



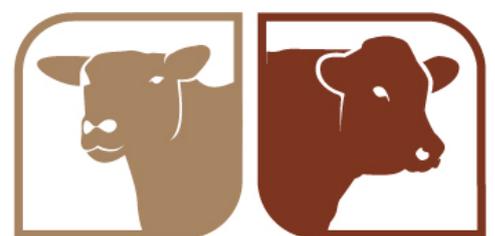
GOVERNMENT OF
WESTERN AUSTRALIA

Western Australian Meat Industry Authority



Annual Report

2015



WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

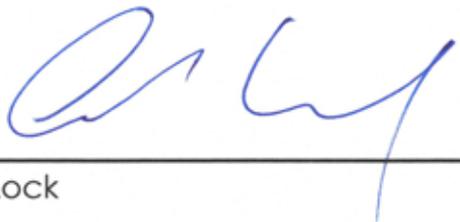
Statement of Compliance

For year ended 30 June 2015

HON KEN BASTON
MINISTER FOR AGRICULTURE AND FOOD; FISHERIES

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 Western Australian Meat Industry Authority for the financial year ended 30 June 2015.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.



D. Lock

Chairman of the Western Australian
Meat Industry Authority

15 September 2015



M. Parizza

Member of the Western Australian
Meat Industry Authority

15 September 2015

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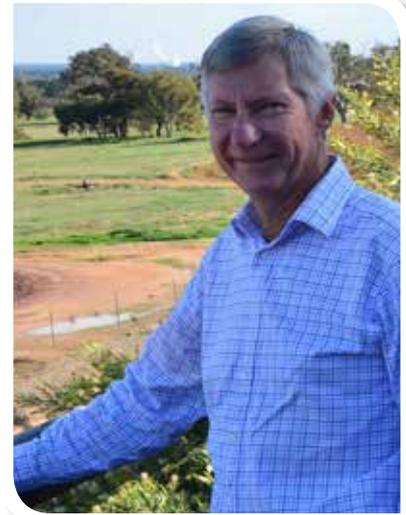
Chairman's Report 2014/15

To All Industry Stakeholders,

The year ending 30 June 2015 was one of significant change for the Western Australian Meat Industry Authority (WAMIA).

The authority focused on its three main functions during the year, specifically:

- The operations of the Muchea Livestock Centre (MLC);
- Implementing WAMIA's strategic plan; and
- Administering WAMIA's compliance functions in accordance with the Meat Industry Authority's Act 1976 (the Act).



WAMIA Chairman, David Lock

However, it was the operations of the Muchea

Livestock Centre which occupied the majority of the Board's time during the year.

Muchea Livestock Centre (MLC)

The MLC received a significant amount adverse press in March of 2014. This was a result of joint venture operations at MLC failing to deliver to the expectations of users. The Board and management have focused on the root causes of the issues at Muchea. As a result, considerable work has been put into alternative operating models. Discussions with stakeholders are ongoing in the regard. The Board is hopeful that a revised operating model will be implemented by the end of December 2015.

Strategic plan

One of the key platforms in the strategic plan has been into diversify WAMIA's revenue by developing surplus real estate around the MLC. The Board is conscious it is a long term strategy but we are starting to see some progress in that area.

Compliance

WAMIA continues to meet its obligations under the Act in relation to compliance of abattoirs and the retail sale of meat. It has identified a number of breaches which were dealt with appropriately.

WAMIA also, took a lead role in seeking to provide an alternative to lamb strip branding. The roller brand is a requirement under the Act which was determined by the WAMIA and industry to no longer be relevant in some circumstances. WAMIA co-ordinated various industry bodies to obtain a consensus view and have the requirement for lamb strip branding removed on a case by case basis with written permission of the Authority. That change is likely to be implemented by end of September 2015.

In January 2015, the Board appointed Andrew Williams to the role of CEO of WAMIA. Andrew has spent the first six months in the role focussing on the operating model for MLC and developing land around the MLC. Andrew's background, is in finance and his most recent role prior to joining WAMIA was in property management for Western Power.

I would like to take this opportunity to thank Renata Paliskis for serving as the CEO of WAMIA for seven years from January 2007 until December 2014. Renata over saw many changes at WAMIA, including the move from Midland to Muchea. The Board wishes Renata all the best in future career.

I would also like to thank Des Griffiths, who served as a Director of WAMIA from November 2005 to March 2015. Des not only sat on the Board but also chaired the Finance Committee. The Board thanks Des for his many years of service and wishes him all the best in his retirement.

Finally, I would like to thank my fellow Board members for the time, effort and lateral thinking which they provided to the organisation during the year. As always, the Board and Management of WAMIA welcome feedback in relation to our performance.



David Lock

Chairman

Executive Summary

- The Authority continues to increase the focus on its compliance activities with a 60% increase in compliance inspections compared to the previous year
- 15 new compliance investigations were commenced by the Authority during 2014/15 with 14 now complete
- The Authority completed the installation of a new “bulk weigh” platform scale during the year along with 25 additional cattle block gates to improve safety and operational efficiency
- The Authority gained accreditation of the Muchea Livestock Centre as a Department of Agriculture, Fisheries and Forestry (DAFF) live export depot during the year
- The Livestock Centre processed 104,774 cattle during 2014/15 which was an increase of 11,994 (11.4%) over the previous year
- 660,050 sheep, lambs and goats were processed through the Livestock Centre during 2014/15, a decrease of 125,700 (-16.0%)
- The Authority's operations before capital expenditure generated a positive cash flow of \$220,115 with a net increase on cash on hand at 30 June 2015 of \$68,806 compared to 30 June 2014



“Bulk Weigh” platform scale, Muchea Livestock Centre

Overview

About us

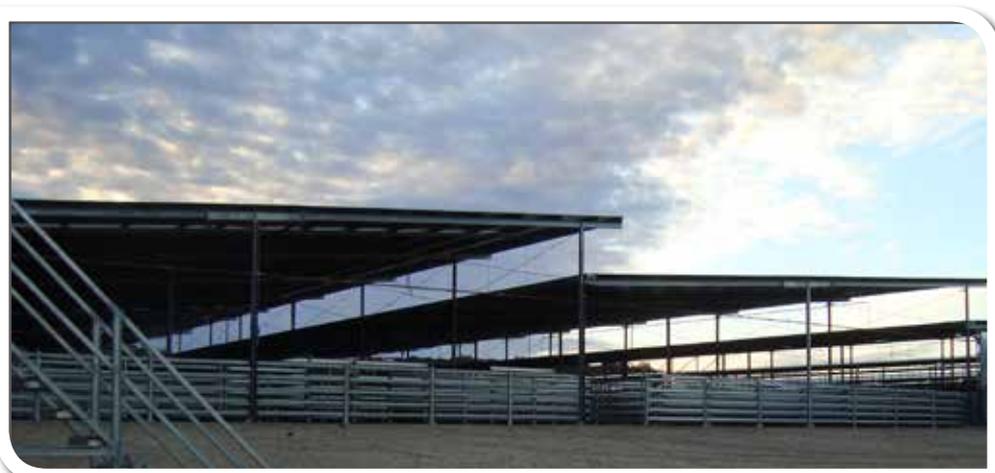
The Western Australian Meat Industry Authority (The Authority) is established by the Western Australian Meat Industry Authority Act 1976 (the Act). The Authority is subject to the direction of the Minister for Agriculture and Food (the Minister) in the performance of its functions. The functions of The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

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

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

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

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



Muchea Livestock Centre

Functions of WAMIA

WAMIA carries out the following functions as required by the Act:

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

Administered Legislation

The Minister for Agriculture and Food administers the following Acts relevant to the Authority:

Western Australian Meat Industry Authority Act 1976.

Other Key Legislation Impacting on the Western Australian Meat Industry Authority's Activities

In the performance of its functions, the Western Australian Meat Industry Authority complies with the following relevant written laws:

- *Auditor General Act 2006;*
- *Contaminated Sites Act 2003;*

- *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; and*
- *State Supply Commission Act 1991.*

Board

Members

The accountable Authority is the Western Australian Meat Industry Authority (the Authority), which consists of seven members appointed by the Minister and the Director General or an officer of the Department of Agriculture and Food (DAFWA) nominated by the Director General. The Authority Members at 30 June 2015 were:

David Lock (Chairman)	- Representing the Minister
Warren Robinson (Deputy Chairman)	- Representing the Wholesale and Retail Meat Industry
Dr Robert Rouda	- Representing the Director General of the Department of Agriculture and Food
Erin Gorter	- Representing the Producers of Meat
Vacant	- Representing Private Abattoirs
Kim McDougall	- Representing Employees of the Meat Industry
Sally O'Brien	- Representing the Producers of Meat
Mark Panizza	- Representing Private Abattoirs

Dr Rouda was appointed by the Minister to replace Mr Paterson as representative for Department of Agriculture and Food (DAFWA) in September 2014. Mr Griffiths chose not to seek renewal of his membership to the Board and left when his term expired in March 2015. A new representative for private abattoirs is to be appointed. Both the Chairman and Deputy Chairman terms expired March 2015 and were reappointed for a further three years until 30 March 2018.



WAMIA members of the Board
L - R: A Williams, D Lock, M Panizza, R Rouda, W Robinson, E Gorter, K McDougall, S O'Brien

Authority Meetings

Eleven Authority meetings were held during 2014/15. Members' attendance at the meetings is detailed in Table 1.

Table 1: Member meeting attendance.

NAME OF MEMBER	MEETINGS ATTENDED	MAXIMUM ATTENDANCE
David Lock (Chairman)	11	11
Des Griffiths	8	8
Mark Panizza	11	11
Andy Paterson	1	1
Warren Robinson	11	11
Erin Gorter	7	11
Sally O'Brien	10	11
Kim McDougall	9	11
Robert Rouda	8	9

Organisation Structure

The administrative staff of the Authority at 30 June 2015 were:

Andrew Williams	Chief Executive
Dave Saunders	Support Services Manager
Lyndon Henning	Manager Muchea Livestock Centre
Mark Elson	Management Accountant
Jennifer Cameron	Executive Officer
Brooke Meredith	Business Support Officer
Michelle Caton	Administrative Assistant

Management team

Andrew Williams BBus (Acc/Bus.Law) (Chief Executive)

Mr Williams has extensive experience within both the Private and Public sector, holding a variety of commercial and management roles in various industries.

Dave Saunders (Support Services Manager)

Mr Saunders has 42 years public sector management experience working with the Department of Agriculture since 1973, before moving to WAMIA when it was established in 1994.



WAMIA CEO, A Williams

Mark Elson BBus (Acc)(Management Accountant)

Mr Elson has extensive experience in public sector finance, working within the Department of Education and the Public Transport Authority.

