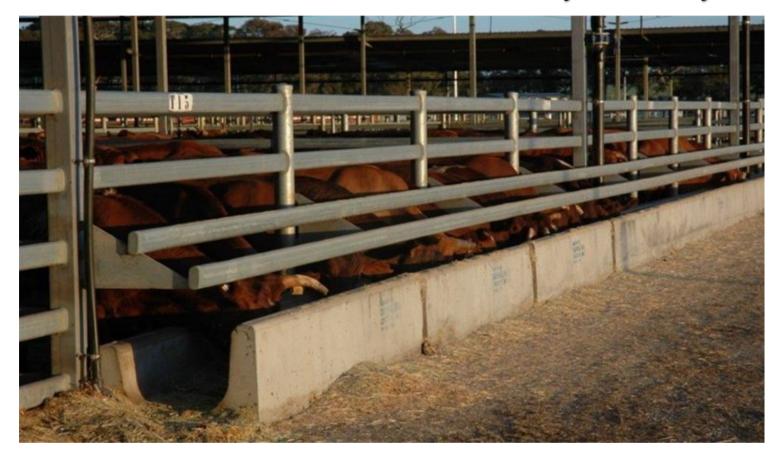




Western Australian Meat Industry Authority



Annual Report 2018/19



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Accessibility

Copies of this publication are available in alternative formats upon request.

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Statement of Compliance

For year ended 30 June 2019

HON. ALANNAH MACTIERNAN MLC

MINISTER FOR REGIONAL DEVELOPMENT; AGRICULTURE AND FOOD; PORTS; MINISTER ASSISTING THE MINISTER FOR STATE DEVELOPMENT, JOBS AND TRADE

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Meat Industry Authority for the financial year ended 30 June 2019.

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

The Financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.

S. O' Brien

Chair of the Western Australian Meat Industry Authority

23 August 2019

pally od

K. McDougall

Member of the Western Australian Meat Industry Authority

23 August 2019

Chair's Report 2018/19

To all industry stakeholders, it is my pleasure to present the Chairman's report for the Western Australian Meat Industry Authority (WAMIA) for the year ended 30 June 2019.

2019 has again been a year of major change for WAMIA. In August 2019 we farewelled Chief Executive Officer Andrew Williams and welcomed Greg Lott, firstly on an interim basis and then into the permanent position. The Board thanks Andrew for his contribution to WAMIA as CEO from February 2015 to August 2018. I also welcome Greg to the role. The Board is delighted by the way Greg has quickly developed strong relationships with WAMIA's diverse stakeholders.

Once again, we have seen ongoing change in the mix of livestock as well as the volume of livestock through Muchea Livestock Centre (MLC). Overall, cattle throughput was 93,617 head, slightly above last year's volume of 93,310 head, but 6% below the five-year average of 99,718 head. Sheep throughput was 539,849 head, significantly (17%) below the prior year volume of 655,241 head and the five-year average of 656,316 head. Compared with last year, private sales were also well lower (28%) at 23,142 head. Transhipment cattle were the only sector where volumes were greater than last year by 26% at 76,004 head.

The consequence of these lower volumes of livestock, and their mix, resulted in a loss for the year of \$1,231,424, compared with the previous year's loss of \$1,460,129. I note that these losses are after depreciation of \$1,172,291 in the current year and \$1,242,394 in the prior year.

The most significant change in the business during the year was the restructuring of operations at MLC, which took effect from November 2018. These changes saw the Agents taking responsibility for the presentation of cattle from WAMIA and have led to significant ongoing cost savings for WAMIA.

WAMIA continues to be involved in discussions around the future of the Boyanup saleyards. However, the process has been delayed whilst various industry discussions take place.

WAMIA's Board and management have placed significant emphasis on safety management during the year. Resources have been employed to improve our systems of prevention and reporting of incidents. Our CEO, Greg Lott, brings significant experience in safety management and is leading this change, with full support of the Board. We recognise that MLC is a dangerous workplace, and constant vigilance is required to manage safety.

As reported last year, WAMIA's compliance function is set out in the *WAMIA Act*. We continue to work with other government departments, including the Dept of Health, to manage our responsibilities as efficiently as possible and to minimise overlap.

This is my final report as Chairman of WAMIA, as I step down from the role effective 31 July 2019. Sally O'Brien, who has been Deputy Chair since 2018 has been appointed Chairman. Sally's long experience with WAMIA will ensure a smooth transition. Julie Cox has been appointed Deputy Chair and her extensive agribusiness experience will be valuable to WAMIA.

I thank all my fellow Board members for their support and contribution during the year and during my seven-year term as Chairman. I have enjoyed working with all of you. In particular, I would like to thank Andrew Kennedy who retired from the Board at the expiry of his term. Andrew brought invaluable HR and workplace safety expertise to the Board. I would also like to welcome Kelly Pearce and John Da Silva to the Board.

As always, the Board of WAMIA welcomes any feedback in relation to WAMIA.

David Lock

Chairman

5 August 2019

Overview

Executive Summary

Performance Highlights

The Muchea Livestock Centre processed 93,617 cattle for auction sales (307 over last year's throughput of 93,310) and 539,849 sheep (115,392 below last year's throughput of 655,241).

23,142 cattle were weighed for private sale at The Muchea Livestock Centre, 9,084 below last year's volume of 32,226.

Transhipment of cattle for the year was 76,004 cattle days (15,676 cattle days above last year's volume of 60,328).

WAMIA has incurred a full year loss of \$1,231,424 versus budget loss of \$680,032 primarily due to lower than anticipated throughput of cattle (5%) and sheep (10%) for auction and transhipment (10%) and a delay in the operational restructure. Earnings before Interest, Tax, Depreciation and Amortisation was a loss of \$112,811 versus a budget earnings of \$392,267.

Operational Structure

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 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 Officer appointed under the *Public Sector Management* Act (1994) manages the Authority.

Enabling Legislation

The Authority was established as an authority on 18 October 1976, under the Western Australian Meat Industry Authority Act 1976

Responsible Minister

The Authority's responsible Minister is the Hon. Alannah MacTiernan MLC, Minister for Regional Development; Agriculture and Food; Ports; Minister assisting the Minister for State Development, Jobs and Trade.

Board

The Authority consists of eight members appointed by the Minister and a representative of the Director General of the Department of Primary Industries and Regional Development (DPIRD). The Authority Members at 30 June 2019 were:

David Lock (Chair)	Representing the Minister
Sally O'Brien (Deputy Chair)	Representing the Producers of Meat
Belinda Murray	Representing the Producers of Meat
Mark Ritchie *	Representing the Director General Office DPIRD
Kim McDougall	Representing Private Abattoirs
Mark Panizza	Representing Private Abattoirs
Julie Cox	Representing the Wholesale and Retail Meat Industry
John Da Silva*	Representing Employees of the Industry

^{*}Mr Andrew Kennedy represented Employees of the Meat Industry, until his term expired in May 2019. Mr John Da Silva has since been appointed to represent this industry.

Board Profiles

David Lock (Chairman)

Mr Lock has been Chairman of the Western Australian Meat Industry Authority since March 2012. Mr Lock has extensive experience in the Australian Agribusiness industry, having been the Chief Executive of the Craig Mostyn Group and Managing Director of Mareterram Limited, an ASX listed agribusiness company.

Mr Lock is currently Chairman of Mareterram Limited, Australian Pork Limited, and Odeum Produce Pty Ltd. He is Deputy Chairman of Water Corporation, a Director of CBH Group and a Trustee of the Marine Stewardship Council. He is also a member of the Curtin Business School Advisory Council and Chairman of the Audit & Risk Committee of Water Corporation and CBH Group. He has previously been Chairman of the West Australian Food Industry Association.

^{*}Mr Damian Hills represented the Director Generals Office (DPIRD) until his term expired in October 2018. Mr Mark Ritchie was subsequently appointed from November 2018.

Sally O'Brien

Ms O'Brien was reappointed to the Board for a third three-year term in April 2017 and was appointed Deputy Chairman in June 2018. She operates a family mixed broad acre agricultural business located at Irwin in WA's Midwest producing grain, beef cattle, wool and prime lambs. Ms O'Brien was Vice Chairman of the Mingenew Irwin Group (2010-2017) (1998-2001 Treasurer). Ms O'Brien is a founding board member of MIGO (Mingenew Irwin Group Operations) a commercial division of the Mingenew Irwin Group.

Belinda Murray

Ms Murray was appointed to the Board for a three-year term commencing 31 March 2017 as a representative of producers of meat. Ms Murray is currently an Executive Director at Kunmallup Pastoral Co, a family owned agricultural enterprise located in Katanning. Previously, Ms Murray was a Genetics Research Officer at the Department of Agriculture and Food WA and a Policy Director at Pastoralists and Graziers Association. Ms Murray holds a Bachelor of Animal Science, First Class Hons, from the University of Western Australia and is a graduate of the AICD Company Directors Course.

