketing campaign - The committee are currently working with the Sweeter Banana Co-operative and Buy West Eat Best to look at a marketing campaign for Carnarvon bananas. The three market agents who collect the fee for service for banana cartons are currently negotiating with their growers to look at co-funding the marketing initiative.

Industry overview - We started 2016 with 43 growers and ended the year with 45 growers, with three new members and one member getting out of bananas. The total area of banana crops (producing and non-producing) at the end of 2016 was 159 hectares. In 2015 it was 155 hectares. Total production was 2,959 tonnes of bananas for 2016 and the district average was 38.46 tonnes per hectare. This is a very high production rate due to the fact that all growers came into full production post Cyclone Olwyn around March and April 2017. These months provide great growing conditions.

Newsletter - A newsletter was sent to all members in February 2017 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: Rachael Wilson

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 provides secretariat services to the APC Egg Producers’ Committee and works diligently to secure uniformity of action on matters affecting the common interests of egg producers in Western Australia.

The Committee does not currently collect a FFS on egg production.
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 establishment 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

Again, another big year for the Pome industry.

Under the guidance of our Strategic and Biosecurity plans the sub-committee directed activities for the future development and benefit of apple and pear growers and the industry for this period. With challenging sale prices this year for our category the focus of quality management and market access to develop and build markets remains our focus.

Projects approved for funding include increasing production (measuring climate change and supporting regional Apple and Pear Australia Limited (APAL) Future Orchard walks and Roadshow programs) promotional activities, variety development, quality standards, market access and biosecurity risk management.

Commercialisation Project - ANABP 01 Variety BRAVO™ apple - The sub-committee, through Fee for Service, continued funding the Fruit West Co-operative Ltd (FWCL). Now in the second year of production BRAVO™ fruit continues to make its mark on the market.

The season started with industry heavy weights gathering for the 2017 launch of the BRAVO™ apple. Top Perth chefs, retailers, media and social commentators joined Agriculture and Food Minister Alannah MacTiernan and horticulture industry leaders at the event at Perth City Farm. The event was sponsored by WA Farm Direct, the appointed national marketer of the BRAVO™ apple.

The launch kick-started exposure and brand development of BRAVO™ using social media and point of sale material in retail. Steady sales have resulted in independent shops and the Woolworths chain stores. Brand development continues to build and export commencing with the first trial shipment planned for Singapore later in 2017 is very exciting.

Working with the sub-committee, the vision of the FWCL is to bring about a transformation of the WA and the broader Australian industry sustained by grower profitability through premium returns based on a rejuvenated export industry.

The Western Australian Agriculture Authority continues to partner with this project with assistance research and development, measuring maturity along with storage research projects along the way.

Maturity Standards Project - The Western Australian pome fruit industry, through the sub-committee, 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. This year minimum standards for three apple varieties, Royal Gala, Granny Smith and Pink Lady have been developed and growers and industry have been highly consulted towards an outcome of legislation through the Biosecurity and Agriculture Management Act 2007 (BAM Act). This process continues and it is hoped that the standards will be in place for the next season.

The sub-committee continues its commitment to this project and funding will continue to ensure compliance and support for growers as we move though the process. It is...
hoped that when this is place that other varieties will follow to foster excellence within the industry.

**Fruit Fly Surveillance Trapping** – The apple and pear industry in WA has identified that 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 Sub-committee continues to support this project and is making good progress to date. This surveillance is becoming an important tool in proving regional or state freedom from pests of quarantine concern. The data obtained to date showing low Medfly numbers in some orchards in Donnybrook, Kirup, Manjimup and Pemberton which will potentially support a future market access protocol but further research on establishment of buffer zones will be required.

In addition the Sub-committee is supporting a Horticulture Innovation Australia (HIA) systems approach project for which the Sub-committee has allocated a budget of $200,000 over four years.

**Promotion** – The Sub-committee, through Fresh Finesse, continues to promote fruit in various activities including school programs, seasonal media and our major promotional event, the Perth Royal Show. This year we have added social media to our program, with our WA Apples and Pears pages now on Facebook and Instagram. We have an increasing number of followers and are able to tell great stories about WA provenance and our beautiful produce direct to the consumer. In the coming year the Sub-committee will look to competitions, sponsorships and interaction with the national programs via sponsorship and the positioning of an apple ambassador fruit program for Netball Australia.

The Sub-committee looks forward to another busy and productive year in the horticulture business.

**Citrus Sub-Committee**

Chairperson: Mick Mann  
Industry Development Manager: Bronwyn Walsh

The Citrus Sub-committee (CSC) has the greater part of its services provided through WA Citrus (WAC) the WA Citrus industry association via a grant funding agreement with the association. The CSC also directly funds, jointly with DAFWA, an Industry Development Manager.

**Projects undertaken** - The CSC funded four projects in the financial year 2016/2017. These were:

- Leadership, communication and promotions for the WA citrus industry
- An industry development manager for the WA citrus industry
- Improving the capability of the citrus value chain and expanding markets for WA citrus fruit
- Biosecurity representative for the WA citrus industry 2016/17.

These were to achieve the strategic industry objectives of:

- Grow consumption of WA citrus fruit
• Identify and implement production efficiencies for profitability growth
• Invest in quality improvements and product development
• Investigate and develop markets
• Lead a responsive and innovative industry that rewards FFS payers

Activities included:
• Industry promotional activities
• Communication activities
• R&D for increasing volume of premium fruit including such as reducing wind blemish by pruning, investigating role of netting
• Quality testing pre harvest and in-market
• Specification development
• Stakeholder engagement eg DAFWA, universities, CAL, NSWDPI, Perth NRM, Chemical companies,

Significant industry focus:
• Increasing export
• Collaboration amongst growers and value chain, IDM facilitated groups have been important for information flow and building relationships between industry members
• CSC and WAC successful applicants for a Grower Group R&D Grant that has enabled local R&D on benchmarking

Communication/relationship between Sub-committee and growers - The WAC is the primary means for communicating with growers via the Leadership, Communication and Promotion project. The communication plan includes a quarterly newsletter and four industry days per year. WAC reports to the CSC at each meeting and CSC members receive and attend industry days with other growers. The Industry Development Manager plays a key role in the communication activities.

The CSC met with WAC Committee to discuss succession planning for the industry committees and improve the understanding amongst Committee members of biosecurity.

Industry outlook - Volume of production has increased in oranges, mandarins and more recently lemons. This is accompanied by an increasing export activity to manage the volume and declining returns on the domestic market. Expanding supply of Queensland mandarins put pressure on the traditional windows for good returns on WA mandarins. New plantings of citrus are going in on existing orchards as well as new industry entrants, particularly in the south west.

The processing sector is under strain with increasing volume of second grade navels.

The number of smaller growers is decreasing. Benchmarking indicates smaller properties rely on off-farm income. Medium to larger growers are active participants in industry activities. Consolidation, collaboration and vertical integration was evident in the industry with several examples of different types of collaborative agreements between growers, packers and market floors.

Where the Sub-committee sees growers wanting to invest into the future - Biosecurity remains a significant area of concern for growers and is part of the industry strategy to lead a responsive and innovative industry that rewards FFS members. There was ongoing engagement with DAFWA during 16/17 to progress horticulture biosecurity activities.
R&D for investigating options for managing the volume of second grade fruit that accompanies an increasing volume of production is essential to a profitable industry. Markets for mandarins and lemons will be important for the future as the volume of production from these categories increases.

**Stone Fruit Sub-Committee**

Chairperson: Tim Byl  
Secretary: Wilma Byl

The “WA Stonefruit – APC Sub Committee” continued to develop the marketing of WA Stonefruit over this past season as a priority to identify locally grown from that which has been imported from out of the state.