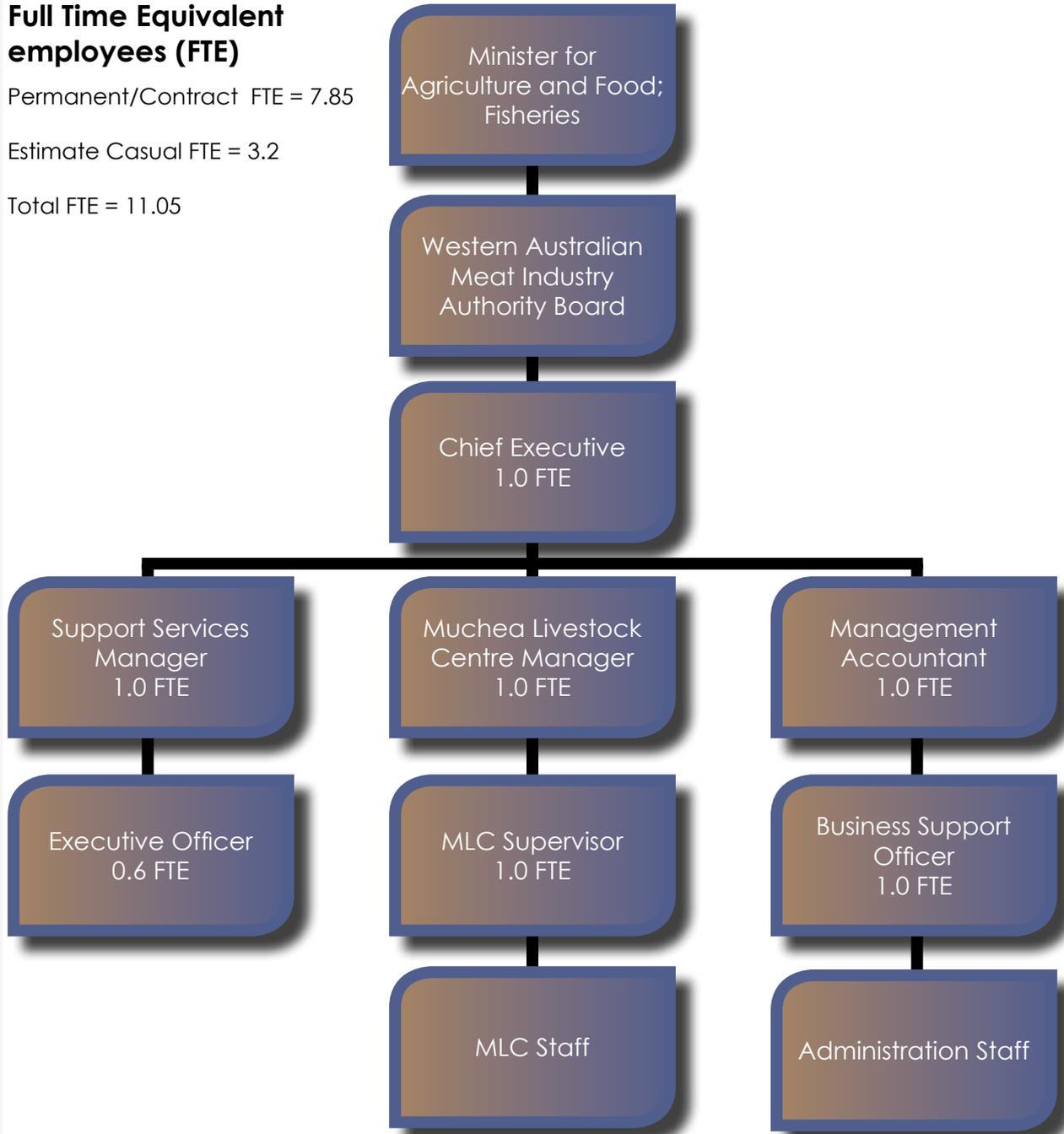
Organisational Chart

Full Time Equivalent employees (FTE)

Permanent/Contract FTE = 7.85

Estimate Casual FTE = 3.2

Total FTE = 11.05



Committee Participation

The following Authority members and senior staff participated in:

Finance Committee – Responsible for overseeing the financial management of the Authority – Membership made up of Mr Panizza (Chairman), Mr Williams, Mr Elson and Ms Meredith. Executive support was provided by Mr Elson. This Committee met on eleven (11) occasions during 2014/2015.

MLC Community Consultative Group – Required as a condition of the MLCs Department of Environmental Regulation approval, provides interaction between the Local Community and the MLC. Membership made up of Mr Saunders (Chairman), Mr Henning, community members and Shire of Chittering Officers. Executive support was provided by Mrs Cameron. This Committee met on two (2) occasions during 2014/2015.

MLC Users Group – Set up as part of the WAMIA 2010-2015 Strategic Plan, provides MLC users with an opportunity to provide input into the MLCs operations and recommend improvements to centre design and operations. Membership made up of Mr Williams (Chairman), Mr Henning and representatives of Agents, Transporters, Contractors and other MLC users. Executive support was provided by Mrs Cameron. This Committee met on three (3) occasions during 2014/2015.

Livestock Logistics WA Management Committee - Mr Robinson held the position of independent Chairman of the Committee. Mr Williams (who replaced Mr Henning) and Mr McDougall sat as Committee Members representing the Authority. Executive support was provided by Mrs Cameron. This Committee met on four (4) occasions during 2014/2015.

Media

Gazette

Three sets of Regulations were Gazetted during the period:

1. "The Western Australian Meat Industry Authority Amendment Regulations (No. 2) 2014" gazetted on 1 July 2014. This regulation provided minor fee amendments to Schedule 6.
2. "The Western Australian Meat Industry Authority Amendment Regulations (No 3) 2014" gazetted on 3 September 2014. This regulation updated the penalty for regulation 33C.
3. "The Western Australian Meat Industry Authority Amendment Regulations 2014" gazetted on 8 January 2015. This regulation provided minor amendments to regulation 25

Web Site

The Authority maintains a web site www.wamia.wa.gov.au. The website provides up-to-date yardings and market reports as well as information on WAMIAs functions, staffing and governance and is used to advertise special sales and employment vacancies. During the period it averaged 490 hits per week up from 400 hits per week in 2013/2014. The website is also allows MLC users to provide feedback on MLC operations.

Social Media

Social media is used extensively to provide market results and sales information, advice of events and to interact with MLC users. As of 30 June 2015 these sites had the following level of support:

Facebook page: Muchea Livestock Centre now with 613 'likes'

Twitter page: Muchea Livestock now with 130 followers

SMS for market reports with 163 recipients.

The Facebook address is <https://www.facebook.com/pages/Muchea-Livestock-Centre/507137089317424> and the Twitter address is <https://twitter.com/MucheaLivestock>.

*"Facebook
page: Muchea
Livestock Centre
now with 613
'likes'"*

Other

- The Muchea News, now in its fifth year, is a bimonthly one page advertorial that is printed in the Farm Weekly. This weekly publication has a readership of 13,000. News includes changes in fees and profiling of Muchea Livestock Centre initiatives/improvements.
- Use of SMS to provide market reports and sale catalogue.
- Regular meetings with Western Australian Farmers Federation (WAFF), Pastoralists and Graziers Association (PGA), Livestock and Rural Transport Association (LRTA), DAFWA and office of the Minister for Agriculture & Food.
- Attendance at Field Days including the annual Dowerin Field day.
- Attendance at Annual Conferences including the WAFF, PGA and LRTA.
- One on one stakeholder meetings between the Chief Executive and Industry Representatives.

WAMIA makes extensive use of media to report illegal slaughter legal action, to increase public awareness and encourage reporting of any illegal activities.

Corporate Standards

Occupational Health & Safety

The Authority is committed to ensuring that it offers a safe working environment to all users of The Muchea Livestock Centre (MLC) and its administration office. It has set policies in place to ensure that staff are adequately advised of safety issues and works closely with staff through its Occupational Health and Safety Committee and MLC users through its reference group. The consideration of all safety incidents and hazard reports is a standard agenda item at Authority Board meetings and the Muchea Livestock Centre User Group. Any injuries that occur are managed closely with RiskCover to ensure that appropriate return to work programs are implemented in accordance with the requirements of the Workers Compensation and Injury Management Act (1981).

Table 2: Lists the target reporting for 2014/2015:

INDICATOR	TARGET	2013/2014 ACTUAL	2014/2015 ACTUAL
Number of Fatalities	0	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0	0
Lost time injury severity rate	0	0	0
Percentage of injured workers returned to work within			
(i) 13 weeks	(i)80%	(i)100%	(i)100%
(ii) 26 weeks	(ii)80%	(ii)100%	(ii)100%
Percentage of Managers and supervisors trained in occupational safety, health and injury management responsibilities	80%	100%	100%

During the period WAMIA continued to work with MLC users to address any safety issues identified.

WAMIA also continued to ensure that staff were provided with relevant Occupational Health & Safety training with a number of staff completing Fire Warden and Fire extinguisher training.

In addition to the requirement for user organisations to provide Safety Management Plan's, persons seeking access to the Centre's operational area and out of hour's access are required to undertake an induction program. 82 persons were inducted by Authority staff in the period making a total of 1096 persons since the

MLC's opening.

Risk Management

In 2015 the Authority board reviewed and reassessed the risks identified in its 2014 risk register. Significant risks and their mitigation strategies are reviewed at every Board meeting.

Compliance with Electoral Act

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

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

During the period, the Authority did not incur any expenditure of this nature.

Equal Employment Opportunity

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

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

Public Sector Standards

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

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

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

Chief Executive. No compliance issues have been considered in the period.

Disability Access and Inclusion Plan

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

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

can be made by telephone, letter, email or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

The Authority is required to comply with the requirements of the Public Interest Disclosure Act 2003 (PID).

The Authority has formally adopted Guidelines and Procedures for dealing with disclosures and appointed Mr Saunders as the PID officer. No disclosures have been made in the period.



Muchea Livestock Centre Sheep Saleyard

State Records Act

The Authority is required to comply with the requirements of the State Records Act 2000.

The Authority has undertaken

a review of its record keeping plan and has submitted the revised plan to the State Records Office for approval. The Authority has appointed Record Keeping Officers.

Freedom of Information

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

- a. to survey and keep under review the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- b. to review the operation of saleyards, establishments and processing works including:
 - i. Inspecting and where appropriate approving, the premises and facilities, and the conduct of operations there
 - ii. recording in respect of each establishment its effective capacity and actual performance.
- c. to implement schemes and practices for the branding of any carcasses or meat, which may include practices to define or identify its:
 - i. source
 - ii. method of production
 - iii. processing treatment

- iv. quality
- v. other characteristics.
- d. to assume responsibility for, or arrange for the management of:
 - i. Midland saleyard
 - ii. If the Minister so directs, any other undertakings, establishment or facility in the meat industry.
- e. to encourage and promote improved efficiency throughout the meat industry.
- f. to advise the Minister generally, and in particular as to:
 - i. methods of overcoming areas of conflicting interest within the meat and livestock industries
 - ii. future requirements for saleyards, establishments and processing works, particularly in relation to the overall slaughtering capacity of the State and the location of those establishments
 - iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary
- g. to carry out such other functions as are required to give effect to this Act generally, in relation to saleyards, establishments, processing works and other facilities, undertakings or activities in the meat industry.

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

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

WAMIA did not receive any FOI requests during the 2014/15 period.

Performance

KPI's/KEI's

Strategic Planning

The Western Australian Meat Industry Authority Board held a Strategic Planning workshop on 21 April 2015 to substantially review its plans. The Plan is expected to be completed later this year.

WAMIA's purpose: To administer the Act, manage a best practice, viable, valuable and relevant facility; deliver an efficient and relevant compliance service in approachable, streamlined and transparent way.

WAMIA's Values:

- Honest and Ethical
- Leadership and accountability at all levels
- The provision of accurate information in a timely fashion
- Animal welfare and safety focused
- Customer service with positive attitude.

WAMIA's Strategic Issues and Strategies are detailed in Table 3.

Table 3: WAMIA current Strategic Issues and Strategies

1	WAMIA's profile/ perception of value	Raise WAMIA's perceived value & profile with: <ul style="list-style-type: none"> • Minister • DAFWA • Vendors • Agents • Other users
2	Market share and throughput	Increase livestock throughput at MLC by: <ul style="list-style-type: none"> • Maintaining market share as WA livestock population grows • Growing market share above long term average (11%) • Better understanding of WA livestock numbers and movements • Identifying and providing an improved service to producers.

3	Need to be financially viable	<p>Be cash flow positive without reliance on interest revenue.</p> <p>Generate a break-even or better profit result after depreciation by:</p> <ul style="list-style-type: none"> • Increasing volume • Balancing volume & price • Reducing costs • Protect cash reserves for major future capital projects.
4	Utilisation of WAMIA's Assets	<p>Maximise value and cash flow from surplus land asset.</p> <p>Develop a 20 year master plan in conjunction with appropriate advisors</p> <p>Ensure that MLC asset utilisation is maximised through:</p> <ul style="list-style-type: none"> • Livestock volume • Value adding products / services • Other aligned activities.
5	Legislative reform	Ensure compliance function is efficient, effective and focused and adds value to the WA Meat industry.
6	WAMIA's Risk strategy for the MLC	Ensure that MLC operational risks are managed in an efficient and effective manner.