Mark Ritchie

Mr Ritchie was appointed as the delegate of the Director General of the Department of Primary Industries and Regional Development in November 2018. Mr Ritchie is currently responsible for broad departmental beef industry policy development and review and has previously been responsible for project and supply chain management initiatives and strategies within the northern WA beef industry. Mr Ritchie is a Churchill Fellow and holds formal qualifications in Agricultural Science and Project Management, together with more than thirty years industry experience in executive, strategic, commercial and operational management across a range of agricultural industries, largely within the livestock industry. He has a track record of successfully engaging with and building industry and stakeholder relationships and has significant leadership, corporate governance, business management and communication skills within the agricultural sector. Mr Ritchie has held Executive leadership positions with Landcare Tasmania and Regional Development Australia - Riverina and several past board and committee positions.

Kim McDougall

Mr McDougall was reappointed to the Board as the representative for Private Abattoirs for a three-year term in April 2017. His career has spanned in excess of 30 years in the Western Australian livestock industry principally dealing with producers in the marketing of both cattle and sheep. Mr McDougall has represented the agribusiness agency sector at "WALSA" (Western Australian Livestock Salesmen's

Association) as well as in the role of a management committee member of "Livestock Logistics WA". Mr McDougall is currently the General Manager for Livestock, of the Forrest families "Harvest Road Group", which include the procurement strategy for Harvey Beef and the management of the vast pastoral properties held by Forrest family. Mr McDougall is currently on the Red Meat Advisory Councils (RMAC) "Sustainability Steering Group" a national group that provides the overarching vision for Australia's beef and cattle industry. Mr McDougall was awarded a scholarship sponsored by (AMPC) Australian Meat Processors Corporation to participate in the prestigious Australian Rural Leadership Program. Mr McDougall holds an advanced diploma in Leadership and Management from the University of Western Australia.

Mark Panizza

Mr Panizza was reappointed to the Board for a further three-year term in 2019. Mr Panizza is a CPA and represents the interests of private abattoirs. He has worked in various regional areas throughout the State as an accountant in public practice before taking up a position in the private sector. Mr Panizza is currently a Director and CEO of Dardanup Butchering Company. He is the Chairman of the Australian Meat Industry Association's Western Australian Processor Council and is the State's representative to that organisation's national body, the Australian Processor Council.

Julie Cox

Ms Cox was appointed to the Board in August 2018 and held the position of General Manager - Business Development of Craig Mostyn Group for six years until September 2018. She was responsible for the mergers & acquisitions strategy and execution that doubled the earnings of CMG during that period, including the staged acquisition of the V&V Walsh lamb and beef processing business to complement the group's existing Linley Valley Pork operations. Prior to 2012, Ms Cox had a thirty-year career with Pricewaterhouse Coopers specialising in M&A, business valuation, financial evaluation and strategy.

John Da Silva

Mr Da Silva was appointed to the Board in May 2019 and has been involved in the meat industry since his teenage years. He is currently the Assistant Secretary for the South and Western Australian Branch of the Australasian Meat Industry Employees Union based in Perth. He has represented the interests of employees across the retail, smallgoods, manufacturing and processing sectors of the meat industry across three decades. Mr Da Silva is also a board member of the Food, Fibre and Timber Industries Training Council as well.

Authority Meetings

Nine Authority meetings were held during 2018/19. Members' attendance at the meetings is detailed below.

Name of Member	Meetings Attended	Maximum Attendance
David Lock (Chairman)	9	9
Sally O'Brien	9	9
Belinda Murray	8	9
Damien Hills	3	3
Kim McDougall	7	9
Mark Panizza	8	9
Andrew Kennedy	7	8
Julie Cox	9	9
Mark Ritchie	6	6
John Da Silva	0	0

Organisational Structure

Mission

The Authority's mission is to increase vendor returns, attract the maximum number of buyers and sellers and employ best practice animal welfare, environmental and occupational health and safety.

Values

- Be honest and ethical
- Display leadership and accountability at all levels
- Focus on animal welfare and safety
- Provide customer service with a positive attitude

Management Team

Greg Lott (Chief Executive Officer)

Mr Lott has extensive experience in food and agribusiness, having held senior management positions with Cadbury Schweppes and Craig Mostyn Group. Mr Lott was appointed as the CEO in January 2019.

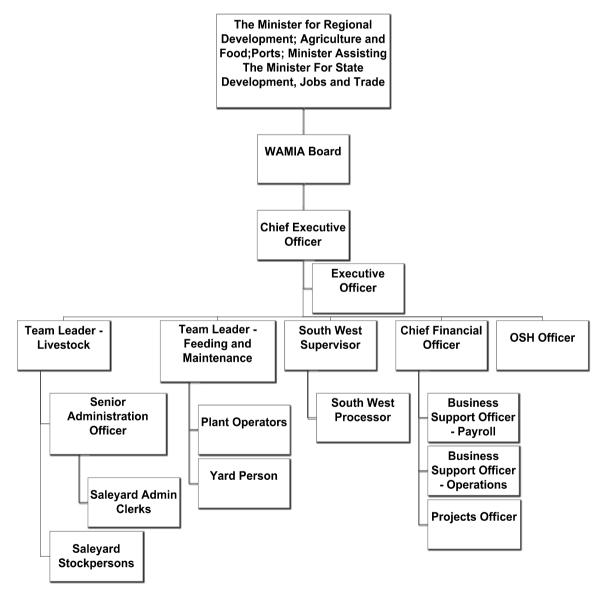
Sidney Pinto (Chief Financial Officer)

Mr Pinto's extensive accounting experience spreads over various industries including manufacturing, mining, retail and services. Mr Pinto received his Associate member of CPA in July 2011. Mr Pinto joined WAMIA in May 2016.

Judith Niblett (Executive Officer)

Ms Niblett has extensive managerial, administrational and human resources experience working for global corporations within energy and healthcare sectors. Ms Niblett joined WAMIA in October 2018.

Organisational Chart



Administered Legislation

The Authority assists the Minister in administration of the following Act:

Western Australian Meat Industry Authority Act 1976.

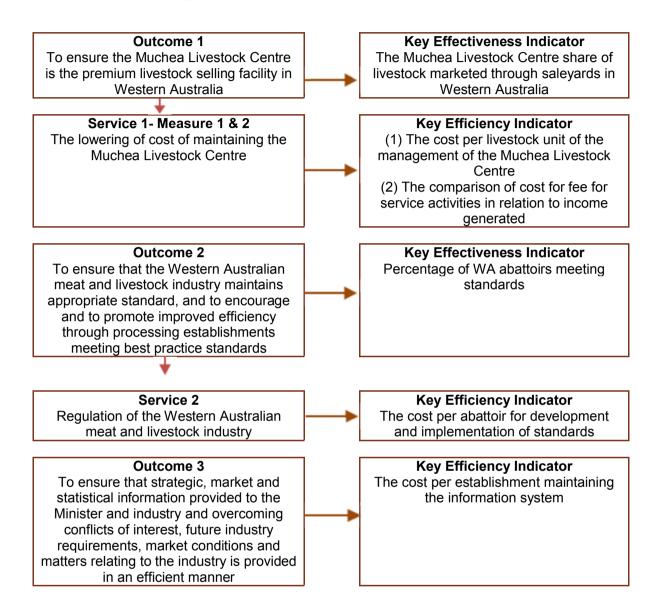
Other Key Legislation Impacting on the Western Australian Meat Industry Authority's Activities

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

- Auditor General Act 2006;
- Public Sector Management Act 1994;
- Occupational Safety and Health Act 1984;
- Equal Opportunity Act 1984;
- Financial Management Act 2006;
- Pay-Roll Tax Assessment Act 2002;
- Taxation Administration Act 2003:
- Freedom of Information Act 1992:
- Industrial Relations Act 1979:
- Workers Compensation and Injury Management Act 1981
- Minimum Conditions of Employment Act 1993;
- Salaries and Allowances Act 1975:
- State Records Act 2000; and
- State Supply Commission Act 1991.
- Professional Standards Act 1997;
- Animal Welfare Act 2002;
- Biosecurity and Agriculture Management Act 2007;
- Firearms Act 1973;
- Dangerous Goods Safety Act;

Performance Management Framework

Outcome-based Management Framework



Changes to Outcome-based Management Framework

The Authority's outcome-based management framework did not change during 2018/19.

Shared Responsibilities with Other Agencies

The Western Australian Meat Industry Authority did not share any responsibilities with other agencies in 2018/19.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Financial Targets

	2018/19 Target ⁽¹⁾	2018/19 Actual	Variation ⁽²⁾
	\$	\$	\$
Total cost of services(a)	4,732,888	4,973,302	(240,414)
Total Income(b)	4,052,856	3,741,878	(310,978)
Total equity(c)	55,496,824	54,969,726	(527,098)
Net increase / (decrease) in cash held(d)	116,739	(3,512,404)	(3,629,143)
Approved salary expense(e)	2,151,787	2,290,360	(138,573)

- (1) As specified in the Budget Statements.
- (2) Further explanations are contained in "Note 8.10 Explanatory statement" to the financial statements.
 - a. The variation is mainly due to staff redundancy costs and investment property revaluation losses.
 - b. Income under budget as a result of lower cattle and sheep volume than anticipated and operational restructure.
 - c. The negative variation caused by higher than expected net loss.
 - d. Investment of \$3,300,000 in term deposit, purchase of non-current assets and lower operating cashflows due to operational restructure.
 - e. Salary expenses over budget as a result of staff redundancies and additional salaries & wages costs incurred due to delay in operational restructure.