A new website was developed and promoted for consumers to learn more about their local growers with hints and tips on stonefruit selection, handling and storing. WA stickers were developed for use on peaches, nectarines and plums to help consumers to identify the origin of their fruit.

This year advertising was done via the radio to encourage purchases of in season, low km, fresh and tasty stone fruit.

WA growers again joined forces with the ‘Great Greengrocer’ Campaign, with the delicious ‘Peach’ chosen as the ‘Hero Fruit’ for December through to March. Recipe videos were developed and promoted via social media.

Fruit testing continued to be 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 was also actively involved in working with the Department of Agriculture and Food, WA and other agricultural commodities on biosecurity matters.

**APC Pork Producers’ Committee**

Chairperson: Neil Ferguson

*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 pork producers.

The Committee has four key funding priorities, these are research and development; technology transfer; industry training and education and administration.

*Technology Transfer & Research Development* – The Committee provided funding to Pork Innovation WA (PIWA) in the 16/17 year to enable the transition to industry of active technology transfer and research development activities.

*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’s provision of services to producers changes with industry priorities each year.

The Committee’s objective – through WAPPA - 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 Committee. The current fee stands at 0.08c/kg dressed weight and will remain so for the 2017/18 financial year. The State’s kill continued to increase in the 16/17 year and further increase is forecast in coming years. This has enabled the Committee 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 acknowledges that it is funded by the fee-for-service paid by every producer in Western Australia and that the Committee’s job is to support the desired initiatives of pork producers. The Committee thanks each and every producer for their ongoing support of the APC in enabling us to support locally based projects and initiatives.

**APC Potato Producers’ Committee**

Chairperson: Glen Ryan  
Executive Officer: Simon Moltoni

Potatoes, the year of turmoil.

I'm not sure if any industry has faced the difficulties that have been associated with the potato industry in the last financial year. We have faced the closing down of a major processor, deregulation of the fresh market, discovery of Tomato Potato Psyllid (TPP), low prices and market oversupply as a result of the TPP incursion and finally the discovery of Dickeya Dianthicola.

The Potato Producers' Committee (PPC) has been conservative and prudent when considering all of the applications before it. In this current climate we have no other option but to retain some funds in reserve in case any of the above incidents requires urgent funding.

Through this the committee has continued to support its Potato Seed Scheme which ensures the basis for potato production is sound, with seed potatoes that are clean of virus and other diseases, and are sought after throughout Australia and overseas. Part of that funding includes virus testing of physiologically young seed to ensure it is of a high standard, including testing for Potato Spindle Tuber Viroid disease, as well as many others. This gives buyers confidence that West Australian grown seed is of the highest order, as well as confirming our disease free status.

We also fund our Potato Growers Association (PGA) to provide services to FFS paying producers. The PGA has taken on greater importance due to the demise of our former regulator the Potato Marketing Corporation (PMC). Our association has embraced its enhanced role and its ability to provide guidance and knowledge, as well as doing the heavy lifting which has kept the industry from imploding.

Two grower groups are partly funded by the PPC and we feel it's important these groups maintain their momentum whilst they are being utilised by growers. Even though they are specific in their nature, they are important to the whole growing sector.

Lastly growers have voted overwhelmingly to maintain a marketing campaign, though in a reduced capacity. A new organisation has taken over the overseeing of the marketing campaign and we are excited by their approach and the innovative content that will be
displayed to the public. Our hope is the campaign will be launched in the very near future and we look forward to a rise in consumption of fresh, healthy potatoes.

Hopefully this new financial year will lead to the easing of the burden on potato growers so we can get back to just growing potatoes again.

**APC Strawberry Producers’ Committee**

Chairperson: Neil Handasyde

The Horticultural Labour project was finalized early in 2017. The final report has been published and a Horticultural Labour Forum was held on 11 May 2017 in Sydney and attended by three WA strawberry growers.

A pesticide monitoring project was funded. The results have been surprisingly good, with no violations amongst the 32 tests which were performed.

The committee continued to fund Aileen Reid as ‘Industry Development Officer’ during the 2017 year. Aileen’s main focus was biosecurity issues which were once again a major problem for the industry. Trade to several states was temporarily halted after the discovery of green snails in WA strawberries in Tasmania. Aileen attended several other biosecurity related meetings including ones looking at establishing a horticultural levy for biosecurity, a surveillance workshop and the Tomato Potato Psyllid (TPP).

Anthony Yewers and Neil Handasyde were re-nominated to the committee, with Neil once again endorsed as chairperson. The committee has been working well using mainly email and phone due to distance and time constraints.

Market access has been the most pressing issue during this year. The committee is hoping to work proactively with other industries on biosecurity to ensure our industry has been the most pressing and recurrent issue.

**APC Table Grape Producers’ Committee**

Chairperson: Allan Price

*Seasonal update* - The 2016-17 table grape season set out to be a bumper year albeit three to four weeks late. With new varieties and plantings planted in all three regions promising increased production, fee for service (FFS) was expected to return to previous years’ levels.

Good volumes out of Carnarvon, through fruitful new varieties, resulted in fruit being exported to SE Asia and Eastern States markets for very good returns.

However, weather damage again played a role in the Swan Valley harvest and major losses resulted in traditional varieties. The season saw flooding of near river properties and quality issues with split berries from consistent rain events. Recovery of fruit was expensive for poor market returns.

The South West fruit also ran late. A number of growers constructed covers to minimise rain effect on the fruit but heavy crops and ripening into shorter day lengths made sugar development difficult. Most fruit was sold meeting minimum sugar to acid ratios rather than on straight sugar levels. Consumer acceptance was mixed with grape sales moderated and some poor returns for less than ideal fruit.

A major set against Redglobe has likely seen the end of this as a major variety. Large areas of Redglobe will be removed in the southwest this coming year as it is no longer viable.

One major supermarket declined to range it this year, except for a few stores. Even at lower prices it did not sell well.
FFS Expenditure - During the 2017 year it was decided that the Committee’s current commitments to inspections and new variety testing for maturity levels would remain the main priorities for table grape FFS expenditure. This decision by the committee was partly influenced by recent reduced production which had resulted in lower FFS collection.

Minimum maturity inspections. This program continues to be strongly supported as it ensures fruit offered for sale meets customer expectations for eating ability.

Problems have occurred with sugar levels on some varieties due to the lateness of the season. Constant testing has allowed these through as they comply with sugar to acid ratios.

Only a small quantity of fruit did not meet standards and therefore required destruction in 2015/16, while two seizures (37 and 148 cartons) have occurred so far this year.

Once again Total Quality Assurance Systems Pty Ltd (TQAS), the inspection contractor, remained within budget for the work undertaken on maturity standards program. The annual budget includes an allowance for extraneous work such as occurred this season with the illegal sale incident described below.

During the current season a local market agent defied a quarantine hold order which came about as a result of the APC maturity testing program. Despite several approaches to the chairperson and the inspectors, the fruit was destined for destruction as it had no redeeming factors and was so far below standards. The agent however defied the destruction order and sold the fruit.

A report has been prepared by TQAS which has been provided to DAFWA who will determine any further action to be taken under the Biosecurity and Agriculture Management Act 2007 (BAM Act). Our committee is no longer involved in the next stages of this process.

Table grapes were offered the opportunity to be the featured hero product in the Marketwest Great Green Grocer program. This was offered at what was considered a value for money expenditure and we undertook participation at short notice.

Maturity testing for growers, through the Department of Agriculture and Food (DAFWA), and determining preliminary minimum maturity standards for new varieties coming into the system was once again supported.