Actual Results Vs Budget Targets

	Target 2014/2015	Actual 2014/2015	Variation
Total Expenses ^(a)	3,389,520	3,577,446	(187,926)
Total Income ^(a)	2,243,216	2,663,026	419,810
Total Equity ^(b)	60,165,533	59,997,415	(168,118)
Net increase / (decrease) in cash held ^(c)	156,777	68,806	(87,981)
Approved full time equivalent (FTE) staff	9	9	0

(a) sourced from Statement of Comprehensive Income, for further information please see 'Disclosures and Legal Compliance'

(b) sourced from Statement of Financial Position, for further information please see 'Disclosures and Legal Compliance'

(c) sourced from Statement of Cash Flows, for further information please see 'Disclosures and Legal Compliance'

Compliance

Compliance Policy

The Compliance unit operates under an approved Compliance Policy (December 2012) which includes:

1. Approval Of Abattoirs
 - a. Operation to construct
 - b. Granting or refusing applications
 - c. Conditions of approval
 - d. Revocation of approval.
2. Product description
 - a. Permission to use commercial brands
 - b. Permission to use regulatory brands
 - c. Revocation of approval to use commercial or regulatory brands
 - d. Auditing of abattoirs
 - e. Monitoring of Retail Outlets
 - f. Monitoring of Pet Food establishments, illegal slaughter operations, boning rooms & small goods establishments.
3. Offences under the Act & Regulations
4. Advice to Applicants/Operators

In October 2013, the Board considered and endorsed the following policy for Illegal Slaughter:

- WAMIA has a zero tolerance to illegal slaughter;
- WAMIA will investigate all allegations of illegal slaughter referred to it;
- All investigations will be fully documented;
- All investigations will be carried out in conjunction with other regulatory agencies where appropriate;
- Where an investigation establishes clear evidence of illegal slaughter WAMIA will refer the matter to the State Solicitors Office for prosecution; and
- The Minister will be apprised of cases of illegal slaughter at the periodic briefings with the WAMIA Chairman and Chief Executive.

Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that Standards are maintained. Joint visits to the establishments are made with

the relevant regulatory agency if required in the case of new applications, changes in management, or where problems have occurred. At 30 June 2015, all establishments in Western Australia complied with the relevant Australian Standards.

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

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

Industry Liaison for Compliance

During the period, the Authority continued to maintain contact with officers from industry organisations such as the Federal Department of Agriculture Forestry and Fisheries (DAFF) and Western Australian Department of Agriculture and Food, Department of Health (DOH), AUS-MEAT and the Australian Meat Industry Council (AMIC) in areas of regulatory and industry development.

The Authority keeps regular contact with staff at an operational level. The WAMIA Board acknowledges the valuable contribution of these officers from the DOH, AUS-MEAT, AMIC and DAFF.

Illegal Slaughter

The Authority maintained close liaison with other regulatory authorities to ensure that only approved establishments processed meat for human consumption. It investigated a number of illegal slaughter complaints in conjunction with the DOH and local government officers. 2 ongoing cases are under investigation.

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

Carcase Branding Activity

The Authority's Act and Regulations specify certain requirements for operators with respect to carcass roller branding of Lamb, Hogget and Gold Beef. While almost all branded product is derived from AUS-MEAT accredited establishments, all abattoirs are required to have relevant quality assurance procedures. If a works is not AUS-MEAT Accredited



Branded lamb carcass

this function is undertaken by the Authority Compliance Officer.

Branding Compliance

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

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

Establishment Approvals

The Authority has established a policy of approving establishments to operate according to categories based on construction and operating standards. All establishments are required to meet the Australian Standard for the Construction of Processing Establishments. The following categories detailed in Table 4.

Table 4: Establishments by Category

CATEGORY	STANDARD/ INSPECTION	MARKET ACCESS	NUMBER AT 30/06/15	NUMBER AT 30/06/14
Export	Export standards and importing country requirements AQIS Inspection	No restrictions in Australia	13	12
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	6	7
Domestic (no government meat inspection)	Australian standard. Special conditions apply	Distribution and capacity restrictions	1	
Special Prison farm and Agricultural Colleges.	Australian standard. Health Dept/ Local Govt Inspection	Internal supply and capacity restrictions	5	5
Closed with current approval	Required to maintain basic environmental standards	Nil	1	2
Under construction	Non operational	Non operational	2	2
Total			28	29

Applications for Approvals

During the year, the Authority considered the following applications as detailed in Table 5.

Table 5: Application by year.

	2012/13	2013/14	2014/15
Applications to construct an establishment	1	0	0
Applications to operate	3	1	0
Applications for variation to approval	0	0	0

A list of currently approved abattoirs is detailed in table 6.

Table 6: WAMIA Approved Abattoirs by Category as at the 30 June 2015

CATEGORY	ABATTOIR	LOCATION
Export	Derby Industries Pty Ltd	Wooroloo
	Fletcher International Pty Ltd	Narrakup
	Geraldton Meat Exports Pty Ltd	Moonyoonooka
	Gingin Meatworks	Gingin
	Great Eastern Abattoir	Tammin
	Harvey Industries Pty Ltd	Harvey
	Hillside Meat Processors Pty Ltd	Narrogin
	Kimberley Freerange Beef Pty Ltd	Gingin
	Shark Lake Food Group Pty Ltd	Esperance
	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
	Wellard Animal Production Pty Ltd	Beaufort River
	Western Meat Processors Pty Ltd	Cowaramup
	Domestic Unrestricted	Corrigin Meatworks
Dardanup Butchering Company		Picton
Goodchild Abattoirs		Australind
Hagan Bros		Greenough
P R Hepple and Sons Pty Ltd		Northam
Domestic Restricted	Kellerberrin Butchery	Kellerberrin
Other Species	Konyen Farm (Rabbits)	Baldivis
Special Abattoirs	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
	Karnet Prison Farm	Serpentine
	Morawa Agricultural College	Morawa
	Murdoch University*	Murdoch
	Narrogin Agricultural College	Narrogin

* Currently closed

Current Construction Approvals

The following approvals to construct an abattoir are still current:

- a. Kimberly Free Range Beef – Derby
- b. Kimberly Free Range Beef - Broome

State Processing Statistics

The Authority maintains processing statistics for the State by type of animal and category of processing establishment. Table's 7 and 8 detail Abattoir throughput for the years 2013/14 and 2014/15.

Table 7: Abattoir throughput cattle, sheep, lambs goats & pigs by Category for the years 2013/14 and 2014/15

CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOAT	PIGS
Export	2013/14	291,910	1,562,050	2,409,762	49,997	507,469
	2014/15	346,902	1,464,709	2,3458,656	64,898	573,908
	% Change	18.8	(6.2)	(2.5)	29.8	13.1
Domestic (unrestricted)	2013/14	117,834	114,491	387,535	33,308	25,409
	2014/15	76,320	22,378	250,544	2,463	32,042
	% Change	(35.2)	(80.4)	(35.3)	(92.6)	26.1
Domestic without Meat Inspection	2013/14	6	168	0	0	0
	2014/15	7	113	0	0	0
Special	2013/14	2,232	5,466	0	0	101
	2014/15	2,502	4,750	0	0	51
Totals	2013/14	411,982	1,682,007	2,797,297	83,305	532,979
	2014/15	425,731	1,491,950	2,599,200	67,361	606,001
	% Change	3.3	(11.3)	(7.1)	(19.1)	13.7

Table 8: Abattoir throughput for other species by Category for the years 2013/14 and 2014/15

CATEGORY	YEAR	DEER	ALPACA	RABBIT	HORSE
Export	2013/14	276	0	0	0
	2014/15	363	0	0	0
Domestic (unrestricted)	2013/14	622	0	28,324	0
	2014/15	432	12	27,672	0
Total	2013/14	898	0	28,324	0
	2014/15	795	12	27,679	0

Compliance Activity Summary

Tables 9, 10 & 11 provide details of compliance activity during the period.

Table 9: Inspections undertaken from 2011/12 to 2014/15

Inspections Undertaken	2011/12	2012/13	2013/14	2014/15
Abattoirs	6	8	4	7
Boning Rooms	0	0	0	0
Smallgoods Establishments	0	0	0	0
Retailers	52	80	92	138
Other premises e.g. pet food establishments	7	3	2	12

Table 10: Enquires received from 2013/14 to 2014/15

Enquires Received	2013/14	2014/15
Processing	55	74
Saleyards	54	32

Table 11: Investigations undertaken from 2013/14 to 2014/15

Investigations Undertaken	2013/14			2014/15		
	New	Completed	Ongoing*	New	Completed	Ongoing*
Illegal slaughter	3	1	12	8	8	0
Product mis-description	0	0	0	1	0	1
Labelling issues	0	0	0	5	5	0
Over the hooks	0	0	0	0	0	0
Brand issues	0	0	0	0	0	0
Other	0	0	0	1	1	0
Assist other regulators	0	0	0	0	0	0

* not completed

Reported: not completed Investigations

A supermarket was found to be selling unbranded sheep meat as mutton further investigation of this is ongoing.

Legal Action

WAMIA has not proceeded with any legal action for investigations conducted in 2014/15

Muchea Livestock Centre (MLC)

Services

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



Muchea Livestock Centre

- Transhipment
- Feeding
- Agistment
- DAFF accredited live export cattle and sheep depot
- Pregnancy Testing
- Dentition Assessment
- Manure & Compost sales
- Truck Parking
- Venue for community meetings and functions.

Improvements

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

- 25 extra block gates fitted
- Platform scale project completed

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

- Modifications to sheep draft
- Accreditation gained as DAFF live export sheep depot

Achievements in other areas for the period were as follows:

- Wi-Fi provided in the canteen area

Animal Welfare

Compliance with Animal Welfare requirements is an essential element of the

MLC's operation. The MLC has a zero tolerance policy for animal cruelty with any cases immediately referred to regulators. MLC staff work daily with MLC users to ensure that the Centre maintains the highest standards through:

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



Muchea Livestock Centre Sheep Saleyard

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

WAMIA considers that maintaining a close working relationship with regulatory authorities is an essential part of maintaining the high animal welfare standards at the MLC and in the period:

- The National President and State Chief Executive of the Royal Society for the Prevention of Cruelty to Animals (RSPCA) toured the facility.
- Met with Senior Officers from the DAFWA to discuss the implication of proposed legislation for "Journey time requirements" for saleyards.
- Had a number of visits from representatives of Animals Angels Australia.

*Cattle
throughput
increased by
12% from last
year*

Livestock Throughput

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/1996 to 2009/10 and for the Muchea Livestock Centre from 2010/11 onwards are listed in Table 12.

Table 12: Midland/ Muchea Livestock Centre throughput by year.

Year	Cattle	Sheep, lambs & goats	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402,	19,729
2002/2003	137,422	1,006,357	14,700
2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	104,132	913,597	0
2009/2010	100,249	648,205	0
2010/2011	106,183	701,614	0
2011/2012	86,582	423,081	0
2012/2013	80,917	550,343	0
2013/2014	92,780	785,750	0
2014/2015	104,774	660,050	0

Transshipment and non sale weighing numbers for cattle and sheep 2010/11 onwards are listed in the Table 13.

Table 13: Muchea Livestock Centre Transshipment and non-sale weighing throughput by year.

Year	Non sale weighing	Cattle transshipment days	Sheep transshipment days
2010/2011	7,654	69,528	101,365
2011/2012	9,762	34,637	7,878
2012/2013	20,249	49,428	20,627
2013/2014	27,969	59,596	16,994
2014/2015	19,834	67,872	16,762

Muchea Livestock Centre Precinct

The development of the Muchea Livestock Centre Precinct is an opportunity to increase the viability of MLC operations.

The Muchea Livestock Centre Precinct is part of the 2012-2015 WAMIA Strategic Plan. In August 2013 Consultants, the Rowe Group prepared a report on the Highest and Best Value Use of the Area. As a result, WAMIA decided that, the most cost effective means of providing a lease was to maintain the existing zoning of Agricultural Resource.



Muchea Livestock Centre Precinct Site

Joint Venture (Livestock Logistics WA)

Since July 2001, the Midland Sales Management Joint Venture (MSMJV) a Joint Venture between the Authority, Elders Ltd and Landmark Operations Pty Ltd has managed the receival, drafting and weighing operations for cattle and pigs at Midland and cattle at the MLC.

In 2007, the joint venture was re-named Livestock Logistics WA (LLWA). The Joint Venture is governed by a management committee made up of two representatives from each partner and an independent Chairman. The Authority provides administrative support to the operations of LLWA.

Mr Warren Robinson took over the LLWA Manager duties temporarily from November 2014.

Industry Development

Activities

The Authority takes a proactive approach to encourage and promote efficiency in the industry, by supporting a number of initiatives including regular briefings to the Executive Committees of the WA Farmers Federation and the Pastoralists and Graziers Association and the Livestock & Rural Transporters Association.

Industry Database

The Authority maintains a database of the WA Saleyards and Meat Processing Industry that provides accurate information on both the throughput of the States Saleyards and abattoirs industry. Reports from the database can be generated for from 2005/2006. These reports are used by a number of Government and Industry organisations.