Summary of Key Performance Indicators

	2018/19 Target ⁽¹⁾ / Previous Year	2018/19 Actual	Variation ⁽²⁾
Outcome 1: To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia. Key Effectiveness Indicator: The Muchea Livestock Centre share of livestock marketed through saleyards in Western Australia.	Cattle 43.2% Sheep 44.0%	Cattle 41.1% Sheep 39.2%	Cattle (2.1%) Sheep (4.8%)
Service 1 – Measure 1 Key Efficiency Indicator: The cost per livestock unit of the management of the Muchea Livestock Centre. Relevance of indicator: The lowering of the cost of maintaining the Muchea Livestock Centre	\$1.81	\$2.08	(\$0.27)
Service 1 – Measure 2 Key Efficiency Indicator: The comparison of cost for fee for service activities in relation to income generated. * * Income generated for every \$1 of cost for fee for service activities. Relevance of indicator: The cost of any fee for service activity is not subsidised from income generated by ordinary saleyard fees.	\$1.14	\$1.003	(\$0.137)
Outcome 2: To ensure that the WA meat and livestock industry maintains appropriate standards. Key Effectiveness Indicator: Percentage of WA abattoirs meeting standards.	80.0%	75.5%	(4.5%)

Service 2: The Compliance and Licensing services are to ensure that WA abattoirs maintain minimum standards, and to encourage and promote improved efficiency through abattoirs meeting best practice standards. Key Efficiency Indicator: The cost per abattoir for development and implementation of standards.	\$9,980	\$10,487	(\$507)
Outcome 3: To ensure strategic, market and statistical information is provided to the industry in an efficient manner. Key Efficiency Indicator: The cost per establishment of maintaining the information system.	\$379	\$398	(\$19)

- (1) As specified in the Budget Statements.
- (2) Explanations for the variations between target and actual results are presented in "Audited Key Performance Indicators", refer pages 70 83.

Significant Issues Impacting the Agency

Current and emerging issues and trends

Attracting and retaining a flexible, efficient and commercially orientated workforce remains challenging within a Public Sector context. The handing over of the presentation of cattle to Livestock Agents in 2018/19 considerably reduced the number of casual employees employed by the Authority.

Economic and social trends

There will continue to be a strong focus on animal welfare and occupational health and safety in line with community expectations.

Changes in written law

Following extensive consultation with key Industry groups, changes to the definition of lamb in the Western Australian Meat Industry Authority Regulations 1985 were gazetted on Friday 14 June 2019. The changes were part of a national approach bringing Australia's premium lamb exports onto a level playing field with key competitors like New Zealand. The amended Regulations now define lamb as 'young sheep under 12 months of age or which does not have any permanent incisor teeth in wear'.

Likely developments and forecast results of operations

Volumes during the 2019/20 year are expected to be in line with 2018/19 with continued focus on improving the efficiency and effectiveness of the services provided by the Western Australian Meat Industry Authority.

Performance

Strategic Planning

The Authority Board redeveloped the current Strategic Plan after an intensive workshop in February 2016. The Plan covers the period 2017 to 2021. Key elements of the Plan are outlined below.

Purpose

To administer the Western Australian Meat Industry Authority Act 1994 (including efficient and relevant compliance activities) while managing a best practice, viable, valuable and relevant Livestock Centre.

Values

The Authority aims to always:

- Be honest and ethical
- Display leadership and accountability at all levels
- · Focus on animal welfare and safety
- Provide customer service with a positive attitude

Strategic Issues

The Authority has identified seven strategic issues to be addressed in order to meet the ongoing objectives of the organisation. These Strategic Issues are:

- The WAMIA compliance function is not adequately defined;
- The MLC site is not currently used to its full potential;
- The operations of the MLC are constrained by government processes;
- The technology used in the livestock centre is outdated;
- Animal welfare issues are becoming more prominent and have greater consequence;
- There is a reducing number of livestock available to the MLC; and
- Ensuring the MLC remains a safe place for all staff users.

A range of detailed strategies with agreed execution timeframes have been developed by the organisation to address these issues over the timeframe of the Plan. Progress of the strategies is monitored and reported to the Members of the Authority on a regular basis.

Compliance

The Authority currently operates under a Compliance Policy approved in December 2012 which includes:

Approval of Abattoirs

- Approval to construct
- · Granting or refusing applications
- Conditions of approval
- Revocation of approval

Product description

- Permission to use commercial brands
- Permission to use regulatory brands
- · Revocation of approval to use commercial or regulatory brands
- Auditing of abattoirs
- Monitoring of Retail Outlets
- Monitoring of Pet Food establishments, illegal slaughter operations, boning rooms & small goods establishments
- Offences under the Act & Regulations
- Advice to Applicants/Operators

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

- The Authority has a zero tolerance to illegal slaughter;
- The Authority will investigate all allegations of illegal slaughter referred to it;
- All investigations will be fully documented;
- Investigations will be carried out in conjunction with other regulatory agencies where appropriate;
- Where an investigation establishes clear evidence of illegal slaughter, the Authority 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 Authority's Chairman and Chief Executive.

Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that all required standards are maintained. Where appropriate, joint visits to establishments are made with other relevant regulatory agencies. At 30 June 2019 the Authority is not aware of any establishments in Western Australia which are failing to comply with the relevant Australian Standards.

Compliance Functions

As outlined in the Strategic Plan, the Authority is currently reviewing its compliance function to ensure that duplication to industry is avoided; activities are risk based and target areas of concern as well as maintaining awareness of the Authority's functions within the industry.

Industry Liaison for Compliance

During the period, the Authority continued to maintain contact with officers from organisations such as the Federal Department of Agriculture and Water Resources (DAWR), Department of Primary Industries and Regional Development (DPIRD), Department of Health (DOH), AUS-MEAT, and the Australian Meat Industry Council (AMIC) in areas of regulatory and industry development.

Illegal Slaughter

The Authority maintained close liaison with other regulatory authorities to ensure that only approved establishments processed meat for human consumption. It investigates any illegal slaughter complaints in conjunction with the DOH and local government officers.

Carcase Branding Activity

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

Branding Compliance

All establishments that carry out carcase roller branding do so under the supervision of full-time government meat inspection services or an approved arrangement. All carcase brands are held under the security of the inspection service.

Close liaison is maintained with AUS-MEAT regarding the status of these programs and any difficulties are addressed immediately.

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.

Table 1: Establishments by Category

Category	Standard/Inspection	Market Access	Numbers as 30/06/18	Numbers as 30/06/19
Export	Export standards and importing country requirements / AQIS Inspection	No restrictions in Australia	12	12
Domestic Unrestricted	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	5	6
Domestic Restricted	Australian standard. Special conditions apply	Distribution and capacity restrictions	1	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	4	4
Under construction	Nonoperational	Non operational	0	0
Total			27	28

Applications for Approvals

The Authority considered the following applications as detailed in the table below.

Table 2: Applications by year

	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
Applications to construct an establishment	0	0	0	1
Applications to operate	1	0	2	3
Applications for variation to approval	1	0	0	0

Table 3: WAMIA Approved Abattoirs by Category as at 30 June 2019

Category	Abattoir	Location
	Ausvision Meat Processors Pty Ltd	Beaufort River
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Prime Meat Co Pty Ltd*	Moonyoonooka
	Hillside Meat Processors Pty Ltd	Narrogin
Export	Western Meat Processors Pty Ltd	Cowaramup
Export	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
	Central Agri Group Pty Ltd	Esperance
	Gingin Meatworks	Gingin
	Kimberley Meat Company Pty Ltd	Derby
	WA Meat Co Pty*	Gingin
	Great Eastern Abattoir	Tammin
	Avon Valley Abattoir	Northam
	Dardanup Butchering Company	Picton
Domestic	Food Security International	Corrigin
Unrestricted	Goodchild Abattoirs*	Australind
Omestricted	Hagan Bros	Greenough
	Konyen Farm (Rabbits)	Baldivis
	Southern Brook Abattoir	Keysbrook
Domestic Restricted	Kellerberrin Butchery	Kellerberrin
	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
Special Abattoirs	Narrogin Agricultural College	Narrogin
Opeciai Abattoli 3	Morawa Agricultural College	Morawa
	Karnet Prison Farm	Serpentine
	Murdoch University*	Murdoch

^{*} Currently licenced but not operating

Current Construction Approvals

There are no current approvals to construct.

State Processing Statistics

The Authority maintains processing statistics for the State by type of animal and category of processing establishment.