In the previous year a radio promotion campaign was undertaken, with no indication of any improvement in moving product. In the 2017 year, based on experience from the previous year, it was decided this type of promotion had only a small reach and was not considered value for money and therefore would not be supported in the current year.

Three funding applications received by the committee were considered but were found to not meet grower priorities or relevance, or were too costly.

Industry Directions - Carnarvon has a strong uptake of new varieties and subsequent production increase in 2016/17, with expected continued increases over coming seasons.

The Swan Valley has increased uptake of new varieties but has not necessarily increased planting area or overall production levels.

A major planting in Waroona, with further expansion planned, will double the production of grapes in WA over the next few years.
New infrastructure to support these plantings using up to date cooling and storage systems will support local and export markets. The facility will have the ability to store/treat other products outside of the grape season.

**APC Vegetable Producers’ Committee**

Chairperson: Maureen Dobra Executive Officer: John Shannon

The APC-Vegetable Producers’ Committee (APC-VPC) supported seven projects in the financial year ending 30th June 2017. 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.

Services delivered by the APC-VPC through vegetablesWA were:

**Biosecurity** - vegetablesWA, representing FFS paying growers, participated in discussions on cost sharing for biosecurity matters. Views have been put forward that other supply chain participants, including consumers, are getting benefits and other risk creators, such as airline passengers, are not contributing to the cost of biosecurity measures. It is the grower’s opinion that they should not carry the sole responsibility for costs associated with biosecurity incursions and prevention measures.

**Tomato Potato Psyllid (TPP)** - A significant incursion of TPP was found for the first time in Australia in the Perth metropolitan area in February 2017. vegetablesWA, on behalf of FFS paying growers, worked, and continues to work, with the Department of Agriculture and Food, WA (DAFWA) and national bodies to seek the best outcomes for industry.

TPP has presented a rolling crisis since the first discovery which is ongoing to date. Australian eastern markets imposed trade barriers to most host and non-host species which resulted in wide ranging repercussions for WA vegetable, and other affected commodities. vegetablesWA attended a workshop in Adelaide to gain in-principle agreement from other states to a washing and inspection protocol, facilitated grower meetings, liaised with and represented affected growers to achieve best outcomes, and closely participated in the interstate and Commonwealth governments discussions and negotiations for a “transition to management” plan as it was determined that the pest is impossible to eradicate.

It is considered likely that introduction of the psyllid will have a significant impact on vegetable growers and therefore on the Fee for Service collection on relevant crops.

**Cucumber Green Mottle Mosaic Virus** - vegetablesWA, on behalf of FFS paying growers, has been an active participant in working with government to respond to this threat. The virus has significant implications for cucurbit growers. It was formally identified across six geographical growers in Geraldton and in two separate growers in Carnarvon.

**Stable Fly** - notwithstanding the significant improvements made by growers, unfortunately it appears that there has been another particularly difficult year for livestock producers and the community. Research supported by the vegetable industry is finding significant benefits to stone burying equipment imported from Italy and now locally available. These machines were incorporated in a field day at Gingin in September 2016.

**Labour** - is a significant ongoing issue for vegetable growers. vegetablesWA worked on behalf of growers to present growers’ consensus opinions and requests to government regarding the backpacker tax review.

vegetablesWA will continue to represent growers at a state government level for better regulation of the labour hire sector. This includes working with Dr Joanna Howe at the
University of Adelaide to put together an evidence base for policy change at a national level.

*Horticulture Code of Conduct* - growers have been represented on this issue. Growers particularly are requesting access to real time pricing information for their individual consignments, as occurs in places like India.

*Water* - is a critical issue, particularly given the 25% reduction scheduled for the Gnangara mound. vegetablesWA continues to represent growers with a push for alternatives to be considered.

There are three key issues with water at the moment: water development projects; water entitlement reductions; and a new Water Act.

vegetablesWA participated in a number of regulatory reference groups on this matter. Discussions have included the way in which the shires and DAFWA can engage together to enforce control measures; the transport of poultry manure; and the responsibility of livestock owners.

Other projects undertaken by the APC-VPC were as follows:

*Water Sustainability for Growers* - A project was funded with vegetable FFS to investigate water sustainability for growers via Kingfisher Water Lawyers to assist with the Myalup-Wellington Dam and Gungah Mound water reduction.

*Visa Research Project* - A visa research project was jointly funded with another 10 organisations Australia wide to look into options which will put together an evidence base for policy change at a national level and potentially look at a low skilled visa. This project will continue in the 2017/18 year.

*Industry Extension Officers* – funding was jointly provided with Horticulture Innovation Australia (Hort Innovation) for an English and a Vietnamese Industry Extension Officer for half of their time. Their main role is to liaise with growers and disseminate R&D and provide additional help and resources.

A Leadership Summit for vegetable growers was held on the 25th of November at Crown Casino in conjunction with a young growers tour beforehand. The presentations included:

- Coriolis - looking at in depth data analysis about export opportunities as well WA productivity compared to international competitors;
- Nielsen - quantitative domestic market scan data; and
- Colmar Brunton - qualitative domestic market data.

Over 60 growers and stakeholders attended the event and 22 attended the ‘Young Grower Tour’. The grower feedback for the leadership summit has been overwhelmingly positive.

*Vegetable Tour to the United States* - A project was funded with vegetable FFS to provide part funding for eight growers to attend a tour of the US production regions and speak with other growers as well as seed companies and agricultural manufacturers.

*The Great Aussie Crunch* - A project was funded with vegetable FFS to provide funding for the Council Cancer to run the Great Aussie Crunch throughout primary schools in WA encouraging children to eat more vegetables.

*Benchmarking Scoping Study* - A project was funded with vegetable FFS to provide funding to look at the benefits of benchmarking in the vegetable industry in WA and set up a system which would work into the future. This project has since received State Government funding to set up the benchmarking facility for two years.
As we move into the 2017/18 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, collected a FFS charge for the first time in 16/17.

The charge was collected on a state and location basis, with funds being provided to the relevant Associations to carry out services on behalf of the committee.

Services provided included:

- **State wide** (through Wines of Western Australia, WOWA) - Development of Wine Equalisation Tax (WET) legislation amendment policy through consultation with producers and Regional Associations
- **State wide** - Advocate for the adoption of WET legislation amendment policy to Winemakers’ Federation of Australia (WFA) and Federal Government
- **State wide** - Work with Regional Associations to manage smoke-taint risk related to autumn prescribed burning program
- **State** - Provide secretariat services to the Wine Producers’ Committee and Wine Industry Technical Committee
- **State wide** - Manage Research and Development projects across the value chain including: AGWA Regional Program; Vinsites; State RDE Growers’ Group Grant
- **Blackwood Valley** - Promotion of Blackwood Valley wines and region through the Blackwood Valley & WA Boutique Wine Show
- **Blackwood Valley** - Promotion of Blackwood Valley wines and region through the Taste of the Blackwood Festival
- **Blackwood Valley** - Informing members of issues impacting on the wine and grape industries.
- **Geographe** – Review, ratify and implement Strategic Plan, including ratification by Geographe membership
- **Geographe** - Brand and logo redevelopment, a key objective from the strategic plan review we now have a modern, reinvigorated logo and brand story for the Geographe Region
- **Geographe** – redevelopment, modernisation and upgrading of the Geographe Wine Region website to make it more user friendly and destination orientated, representative of all members and focused towards the wine tourist.
- **Great Southern** – Redevelopment of a media kit and the Great Southern website
- **Great Southern** - Strategic Plan development
- **Great Southern** - Regional marketing events (Raising Riesling) in Melbourne and Perth
- **Margaret River** - Development of Strategic Plan and Organization/HR Review & changes implemented
- **Margaret River** - Wine Show, including the addition of the Australian Cabernet Challenge
- **Margaret River** - International Visitor Program and In-market masterclasses
- **Peel** – working with the Mandurah and Peel Tourism Organisation development of a peel wine list for local restaurants.
- **Perth Hills** – funding was carried over to next year to enable more targeted activities.
- **Swan Valley** - Execute Marketing Events
APC – Encouraging Producer Initiative

- Swan Valley - Provide Additional Administration Services
- Wine Industry Southern Forest (WISF) (Pemberton/ Manjimup) – Support provided for events - Timber Towns Wine show and Truffle Kerfuffle
- WISF – Re-development of website
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) 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


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 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 2017, the industry had not instituted a Fee for Service charge for eggs.