Education

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

Further, the Muchea Livestock Centre has been visited by many overseas delegates including Middle Eastern and African countries. The Centre has given them an appreciation of the high standard achieved for livestock handling and saleyard management in Western Australia.

Industry Consultation

Working with the Muchea Livestock Agents

WAMIA has taken on the role of facilitating the discussions between agents of the Muchea Livestock Centre to yield mutual benefits. During the 2014/2015 financial year, examples include:

1. Participation in the Muchea Livestock Centre User Group
2. Meeting with agents individually to discuss and determine promotion of special sales
3. Any operational issues associated with their sales.



Muchea Livestock Centre Cattle Saleyards

Future initiatives

The Authority plans to continue to develop the Muchea Livestock Centre to best provide the services required by and to improve the livestock industry. A significant upgrade CCTV surveillance across the site is currently being planned, particularly focusing on loading and unloading ramps.

Significant Issues Impacting the Agency

There are a number of emerging issues and trends which may have impact on the Authority in coming periods.

Although the current turn off rate is high, a decline in the livestock holdings in the Muchea Livestock Centre catchment area as well as state and Australia wide may lead to future reductions in volumes processed through the Centre. Industry consolidation and a trend to direct sale to processors may also put downward pressure on livestock numbers processed by the Centre.

High profile animal welfare issues continue to capture public attention and the Authority is focused on maintaining the highest standards of welfare as well as creating open robust relationships with the relevant agencies and interested groups.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Meat Industry Authority at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Western Australian Meat Industry Authority during the year ended 30 June 2015.

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

Board's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Western Australian Meat Industry Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2015.

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

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Western Australian Meat Industry Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2015.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2015 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 September 2015

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2015

The accompanying financial statements of the Western Australian Meat Industry Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

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

(Signature)

M. Elson

Chief Finance Officer of the Western
Australian Meat Industry Authority

15 September 2015

(Signature)

M. Panizza

Member of the Western Australian
Meat Industry Authority

15 September 2015

(Signature)

D. Lock

Chairman of the Western Australian
Meat Industry Authority

15 September 2015



Statement of Comprehensive Income

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
INCOME			
Revenue			
Sales	6	352,724	32,909
Provision of services	7	1,837,454	1,994,793
Interest revenue	8	279,611	306,814
Other revenue	9	194,911	206,779
TOTAL INCOME		2,664,700	2,541,295
EXPENSES			
Cost of sales	6	102,252	32,445
Employee benefits expense	10	1,232,152	1,094,828
Supplies and services	11	962,115	1,071,591
Depreciation and amortisation expense	12	1,150,765	1,137,982
Accommodation expenses	13	45,115	46,827
Other expenses	14	85,906	13,977
TOTAL EXPENSES		3,578,305	3,397,650
Profit/(loss) before grants and subsidies from State Government		-	-
Grants and subsidies from State Government		-	-
Profit/(loss) before income tax equivalent expense		-	-
Income tax equivalent expense		-	-
Profit/(loss) after income tax equivalent expense		-	-
PROFIT/(LOSS) FOR THE PERIOD		(913,605)	(856,355)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Re-measurements of defined benefit liability	24	-	-
Changes in asset revaluation surplus	25	(400,000)	(50,000)
Total other comprehensive income		(400,000)	(50,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,313,605)	(906,355)

See also note 37 'Schedule of Income and Expenses by Service'.

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



Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	679,689	610,882
Restricted cash and cash equivalents	26	7,683,214	7,683,214
Inventories	15	9,685	19,169
Receivables	16	180,747	246,038
Other current assets	17	2,665	5,355
Total Current Assets		8,556,000	8,564,658
Non-Current Assets			
Property, plant and equipment	18	17,576,782	18,348,513
Infrastructure	19	34,213,624	34,640,302
Intangible assets	21	9,220	11,079
Other non-current assets	17	112,153	104,383
Total Non-Current Assets		51,911,779	53,104,277
TOTAL ASSETS		60,467,779	61,668,935
LIABILITIES			
Current Liabilities			
Payables	23	271,173	132,243
Provisions	24	152,598	195,266
Total Current Liabilities		423,771	327,509
Non-Current Liabilities			
Provisions	24	45,778	29,591
Total Non-Current Liabilities		45,778	29,591
Total Liabilities		469,549	357,100
NET ASSETS		59,998,230	61,311,835
EQUITY			
Reserves	25	1,212,318	1,612,318
Retained earnings		58,785,912	59,699,517
TOTAL EQUITY		59,998,230	61,311,835

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



Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2013	25	-	1,662,318	60,555,872	62,218,190
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2013		-	1,662,318	60,555,872	62,218,190
Profit/(loss)		-	-	(856,355)	(856,355)
Other comprehensive income		-	(50,000)	-	(50,000)
Total comprehensive income for the period			(50,000)	(856,355)	(906,355)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2014		-	1,612,318	59,699,517	61,311,835
Balance at 1 July 2014		-	1,612,318	59,699,517	61,311,835
Profit/(loss)		-	-	(913,605)	(913,605)
Other comprehensive income		-	(400,000)	-	(400,000)
Total comprehensive income for the period		-	(400,000)	(913,605)	(1,313,605)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2015		-	1,212,318	58,785,912	59,998,230

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



Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		221,618	32,909
Provision of services		1,760,062	1,826,514
Interest received		260,062	290,012
GST receipts on sales		154,562	130,686
GST receipts from taxation authority		-	-
Other receipts		194,911	206,779
Payments			
Employee benefits		(1,194,794)	(1,058,334)
Supplies and services		(799,473)	(1,009,387)
Accommodation		(45,115)	(46,827)
GST payments on purchases		(152,529)	(150,351)
GST payments to taxation authority		(71,301)	(61,479)
Net cash provided by/(used in) operating activities	26	<u>328,003</u>	<u>160,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(259,196)	(141,303)
Net cash provided by/(used in) investing activities		<u>(259,196)</u>	<u>(141,303)</u>
Net increase/(decrease) in cash and cash equivalents		68,807	19,219
Cash and cash equivalents at the beginning of the period		8,294,096	8,274,877
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26	<u>8,362,903</u>	<u>8,294,096</u>

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



Notes to the Financial Statements

For the year ended 30 June 2015

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2015.

Note 2. Summary of significant accounting policies

(a) General statement

The Authority is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 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.

Warranties

Provision is made for the estimated liability on all products still under warranty at the end of the reporting period. The amount of the provision is the present value of the expected future cash outflows expected to settle the warranty obligations, having regard to the warranty experience over the last five years and the risks of

the warranty obligations.

Remediation costs

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

(b) Basis of preparation

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

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

The financial statements are presented in Australian dollars.

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

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

(c) Reporting entity

The reporting entity comprises of the Authority.

(d) Income

Revenue recognition

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

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(e) Borrowing costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Authority's outstanding borrowings during the year, in this case 6.3% (2014: 6.3%).

(f) Property, plant and equipment and infrastructure**Capitalisation/expensing of assets**

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

Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

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

Subsequent measurement

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

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

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

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

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 18 'Property, plant and equipment'. Independent valuations are obtained every 3 to 5 years for infrastructure.

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

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

and existing use assets.

Derecognition

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

Asset revaluation surplus

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

Depreciation

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

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

Buildings	50 years
Plant and equipment	10 years
Office equipment	5 years
Software ^(a)	4 years
Motor vehicles	8 years
Infrastructure	50 years

(a) Software that is integral to the operation of related hardware.

Works of art controlled by the Authority are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

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

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

Licences

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

Development costs

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

Computer software

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

Website costs

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

(h) Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Authority is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

(i) Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

(j) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments,

determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Authority is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

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

(k) Financial instruments

In addition to cash and bank overdraft, the Authority has three categories of financial instrument:

- Loans and receivables;
- Held-to-maturity investments (commercial bills and term deposits); and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

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

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

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

(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included in note 32 'Financial Instruments'.

(m) Accrued salaries

Accrued salaries (see note 23 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

(n) Inventories

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

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

(o) Receivables

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

(p) Investments and other financial assets

The Authority classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and reevaluates this designation at the end of each reporting period. Investments not at fair value are initially recognised at cost being the fair value of consideration given, including directly attributable transaction costs.

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates, other than those that meet the definition of loans and receivables, are classified as held-to-maturity when management has a positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Loans and receivables and held-to-maturity investments, such as commercial bills, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are

derecognised or impaired, as well as through the amortisation process.

The Authority assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(q) Payables

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

(r) Borrowings

All loans payable are initially recognised at fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest method.

(s) Amounts due to the Treasurer

The amount due to the Treasurer is in respect of a Treasurer's Advance. Initial recognition and measurement, and subsequent measurement, is at the amount repayable. Although there is no interest charged, the amount repayable is equivalent to fair value as the period of the borrowing is for less than 12 months with the effect of discounting not being material.

(t) 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 longterm 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 Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

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

Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Government Employees Superannuation Board (GESB) 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.

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became noncontributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super

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

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

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

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

The GSS is a defined benefit scheme for the purposes of employees and wholeofgovernment reporting. However, from an agency perspective, apart from the pretransfer benefits, it is a defined contribution plan under AASB 119.

Provisions – other

Employment on-costs

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

Warranties

Provision is made for the estimated liability on all products still under warranty at the end of the reporting period. The amount of the provision is the present value of the expected future cash outflows expected to settle the warranty obligations, having regard to the warranty experience over the last five years and the risks of the warranty obligations.

Remediation costs

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

(u) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (con-current contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(v) Jointly controlled operations

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

(w) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

The Authority has entered into a lease for buildings for office accommodation. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, the lease has been classified as operating leases.

Note 4. Key sources of estimation uncertainty

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

Long Service Leave

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

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Authority.

Int 21 *Levies*
This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Authority at reporting date.

AASB 10 *Consolidated Financial Statements*
This Standard, issued in August 2011, supersedes *AASB 127 Consolidated and Separate Financial Statements* and *Int 112 Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments.

The adoption of the new Standard has no financial impact for the Authority as it does not impact accounting for related bodies and the Authority has no interest in other entities.

AASB 11 *Joint Arrangements*
This Standard, issued in August 2011, supersedes *AASB 131 Interests in Joint Ventures*, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the Authority as the new standard continues to require the recognition of the Authority's share of assets and share of liabilities for the unincorporated joint operation.

- AASB 12** *Disclosure of Interests in Other Entities*
This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. There is no financial impact.
- AASB 127** *Separate Financial Statements*
This Standard, issued in August 2011, supersedes AASB 127 *Consolidated and Separate Financial Statements* removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. There is no financial impact.
- AASB 128** *Investments in Associates and Joint Ventures*
This Standard supersedes AASB 128 *Investments in Associates*, introducing a number of clarifications for the accounting treatments of changed ownership interest.
- AASB 1031** *Materiality*
This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.
- AASB 1055** *Budgetary Reporting*
This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.
- AASB 2011-7** *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]*

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. There is no financial impact for the Authority.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

This Standard introduces editorial and disclosure changes. There is no financial impact.

AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Authority does not routinely enter into derivatives or hedges; therefore there is no financial impact.

AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049]

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are not a key attribute of the investor’s relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.

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

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impact.

AASB 2014-1 Amendments to Australian Accounting Standards

Part A of this Standard consists primarily of clarifications to Accounting Standards and has no financial impact for the Authority.

Part B of this Standard has no financial impact as the Authority contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of this Standard has no financial impact as it removes references to AASB 1031 *Materiality* from a number of Accounting Standards.

Voluntary changes in accounting policy

Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>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 Authority has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-18
AASB 15	<p><i>Revenue from Contracts with Customers</i></p>	1-Jan-17

Operative
for reporting
periods
beginning
on/after

This Standard establishes the principles that the Authority 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 Authority has not yet determined the application or the potential impact of the Standard.

AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-18
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Authority has not yet determined the application or the potential impact of AASB 9.</p>	1-Jan-15
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p>	1-Jan-18

Operative
for reporting
periods
beginning
on/after

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.

AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]* 1-Jan-16

The Authority establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortization [AASB 116 & 138]* 1-Jan-16

The adoption of this Standard has no financial impact for the Authority as depreciation and amortization is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15* 1-Jan-17

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Authority 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)* 1-Jan-18

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Authority has not yet determined the application or the potential impact of the Standard.