Table 4: Abattoir throughput by category (cattle, sheep, lamb, goat and pigs) for 2017/18 and 2018/19

Category	Year	Cattle	Sheep	Lambs	Goat	Pigs
Export	2017/18	351,319	1,377,346	2,502,543	31,489	755,344
	2018/19	399,429	1,423,473	2,678,282	39,127	750,004
Domestic	2017/18	54,124	45,198	169,539	1,888	51,282
(unrestricted)	2018/19	48,495	68,124	172,915	1,473	62,258
Domestic without	2017/18	5	104	0	0	0
Meat Inspection	2018/19	3	49	0	3	0
Special	2017/18	2598	6197	149	0	101
	2018/19	2734	5887	37	0	398
Totals	2017/18	408,046	1,428,845	2,672,231	33,377	806,727
	2018/19	468,650	1,497,533	2,851,234	40,603	812,660
% Change	2018/19	14.85%	4.8%	6.7%	21.65%	0.74%

Table 5: Abattoir throughput for other species by category for the years 2017/18 and 2018/19

Category	Year	Deer	Rabbit	Other
Export	2017/18	476	0	10
Export	2018/19	1,188	0	2
Domestic (unrestricted)	2017/18	443	23,316	26
Domestic (unrestricted)	2018/19	387	16,516	0
Total	2017/18	919	23,316	36
	2018/19	1,575	16,516	2

Compliance Activity Summary

Table 6: Enquires received from 2016/17 to 2018/19

Enquires Received	2016/17	2017/2018	2018/19
Saleyard	28	20	42
Statistical	13	22	8
Market	5	3	8
Regulatory	7	8	25
General Information	38	31	23
Complaints	4	3	2
Total	95	61	108

Table 7: Investigations undertaken from 2017/18 to 2018/19

Investigations Undertaken	2017/18		2018/19			
- S	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	0	2	0	0	1	0
Product misdescription	0	0	0	0	0	0
Labelling issues	0	0	0	0	0	0
Over the hooks	0	0	0	0	0	0
Brand issues	0	0	0	0	0	0
Other	0	0	0	0	1	0
Assist other regulators	0	0	0	0	0	0

Reported: not completed Investigations

None

Legal Action

None

Muchea Livestock Centre (MLC)

Services

The Muchea Livestock Centre has been built with the vision of becoming the hub for the livestock industry in Western Australia. Already, the Centre offers the following additional services to that of selling stock:

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

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.

The Authority works closely with regulatory authorities to develop uniform interpretations of animal welfare requirements and assist in the training of Animal Welfare Officers.

A Memorandum of Understanding between the Authority and Department of Primary Industries and Regional Development has been developed and was signed September 18, 2017.

An Animal Welfare Manual complying with the requirements of the Australian Animal Welfare Standards and Guidelines – Livestock at Saleyards and Depots has been developed in consultation with regulators and was implemented into MLC operations in September 2017.

The Authority considers that maintaining a close working relationship with all stakeholders in relation to animal welfare is an essential part of maintaining the high animal welfare standards at the MLC.

Livestock Throughput

Yarding of cattle, sheep and lambs for the Muchea Livestock Centre from 2010/11 onwards are listed in table 8.

Table 8: Muchea Livestock Centre throughput by year

Year	Cattle	Sheep, lambs and goats
2010/2011	106,183	701,614
2011/2012	86,582	423,081
2012/2013	80,917	550,343
2013/2014	92,780	785,750
2014/2015	104,774	660,050
2015/2016	108,830	557,713
2016/2017	98,990	601,335
2017/2018	93,310	655,241
2018/2019	93,617	539,849

Table 9: Muchea Livestock Centre transhipment and non-sale weighing throughput by year

Year	Non sale weighing	Cattle transhipment days	Sheep transhipment 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	19,384	38,908	16,762
2015/2016	36,950	139,059	36,434
2016/2017	28,419	72,021	25,913
2017/2018	32,226	60,328	22,969
2018/2019	23,142	76,004	10,586

Industry Development

Activities

The Authority takes a proactive approach to promote efficiency in the industry, through consultation with the Executive Committees of the WA Farmers Federation, the Pastoralists and Graziers Association and the Livestock & Rural Transporters Association.

Industry Database

The Authority maintains a database of the WA Saleyard 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 from 2005/06. These reports are used by several Government and Industry organisations.

Education

The Authority recognises that the involvement of the saleyard industry in the agricultural education sector is an important function.

The Muchea Livestock Centre has been visited by a number of overseas delegates. The Centre has given them an appreciation of the high standard achieved for livestock handling and saleyard management in Western Australia.



INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Meat Industry Authority, which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Meat Industry Authority for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Board 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, the *Financial Management Act 2006* 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Meat Industry Authority. The controls exercised by the 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 (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the 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 2019.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the 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 2019.

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

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

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2019 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 August 2019

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2019

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 reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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

S. Pinto

Chief Financial Officer of the Western Australian Meat Industry Authority 23 August 2019 K. McDougall

Member of the Western Australian Meat Industry Authority 23 August 2019

S. O'Brien

pally od

Chair of the Western Australian Meat Industry Authority 23 August 2019

Financial Report for the year ended 30 June 2019

The Authority has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2019 which provides users with the information about the Authority's stewardship of resource entrusted to it. The financial information is presented in the following structure:

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Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	2019 (\$)	2018 (\$)
INCOME		(1)	(.,
Revenue			
Sales	3.2	436,884	494,275
Fees and charges	3.1	2,995,095	3,382,898
Interest revenue	3.3	163,678	177,949
Gain on disposal of non-current assets	3.4	2,700	3,806
Other revenue	3.5 _	143,521	110,413
TOTAL INCOME	_	3,741,878	4,169,341
EXPENSES			
Cost of sales	3.2	139,531	170,411
Employee benefits expense	2.1	2,290,360	2,900,596
Supplies and services	2.2	1,082,397	1,190,483
Depreciation and amortisation expense	4.1, 4.3	1,172,291	1,242,394
Other expenses	2.3 _	288,723	125,586
TOTAL EXPENSES	_	4,973,302	5,629,470
	_		
DEFICIT FOR THE PERIOD	_	(1,231,424)	(1,460,129)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation	4.1	(135,705)	(300,040)
Total other comprehensive loss	_	(135,705)	(300,040)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	_	(1,367,129)	(1,760,169)
	=	(.,,)	(1,1.00,1.00)

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

Statement of Financial Position

As at 30 June 2019

	Notes	2019	2018
ASSETS	Notes	Ψ	Ψ
Current Assets			
Cash and cash equivalents	6.1	176,407	3,688,811
Inventories	3.2	79,200	65,728
Receivables	5.1	301,315	334,655
Other assets	5.2	4,255	18,993
Other financial assets	5.3	6,300,000	3,000,000
Total Current Assets	_	6,861,177	7,108,187
Non-Current Assets			
Infrastructure, property, plant and equipment	4.1	46,442,518	47,649,470
Investment property	4.2	2,040,000	2,150,000
Intangible assets	4.3	6,924	9,686
Total Non-Current Assets	_	48,489,442	49,809,156
TOTAL ASSETS	_	55,350,619	56,917,343
LIABILITIES Current Liabilities			
Payables	5.4	203,885	370,437
Employee related provisions	2.1	72,971	107,288
Total Current Liabilities	_	276,856	477,725
Non-Current Liabilities			
Employee related provisions	2.1	104,037	102,763
Total Non-Current Liabilities	_	104,037	102,763
Total Liabilities	_	380,893	580,488
NET ASSETS	=	54,969,726	56,336,855
EQUITY	8.8		
Contributed equity		-	-
Reserves		816,573	952,278
Accumulated surplus	<u> </u>	54,153,153	55,384,577
TOTAL EQUITY	_	54,969,726	56,336,855

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 2019

	Notes	Contributed equity	Reserves \$	Accumulated surplus/(deficit)	Total equity \$
Balance at 1 July 2017	8.8	-	1,252,318	56,844,706	58,097,024
Deficit for the period		-	-	(1,460,129)	(1,460,129)
Other comprehensive loss	8.8	-	(300,040)	-	(300,040)
Total comprehensive loss for the period	•	-	(300,040)	(1,460,129)	(1,760,169)
Balance at 30 June 2018	=	-	952,278	55,384,577	56,336,855
Balance at 1 July 2018	8.8	-	952,278	55,384,577	56,336,855
Deficit for the period		-	-	(1,231,424)	(1,231,424)
Other comprehensive loss	8.8	-	(135,705)	-	(135,705)
Total comprehensive loss for the period		-	(135,705)	(1,231,424)	(1,367,129)
Balance at 30 June 2019		-	816,573	54,153,153	54,969,726