*Agricultural Produce (Wine Industry) Regulations 2016* provide for the wine producers to pay such charges as are imposed by the Commission under section 14(1) of the Act.

**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

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Membership Term</th>
<th>Period of Membership 2017</th>
<th>Type of Remuneration</th>
<th>Gross Remuneration 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Dr William Ryan</td>
<td>18/01/10 to 09/01/19</td>
<td>Full year</td>
<td>Annual</td>
<td>22,014</td>
</tr>
<tr>
<td>Member</td>
<td>Dr Graeme Robertson</td>
<td>08/08/11 to 09/07/17</td>
<td>Full year</td>
<td>Annual</td>
<td>11,507</td>
</tr>
<tr>
<td>Member</td>
<td>Dr Cathie Bowen</td>
<td>11/01/16 to 09/01/19</td>
<td>Full year</td>
<td>Annual</td>
<td>11,507</td>
</tr>
<tr>
<td>Member</td>
<td>Ms Samantha Tough</td>
<td>10/07/14 to 09/02/17</td>
<td>Part year</td>
<td>Annual</td>
<td>6,172</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51,201</td>
</tr>
</tbody>
</table>

### Fee for Service Charge Rates for 2016/17

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 vegetable committee can identify new vegetable lines coming into production and monitor those where production is reducing.

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

The following table provides rates for 16/17

<table>
<thead>
<tr>
<th>APC Industry Committee</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avocado</td>
<td>$0.00 per kilogram</td>
</tr>
<tr>
<td>Beekeepers</td>
<td>$15.00 per beekeeper per annum (calendar year 2016) plus $1.10 per hive per annum (calendar year 2016)</td>
</tr>
<tr>
<td>Carnarvon bananas</td>
<td>$0.0230 per kilogram</td>
</tr>
<tr>
<td>Citrus</td>
<td>$0.022 per kilogram</td>
</tr>
<tr>
<td>Citrus - Export (fresh or processing)</td>
<td>$0.003</td>
</tr>
<tr>
<td>Citrus – processing</td>
<td>$0.011 per kilogram</td>
</tr>
<tr>
<td>Pome Fruit</td>
<td>$0.017 per kilogram</td>
</tr>
<tr>
<td>Pome Fruit - processing</td>
<td>$0.006 per kilogram</td>
</tr>
<tr>
<td>Pork</td>
<td>$0.008 per kilogram carcass weight</td>
</tr>
<tr>
<td>Potatoes</td>
<td>$6.00 per tonne</td>
</tr>
<tr>
<td>Processing</td>
<td>$6.00 per tonne</td>
</tr>
<tr>
<td>Ware export</td>
<td>$8.00 per tonne</td>
</tr>
<tr>
<td>Domestic ware</td>
<td>$6.00 per tonne ($150 per hectare based on average yield of 25 tonnes per hectare)</td>
</tr>
<tr>
<td>Seed</td>
<td>$6.00 per tonne</td>
</tr>
<tr>
<td>Strawberries</td>
<td>$0.01 per kilogram</td>
</tr>
<tr>
<td>Stone Fruit</td>
<td>$0.015 per kilogram</td>
</tr>
<tr>
<td>Stone Fruit - processing</td>
<td>$0.006 per kilogram</td>
</tr>
<tr>
<td>Table Grapes</td>
<td>$0.007 per kilogram</td>
</tr>
<tr>
<td>Vegetables incl tomatoes</td>
<td>$0.05 per individual package of 100kg or less</td>
</tr>
<tr>
<td>Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables</td>
<td>$0.40 per individual package of 101kg to 1,000kg</td>
</tr>
<tr>
<td>Wine</td>
<td>$0.70 per tonne contained within trailers/trucks</td>
</tr>
</tbody>
</table>

This table is unaudited.
## APC Wine Producers’ Committee Fee for Service Charge Rates for 2016/17

<table>
<thead>
<tr>
<th>Tonnage Range</th>
<th>General Services Base Rate</th>
<th>General Services Volume Rate</th>
<th>Blackwood Base Rate</th>
<th>Geographe Base Rate</th>
<th>Geographe Volume Rate</th>
<th>Great Southern Base Rate</th>
<th>Great Southern Volume Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>$100</td>
<td>$0.0000</td>
<td>$130.00</td>
<td>$200.00</td>
<td>$0.0000</td>
<td>$100.00</td>
<td>$0.0000</td>
</tr>
<tr>
<td>5-10</td>
<td>$225</td>
<td>$0.0000</td>
<td>$130.00</td>
<td>$250.00</td>
<td>$0.0000</td>
<td>$225.00</td>
<td>$0.0000</td>
</tr>
<tr>
<td>11-29</td>
<td>$225.00</td>
<td>$13.1579</td>
<td>$130.00</td>
<td>$250.00</td>
<td>$3.9474</td>
<td>$225.00</td>
<td>$13.8889</td>
</tr>
<tr>
<td>30-49</td>
<td>$475.00</td>
<td>$11.8750</td>
<td>$130.00</td>
<td>$350.00</td>
<td>$1.3158</td>
<td>$475.00</td>
<td>$11.8421</td>
</tr>
<tr>
<td>50-99</td>
<td>$712.00</td>
<td>$7.6000</td>
<td>$130.00</td>
<td>$400.00</td>
<td>$0.4016</td>
<td>$700.00</td>
<td>$1.0204</td>
</tr>
<tr>
<td>100-199</td>
<td>$1,092.50</td>
<td>$5.7000</td>
<td>$130.00</td>
<td>$400.00</td>
<td>$0.4016</td>
<td>$750.00</td>
<td>$0.5050</td>
</tr>
<tr>
<td>200-299</td>
<td>$1,662.50</td>
<td>$4.2750</td>
<td>$130.00</td>
<td>$500.00</td>
<td>$0.2145</td>
<td>$800.00</td>
<td>$0.5051</td>
</tr>
<tr>
<td>300-499</td>
<td>$2,090.00</td>
<td>$3.8000</td>
<td>$130.00</td>
<td>$500.00</td>
<td>$0.2146</td>
<td>$850.00</td>
<td>$0.7537</td>
</tr>
<tr>
<td>500-749</td>
<td>$1,850.00</td>
<td>$1.9000</td>
<td>$130.00</td>
<td>$500.00</td>
<td>$0.2146</td>
<td>$1,000.00</td>
<td>$0.4016</td>
</tr>
<tr>
<td>750-999</td>
<td>$3,325.00</td>
<td>$1.5200</td>
<td>$130.00</td>
<td>$500.00</td>
<td>$0.2146</td>
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<td>$1.6064</td>
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<tr>
<td>1000-1999</td>
<td>$3,705.00</td>
<td>$1.0450</td>
<td>$130.00</td>
<td>$650.00</td>
<td>$0.0500</td>
<td>$1,500.00</td>
<td>$0.5005</td>
</tr>
<tr>
<td>2000-3999</td>
<td>$4,750.00</td>
<td>$0.9500</td>
<td>$130.00</td>
<td>$650.00</td>
<td>$0.0500</td>
<td>$2,000.00</td>
<td>$0.5003</td>
</tr>
<tr>
<td>4000-5999</td>
<td>$6,650.00</td>
<td>$0.7125</td>
<td>$130.00</td>
<td>$800.00</td>
<td>$0.0334</td>
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<tr>
<td>6000-9999</td>
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<td>$0.0334</td>
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<tr>
<td>10000+</td>
<td>$9,500.00</td>
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<td>$130.00</td>
<td>$1,000.00</td>
<td>$0.0000</td>
<td>$5,000.00</td>
<td>$0.0000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tonnage Range</th>
<th>Margaret River Base Rate</th>
<th>Margaret River Volume Rate</th>
<th>Peel Base Rate</th>
<th>Perth Hills Base Rate</th>
<th>Perth Hills Volume Rate</th>
<th>Wine Industry Southern Forests Base Rate</th>
<th>Wine Industry Southern Forests Volume Rate</th>
<th>Swan Volume Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>$50.00</td>
<td>$1.00</td>
<td>$125.00</td>
<td>$225.00</td>
<td>$13.16</td>
<td>$150.00</td>
<td>$1.10</td>
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<td>5-10</td>
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<td>$225.00</td>
<td>$13.16</td>
<td>$150.00</td>
<td>$1.10</td>
<td>$1.00</td>
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<td>$225.00</td>
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<td>$1.00</td>
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<tr>
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<td>$1,092.50</td>
<td>$5.70</td>
<td>$150.00</td>
<td>$1.10</td>
<td>$1.00</td>
</tr>
<tr>
<td>10000+</td>
<td>$50.00</td>
<td>$1.00</td>
<td>$125.00</td>
<td>$1,092.50</td>
<td>$5.70</td>
<td>$150.00</td>
<td>$1.10</td>
<td>$1.00</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Staff Profile</th>
<th>2016/17 FTE @ 30 June 2017</th>
<th>2015/16 FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seconded to APC or an APC Committee from Department of Agriculture and Food</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Full time contract employed by APC</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Full time contract employed by APC and seconded to an APC Committee</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