Operative
for reporting
periods
beginning
on/after

AASB 2014-8	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9(December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)]</i></p> <p>This Standard makes amendments to AASB 9 <i>Financial Instruments (December 2009)</i> and AASB 9 <i>Financial Instruments (December 2010)</i>, arising from the issuance of AASB 9 <i>Financial Instruments</i> in December 2014. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-15
AASB 2014-9	<p><i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i></p> <p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-16
AASB 2014-10	<p><i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1-Jan-16
AASB 2015-1	<p><i>Amendments to Australian Accounting Standards – Annual provident to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i></p>	1-Jan-16

Operative
for reporting
periods
beginning
on/after

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 Authority has not yet determined the application or the potential impact of the Standard.

- | | | |
|-------------|---|----------|
| AASB 2015-2 | <p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB7,101,134 &1049]</i></p> <p>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.</p> | 1-Jan-16 |
| AASB 2015-3 | <p><i>Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality</i></p> <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p> | 1-Jul-15 |
| AASB 2015-6 | <p><i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i></p> <p>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. The Authority has not yet determined the application of the Standard, though there is no financial impact.</p> | 1-Jul-16 |

Note 6. Trading Profit

	2015 \$	2014 \$
Sales	352,724	32,909
Cost of Sales:		
Opening inventory	19,169	(8,517)
Purchases	(131,106)	(43,097)
	(111,937)	(51,614)
Closing inventory	9,685	19,169
Cost of Goods Sold	(102,252)	(32,445)
Trading Profit	250,472	464

Note 7. Provision of services

	2015 \$	2014 \$
Saleyard Fees and Services	1,306,672	1,270,586
Livestock Services	250,316	450,282
Abattoir Licensing and Services	112,954	100,224
Truck Wash	134,458	105,122
Joint Venture	33,054	68,579
	1,837,454	1,994,793

Note 8. Interest revenue

	2015 \$	2014 \$
Interest revenue (Interest on Term Deposits with Bankwest and Rabobank)	279,611	306,814
	279,611	306,814

Note 9. Other revenue

	2015 \$	2014 \$
Rental Income	152,040	126,285
Share of Joint Venture Income	7,770	7,862
Other Income	35,100	72,632
	194,911	206,779

Note 10. Employee benefits expense

	2015	2014
	\$	\$
Wages and salaries ^(a)	1,132,280	998,868
Superannuation – defined contribution plans ^(b)	99,872	95,960
Superannuation – defined benefit plans (note 24 'Provisions')	-	-
	1,232,152	1,094,828

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

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

Employment on-costs expenses, such as workers' compensation insurance, are included in note 14 'Other expenses'.

Employment on-costs liability is included at note 24 'Provisions'.

Note 11. Supplies and services

	2015	2014
	\$	\$
Communications	32,218	49,765
Computing	38,614	31,300
Consultants and contractors	238,587	172,373
Repairs and Maintenance	188,688	198,541
Travel	7,169	6,826
Waste Management	38,392	56,450
Water Power Gas	84,118	106,224
Fuel – Diesel	42,309	36,544
Insurance	114,191	149,091
Cropping Preparation	0	31,255
Feeding Costs	0	43,097
Carcase Disposal	48,236	46,528
Marketing Reporting	22,000	18,400
Safety Review	3,095	7,442
Other	104,498	117,755
	962,115	1,071,591

Note 12. Depreciation and amortisation expense

	2015	2014
	\$	\$
<u>Depreciation</u>		
Plant, equipment and vehicles	95,541	86,589
Buildings	289,524	289,355
Infrastructure	763,841	760,179
Total depreciation	1,148,906	1,136,123
<u>Amortisation</u>		
Computer software	1,859	1,859
Total amortisation	1,859	1,859
Total depreciation and amortisation	1,150,765	1,137,982

Note 13. Accommodation expenses

	2015	2014
	\$	\$
Lease rentals	38,743	43,548
Repairs and maintenance	1,136	-
Cleaning	5,236	3,279
Total	45,115	46,827

Note 14. Other expenses

	2015	2014
	\$	\$
Rates and Taxes	1,501	2,458
Bank Fees	1,001	639
Auditing	23,574	24,410
Other	59,830	(13,530)
Total	85,906	13,977

Note 15. Inventories

	2015	2014
	\$	\$
<u>Current</u>		
Inventories held for resale:		
Finished goods	-	-
At cost	9,685	19,169
Total current	9,685	19,169

Note 16. Receivables

	2015	2014
	\$	\$
<u>Current</u>		
Receivables	141,466	230,347
Allowance for impairment of receivables	(1,112)	(1,112)
Accrued revenue	40,393	16,803
Total current	180,747	246,038
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(1,112)	(12,000)
Doubtful debts expense	-	-
Amounts written off during the period	-	10,888
Impairment losses reversed during the period	-	-
Balance at end of period	(1,112)	(1,112)

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

Note 17. Other assets

	2015	2014
	\$	\$
<u>Current</u>		
Prepayments	2,665	5,355
Total current	2,665	5,355
<u>Non-current</u>		
Equity share in Joint Venture (Livestock Logistics)	112,153	104,383
Total non-current	112,153	104,383

Note 18. Property, plant and equipment

	2015 \$	2014 \$
<u>Land</u>		
At fair value ^(a)	4,310,000	4,710,000
Accumulated impairment losses	-	-
	4,310,000	4,710,000
<u>Buildings</u>		
At fair value ^(a)	13,271,114	13,560,119
Accumulated depreciation	(289,524)	(289,355)
Accumulated impairment losses	-	-
	12,981,590	13,270,764
<u>Plant, equipment and vehicles</u>		
At cost	894,689	898,717
Accumulated depreciation	(609,497)	(530,968)
	285,192	367,749
	17,576,782	18,348,513

(a) Land and buildings were revalued as at 1 July 2014 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2015 and recognised at 30 June 2015. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,150,000. For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The Authority has not elected to take up the valuation for buildings for 30th June 2015 as the movement is immaterial. Information on fair value measurement is provided in Note 20.

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

	Land \$	Buildings \$	Plant, equipment and vehicles \$	Total \$
2015				
Carrying amount at start of period	4,710,000	13,270,764	367,749	18,348,513
Additions	-	350	13,372	13,722
Transfers	-	-	(388)	(388)
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments/ (decrements)	(400,000)	-	-	(400,000)
Impairment losses ^(a)	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-
Depreciation	-	(289,524)	(95,541)	(385,065)
Carrying amount at end of period	4,310,000	12,981,590	285,192	17,576,782
2014				
Carrying amount at start of period	4,760,000	13,548,000	357,577	18,665,577
Additions	-	12,119	99,079	111,198
Transfers	-	-	(2,318)	(2,318)
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments/ (decrements)	(50,000)	-	-	(50,000)
Impairment losses ^(a)	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-
Depreciation	-	(289,355)	(86,589)	(375,944)
Carrying amount at end of period	4,710,000	13,270,764	367,749	18,348,513

(a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 20

Note 19. Infrastructure

	2015	2014
	\$	\$
At fair value	38,381,360	38,044,248
Accumulated depreciation	(4,167,736)	(3,403,946)
Accumulated impairment losses	-	-
	34,213,624	34,640,302

Fair value was determined on the basis of depreciated replacement cost.

	2015	2014
	\$	\$
Reconciliation		
Carrying amount at start of period	34,640,302	35,362,897
Additions	337,111	35,265
Assets classified as held for sale	-	-
Revaluation increments/(decrements)	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Transfers	52	2,319
Depreciation expense	(763,841)	(760,179)
Carrying amount at end of period	34,213,624	34,640,302

Information on fair value measurements is provided in Note 20.

Note 20. Fair value measurements

Assets measured at fair value: 2015	Level 1	Level	Level	Fair Value at end of period
	\$	\$	\$	\$
Land (Note 18)	-	-	4,310,000	4,310,000
Buildings (Note 18)	-	-	12,981,590	12,981,590
Infrastructure (Note 19)	-	-	34,213,624	34,213,624
			51,505,214	51,505,214

Assets measured at fair value: 2014	Level 1	Level 2	Level 3	Fair Value at end of period
	\$	\$	\$	\$
Land (Note 18)	-	-	4,710,000	4,710,000
Buildings (Note 18)	-	-	13,270,764	13,270,764
Infrastructure (Note 19)	-	-	34,640,302	34,640,302
			52,621,066	52,621,066

There were no transfers between Levels 1, 2 or 3 during the period.

Fair value measurements using significant unobservable inputs (Level 3)

2015	Land \$	Buildings \$	Infrastructure \$
<u>Fair Value at start of period</u>	4,710,000	13,270,764	34,640,302
Additions	-	350	337,111
Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(400,000)	-	-
Transfers (from/to Level 2)	-	-	52
Disposals	-	-	-
Depreciation Expense	-	(289,524)	(763,841)
Fair Value at end of period	4,310,000	12,981,590	34,213,624
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(400,000)	-	-
2014	Land \$	Buildings \$	Infrastructure \$
<u>Fair Value at start of period</u>	4,760,000	13,548,000	35,362,897
Additions	-	12,119	35,265
Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(50,000)	-	-
Transfers (from/(to) Level 2)	-	-	2,319
Disposals	-	-	-
Depreciation Expense	-	(289,355)	(760,179)
Fair Value at end of period	4,710,000	13,270,764	34,640,302
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(50,000)	-	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted less restoration costs to return the site to a vacant and marketable condition (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

Significant Level 3 inputs used by the Western Australian Meat Industry Authority are derived and evaluated as follows:

Historical cost per square metre floor area (m²)

The costs of constructing specialised buildings with similar utility are extracted from financial records of the Western Australian Meat Industry Authority, then indexed by movements in CPI.

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Historical cost per cubic metre (m³)

The costs of construction of infrastructure are extracted from financial records of

the Western Australian Meat Industry Authority and indexed by movements in construction costs by quantity surveyors.

Information about significant unobservable inputs (Level 3) in fair value measurements.

Description and fair value as at 30 June 2015 \$	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Land \$4,310,000	Market approach	Selection of land with similar approximate utility	\$53 - \$407 per m ² (\$147 per m ²)	Higher value of similar land increases estimated fair value.
Buildings \$12,981,590	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset	0.11% - 2% per year (1.05% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical cost per square metre floor area (m ²)	\$250 - \$658 per m ² (\$250 per m ³)	Higher historical cost per m ² increases fair value.
Infrastructure \$34,222,602	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset	0.03% - 2% per year (1.01% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value.
		Historical cost per cubic metre (m ³)	\$250 - \$658 per m ² (\$250 per m ³)	Higher historical cost per cubic metre (m ³) increases fair value.

Reconciliations of the opening and closing balances are provided in Note 18.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some nonfinancial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Western Australian Meat Industry Authority's enabling legislation.

Note 21. Intangible assets

	2015 \$	2014 \$
<u>Computer software</u>		
At cost	14,875	14,875
Accumulated amortisation	(5,655)	(3,796)
Accumulated impairment losses	-	-
	9,220	11,079
Reconciliations		
<u>Computer software</u>		
Carrying amount at start of period	11,079	12,938
Additions	-	-
Classified as held for sale	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Amortisation expense	(1,859)	(1,859)
Carrying amount at end of period	9,220	11,079

Note 22. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2015.

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

All surplus assets at 30 June 2015 have either been classified as assets held for sale or written-off.

Note 23. Payables

	2015 \$	2014 \$
<u>Current</u>		
Trade payables	179,286	15,667
Tax payables	29,204	40,825
Accrued expenses	13,225	46,339
Accrued salaries	43,886	29,412
Other	5,572	-
Total current	271,173	132,243

Note 24. Provisions

	2015 \$	2014 \$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	76,564	98,394
Long service leave ^(b)	55,042	70,694
Superannuation ^(d)	2,771	2,771
	134,377	171,859
<i>Other provisions</i>		
Employment on-costs ^(c)	18,221	23,407
	18,221	23,407
	152,598	195,266
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	38,911	25,152
	38,911	25,152
<i>Other provisions</i>		
Employment on-costs ^(c)	6,867	4,439
	6,867	4,439
	45,778	29,591

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

	2015 \$	2014 \$
Within 12 months of the end of the reporting period	23,483	51,586
More than 12 months after the end of the reporting period	61,589	57,740
	85,072	109,326

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

	2015 \$	2014 \$
Within 12 months of the end of the reporting period	67,527	82,169
More than 12 months after the end of the reporting period	45,777	29,591
	113,304	111,760

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 14 'Other expenses'.