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 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		603,407	454,091
Fees and charges		2,819,808	3,619,747
Interest received		163,678	226,468
GST receipts on sales		336,380	384,569
Other receipts		189,291	177,326
Payments			
Employee benefits		(2,325,499)	(2,694,286)
Supplies and services		(1,579,694)	(2,139,443)
Accommodation		(3,834)	(4,104)
GST payments on purchases		(139,860)	(227,202)
GST payments to taxation authority		(146,097)	(121,378)
Net cash used in operating activities	6.1	(82,420)	(324,211)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(129,984)	(867,877)
Payments to acquire financial assets		(3,300,000)	(1,500,000)
Net cash used in investing activities	-	(3,429,984)	(2,367,877)
Net decrease in cash and cash equivalents		(3,512,404)	(2,692,088)
Cash and cash equivalents at the beginning of the period		3,688,811	6,380,899
CASH AND CASH EQUIVALENTS AT THE END OF THE	-	0,000,011	3,000,000
PERIOD	6.1	176,407	3,688,811

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 2019

1. Basis of preparation

The Authority is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the '**Overview**' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Authority on 23 August 2019.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1. The Financial Management Act 2006 (FMA)
- 2. The Treasurer's Instructions (**TIs**)
- 3. Australian Accounting Standards (AASs)- Reduced Disclosure Requirements
- 4. Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (TIs) take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest dollar.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

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

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

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

	Notes	2019	2018
		\$	\$
Employee benefits expenses	2.1(a)	2,290,360	2,900,596
Employee related provisions	2.1(b)	177,008	210,051
Supplies and services	2.2	1,082,397	1,190,483
Other expenses	2.3	288,723	125,586

2.1(a) Employee benefits expenses

	2019	2018
	\$	\$
Wages and salaries	2,258,748	2,856,939
Superannuation – defined contribution plans ^(a)	31,612	43,657
Superannuation – defined benefits plans	-	-
Total employee benefits expenses	2,290,360	2,900,596

(a) Defined contribution plans include the payments made to West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS) and Government Employees Superannuation Board Schemes (GESBs).

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for the Authority purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

The Authority does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to the GESB.

The 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.

2.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019 \$	2018 \$
Current		
Employee benefits provisions		
Annual leave ^(a)	60,591	66,263
Long service leave ^(b)	5,496	29,911
	66,087	96,174
Other provisions		
Employment on-costs ^(c)	6,884	11,114
Total current employee related provisions	72,971	107,288
Non-current		
Employee benefits provisions	00.407	00.050
Long service leave ^(b)	90,467	89,359
Other provisions		
Employment on-costs ^(c)	13,570	13,404
Total non-current employee related	10,070	10,404
provisions	104,037	102,763
•	,,,,,	
Total employee related provisions	177,008	210,051

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) Long service leave liabilities: 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 vears of service.

The provision for long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

(c) **Employment on-costs:** 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.

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 'Supplies and services. Note 2.2' and not included as part of the Authority's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

2010

	2019 \$	2018 \$
Employment on-cost provisions		
Carrying amount at start of period	24,517	27,735
Additional/(reversals of) provisions		
recognised	(4,063)	(3,218)
Carrying amount at end of period	20,454	24,517

(d) Defined benefit superannuation plans

	Pens	sion Scheme		nsfer benefit– State Scheme
Movements in the present value of the defined benefit obligation in the	2019	2018	2019	2018
reporting period were as follows:	\$	\$	\$	\$
Liability at start of period		-	-	4,354
Included in profit or loss:	-			
Current service cost	-	-	-	-
Past service cost	-	-	-	(4,354)
Interest cost		-	-	
	-	-	-	-
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	-	-	-	-

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:

	2019	2018
	%	%
Discount rate	-	2.26
Future salary increases	-	1.5

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.

Key sources of estimation uncertainty - long service leave

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.

Several estimates and assumptions are used in calculating the Authority's long service leave provision. These 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Supplies and services

	2019	2018
	\$	\$
Supplies and services		
Communications	34,084	43,574
Computing	152,316	118,400
Consultants and contractors	238,062	383,489
Repairs and maintenance	201,333	209,735
Travel	21,210	17,612
Waste management	22,898	2,151
Water power gas	108,995	116,194
Fuel - diesel	23,162	20,877
Insurance (a)	157,271	128,016
Carcase disposal	25,500	37,486
Market reporting	20,000	20,000
Other	77,566	92,949
Total supplies and services expenses	1,082,397	1,190,483

⁽a) Insurance expenses include payments made to RiskCover Insurance of \$146,527 (2018: \$117,784). Refer to Note 8.4

2.3 Other expenses

2019	2018
\$	\$
1,516	1,710
1,000	-
71,614	50,518
214,593	73,358
288,723	125,586
	1,516 1,000 71,614 214,593

⁽a) Audit fees include statutory audit fees (2019:\$37,931, 2018:\$37,370: see Note 8.7), non-statutory audit fees (2019:\$33,683, 2018:\$13,148).

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

⁽b) Other expenses include investment properties' revaluation losses (2019:\$110,000, 2018:\$40,000: see Note 4.2), bad debts written off (2019:\$186, 2018:\$2,291), Staff amenities (2019: \$9,461, 2018:\$12,469) and Training costs (2019:\$121, 2018: \$28,553).

Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Doubtful debt expense is recognised as the movement in the allowance for doubtful debt. From 2018/19, **expected credit losses expense** is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of receivables is measured at the lifetime expected credit losses at each reporting date. The Authority has estimated a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 5.1.1 Movement of the allowance for impairment of receivables.

3. Our Funding Sources

How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Authority and the relevant notes are:

		2019	2018
	Notes	\$	\$
Fees and charges	3.1	2,995,095	3,382,898
Sales	3.2	436,884	494,275
Interest Revenue	3.3	163,678	177,949
Gains	3.4	2,700	3,806
Other revenue	3.5	143,521	110,413

3.1 Fees and charges

	2019	2018
	\$	\$
Saleyard Fees and Services	1,225,183	1,315,132
Livestock Services	1,465,492	1,768,183
Abattoir Licensing and Services	131,698	118,166
Truck Wash	172,722	181,417
	2,995,095	3,382,898

Revenue is recognised and measured at the fair value of consideration received or receivable.

3.2 Trading profit

	2019 \$	2018 \$
Sales	436,884	494,275
Cost of Sales:	100,001	101,270
Opening inventory	65,727	25,744
Purchases	153,004	210,395
	218,731	236,139
Closing inventory	79,200	65,728
Cost of Goods Sold	139,531	170,411
Trading Profit	297,353	323,864
Closing Inventory comprises:		
Current Inventories		
Inventories held for resale:		
Finished goods		
At cost	79,200	65,728
Total current inventories	79,200	65,728

Sales

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.

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.

3.3 Interest Revenue

	2019 \$	2018 \$
Interest revenue (Interest on Term Deposits with BankWest and Rabobank)	163,678	177,949
Total	163,678	177,949

3.4 Gains

	2019	2018
	\$	\$
Proceeds from disposal of non-current assets		
Plant, equipment and vehicles	2,700	11,989
Carrying amount of non-current assets disposed		
Plant, equipment and vehicles	-	8,183
Net Gain	2,700	3,806

Realised and unrealised gains are usually recognised on a net basis.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

3.5 Other Revenue

	2019	2018
	\$	\$
Rental Income	89,316	78,035
Other Income(a)	54,205	32,378
	143,521	110,413

⁽a) Other income includes market information fee income of \$8,850 (2018: \$3,319) and various combined miscellaneous income of \$50,967 (2018: \$29,060).

4. Key Assets

Assets the Authority utilises for economic benefit or service potential

This section includes information regarding the key assets the Authority utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

		2019	2018
	Notes	\$	\$
Infrastructure, property, plant and equipment	4.1	46,442,518	47,649,470
Investment property	4.2	2,040,000	2,150,000
Intangibles	4.3	6,924	9,686
Total key assets		48,489,442	49,809,156

4.1 Infrastructure, property, plant and equipment

	Land	Buildings (b)	Buildings under construction	Infrastructure	Plant, equipment and vehicles	Total
Year ended 30 June 2019	\$	\$	\$	\$	\$	\$
1 July 2018						
Gross carrying amount	2,160,000	14,806,991	-	38,772,906	2,076,790	57,816,687
Accumulated depreciation	-	(2,369,010)	-	(6,491,293)	(1,306,914)	(10,167,217)
Carrying amount at start of period	2,160,000	12,437,981	-	32,281,613	769,876	47,649,470
Additions	-	-	-	28,385	69,896	98,281
Transfers	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
Revaluation decrements	-	(135,705)	-	-	-	(135,705)
Depreciation		(248,876)	-	(780,861)	(139,791)	(1,169,528)
Carrying amount at 30 June 2019	2,160,000	12,053,400	-	31,529,137	699,981	46,442,518

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. 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).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land: and
- buildings.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Infrastructure, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Land and buildings were revalued as at 1 July 2018 and the valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value of buildings was determined on the basis of current replacement cost of \$12,053,400 (2018: \$11,852,978) and fair value of land under buildings and infrastructure of \$2,160,000 (2018: \$2,160,000) was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of vacant land is determined on the basis of current market values determined by reference to recent market transactions.

(b) Fair value in the absence of market-based evidence:

Buildings are specialised or where land is restricted: Fair value of land under infrastructure and buildings is determined on the basis of existing use.

Existing use buildings: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

Restricted use land: Fair value 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).