This table is unaudited

STAFF DEVELOPMENT
During the year under review Commission staff attended one external conference and participated on internal development.

Commission staff seconded to a producers’ committee participated in staff development through that particular producers’ committee.
**OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT**

Performance against targets

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual results</th>
<th>Results against target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014/15</td>
<td>2016/17</td>
</tr>
<tr>
<td>Number of fatalities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost time injury and / or/ disease incidence rate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost time injury and / or disease severity rate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of injured workers returned to work within</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>(1) 13 Weeks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) 26 Weeks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of managers and supervisors trained in</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>occupational safety, health and injury management responsibilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Commission, under its MOU arrangement with the Department of Agriculture and Food (DAFWA), utilized and applied 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 2017 financial year, the Commission incurred advertising expenditure in the following areas.

<table>
<thead>
<tr>
<th>Commission</th>
<th>Expenditure 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising agencies</td>
<td>$ Nil</td>
</tr>
<tr>
<td>Media advertising organizations</td>
<td>$ Nil</td>
</tr>
<tr>
<td>Market research organizations</td>
<td>$ Nil</td>
</tr>
<tr>
<td>Polling Organizations</td>
<td>$ Nil</td>
</tr>
<tr>
<td>Direct Mail Organizations</td>
<td>$ Nil</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>$ Nil</td>
</tr>
</tbody>
</table>

**UNAUTHORISED USE OF CREDIT CARDS**

During the 2017 year there were no instances in which a credit card was used for personal use.

**DISABILITY ACCESS AND INCLUSION PLAN**

The Agricultural Produce Commission is not an entity on Schedule 2 of the Public Sector Commission and is therefore not required to develop a Disability Access and Inclusion Plan.

The Commission however commits to affording equal opportunity to all people to access the services, buildings, information (providing information in a format which enables all to access the information), quality of service, employment opportunities and public consultation opportunities.

**RECORDKEEPING PLANS**

During the 2017 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.
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 2017.

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 August 2017

William Ryan
Chairman
Agricultural Produce Commission

Date: 8 August 2017

Ian Longson
Member
Agricultural Produce Commission

Date: 8 August 2017
AUDIT OPINION

Auditor General

INDEPENDENT AUDITOR’S REPORT To
the Parliament of Western Australia

AGRICULTURAL PRODUCE COMMISSION

Report on the Financial Statements

Opinion
I have audited the financial statements of the Agricultural Produce Commission which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Agricultural Produce Commission for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the Financial Management Act 2006 and the Treasurer’s Instructions.

Basis for Opinion
I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Commission 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, the Financial Management Act 2006 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.

In preparing the financial statements, the Commission is responsible for assessing the agency’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

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. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.
- Conclude on the appropriateness of the Commission's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commission regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Report on Controls**

**Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Agricultural Produce Commission. The controls exercised by the 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

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 2017.

**The Commission's Responsibilities**

The Commission is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.
Auditor General's Responsibilities
As required by the Auditor General Act 2006, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls
Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

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 2017.

The 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 internal control as the Commission determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Commission is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 Key Performance Indicators.

Auditor General's Responsibility
As required by the Auditor General Act 2006, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.
I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators
I have complied with the independence requirements of the Auditor General Act 2006 and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1

Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2017 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.

DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 August 2017
AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2017

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 ended 30 June 2017 and the financial position as at 30 June 2017.

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 August 2017

William Ryan
Chairman
Agricultural Produce Commission

Date: 8 August 2017

Ian Longson
Member
Agricultural Produce Commission

Date: 8 August 2017
# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>COST OF SERVICES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture and Food contracted services - administration</td>
<td>4</td>
<td>74,003</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>5</td>
<td>200,144</td>
</tr>
<tr>
<td>Other expenses</td>
<td>7</td>
<td>184,111</td>
</tr>
<tr>
<td><strong>Total cost of services</strong></td>
<td></td>
<td>458,258</td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration Charge Producers' Committees</td>
<td></td>
<td>314,867</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td>30,000</td>
</tr>
<tr>
<td>Interest revenue</td>
<td></td>
<td>7,346</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>352,213</td>
</tr>
<tr>
<td><strong>Total income other than income from State Government</strong></td>
<td></td>
<td>352,213</td>
</tr>
<tr>
<td><strong>NET COST OF SERVICES</strong></td>
<td></td>
<td>106,045</td>
</tr>
<tr>
<td><strong>Income from State Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services received free of charge</td>
<td>9</td>
<td>68,350</td>
</tr>
<tr>
<td><strong>Total income from State Government</strong></td>
<td></td>
<td>68,350</td>
</tr>
<tr>
<td><strong>(DEFICIT) / SURPLUS FOR THE PERIOD</strong></td>
<td></td>
<td>(37,695)</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</strong></td>
<td></td>
<td>(37,695)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>13 271,023</td>
<td>122,097</td>
</tr>
<tr>
<td>Receivables</td>
<td>10 13,155</td>
<td>44,790</td>
</tr>
<tr>
<td>Other current assets</td>
<td>2,328</td>
<td>2,097</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>286,506</td>
<td>168,984</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>286,506</td>
<td>168,984</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>11 47,040</td>
<td>16,166</td>
</tr>
<tr>
<td>Provisions</td>
<td>12 71,070</td>
<td>8,179</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>118,110</td>
<td>24,345</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>12 85,373</td>
<td>23,921</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>85,373</td>
<td>23,921</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>203,483</td>
<td>48,266</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>83,023</td>
<td>120,718</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>83,023</td>
<td>120,718</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>83,023</td>
<td>120,718</td>
</tr>
</tbody>
</table>