(d) Defined benefit superannuation plans

Movements in the present value of the defined benefit obligation in the reporting period were as follows:	Pension Scheme		Pre-transfer benefit– Gold State Scheme	
	2015 \$	2014 \$	2015 \$	2014 \$
Liability at start of period	-	-	2,771	2,771
Included in profit or loss:				
Current service cost	-	-	-	-
Past service cost	-	-	-	-
Interest cost	-	-	-	-
	-	-	2,771	2,771
Included in Other Comprehensive Income:				
Remeasurements loss (gain) recognised:				
Actuarial losses/(gains) arising from:				
demographic assumptions	-	-	-	-
financial assumptions	-	-	-	-
experience adjustments	-	-	-	-
Benefits paid	-	-	-	-
Liability at end of period	-	-	2,771	2,771

The Authority holds no plan assets, therefore the present value of the defined benefit obligation equals the net defined benefit liability. Employer contributions, to the Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS, equal the benefits paid.

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

Discount rate 2.74%

Future salary increases 5.0%

Average longevity at retirement age for current pensioners (years) 4.6.

The Pension Scheme and the pre-transfer benefit for the GSS expose the Authority to actuarial risks, such as salary risk, longevity risk and interest rate risk. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, holding all other assumptions constant.

	Defined Benefit Obligation	
	2015	2014
Discount rate (1% movement)	2.74%	3.69%
Future salary growth (1% movement)	4.00%	5.00%
Future longevity (1 year movement)	2.50%	2.50%

Employer funding arrangements for the defined benefit plans

The Pension Scheme and the pre-transfer benefit for the GSS in respect of individual plan participants are settled by the Authority on their retirement. Funding requirements are based on invoices provided to the Authority by GESB that represent the cost of benefits paid to members during the reporting period.

Employer contributions of \$498 are expected to be paid to the Pension Scheme in the subsequent annual reporting period.

Movements in other provisions

	2015	2014
	\$	\$
Movements in each class of provisions during the period, other than employee benefits, are set out below:		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	27,846	22,836
Additional/(reversals of) provisions recognised	(2,758)	5,459
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	25,088	27,846

Note 25. Equity

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

Reserves

	2015 \$	2014 \$
Asset revaluation surplus	-	-
Balance at start of period	1,612,318	1,662,318
Net revaluation increments/(decrements)	-	-
Land	(400,000)	(50,000)
Balance at end of period	1,212,318	1,612,318

Retained earnings

	2015 \$	2014 \$
Balance at start of period	59,699,517	60,555,872
Result for the period	(913,605)	(856,355)
Balance at end of period	58,785,912	59,699,517
Total equity at end of period	59,998,230	61,311,835

Note 26. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2015 \$	2014 \$
Cash and cash equivalents	679,689	610,882
Restricted cash and cash equivalents	7,683,214	7,683,214
	8,362,903	8,294,096

Reconciliation of profit after income tax equivalent to net cash flows provided by/(used in) operating activities

	2015 \$	2014 \$
Profit after income tax equivalents	(913,605)	(856,355)
<u>Non-cash items</u>		
Depreciation and amortisation expense	1,150,765	1,137,982
Share of Joint Venture income	(7,770)	(7,862)
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	91,322	(46,633)
Current inventories	9,484	(10,654)
Other current assets	12,349	(1,198)
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(a)	42,855	(73,147)
Current provisions	(73,584)	(392)
Other current liabilities	-	9,840
Non-current provisions	16,187	8,941
Net cash provided by/(used in) operating activities	328,003	160,492

(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.

At the end of the reporting period, the Authority had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Note 27. Commitments

Non-cancellable operating lease commitments

	2015 \$	2014 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	21,547	16,190
Later than 1 year and not later than 5 years	23,309	60,877
Later than 5 years	-	-
	44,856	77,067

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

the lease at the end of the two year term for an additional term of five years.

Capital expenditure commitments

	2015 \$	2014 \$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	309,000	425,000
Later than 1 year and not later than 5 years	1,545,000	1,305,804
Later than 5 years	-	-
	<u>1,854,000</u>	<u>1,730,804</u>

Note 28. Contingent liabilities and contingent assets

Contingent liabilities

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

Litigation in progress

There is a claim for in relation to an alleged flooding incident in conjunction with the Chittering Shire Council.

Native Title claims

There were no claims present at the 30th June 2015.

Contaminated Sites

There were no suspected contaminated sites present at balance date.

Contingent assets

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

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

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

Note 30. Explanatory statement

Significant variations between the original budget and actual results and variations between last year actual to 2014/2015 actuals are shown below in table form.

Statement of Comprehensive Income	Var Note	Original Budget 2015	Actual 2015	Actual 2014	Variance between estimate and actual		Variance between actual results for 2015 and 2014	
		\$	\$	\$	\$	% Var	\$	% Var
INCOME		A	B	C	(A-B)		(B-C)	
Revenue								
Sales	1,a	220,160	352,724	32,909	132,564	60%	319,815	972%
Provision of services	2	1,554,851	1,837,454	1,994,793	282,603	18%	(157,339)	(8%)
Interest revenue		298,738	279,611	306,814	(19,127)	(6%)	(27,203)	(9%)
Other revenue		169,467	194,911	206,779	25,444	15%	(11,868)	(6%)
TOTAL INCOME		2,243,216	2,664,700	2,541,295	421,484	19%	123,405	5%
EXPENSES								
Cost of sales	3,b	78,000	102,252	-	(24,252)	(31%)	(102,252)	0%
Employee benefits expense	4	1,159,965	1,232,152	1,094,828	(72,187)	(6%)	(137,324)	(13%)
Supplies and services		935,406	962,115	1,071,591	(26,709)	(3%)	109,476	10%
Depreciation and amortisation expense		1,074,394	1,150,765	1,137,982	(76,371)	(7%)	(12,783)	(1%)
Accommodation expenses		47,986	45,115	46,827	2,871	6%	1,712	4%
Other expenses		93,769	85,906	46,422	7,863	8%	(39,484)	(85%)
TOTAL EXPENSES		3,389,520	3,578,305	3,397,650	(188,785)	(6%)	(180,655)	(5%)
PROFIT/(LOSS) FOR THE PERIOD		(1,146,304)	(913,605)	(856,355)	232,699	20%	(57,250)	(7%)
OTHER COMPREHENSIVE INCOME								
Items not reclassified subsequently to profit or loss								
Changes in asset revaluation surplus		0	(400,000)	(50,000)	(400,000)	0%	(350,000)	(700%)
Total other comprehensive income		0	(400,000)	(50,000)	(400,000)	0%	(350,000)	(700%)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,146,304)	(1,313,605)	(906,355)	167,301	(15%)	(407,250)	(45%)

Statement of Financial Position As at 30 June 2015	Var Note	Original Budget 2015	Actual 2015 \$	Actual 2014 \$	Variance between estimate and actual		Variance between actual results for 2015 and 2014	
					(A-B)	% Var	(B-C)	% Var
		A	B	C	(A-B)		(B-C)	
ASSETS								
<u>Current Assets</u>								
Cash and cash equivalents		156,777	679,689	610,882	522,912	334%	68,807	11%
Restricted cash and cash equivalents		7,683,214	7,683,214	7,683,214	-	0%	-	0%
Inventories		19,169	9,685	19,169	(9,484)	(49%)	(9,484)	(49%)
Receivables		157,753	180,747	246,038	22,994	15%	(65,291)	(27%)
Other current assets		5,355	2,665	5,355	(2,689)	(50%)	(2,689)	(50%)
Total Current Assets	5	8,022,268	8,556,000	8,564,658	533,733	7%	(8,658)	(0%)
<u>Non-Current Assets</u>								
Property, plant and equipment		17,949,332	17,576,782	18,348,513	(372,550)	(2%)	(771,731)	(4%)
Infrastructure		34,353,258	34,213,624	34,640,302	(139,634)	(0%)	(426,678)	(1%)
Intangible Assets		9,220	9,220	11,079	-	0%	(1,859)	(17%)
Other non-current assets		104,383	112,153	104,383	7,770	7%	7,770	7%
Total Non-Current Assets	C	52,416,193	51,911,779	53,104,277	(504,414)	(1%)	(1,192,498)	(2%)
TOTAL ASSETS		60,438,461	60,467,779	61,668,935	29,318	0%	(1,201,156)	(2%)
LIABILITIES								
<u>Current Liabilities</u>								
Payables	d	48,071	271,173	132,243	(223,102)	(464%)	(138,930)	(111%)
Provisions		195,266	152,598	195,266	42,668	22%	42,668	22%
Total Current Liabilities	6	243,337	423,771	327,509	(180,434)	(74%)	(96,262)	(32%)
<u>Non-Current Liabilities</u>								
Provisions		29,591	45,778	29,591	(16,187)	(55%)	(16,187)	(55%)
Total Non-Current Liabilities		29,591	45,778	29,591	(16,187)	(55%)	(16,187)	(55%)
Total Liabilities		272,928	469,549	357,100	(206,621)	(72%)	(112,449)	(34%)
NET ASSETS		60,165,533	59,998,230	61,311,835	225,939	0%	(1,073,284)	(2%)
EQUITY								
Reserves	7	1,612,318	1,212,318	1,612,318	(400,000)	(25%)	(400,000)	(25%)
Retained earnings		58,553,215	58,785,912	59,699,517	232,697	0%	(913,605)	(2%)
TOTAL EQUITY		60,165,533	59,998,230	61,311,835	(167,303)	(0%)	(1,313,605)	(2%)

Statement of Cash Flows For the year ended 30 June 2015	Var Note	Original Budget 2015	Actual 2015 \$	Actual 2014 \$	Variance between estimate and actual		Variance between actual results for 2015 and 2014	
						% Var		% Var
CASH FLOWS FROM OPERATING ACTIVITIES		A	B	C	(A-B)		(B-C)	
<u>Receipts</u>								
Sale of goods and services		142,160	221,618	32,909	79,458	56%	188,709	573%
Provision of services		1,505,113	1,760,062	1,826,514	254,949	17%	(66,452)	(4%)
Interest received		298,738	260,062	290,012	(38,676)	(13%)	(29,950)	(10%)
GST receipts on sales		138,123	154,562	130,686	16,439	12%	23,876	18%
Other receipts		169,467	194,911	206,779	25,444	15%	(11,868)	(6%)
<u>Payments</u>								
Employee benefits		(1,159,964)	(799,473)	(1,058,334)	(34,830)	(5%)	(136,460)	(13%)
Supplies and services		(1,103,348)	(799,472)	(1,009,387)	303,876	28%	209,915	121%
Accommodation		(47,986)	(45,115)	(46,827)	2,871	6%	1,712	4%
GST payments on purchases		(227,144)	(223,830)	(211,830)	3,314	1%	(12,000)	(6%)
Net cash provided by/(used in) operating activities	8,e	(284,841)	328,003	160,522	612,845	215%	167,482	104%
CASH FLOWS FROM INVESTING ACTIVITIES								
<u>Payments</u>								
Purchase of non-current assets		(169,165)	(259,196)	(141,303)	(90,031)	(53%)	(117,893)	(83%)
Net cash provided by/(used in) investing activities	9,f	(169,165)	(259,196)	(141,303)	(90,031)	(53%)	(117,893)	(83%)
Net increase/ (decrease) in cash and cash equivalents		(454,006)	68,807	19,219	522,813	115%	49,587	(258%)
Cash and cash equivalents at the beginning of the period		8,294,096	8,294,096	8,274,877	-	0%	19,219	0%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,840,090	8,362,903	8,294,096	522,813	7%	68,807	1%

Major Variance Narratives

Variations between estimate and actual

Income –

1. The higher than expected sales of \$132,564 or 60% was due to increased Feeding Fees and improved sales of compost.
2. The Provision of Services was higher than budget by \$282,603 or 18% due to Cattle Yard Fees having higher than expected throughput due partly to the attraction of high prices at sale. Cattle throughput was 27% higher than the budget. The improved throughput also increases associated Fee income from Livestock Services offered. The throughput for Sheep also exceeded budget by 42% increasing income from Yard Fees. The yard fees for Sheep were \$165,124 over budget.

Expenditure –

3. The budget was exceeded by (\$53,106) (68%) due to extra feed required to cater for the high demand.
4. Employee Costs were over-budget by (\$72,187) (6%) as demand for overtime on weekends has been necessary to supervise pastoral cattle feeding and to cover leave.