4.1.1 Depreciation and impairment

Charge for the period

	2019	2018
	\$	\$
<u>Depreciation</u>		
Plant, equipment and vehicles	139,791	165,817
Buildings	248,876	295,337
Infrastructure	780,862	778,599
Total depreciation for the period	1,169,529	1,239,753

As at 30 June 2019 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Finite useful lives

All infrastructure, property, plant and equipment 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. The exception to this rule relates to land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
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.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of this asset because its service potential has not, in any material sense, been consumed during the reporting period.

Impairment

As the Authority is a not-for-profit entity, the recoverable amount of regularly revalued specialised building assets is anticipated to be materially the same as fair value.

Infrastructure asset is also a specialised asset held for continuing use of its service capacity, and it is not primarily held for its ability to generate net cash inflows. There is no indication of impairment provided that there is no part of infrastructure asset that is not utilised.

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

4.2 Investment property

	2019	2018
	\$	\$
Carrying amount at start of period	2,150,000	-
Reclassification (a)	-	2,190,000
Revaluation decrement	(110,000)	(40,000)
Carrying amount at end of period	2,040,000	2,150,000

⁽a) Properties represented by land held to earn rentals and for capital appreciation have been reclassified from property, plant and equipment to investment property at 30 June 2018.

Amount recognised in profit or loss:

During 2019, investment property rentals of \$89,316 (2018: \$78,035) were included in 'Other Revenue' (Note 3.5). Maintenance expense relating to the investment property, included in 'Supplies and services' was \$nil (2018: \$nil).

Initial recognition

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs.

Subsequent measurement

Subsequent to initial recognition, investment properties are measured at fair value. The Authority's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Investment property is independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Investment properties were revalued as at 1 July 2018 and the valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for investment property of \$2,040,000 (2018: \$2,150,000).

4.3 Intangible assets

	2019 \$	2018 \$
Computer software		
At cost	22,102	22,102
Accumulated amortisation	(15,178)	(12,416)
	6,924	9,686
Reconciliations		
Computer software		
Carrying amount at start of period	9,686	8,373
Additions	-	3,955
Amortisation expense	(2,762)	(2,642)
Carrying amount at end of period	6,924	9,686

Initial recognition

Acquisitions of intangible assets and internally generated intangible assets that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset, and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefit:
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

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

4.3.1 Amortisation and impairment

Charge for the period

	2019	2018
	\$	\$
Computer software	2,762	2,642
Total amortisation for the period	2,762	2,642

As at 30 June 2019 there were no indications of impairment to intangible assets.

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.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

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

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.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.1.

5. Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

		2019	2018
	Notes	\$	\$
Receivables	5.1	301,315	334,655
Other assets	5.2	4,255	18,993
Other financial assets	5.3	6,300,000	3,000,000
Payables	5.4	(203,885)	(370,437)

5.1 Receivables

	2019 \$	2018 \$
Receivables	206,322	249,499
Allowance for impairment of receivables	(1,000)	_
Accrued revenue	80,546	85,156
	285,868	334,655
Other debtors	15,447	-
Total	301,315	334,655

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

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.1.1 Movement of the allowance for impairment of receivables

	2019	2018
	\$	\$
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	-	14,000
Amounts written off during the period		(14,000)
Doubtful debt expense	1,000	-
Balance at end of period	1,000	-

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.

5.2 Other assets

	2019	2018
	\$	\$
Prepayments	4,255	18,993
	4,255	18,993

5.3 Other financial assets

2019 \$	2018 \$
6,300,000	3,000,000
6,300,000	3,000,000
	\$ 6,300,000

(a) Rabobank term deposit \$3,300,000 expiring on 10 Feb 2020 (2018; \$3,600,000 included under Cash and cash equivalents being the expiry date was within 3 months from 30 June 2018, i.e. 23 July 2018), Bankwest term deposits \$1,000,000 and \$2,000,000 expiring on 29 Oct 2019 and 4 Feb 2020 respectively (2018; \$1,000,000 expired on 29 Oct 2018 and \$2,000,000 expired on 4 Feb 2019).

5.4 Payables

	2019 \$	2018 \$
Trade payables	67,674	267,627
GST payables	48,680	29,768
Accrued expenses	11,631	5,472
Accrued salaries	19,005	18,200
Payroll Tax Payable	47,271	43,338
Superannuation payable	9,624	6,032
	203,885	370,437

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.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Authority.

	Notes
Cash and cash equivalents	6.1
Reconciliation of cash	6.1.1
Reconciliation of operating activities	6.1.2
Commitments	6.2
Non-cancellable operating lease commitments	6.2.1
Capital commitments	6.2.2

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

	Notes	2019 \$	2018 \$
Cash and cash equivalents		176,407	3,688,811
Balance at end of period		176,407	3,688,811

For the purpose of the statement of cash flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

6.1.2 Reconciliation of loss for the period to net cash flows provided by/(used in) operating activities

	2019 \$	2018 \$
Loss for the period	(1,231,424)	(1,460,129)
Non-cash items		
Depreciation and amortisation expense	1,172,292	1,242,394
Investment property revaluation loss	110,000	-
Net (gain)/loss on disposal of property, plant and equipment	(2,700)	(3,806)
Doubtful debt expense	1,000	-
(Increase)/decrease in assets		
Current receivables ^(a)	47,787	20,090
Current inventories	(13,472)	(39,983)
Other current assets	(710)	(13,985)
Increase/(decrease) in liabilities		
Current payables ^(a)	(132,150)	33,857
Current provisions	(34,317)	(50,192)
Non-current provisions	1,274	15,256
Net cash provided by/(used in) operating activities	(82,420)	(324,211)

⁽a) 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.

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

	2019	2018
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	7,025	18,140
Later than 1 year and not later than 5 years	13,816	11,307
Later than 5 years	-	-
	20,841	29,447

2019

The commitments above are inclusive of GST.

6.2.2 Capital commitments

	Ф	
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	
Later than 1 year and not later than 5 years	-	
Later than 5 years	-	

The commitments above are inclusive of GST.

2018 \$

7. Financial instruments and Contingencies

	Notes_
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 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:

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	176,407	3,688,811
Financial assets at amortised cost ^(a)	6,601,315	-
Other financial assets	-	3,000,000
Receivables ^(a)	-	334,655
Financial Liabilities		
Financial liabilities measured at amortised cost ^(a)	155,205	340,669

⁽a) The amount of receivables/financial assets at amortised cost and financial liabilities exclude GST recoverable/payable from/to the ATO (statutory receivable/payable)

7.2. Contingent assets and liabilities

7.2.1 Contingent assets

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

7.2.2 Contingent liabilities

Litigation in progress

There were no claims present at 30 June 2019.

Native title claims

There were no claims present at 30 June 2019.

Contaminated sites

There were no suspected contaminated sites present at reporting date.

8. Other Disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7

Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

There were no events after the end of the reporting date that required disclosure.

8.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Authority applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has not resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Authority has not restated the comparative information which continues to be reported under AASB 139. No differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 \$
Assets		
Trade receivables	(a),(b)	-
Total Assets		
Total adjustments on Equity Accumulated surplus/(deficit)	(a),(b)	<u>-</u>

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Authority's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Authority's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Authority. The following are the changes in the classification of the Authority's financial assets:

- Trade receivables classified as receivables as at 30 June 2018 are held to
 collect contractual cash flows and give rise to cash flows representing solely
 payments of principal and interest. These are classified and measured as
 Financial assets at amortised cost beginning 1 July 2018.
- Held-to-maturity investments- term deposits classified as other financial assets as at 30 June 2018 are held to collect contract cash flows and give rise to cashflows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The Authority did not designate any financial assets as at fair value through P/I

In summary, upon the adoption of AASB 9, the Authority had the following required (or elected) reclassifications as at 1 July 2018:

		AASB 9 category		
		Amortised cost	Fair value through OCI	Fair value through P/L
		\$	\$	\$
AASB 139 category	\$			
Loans and receivables				
Receivables	334,655	334,655	-	-
Other financial assets				
Held-to-maturity investments	3,000,000	3,000,000	-	-
		3,334,655	-	-

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Authority's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Authority to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, there is no significant impact on the impairment allowance for receivables.

8.3 Key Management Personnel

The Authority has determined that key management personnel include cabinet ministers, board members, and senior officers of the Authority. The Authority does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Authority for the reporting period are presented within the following bands:

Compensation of members of the accountable authority

Compensation Band (\$)	2019	2018
20,001 – 30,000	2	2
10,001 – 20,000	5	5
Up to 10,000	-	-
	\$	\$
Total compensation of members of the accountable	•	
authority	127,545	125,344
Compensation of senior officers		
Compensation Band (\$)	2019	2018
260,001 – 270,000	-	1
210,001 – 220,000	-	1
130,001 – 140,000	1	-
120,001 – 130,000	-	1
90,001 – 100,000	1	-
40,001 – 50,000	1	-
	\$	S
Total compensation of senior officers	274,650	609,437

Total compensation includes the superannuation expense incurred by the Authority in respect of members of the accountable authority and senior officers.