The Statement of Financial Position should be read in conjunction with the accompanying notes.
|                              | Contribute
d equity | Accumulated surplus | Total equity |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 July 2015</strong></td>
<td>110,315</td>
<td>110,315</td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>10,403</td>
<td></td>
<td>10,403</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>10,403</td>
<td>10,403</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2016</strong></td>
<td>-</td>
<td>120,718</td>
<td>120,718</td>
</tr>
<tr>
<td><strong>Balance at 1 July 2016</strong></td>
<td>-</td>
<td>120,718</td>
<td>120,718</td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>-</td>
<td>(37,695)</td>
<td>(37,695)</td>
</tr>
<tr>
<td><strong>Total comprehensive income (loss) for the year</strong></td>
<td></td>
<td>(37,695)</td>
<td>(37,695)</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2017</strong></td>
<td>-</td>
<td>83,023</td>
<td>83,023</td>
</tr>
</tbody>
</table>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.
AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

2017  2016

Notes  $    $  

CASH FLOWS FROM OPERATING
ACTIVITIES

Payments  
Employee benefits  (202,118)  (81,293)
Supplies and services  (32,574)  (315,571)

Receipts  
Receipts from producer committees  314,867  262,660
Receipts from others  61,405  60,889
Interest received  7,346  4,906

Net cash used/generate in operating
activities  13  148,926  (68,409)

Net increase/(decrease) in cash and
cash equivalents  148,926  (68,409)

Cash and cash equivalents at the
beginning of the period  122,097  190,506

CASH AND CASH EQUIVALENTS AT
THE END OF THE REPORTING
PERIOD  271,023  122,097

The Statement of Cash Flows should be read in conjunction with the accompanying
notes.
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for the year ended 30 June 2017

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Note 1: Australian Accounting Standards

General
The Commission’s financial statements for the year ended 30 June 2017 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 2017.

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.
(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.

(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.
(f) Financial instruments
In addition to cash, the Commission has two categories of financial instrument:
- Loans and receivables; and
- 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) 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.

(i) 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.

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

Provisions - employee benefits
All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.
Annual Leave
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.

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 Gold State Superannuation (GSS) scheme 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’.

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

(l) 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.

(m) Comparative figures
Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current reporting period.

(n) Administration Expense
Each Producers’ Committee pays a percentage of the “Fee for Service” collected to the Commission, which bears all the administration expenses. It is paid quarterly based on a full cost recovery methodology for services provided by the Commission. It is recorded as revenue when the money is received.
(o) 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.

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 2016 that impact on the Commission.

AASB 1057 Application of Australian Accounting Standards
This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

AASB 2015-1 Amendments to Australian Accounting Standards - Annual improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]
These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has determined that the application of the Standard has no financial impact.

AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]
This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
Agricultural Produce Commission
Notes to the financial statements
for the year ended 30 June 2017

AASB 2015-6
Amendments to Australian Accounting Standards - Extending Related
Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124
& 1049]

The amendments extend the scope of AASB 124 to include application
by not-for-profit public sector entities. Implementation guidance is
included to assist application of the Standard by not-for-profit public
sector entities. There is no financial impact.

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.

AASB 9
Financial Instruments
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 is currently 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
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's income is principally derived from fee
for service which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be
unaffected by this change. However, the Commission has
not yet determined the potential impact of the Standard on
'User charges and fees' and 'Sales' revenues. In broad
terms, it is anticipated that the terms and conditions
attached to these revenues will defer revenue recognition
until the Commission has discharged its performance
obligations.

Operative for
reporting periods
beginning on/after

AASB 9
Financial Instruments

AASB 15
Revenue from Contracts with Customers

1 Jan 2018

1 Jan 2019
AASB 16  **Leases**
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 currently has no lease commitments and the application of the standard is not expected to have any financial impact.

AASB 1058  **Income of Not-for-Profit Entities**
This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. 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 & 1038 and Int 2, 5, 10, 12, 19 & 127]
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.

AASB 2014-1  **Amendments to Australian Accounting Standards**
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  **Amendments to Australian Accounting Standards arising from AASB 15**
This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.
AASB 2014-7  Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
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  Amendments to Australian Accounting Standards – Effective Date of AASB 15
This Standard amends the mandatory effective date (application 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. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Commission has not yet determined the application or the potential impact of AASB 15.

AASB 2016-3  Amendments to Australian Accounting Standards – Clarifications to AASB 15
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.

AASB 2016-8  Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.
Note 4: Department of Agriculture and Food Contracted Service Costs
Effective 1 July 2000 the Agricultural Produce Commission ("the Commission") entered into a Memorandum of Understanding with the Department of Agriculture and Food (the Department). 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:

<table>
<thead>
<tr>
<th>Service</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture and Food contracted services - administration</td>
<td>$74,003</td>
<td>$149,362</td>
</tr>
</tbody>
</table>

Note 5: Employee benefits expense

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>$153,290</td>
<td>$78,967</td>
</tr>
<tr>
<td>Change in employee entitlement provision</td>
<td>$28,011</td>
<td>$5,116</td>
</tr>
<tr>
<td>Superannuation&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>$18,843</td>
<td>$6,280</td>
</tr>
<tr>
<td><strong>Total employee expenses</strong></td>
<td><strong>$200,144</strong></td>
<td><strong>$90,363</strong></td>
</tr>
</tbody>
</table>

<sup>(a)</sup> Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlement including superannuation contribution component.
<sup>(b)</sup> 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 12 'Provisions'.

Note 6: Compensation of Key Management Personnel
The Commission has determined that key management personnel include Cabinet Ministers and senior officers of the Commission. However, the Commission is not obligated to reimburse for the compensation of Ministers and therefore no disclosure is required. The disclosures in relation to Ministers’ compensation may be found in the Annual Report on State Finances.
Total compensation of key management personnel of the Commission for the reporting period is presented within the following bands:

<table>
<thead>
<tr>
<th>Compensation of members of accountable authority</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation Band ($)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,001 - 30,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>10,001 - 20,000</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>0 - 10,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td>Short term employee benefits</td>
<td>$51,201</td>
<td>$50,650</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>$4,864</td>
<td>$4,761</td>
</tr>
<tr>
<td><strong>Total compensation of key management personnel</strong></td>
<td><strong>$56,065</strong></td>
<td><strong>$55,411</strong></td>
</tr>
</tbody>
</table>
AGRICULTURAL PRODUCE COMMISSION
Notes to the financial statements
for the year ended 30 June 2017

Note 7: Other expenses

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>14,360</td>
<td>15,666</td>
</tr>
<tr>
<td>Employment on-costs</td>
<td>1,286</td>
<td>1,982</td>
</tr>
<tr>
<td>Commissioner fees and related costs</td>
<td>51,028</td>
<td>49,540</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>150</td>
<td>564</td>
</tr>
<tr>
<td>Administration services provided by DAFWA</td>
<td>68,350</td>
<td>50,656</td>
</tr>
<tr>
<td>Other expenses</td>
<td>48,937</td>
<td>21,764</td>
</tr>
<tr>
<td></td>
<td><strong>184,111</strong></td>
<td><strong>140,172</strong></td>
</tr>
</tbody>
</table>

Note 8: Related Party Transactions

The Commission is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Commission include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- GESB.