Assets and Liabilities

Assets

Current Assets

5. The current assets were over budget by \$533,733 or 7% as cash reserves were higher than expected due to the flow of increased income. Consequentially the debtors \$22,994 or 15% were higher than expected at year end.

Liabilities

Current Liabilities

6. The Total Current Liabilities were (\$188,553) (77%) over budget. The accounts payable was higher than budget due in part to an unpaid invoice of \$94,257 for a building defects claim settlement and accrual of invoices was higher than expected.

Equity

7. The Reserves were below budget by (\$400,000) (25%) due to the valuation of land held by the Authority lowering as a result of taking up the annual Landgate Land and Buildings valuation. The Asset revaluation reserve was used to offset the net decline in the land value for \$400,000.

Cash Flows

Operating Activities

8. The net cash used in operating activities was \$504,956 177% above budget. The increased throughput for Cattle and Sheep resulted in increased income combined with the operational costs being contained with the pressure of extra demand for services.

Investing Activities

9. The Net cash provided in investing activities was \$17,856 11% below budget. The timing of the end of the year resulted in a capital payment of \$94,257 being held for payment to next year. Capital projects are assessed individually and more projects were approved by the board than what the budget had allowed for.

Variations between estimate actuals results for 2015 and 2014

Income

- a. The sales revenue was \$319,815 or 972% higher than the previous year as the recording of sales for Feeding Fees and Livestock Trading began in the 2014/2015.

Expenditure

- b. The Cost of sales was (\$131,106) higher than last year. The cost of sales for 2014/2015 now includes purchases for feed and livestock.

Non – Current Assets

- c. Property plant and equipment was (\$771,731) (4%) lower than last year. The depreciation totalled (\$385,065) and the revaluation was (\$400,000). The 2013/2014 revaluation of Land and Buildings was (\$50,000).

Current Liabilities

- d. Payables were (\$147,049) (11%) higher than last year. The timing of payments created higher payables; one payment for \$94,257 was carried over.

Payments

- e. Employee benefits were (\$155,933) (15%) above last year. The 2014/2015 had higher costs due to increased pay rates for award wage increases and extra hours worked to cater for demands.

Cash at end of the period

- f. The cash reserves were increased from 2013/2014 by \$68,807, a cash positive result. This was due to costs being contained whilst demand for services was strong with high throughput.

Note 31. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 32(c) 'Financial instruments disclosures' and note 16 'Receivables'.

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

Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations

as they fall due.

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

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, borrowings and finance leases. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks.

Other than as detailed in the interest rate sensitivity analysis table at note 32(c), the Authority is not exposed to interest rate risk because the majority of cash and cash equivalents are not interest bearing and it has no borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2015 \$	2014 \$
<u>Financial Assets</u>		
Cash and cash equivalents	679,689	610,882
Restricted cash and cash equivalents	7,683,214	7,683,214
Loans and receivables ^(a)	180,747	230,347
Other current assets	2,665	16,803
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	271,173	132,243

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

(c) Financial instrument disclosures

Credit risk

The following table discloses the Authority's maximum exposure to credit risk and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Authority.

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

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired				More than 5 years	Impaired financial assets
			Up to 1 month	1-3 months	3 month to 1 year	1-5 years		
	\$	\$	\$	\$	\$	\$	\$	
2015								
Cash and cash equivalents	679,689	679,689	-	-	-	-	-	
Restricted cash and cash equivalents	7,683,214	-	-	-	-	-	-	
Receivables ^{(a),(b)}	180,747	180,747	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	
Other financial assets	2,665	2,665	-	-	-	-	-	
	8,546,315	863,101	-	-	-	-	-	
2014								
Cash and cash equivalents	610,882	610,882	-	-	-	-	-	
Restricted cash and cash equivalents	7,683,214	-	-	-	-	-	-	
Receivables ^(a)	230,347	230,347	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	
Other financial assets	16,803	16,803	-	-	-	-	-	
	8,541,246	858,032	-	-	-	-	-	

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

Liquidity risk and interest rate exposure

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2015	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure		Nominal Amount \$	Maturity dates				
			Fixed interest rate \$	Variable interest rate \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
<u>Financial Assets</u>										
Cash and cash equivalent	1.25	679,689	-	679,689	679,689	-	-	-	-	-
Restricted cash and cash equivalents	2.85	7,683,214	7,683,214	-	7,683,214	-	-	7,683,214	-	-
Receivables ^(a)	-	180,747	-	180,747	180,747	161,177	19,570	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	2,665	-	2,665	2,665	2,665	-	-	-	-
		8,546,315	7,683,214	679,689	8,546,315	843,531	19,570	7,683,214	-	-
<u>Financial Assets</u>										
Payables	-	271,173	-	271,173	271,173	271,173	-	-	-	-
		271,173	-	271,173	271,173	271,173	-	-	-	-

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

Interest rate exposure and maturity analysis of financial assets and financial liabilities

2014	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure		Nominal Amount \$	Maturity dates					
			Fixed interest rate \$	Variable interest rate \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
<u>Financial Assets</u>											
Cash and cash equivalent	-	610,882	-	610,882	610,882	-	-	-	-	-	-
Restricted cash and cash equivalents	-	7,683,214	7,683,214	-	7,683,214	-	-	-	7,683,214	-	-
Receivables ^(a)	-	230,347	-	230,347	230,347	201,235	29,112	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	16,803	-	16,803	16,803	16,803	-	-	-	-	-
		8,541,246	7,683,214	610,882	8,541,246	828,920	29,112	7,683,214			
<u>Financial Liabilities</u>											
Payables	-	132,243	-	132,243	132,243	132,243	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
WATC/Bank borrowings	-	-	-	-	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-	-	-	-
Amounts due to the Treasurer	-	-	-	-	-	-	-	-	-	-	-
		132,243			132,243	132,243					

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

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2015	Carrying amount \$	-100 basis points		+100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalent	679,689	(6,796)	(6,796)	6,796	6,796
Restricted cash and cash equivalents	7,683,214	(76,832)	(76,832)	76,832	76,832
Other financial assets	-	-	-	-	-
<u>Financial Liabilities</u>					
Bank overdraft	-	-	-	-	-
Total Increase/(Decrease)		(83,628)	(83,628)	83,628	83,628

2014	Carrying amount \$	-100 basis points		+100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalent	610,882	(6,108)	(6,108)	6,108	6,108
Restricted cash and cash equivalents	7,683,214	(73,832)	(76,832)	76,832	76,832
Other financial assets	-	-	-	-	-
<u>Financial Liabilities</u>					
Bank overdraft	-	-	-	-	-
Total Increase/(Decrease)		(82,940)	(82,940)	82,940	82,940

Fair values

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

Note 32. Jointly controlled operations

Name of Operation	Principal Activity	Output Interest (%)
Midland Scales Joint Venture – trading as Livestock Logistics W.A.	Livestock weighing and handling	33

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

	2015 \$	2014 \$
<u>Current assets</u>		
Cash and cash equivalents	-	-
	-	-
<u>Non-current assets</u>		
Buildings under construction	-	-
Other	112,153	104,382
Total assets	112,153	104,382

The following is a representation of the financial information for the Livestock Logistics Joint venture as the 30th of June 2015.

The investment amount held is calculated using the equity method. The amount held is one third of the total equity of \$336,459, \$112,153.

The Joint Venture had unrestricted cash on hand for \$283,961 at as the 30th June 2015. There is a guarantee with Bankwest for payroll commitments for \$50,000. The capital commitments were \$50,000 to maintain operations. There were no loans, advances or contingent liabilities for the 30th June 2015.

	2015 \$	2014 \$
Revenue		
Sales	29,076	30,165
Provision of services	1,511,225	1,303,679
Interest revenue	2,081	6,065
Other revenue	5,815	28,559
Total Revenue	1,548,197	1,368,468
Expenses		
Employee benefits expense	1,051,340	992,392
Supplies and services	333,480	354,608
Depreciation expense	28,314	15,131
Other expenses	54,525	40,948
Total Expenses	1,467,659	1,403,079
PROFIT FOR THE YEAR	80,538	(34,611)
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	283,961	210,626
Inventories	8,749	16,409
Receivables	103,914	150,968
Other current assets	10,624	8,368
Total Current Assets	407,248	386,371
<u>Non-Current Assets</u>		
Plant and equipment	76,519	82,161
Total Non-Current Assets	76,519	82,161
TOTAL ASSETS	483,767	468,532
LIABILITIES		
<u>Current Liabilities</u>		
Payables	54,420	131,824
Provisions	63,019	47,900
Other current liabilities	20,149	19,520
Total Current Liabilities	137,588	199,244
<u>Non-Current Liabilities</u>		
Provisions	9,720	13,367
Total Non-current Liabilities	9,720	13,367
Total Liabilities	147,308	212,611
Net Assets	336,459	255,921
EQUITY		
Participants' contribution	143,472	143,472
Retained earnings	192,987	112,449
TOTAL EQUITY	336,459	255,921

Note 33. Remuneration of members of the Western Australian Meat Industry Authority and senior officers

Remuneration of members of the Western Australian Meat Industry Authority

The number of members of the Western Australian Meat Industry Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

Remuneration Band (\$)	2015	2014
Up to 10,000	6	6
10,001 – 20,000	1	1
100,001 – 110,000		
110,001 – 120,000		
120,001 – 130,000		
130,001 – 140,000		
	\$	\$
Base remuneration and superannuation	119,611	115,520
Annual leave and long service leave accruals	-	-
Other benefits	-	-
The total remuneration of members of the Authority	119,611	115,520

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Western Australian Meat Industry Authority.

Remuneration of senior officers

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

Remuneration Band (\$)	2015	2014
50,001 – 60,000		
60,001 – 70,000		
100,001 – 110,000	1	1
110,001 – 120,000		1
120,001 – 130,000	1	1
130,001 – 140,000	1	
140,001 – 150,000		
150,001 – 160,000	1	1
	\$	\$
Base remuneration and superannuation	571,714	544,618
Annual leave and long service leave accruals	116,064	150,070
Other benefits	-	-
The total remuneration of senior officers	687,778	694,688

The total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the Authority.

Note 34. Remuneration of auditor

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

	2015 \$	2014 \$
Auditing the accounts, financial statements and key performance indicators	19,000	19,000

Note 35. Supplementary financial information

(a) Write-offs

	2015 \$	2014 \$
Bad Debts written-off during the period	57	10,880
	57	10,880

(b) Losses through theft, defaults and other causes

	2015 \$	2014 \$
There were no losses of public money and public and other property through theft or default.	-	-
	-	-

(c) Gifts of public property

	2015 \$	2014 \$
Gifts of public property provided by the Authority	-	-
	-	-

(e) Related Bodies

The Authority had no related bodies.

(f) Affiliated Bodies

The Authority had no affiliated bodies.

(g) Special Purpose

The Authority had no special purpose accounts.

Note 36. Schedule of income and expenses by service

	Muehea Livestock Centre		Compliance and Licencing		Development and Administration		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Sales	351,149	32,909	1,575	900	0	0	352,724	32,909
Provision of services	1,724,500	1,894,569	112,954	100,224	0	0	1,837,454	1,994,793
Interest revenue	0	0	0	0	279,611	306,814	279,611	306,814
Other revenue	115,552	203,808	0	0	79,359	2,971	194,911	206,779
Gain on disposal of non-current assets	0	0	0	0	0	0	0	0
Total Income	2,191,201	2,130,386	114,529	101,124	358,970	309,785	2,664,700	2,541,295
Expenses								
Cost of sales	99,540	32,445	2,712	0	0	0	102,252	32,445
Employee benefits expense	788,159	734,067	46,347	159,508	397,646	201,253	1,232,152	1,094,828
Supplies and services	889,784	912,924	0	40,380	72,331	118,287	962,115	1,071,591
Depreciation and amortisation expense	1,141,850	1,137,982	0	0	8,915	0	1,150,765	1,137,982
Finance costs	0	0	0	0	0	0	0	0
Accommodation expenses	0	46,827	0	0	45,115	0	45,115	46,827
Grants and subsidies	0	0	0	0	0	0	0	0
Other expenses	(21,585)	(87,793)	58,991	33,035	48,500	68,735	85,906	13,977
Total expenses	2,897,748	2,776,452	108,050	232,923	572,507	388,275	3,578,305	3,397,650
Profit/(loss) before grants and subsidies from State Government	(706,547)	(646,066)	6,479	(131,799)	(213,537)	(78,490)	(913,605)	(856,355)
Grants and subsidies from State Government	0	0	0	0	0	0	0	0
Profit/(loss) before income tax equivalent expense	(706,547)	(646,066)	6,479	(131,799)	(213,537)	(78,490)	(913,605)	(856,355)
Income tax equivalent expense	-	-	-	-	-	-	-	-
Profit/(loss) for the period	(913,605)	(856,355)					(913,605)	(856,355)

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2015.