8.4 Related Party Transactions

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

Related parties of the Authority include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all board members, senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with other related parties

Outside of normal citizen type transactions with the Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

There are no related bodies.

8.6 Affiliated bodies

There are no affiliated bodies.

8.7 Remuneration of auditors

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

Auditing the accounts, controls, financial statements and key performance indicators

2019	2018
\$	\$
37,931	37,370

8.8 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.

_	2019	2018
Reserves	\$	\$
Asset revaluation surplus		
Balance at start of period	952,278	1,252,318
Land	-	(40,000)
Buildings	(135,705)	(260,040)
Balance at end of period	816,573	952,278
	2019	2018
Accumulated Surplus	\$	\$
Balance at start of period	55,384,577	56,844,706
Result for the period	(1,231,424)	(1,460,129)
Balance at end of period	54,153,153	55,384,577
Total equity at end of period	54.969.726	56.336.855

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$186 (2018: \$2,291) was written off the Authority's accounts receivable under the authority of:

	2019 \$	2018 \$
The accountable authority	186	2,291
	186	2,291

(b) Losses through theft, defaults and other causes

	2019 \$	2018 \$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
		_

(c) Gifts of public property

	2019 \$	2018 \$
Gifts of public property provided by the Authority	-	_
	-	-

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$94,658 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$1,116,179 for the Statement of Financial Position.

8.10.1 Statement of Comprehensive Income Variances

INCOME Revenue	Variance Note	Original Budget 2019 \$ A	Actual 2019 \$ B	Actual 2018 \$ C	Variance between budget and actual \$ (A-B)	Variance between actual results for 2019 and 2018 \$ (B-C)
Sales		420,149	436,884	494,275	16,735	(57,391)
Fees and charges	1, a	3,362,842	2,995,095	3,382,898	(367,747)	(387,803)
Interest revenue	, -	165,000	163,678	177,949	(1,322)	(14,271)
Gain on disposal of non-current assets Other revenue		- 104,865	2,700 143,521	3,806 110,413	2,700 38,656	(1,106) 33,108
TOTAL INCOME		4,052,856	3,741,878	4,169,341	(310,978)	(427,463)
EXPENSES						
Cost of sales		146,021	139,531	170,411	6,490	30,880
Employee benefits expense	2, b	2,151,787	2,290,360	2,900,596	(138,573)	610,236
Supplies and services	С	1,090,313	1,082,397	1,190,483	7,916	108,086
Depreciation and amortisation expense Accommodation expenses		1,237,300	1,172,291	1,242,394	65,009 -	70,103

Loss on disposal of non-current assets Other expenses TOTAL EXPENSES	3, d	107,467 4,732,888	288,723 4,973,302	125,586 5,629,470	(181,256) (239,414)	(163,137) 657,168
LOSS FOR THE PERIOD OTHER COMPREHENSIVE INCOME Items not reclassified subsequently to profit or loss	_	(680,032)	(1,231,424)	(1,460,129)	(551,392)	228,705
Changes in asset revaluation surplus	e	(160,000)	(135,705)	(300,040)	24.295	164,335
Total other comprehensive (loss)/income TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(160,000)	(135,705)	(300,040)	24,295	164,335 393,040

Major Estimate and Actual (2019) Variance Narratives

- 1) Cattle and sheep throughput under budget (5% and 10% respectively) and unbudgeted cattle weighing fee reduction for operational restructure in Nov 2018.
- 2) Employee benefits expense \$138,573 over budget due to redundancies and delay in operational restructure.
- 3) Mainly due to investment properties' revaluation decrement of \$110,000.

Major Actual (2019) and Comparative (2018) Variance Narratives

- a) Revenue impact of reduced fees due to operational restructure in 2019.
- b) Salaries and wages cost savings achieved through operational restructure.
- c) Boyanup related costs included in 2018, which were being not incurred in 2019.
- d) Due to revaluation decrement of investment property of \$110,000 in 2019 (2018: \$40,000: see Note 4.2).
- e) Lower revaluation decrement on buildings in 2019.

8.10.2 Statement of Financial Position Variances

ASSETS Current Assets	Variance Note	Original Budget 2019 \$ A	Actual 2019 \$ B	Actual 2018 \$ C	Variance between budget and actual \$ (A-B)	Variance between actual results for 2019 and 2018 \$ (B-C)
Cash and cash equivalents	4, f	3,805,550	176,407	3,688,811	(3,629,143)	(3,512,404)
Inventories		72,301	79,200	65,728	6,899	13,472
Receivables		365,000	301,315	334,655	(63,685)	(33,340)
Other current assets		4,250	4,255	18,993	5	(14,738)
Other financial assets	5, g	3,000,000	6,300,000	3,000,000	3,300,000	3,300,000
Total Current Assets		7,247,101	6,861,177	7,108,187	(385,924)	(247,010)
Non-Current Assets Infrastructure, Property, plant and equipment Investment property Intangible Assets Other non-current assets	h	46,464,471 2,090,000 7,387	46,442,518 2,040,000 6,924	47,649,470 2,150,000 9,686	(21,953) (50,000) (463)	(1,206,952) (110,000) (2,762)
Total Non-Current Assets		48,561,858	48,489,442	49,809,156	(72,416)	(1,319,714)
TOTAL ASSETS		55,808,959	55,350,619	56,917,343	(458,340)	(1,566,724)
LIABILITIES Current Liabilities		147.405	202.005	270 427	(50.750)	100 550
Payables		147,135	203,885	370,437	(56,750)	166,552
Provisions		65,000	72,971	107,288	(7,971)	34,317
Total Current Liabilities		212,135	276,856	477,725	(64,721)	200,869

Non-Current Liabilities					
Provisions	100,000	104,037	102,763	(4,037)	(1,274)
Total Non-Current Liabilities	100,000	104,037	102,763	(4,037)	(1,274)
Total Liabilities	312,135	380,893	580,488	(68,758)	199,595
NET ASSETS	55,496,824	55,969,726	56,336,855	(527,098)	(1,367,129)
EQUITY					
Contributed equity					
Reserves	792,279	816,573	952,278	24,294	(135,705)
Retained earnings	54,704,545	54,153,153	55,384,577	(551,392)	(1,231,424)
TOTAL EQUITY	55,496,824	55,969,726	56,336,855	(527,098)	(1,367,129)

Major Estimate and Actual (2019) Variance Narratives

- 4) Cash and cash equivalents under budget by \$3,629,143 due to classification of term deposits \$3,300,000 under other financial assets, purchase of non current assets, higher wages costs due to delay in operational restructure andredundancies.
- 5) Classification of term deposit \$3,300,000 under Other financial assets.

Major Actual (2019) and Comparative (2018) Variance Narratives

- f) Due to classification of term deposits under other financial assets and purchase of non current assets in 2019.
- g) Variance due to classification of term deposits based on maturity dates.
- h) Depreciation charge and revaluation deficit effect in 2019.

8.10.3 Statement of Cash Flow Variances

	Variance Note	Original Budget 2019 \$	Actual 2019 \$	Actual 2018 \$	Variance between budget and actual \$	Variance between actual results for 2019 and 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		Α	В	С	(A-B)	(B-C)
Receipts					, ,	,
Sale of goods and services	6, i	403,343	603,407	454,091	200,064	149,316
Fees and charges	7, j	2,959,301	2,819,808	3,619,747	(139,493)	(799,939)
Interest received		180,250	163,678	226,468	(16,572)	(62,790)
GST receipts on sales		355,601	336,380	384,569	(19,221)	(48,189)
Other receipts	8	94,379	189,291	177,326	94,912	11,965
Payments						
Employee benefits	9, k	(2,044,198)	(2,325,499)	(2,694,286)	(281,301)	368,787
Supplies and services	10, I	(1,382,308)	(1,579,694)	(2,139,443)	(197,386)	559,749
Accommodation		(3,500)	(3,834)	(4,104)	(334)	270
GST payments on purchases		(111,629)	(139,860)	(227,202)	(28,231)	87,342
GST payments to taxation authority		(184,500)	(146,097)	(121,378)	38,403	(24,719)
Net cash provided by/(used in) operating activities		266,739	(82,420)	(324,211)	(349,159)	241,792
CASH FLOWS FROM INVESTING ACTIVITIES Payments Purchase of non-current assets Payments to acquire financial assets	m 11, n	(150,000)	(129,984) (3,300,000)	(867,877) (1,500,000)	20,016 (3,300,000)	737,893 (1,800,000)

Purchase of investments	-	-	-	-	_
Net cash provided by/(used in) investing activities	(150,000)	(3,429,984)	(2,367,877)	(3,279,984)	(1,062,107)
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the	116,739	(3,512,404)	(2,692,088)	(3,629,143)	(820,316)
beginning of the period	3,688,811	3,688,811	6,380,899	_	(2,692,088)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,805,550	176,407	3,688,811	(3,629,143)	(3,512,404)

Major Estimate and Actual (2019) Variance Narratives

- 6) Sale of goods and services receipts over budget by \$200,064 (50%) as a result of higher feeding fee revenue.
- 7) Fees & charges income under budget due to reduced cattle weighing fees.
- 8) Other receipts over budget derived from services related to higher volume of transhipment of cattle.
- 9) Employee benefits cost over budget due to redundancies and delay in operational restructure.
- 10) Higher repairs/maintenance costs and additional contractor costs compared to budget due to delay in operational restructure.
- 11) Variance due to classification of term deposit based on maturity dates.