Significant transactions with Government-related entities

The Department provides services free of charge in the form of accommodation, information services, financial services and payroll services to the value of $68,350 (Note 9).

The contracted services with the Department were valued at $74,003 (Note 4).

In addition, the Department contributes to the Commission each year $30,000 to cover 25% of the Commission’s manager’s salary for extra-curricular management of committees activities (Note 5).

The Commission made superannuation payments to GESB of $18,843 (Note 5) and to the Office of Auditor-General $14,400 (Note 21).

There were no significant transactions with other Government-related entities.

Material transactions with related parties

There were no material transactions with related parties.

Note 9: Income from State Government

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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture and Food</td>
<td>68,350</td>
<td>50,656</td>
</tr>
</tbody>
</table>

(a) Amounts are subject to change.
Notes to the financial statements
for the year ended 30 June 2017

(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 10: Receivables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables</td>
<td>-</td>
<td>10,400</td>
</tr>
<tr>
<td>GST receivable</td>
<td>13,155</td>
<td>34,390</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,155</strong></td>
<td><strong>44,790</strong></td>
</tr>
</tbody>
</table>

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

Note 11: Payables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>4,298</td>
<td>-</td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>1,900</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>42,742</td>
<td>14,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,040</strong></td>
<td><strong>16,166</strong></td>
</tr>
</tbody>
</table>

Note 12: Provisions

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits provision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual leave (a)</td>
<td>54,253</td>
<td>7,287</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,253</strong></td>
<td><strong>7,287</strong></td>
</tr>
<tr>
<td>Other provision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment on-costs (c)</td>
<td>16,817</td>
<td>892</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71,070</strong></td>
<td><strong>8,179</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits provision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave (b)</td>
<td>82,921</td>
<td>21,363</td>
</tr>
<tr>
<td>Other provision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment on-costs (c)</td>
<td>2,452</td>
<td>2,558</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85,373</strong></td>
<td><strong>23,921</strong></td>
</tr>
<tr>
<td><strong>Total Non-current</strong></td>
<td><strong>156,443</strong></td>
<td><strong>32,100</strong></td>
</tr>
</tbody>
</table>

(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:
Note 12: Provisions - (continued)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of the end of the reporting period</td>
<td>27,769</td>
<td>7,287</td>
</tr>
<tr>
<td>More than 12 months after the reporting period</td>
<td>26,484</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,253</strong></td>
<td><strong>7,287</strong></td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of the end of the reporting period</td>
<td>2,734</td>
<td>-</td>
</tr>
<tr>
<td>More than 12 months after the reporting period</td>
<td>80,187</td>
<td>21,363</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,921</strong></td>
<td><strong>21,363</strong></td>
</tr>
</tbody>
</table>

(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 13: 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:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>271,023</td>
<td>122,097</td>
</tr>
</tbody>
</table>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cost of services</td>
<td>(106,045)</td>
<td>(40,253)</td>
</tr>
<tr>
<td>Non-cash items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services received free of charge</td>
<td>68,350</td>
<td>50,656</td>
</tr>
<tr>
<td><strong>Increase)/(decrease in assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current receivables (a)</td>
<td>31,635</td>
<td>(34,415)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(231)</td>
<td>(880)</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current payables (a)</td>
<td>30,874</td>
<td>(52,587)</td>
</tr>
<tr>
<td>Current provisions</td>
<td>62,891</td>
<td>4,251</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>61,452</td>
<td>4,819</td>
</tr>
<tr>
<td><strong>Net cash provided by/(used in) operating activities</strong></td>
<td><strong>148,926</strong></td>
<td><strong>(68,409)</strong></td>
</tr>
</tbody>
</table>

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

Note 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

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets not measured at fair value</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>271,023</td>
<td>122,097</td>
</tr>
<tr>
<td>Loans and receivables (a)</td>
<td>-</td>
<td>10,400</td>
</tr>
<tr>
<td></td>
<td><strong>271,023</strong></td>
<td><strong>132,497</strong></td>
</tr>
</tbody>
</table>

(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, there were no trade receivables and the GST receivable from the Australian Tax Office (ATO) receivables is due within 30 days of the end of the reporting period.

(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 1.98% (2016: 2.27%). 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 $2,710 (2016: $1,221) 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.

Note 19: Producers' Committees – monies held on trust

The Commission has 11 (2016: 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.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APC Avocado Producers' Committee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>154,683</td>
<td>172,658</td>
</tr>
<tr>
<td>Receipts</td>
<td>3,107</td>
<td>3,758</td>
</tr>
<tr>
<td>Payments</td>
<td>(30,900)</td>
<td>(21,733)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>126,890</td>
<td>154,683</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>APC Beekeepers Producers' Committee</strong></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>160,097</td>
<td>157,414</td>
</tr>
<tr>
<td>Receipts</td>
<td>63,510</td>
<td>59,608</td>
</tr>
<tr>
<td>Payments</td>
<td>(56,428)</td>
<td>(56,925)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>167,179</td>
<td>160,097</td>
</tr>
</tbody>
</table>
Note 19: Producer’s Committees - monies held in trust (continued)

<table>
<thead>
<tr>
<th>Committee</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APC Carnarvon Banana Producers' Committee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>2,490,925</td>
<td>4,113,457</td>
</tr>
<tr>
<td>Receipts</td>
<td>161,342</td>
<td>78,244</td>
</tr>
<tr>
<td>Payments</td>
<td>(41,195)</td>
<td>(1,700,776)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>2,611,072</td>
<td>2,490,925</td>
</tr>
</tbody>
</table>

| **APC Egg Producers' Committee**           |         |         |
| Balance at beginning of year               | 178,751  | 214,383 |
| Receipts                                   | 3,234    | -       |
| Payments                                   | (40,000) | (35,632) |
| Balance at end of year                      | 141,985  | 178,751 |

| **APC Pome, Citrus & Stone Producers' Committee** |         |         |
| Balance at beginning of year               | 809,010  | 670,504 |
| Receipts                                   | 1,227,217 | 1,353,793 |
| Payments                                   | (1,143,239) | (1,215,287) |
| Balance at end of year                      | 892,988  | 809,010 |

| **APC Potato Producers' Committee**         |         |         |
| Balance at beginning of year               | 162,425  | 65,244  |
| Receipts                                   | 478,914  | 570,044 |
| Payments                                   | (442,851) | (472,863) |
| Balance at end of year                      | 198,488  | 162,425 |

| **APC Pork Producers' Committee**           |         |         |
| Balance at beginning of year as previously reported | 1,295,074 | 1,408,741 |
| Receipts                                   | 437,723  | 403,375 |
| Payments                                   | (318,881) | (517,042) |
| Balance at end of year                      | 1,413,916 | 1,295,074 |

| **APC Strawberry Producers' Committee**    |         |         |
| Balance at beginning of year               | 283,481  | 246,526 |
| Receipts                                   | 92,187   | 92,567  |
| Payments                                   | (78,576) | (55,612) |
| Balance at end of year                      | 297,092  | 283,481 |
Note 19: Producer's Committees - monies held in trust (continued)