D. Lock

Chairman of Western Australian Meat
Industry Authority

15 September 2015



M. Panizza

Member of The Western Australian
Meat Industry Authority

15 September 2015

Detailed Information in Support of Key Performance Indicators

Agency Level Government Desired Outcome: Ensure Muchea Livestock is the premium facility

	2011-12	2012-13	2013-14	2014-15
	%	%	%	%
<u>Key Effectiveness Indicator</u>				
The % of throughput for MLC (Cattle)	41.4	39	41.3	42.8
The % of throughput for MLC (Sheep)	36	45	49.1	45.5

Service 1:

	2011-12	2012-13	2013-14	2014-15
	\$	\$	\$	\$
<u>Key Efficiency Indicators</u>				
Total Cost	2,412,031	2,280,403	2,260,321	2,343,393
Cost per unit	2.45	2.13	1.63	1.74
Cost per unit less depreciation	1.40	1.04	0.80	0.97

Ministerial Directions

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Pricing policies of services provided

The Authority charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with *Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector* published by Treasury.

The current fees and charges were published in the Gazette on 31 July 2015 and introduced/payable from 31st July 2015. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

All capital projects are complete for 2014-15.

Employment and Industrial Relations

Staff Profile

	2015	2014
Full-time permanent	6	6
Full-time contract	0	1
Part-time measured on a FTE basis	3	2
On secondment	0	0
	9	9

Staff Development

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

During the financial year, our employees received external training.

Workers Compensation

No compensation claims were recorded during the financial year, as was the case for 2013/14.

Governance Disclosures

Contracts with Senior Officers

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

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2014/15 was \$114,192.

Other Legal Requirements

Annual Estimates

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

The estimates are to be prepared and submitted to the Minister at such times

as determined by the Treasurer, or no later than three months before the commencement of the next financial year.

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

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

<https://publicsector.wa.gov.au/document/annual-reporting-framework-2014/15>

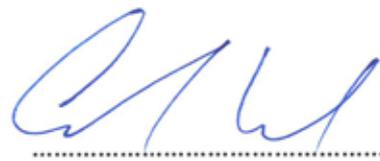
Government Policy Requirements

A comprehensive list of Government Policy Requirements is available from the Public Sector Commission's Annual Reporting Framework at:

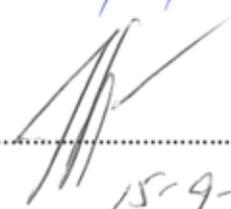
<https://publicsector.wa.gov.au/document/annual-reporting-framework-2014/15>

PERFORMANCE INDICATORS
CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2015.


.....MEMBER

15/9/15
.....Date


.....MEMBER

15-9-15
.....Date



Outcome One (Effectiveness)

To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.

Relevance of Outcome

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

Effectiveness Indicator to be Measured

The Muchea Livestock Centre share of livestock marketed through saleyards in Western Australia.

Relevance of Indicator

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

Source of Information/Measurement

In July 2006 the Western Australian Meat Industry Authority (WAMIA) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2014/2015. All saleyards are represented regardless of total throughput or frequency of operation.

Performance of State Throughput

There are twenty seven (27) operating saleyards in Western Australia of these five (5) saleyards operated on a regular basis (at least six sales per year) during the 2014/2015 financial year or accounted for at least 1% of State saleyards throughput of one species.

The results below indicate that the Muchea Livestock Centre has maintained its position as the largest saleyard in the state by overall throughput and maintained its overall dominant market share in cattle and has now achieved a high market share for sheep.

Comparative Performance

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

Cattle and Calves

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MLC	103,530	100,890	106,183	86,582	80,917	92,780	104,754
Total saleyards	242,927	259,195	250,649	209,263	205,596	224,932	244,701
% through MLC	42.7%	39.3%	42.4%	41.4%	39.0%	41.3%	42.81%
Next highest sale-yard	67,645	67,786	72,553	59,788	63,104	69,010	69,661

Sheep, Lambs and Goats

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
MLC	913,957	648,449	701,614	423,081	550,066	785,505	660,050
Total sale-yards	2,149,313	1,745,192	1,845,041	1,175,110	1,215,223	1,598,139	1,451,030
% through MLC	42.5%	37.2%	38.03%	36.0%	45.0%	49.1%	45.5%
Next highest saleyard	1,140,728	991,579	1,155,265	707,579	619,992	753,590	734,397

Performance of Targets

WAMIA set target throughputs as part of its 2014/2015 budget process these estimates were based on forecasting and seasonal conditions for the coming year. Based on the 2014/2015 actual throughput WAMIA did meet its expected targets with stock numbers for cattle being higher than estimates by 27%. Though the throughput number for sheep did exceed the estimate by 43% the forward year's throughput is a concern. The throughput is determined by a number of factors and the continued decline of the State sheep flock will have an effect in the long term.

	TARGET	ACTUALS	VARIANCE
Cattle	82,500	104,754	22,254 27%
Sheep, lambs and goats	463,000	660,050	197,050 43%

Service One – Muchea Livestock Centre (Efficiency Measure 1)

To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information

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

		SALEYARDS		Development & Standards		
Income	Total	Statutory	Fee for service	Regulation	Information	Administration
	\$2,663,025	\$1,352,468	\$913,365	\$114,529	\$3,051	\$279,612

		SALEYARDS		Development & Standards		
Expenditure	Total	Statutory	Fee for service	Regulation	Information	Administration
	\$3,577,446	\$2,342,390	\$585,052	\$245,802	\$81,777	\$322,195

Performance

The total cost of maintaining Muchea Livestock Centre in 2014/2015 was \$2,342,620. The Muchea Livestock Centre's throughput for the year was 1,345,763 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units, cattle 7 units).

The cost per unit for 2014/2015 to maintain the Muchea Livestock Centre was \$1.74. The cost of depreciation is now a significant portion of the total and \$1,035,688 was excluded to calculate the cost per unit less depreciation of \$0.97c.

This calculation is based on four years of operations of the Muchea Livestock Centre (which commenced operations on 3 May 2010). The comparative data

prior to 2010/2011 is for the Midland Saleyards which closed on 27 April 2010. The lower unit cost is attributable to increased throughput and lower operating costs.

Comparative Performance

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Total cost of maintaining Muchea Livestock Centre	\$2,262,518	2,412,031	\$2,280,403	\$2,260,321	\$2,342,620
No. of livestock units handled in the Year	1,325,529	985,040	1,071,790	1,388,670	1,345,763
Cost per unit	\$1.71	\$2.45	\$2.13	\$1.63	\$1.74
Cost per unit (less depreciation)	\$0.85	\$1.40	\$1.04	\$0.80c	\$0.97

Service One – Muchea Livestock Centre (Efficiency Measure 2)

To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information

Fee for service income was determined from Authority accounts. Fee for service activities for 2014/15 were: rentals, livestock transport truck wash, livestock transshipment service, removal and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees, livestock feeding charges and income derived from the Joint Venture. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle and other operating costs.

Performance

In 2014/2015 the cost of providing fee for service activities at the Muchea Livestock Centre was \$585,052. The income generated by these activities was \$913,365.

In 2014/2015 the return of fee for service activities at the Muchea Livestock Centre was \$1.56 for every \$1.00 incurred in providing the service. This represents a return of (56%) on the cost of those activities.

Comparative Performance

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

	2011/12	2012/13	2013/14	2014/15
Total cost of providing fee for service activities at Muchea Livestock Centre	\$572,370	\$510,725	\$516,132	\$585,052
Income generated by fee for service activities	644,948	\$638,733	\$850,553	\$913,365
Income generated for every \$1.00 incurred to provide service	\$1.11	\$1.25	\$1.65	\$1.56
Percentage return on costs	11%	25%	65%	56%

A comparison with the percentage return on fee for service activities in 2013/2014 has seen an decrease in the percentage return on the provision of services at the Muchea Livestock Centre the cost increases had an impact.

Performance Targets

In the past WAMIA has set MLC income target as part of its 2014/2015 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2013/2014 actual income, the MLC income exceeded the budgeted income by \$609,289 (37%).

	TARGET	ACTUALS	VARIANCE
Income	\$1,656,544	\$2,265,833	\$609,289 37%

Outcome Two (Effectiveness)

To ensure that Western Australian meat and livestock industry maintains appropriate standards, and to encourage and promote improved efficiency through processing establishments meeting best practice standards.

Relevance of Outcome

The Authority is required by legislation to survey, review, inspect and approve premises, facilities and operations in processing establishments in Western

Australia. The Authority is also required to encourage and promote improved efficiency throughout the meat industry.

Effectiveness Indicator to be Measured

Percentage of WA abattoirs meeting standards.

Relevance of Indicator

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

Source of Information/M Measurement

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

Performance

The State's abattoirs continue to maintain standards with the average rating for the twenty five (25) abattoirs operating at 30 June 2015 calculated at 77.2%. This situation demonstrates that the activities of the Authority continue to be effective in this area.

Comparative Performance

The following table compares ratings for abattoirs:

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Construction Standard	77.0%	77.0%	80.0%	80.6%	91.3%	91.3%
Product Description System	60.3%	60.3%	64.0%	64.6%	70.7%	70.7%
Health and Hygiene Standard	80.2%	80.2%	83.0%	84.4%	92.4%	92.4%
Training System	67.2%	67.2%	72.0%	71.9%	78.3%	78.3%
Quality Assurance System	44.8%	44.8%	66.7%	48.6%	53.6%	53.6%
Average Rating	65.9%	65.9%	69.1%	70.0%	77.2%	77.2%

Service Two – Compliance and Licensing (Efficiency Measure 1)

The Compliance and Licensing services are to ensure that Western Australian abattoirs maintain minimum standards, and to encourage and promote improved efficiency through abattoirs meeting best practice standards.

Relevance of Service

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

Efficiency Indicator to be Measured

The cost per abattoir for development and implementation of standards.

Relevance of Indicator

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

Source of Information/M Measurement

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

Performance

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$245,802. The cost of attaining the standard per abattoir (\$245,802 divided by 28 approved abattoirs) is \$8,779. The average rating for 2014/15 has been calculated at 77.2%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$114. This means that it cost the Authority \$114 to achieve each percentage point of achievement for abattoirs.

Comparative Performance

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Cost of achieving standards	\$230,997	\$264,951	\$200,208	\$219,047	\$232,923	\$245,802
Number of establishments	30	29	25	30	29	28
Cost per abattoir	\$7,700	\$9,136	\$8,008	\$7,302	\$8,032	\$8,779
Average abattoir rating	65.9%	65.9%	69.1%	70.0%	77.2%	77.2%
Cost per rating unit	\$113	\$138	\$116	\$104	\$104	\$114

The results show that the Authority has not reduced the cost per rating unit to manage these standards and maintain a higher level of service to ensure that industry standards are maintained and continued action taken against non complying facilities.

Service Three – Development and Administration (Efficiency Measure 1)

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

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information/Measurement

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

Number of abattoirs is the number of approved abattoirs (Source: Authority

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

Performance

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads (includes the cost of providing the National Livestock Reporting Service). The total cost to the Authority for 2014/2015 was \$81,777.

Twenty eight (28) abattoirs, one hundred and eight (108) processing works twenty seven (27) saleyards and fifty one (51) other outlets were operating during the 2014/15 year. The cost per establishment for delivering the service was \$382. (\$81,777 divided by 214 establishments).

Comparative Performance

	2010/11	2011/12	2012/13	2013/14	2014/15
Total cost of maintenance and distribution of information	\$77,010	\$74,858	\$81,609	\$78,236	\$81,777
Number of establishments	219	219	216	215	214
Cost per establishment for delivering service	\$352	\$342	\$378	\$364	\$382

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard

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

Product description system

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

Health and hygiene standards

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

Training standards

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

Quality assurance

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

Total possible points for each abattoir 18 points

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