<table>
<thead>
<tr>
<th>Committee</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APC Table Grape Producers' Committee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>153,179</td>
<td>171,196</td>
</tr>
<tr>
<td>Receipts</td>
<td>79,486</td>
<td>103,489</td>
</tr>
<tr>
<td>Payments</td>
<td>(34,480)</td>
<td>(121,506)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>198,185</td>
<td>153,179</td>
</tr>
</tbody>
</table>

| **APC Vegetable Producers' Committee**         |         |         |
| Balance at beginning of year                   | 706,332 | 390,769 |
| Receipts                                       | 806,738 | 870,764 |
| Payments                                       | (806,122)| (555,200)|
| Balance at end of year                         | 706,948 | 706,332 |

| **APC Kununurra Producers' Committee**         |         |         |
| Balance at beginning of year                   | 1,286   | 1,258   |
| Receipts                                       | 26      | 28      |
| Payments                                       | -       | -       |
| Balance at end of year                         | 1,312   | 1,286   |

| **APC Wine Producers' Committee**              |         |         |
| Balance at beginning of year                   | -       | -       |
| Receipts                                       | 359,005 | -       |
| Payments                                       | (350,782)| -       |
| Balance at end of year                         | 8,223   | -       |
Note 20: Remuneration of auditor
Remuneration payable to the Office of the Auditor General in respect of the audit for the current financial year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditing the accounts, financial statements and performance indicators</td>
<td>$14,400</td>
<td>$14,226</td>
</tr>
</tbody>
</table>

Note 21: Explanatory Statement
All variations between estimates and actual results for income and expense for 2017; and between the actual results for 2017 and 2016 are shown below. Significant variations are considered to be those greater than 5% or $9000.

Significant Variances between Budget and Actual for 2016/17

Statement of Comprehensive Income
for the year ended 30 June 2017

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget Estimate</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET COST OF SERVICES</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Expenses-Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture and Food contracted services - administration</td>
<td>1</td>
<td>74,003</td>
<td>150,328</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>2</td>
<td>200,144</td>
<td>118,416</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3</td>
<td>184,111</td>
<td>169,550</td>
</tr>
<tr>
<td>Total cost of services</td>
<td>458,258</td>
<td>438,294</td>
<td>19,964</td>
</tr>
</tbody>
</table>

Income
Revenue
Administration charge Producers' Committees 314,867 314,319 548
Other revenue 0 0 0
Contributions 4 30,000 27,398 2,602
Interest revenue 5 7,346 3,400 3,946
Total Revenue 352,213 345,117 7,096
Total income other than income from State Government 352,213 345,117 7,096

NET COST OF SERVICES
(106,045) (93,177) (12,868)

Income from State Government
Services received free of charge 6 68,350 53,000 15,350
Total income from State Government 68,350 53,000 15,350

(DEFICIT) FOR THE PERIOD
(37,695) (40,177) 2,482

TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD
(37,695) (40,177) 2,482
Note 21: Explanatory Statement (continued)

1. The lower Department’s contracted services – administration expense is due to the Commission, in February 2017, directly employing officers previously contracted through the Department.

2. The higher Employee benefits expense is due to the Commission, in February 2017, directly employing officers previously contracted through the Department.

3. The greater Other expenses cost is due to a greater legal expenses ($7,847) and costs associated with the first year of collection of the Commission wine producers’ charge.

4. The higher contribution is due to an increase in the salary for the Manager.

5. The higher interest revenue is due to higher cash reserves held in the Commission account.

6. The higher services received free of charge income is due to a review of the methodology used to attribute charges for services provided by the Department to the Commission.

Significant Variances between Actual (2017) and Comparative (2016)

Statement of Comprehensive Income
for the year ended 30 June 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET COST OF SERVICES</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Expenses-Commission</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture and Food contracted services - administration</td>
<td>74,003</td>
<td>149,362</td>
<td>(75,359)</td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>200,144</td>
<td>90,363</td>
<td>109,781</td>
</tr>
<tr>
<td>Other expenses</td>
<td>184,111</td>
<td>140,172</td>
<td>43,939</td>
</tr>
<tr>
<td>Total cost of services</td>
<td>458,258</td>
<td>379,897</td>
<td>78,361</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration charge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Producers' Committees</td>
<td>314,867</td>
<td>272,969</td>
<td>41,898</td>
</tr>
<tr>
<td>Contributions</td>
<td>30,000</td>
<td>60,889</td>
<td>(30,889)</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>7,346</td>
<td>5,786</td>
<td>1,560</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>352,213</td>
<td>339,644</td>
<td>12,569</td>
</tr>
<tr>
<td>Total income other than income from State Government</td>
<td>352,213</td>
<td>339,644</td>
<td>12,569</td>
</tr>
<tr>
<td>NET COST OF SERVICES</td>
<td>(106,045)</td>
<td>(40,253)</td>
<td>(65,792)</td>
</tr>
<tr>
<td>Income from State Government</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services received free of charge</td>
<td>68,350</td>
<td>50,656</td>
<td>17,694</td>
</tr>
<tr>
<td>Total income from State Government</td>
<td>68,350</td>
<td>50,656</td>
<td>17,694</td>
</tr>
<tr>
<td>(DEFICIT) /SURPLUS FOR THE PERIOD</td>
<td>(37,695)</td>
<td>10,403</td>
<td>(48,098)</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</td>
<td>(37,695)</td>
<td>10,403</td>
<td>(48,098)</td>
</tr>
</tbody>
</table>
Note 21: Explanatory Statement (continued)

1. The decrease in Department’s contracted services – administration expense is due to the Commission, in February 2017, directly employing officers previously contracted through the Department.
2. The increase in Employee benefits expense is due to the Commission, in February 2017, directly employing officers previously contracted through the Department.
3. The increase in Other expenses cost is due to a greater expenditure on the Commission’s Grower Portal project ($25,000), legal expenses ($7,847) and costs associated with the first year of collection of the Commission wine producers’ charge.
4. The increase in administration charge from producers’ committees is due to greater revenue collected by the Commission from the wine producers’ committee on the first year of operation.
5. The decrease in Contributions income is due to the cessation of funding ($25,000) from the Department for the Grower Portal project not being required in 2017.
6. The increase in interest revenue is due to higher cash reserves held in the Commission account.
7. The increase in services received free of charge income is due to a review of the methodology used to attribute charges for services provided by the Department to the Commission.
AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For year ended 30 June 2017

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 2017.

William Ryan
Chairman
Agricultural Produce Commission

Date: 5 August 2017

Ian Longson
Member
Agricultural Produce Commission

Date: 8 August 2017
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 >= 85%.

<table>
<thead>
<tr>
<th>APC PRODUCERS’ COMMITTEES</th>
<th>Target</th>
<th>2016-17</th>
<th>2015-16</th>
<th>2014-15</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall satisfaction rating</td>
<td>85%</td>
<td>98%</td>
<td>100%</td>
<td>99%</td>
<td>98%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Committees Surveyed</td>
<td>11</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total Members Surveyed</td>
<td>83</td>
<td>83</td>
<td>58</td>
<td>55</td>
</tr>
<tr>
<td>Total Responses Received</td>
<td>42</td>
<td>41</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td><strong>Percentage Response Rate</strong></td>
<td><strong>51%</strong></td>
<td><strong>49%</strong></td>
<td><strong>45%</strong></td>
<td><strong>55%</strong></td>
</tr>
</tbody>
</table>

The overall satisfaction rating reduced by 2% over the previous year, reflecting operational issues within a Committee which have now been resolved.
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%.

<table>
<thead>
<tr>
<th>APC Administration Charge as % of FFS income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Charge paid by Committees to Commission</td>
</tr>
<tr>
<td>Fee for Service collected by Committees</td>
</tr>
<tr>
<td>Admin Charge as % of FFS Income</td>
</tr>
</tbody>
</table>

In the year under review the Commission met the set target, with an overall charge of 10% of FFS income.

This constitutes a slight increase over the 2016 financial year, mainly attributable to the Commission costs increasing in relation to the provision of services to the newly established wine producers’ committee.
Encouraging Producer Initiative