Major Actual (2019) and Comparative (2018) Variance Narratives

- i) Higher (33%) feeding income on transhipment of cattle in 2019.
- j) Fees and charges income decreased by \$799,939 due to operational restructure in 2019.
- k) Salaries & wages savings of \$368,787 (14%) through an operational restructure in 2019.
- I) Cattle drafting contractor costs savings due to operational restructure and Boyanup related costs in 2018 but not incurred in 2019.
- m) Higher capital expenditure in 2018 due to a construction of Administration building completed in January 2018.
- n) Classification of term deposit based on maturity dates.

Audited Key Performance Indicators for the year ended 30 June 2019

Audited Key Performance Indicators

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 2019.

S. O'Brien

Chair of the Western Australian Meat Industry Authority

pally od

23 August 2019

K. McDougall

Member of the Western Australian Meat Industry Authority

23 August 2019

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 of 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 Muchea Livestock 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 or Authority) 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 2018/2019. All saleyards are represented regardless of total throughput or frequency of operation.

Performance of State Throughput

There are thirty-one (31) saleyards in Western Australia, and of these, six (6) saleyards operated on a regular basis (at least six sales per year) during the 2018/2019 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 maintained its position as the second highest sheep throughput in the state.

The market share of cattle and sheep have reduced by 2.1% and 4.8% respectively compared to last year.

Comparative Performance

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

Cattle and Calves

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
MLC	80,917	92,780	104,754	108,830	98,990	93,310	93,617
Total saleyards	205,596	224,932	244,701	241,052	237,011	215,963	227,505
% through MLC	39.0%	41.3%	42.8%	45.2%	41.8%	43.2%	41.1%
Next highest saleyard	63,104	69,010	69,661	63,552	67,389	60,187	68,447
Sheep, La	ambs and	Goats					
	2012/13	0040/44					
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
MLC	550,066	785,505	2014/15 660,093	2015/16 557,713	2016/17 608,002	2017/18 655,241	2018/19 539,849
MLC Total saleyards							
Total	550,066	785,505	660,093	557,713	608,002	655,241	539,849

Performance of Targets

WAMIA set target throughputs as part of its 2018/2019 budget process. These estimates were based on forecasting and seasonal conditions for the coming year. Based on the 2018/2019 actual throughput WAMIA did not meet its expected targets with stock numbers for cattle being lower than the estimates by 5%. The throughput number for sheep was lower than the estimate by 10%.

	BUDGET	ACTUALS	VARIANCE	VARIANCE
Cattle	99,000	93,617	(5,383)	(5%)
Sheep, lambs and goats	600,000	539,849	(60,151)	(10%)

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 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

	Total	Statutory	Fee for Service	Regulation	Information	Other
Income	\$3,741,878	\$1,303,477	\$2,026,153	\$164,017	\$3,238	\$244,993
Expenditure	\$4,973,302	\$2,360,534	\$2,019,397	\$293,625	\$90,290	\$209,456

Performance

The total cost of maintaining Muchea Livestock Centre in 2018/2019 was \$2,360,534. The Muchea Livestock Centre's throughput for the year was 1,134,518 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units and cattle 7 units). The methodology for calculating for cost of maintaining the Muchea Livestock Centre and livestock units has been applied consistently over the nine years of operations since opening in May 2010.

The cost per unit for 2018/2019 to maintain the Muchea Livestock Centre was \$2.08 compared to target cost per unit of \$1.81. The cost per unit excluding depreciation cost of \$703,375 was \$1.46 (target was \$1.33). The higher unit cost is attributable to increased operating costs and lower throughput of cattle. The actual cost per unit decreased from \$2.25 in 2017/18 to \$2.08 in 2018/19 mainly due to a cost saving initiative through an operational restructure in November 2018.

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Total cost of maintaining Muchea Livestock Centre	\$2,342,620	\$2,402,177	\$2,668,163	\$2,857,056	\$2,360,534
No. of livestock units handled in the year	1,345,763	1,266,373	1,256,687	1,267,106	1,134,518
Cost per unit	\$1.74	\$1.90	\$2.12	\$2.25	\$2.08
Target cost per unit	\$2.09	\$1.86	\$2.07	\$2.30	\$1.81
Cost per unit (less Depreciation)	\$0.97	\$1.08	\$1.54	\$1.67	\$1.46
Target cost per unit (less Depreciation)	\$1.42	\$1.27	\$1.59	\$1.75	\$1.33

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 the Authority's accounts. Fee for service activities for 2018/2019 were: rentals, truck wash, livestock transhipment service, removal and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees and livestock feeding charges. 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 2018/2019 the cost of providing fee for service activities at the Muchea Livestock Centre was \$2,019,397. The income generated by these activities was \$2,026,153.

In 2018/2019 the return of fee for service activities at the Muchea Livestock Centre was \$1.003 for every \$1.00 incurred in providing the service. This represents a return of 0.3% on the cost of those activities. Target was \$1.14 for every \$1 budgeted in providing the service.

Comparative Performance

The results indicate that the Authority has covered its costs through the fees and has not been subsidised by any other revenue.

	2014/15	2015/16	2016/17	2017/18	2018/19
Total cost of providing fee for service activities at Muchea Livestock Centre	\$585,052	\$792,493	\$2,298,826	\$2,216,598	\$2,019,397
Income generated by fee for service Activities	\$913,365	\$1,543,580	\$2,525,290	\$2,364,811	\$2,026,153
Income generated for every \$1.00	\$1.56	\$1.95	\$1.10	\$1.07	\$1.003
Target Income for every \$1.00	\$1.75	\$1.75	\$1.50	\$1.18*	\$1.14
Incurred to provide service Percentage return on costs	56%	95%	10%	7%	0.3%

^{*}Target income for every \$1.00 for 2017/18 has been re-calculated. The audited figure in 2017/18 was \$1.50.

Note that comparison with the percentage return on fee for service activities in 2018/2019 saw a decrease in the percentage return on the provision of services at the Muchea Livestock Centre due to an operational re-structure embodying reduced fees and charges income on cattle handling and redundancy.

Outcome Two (Effectiveness)

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

Relevance of Outcome

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

Effectiveness Indicator to be Measured

Percentage of WA abattoirs meeting standards.

Relevance of Indicator

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

Source of Information/Measurement

The Authority calculates 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 acceptable standards with the average rating for the twenty-eight (28) abattoirs operating at 30 June 2019 calculated at 75.5%.

The following table compares ratings for abattoirs:

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Construction Standard	91.3%	91.3%	82.6%	82.6%	84.6%	83.3%
Product Description System	70.7%	70.7%	64.1%	66.3%	76.9%	73.6%
Health and Hygiene Standard	92.4%	92.4%	85.9%	85.9%	90.4%	86.1%
Training Standard	78.3%	78.3%	71.7%	70.7%	76.9%	75.0%
Quality Assurance System	53.6%	53.6%	47.8%	47.8%	61.5%	59.3%
Average Rating	77.2%	77.2%	70.4%	70.7%	78.1%	75.5%
Target Average Rating	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%

Service Two – Regulation of the Western Australian meat and livestock industry (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/Measurement

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

Performance

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$293,625. The cost of attaining the standard per abattoir \$293,625 divided by 28 approved abattoirs) is \$10,487. The average rating for 2018/2019 has been calculated at 75.5%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$139. This means that it cost the Authority 139 per percentage point of achievement for abattoirs.

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

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost of achieving Standards	\$232,923	\$245,802	\$272,313	\$313,102	\$312,854	\$293,625
Number of Establishments	29	28	28	27	24	28
Actual cost per abattoir	\$8,032	\$8,779	\$9,725	\$11,596	\$13,036	\$10,487
Target cost per abattoir	\$6,605	\$6,728	\$7,056	\$10,826	\$12,647	\$9,980
Average abattoir rating	77.2%	77.2%	70.4%	70.7%	78.1%	75.5%
Cost per rating unit	\$104	\$114	\$138	\$164	\$167	\$139

The results show that the Authority has 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.

Outcome Three – Development and Administration of Information (Efficiency Measure 1)

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 outlet and government department 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. The total cost to the Authority for 2018/2019 was \$90,290.

Twenty-eight (28) abattoirs, one hundred and eleven (111) processing works, thirty-one (31) saleyards and fifty-seven (57) other outlets were operating during the 2018/2019 year. The cost per establishment for delivering the service was \$398. (\$90,290 divided by two hundred and twenty-seven (227) establishments).

The total cost of maintenance and distribution of information in 2018/2019 has reduced as a result of lower salaries and wages costs compared to 2017/2018 in which included substantial staff redundancy costs. This explains the decrease in cost per establishment for delivering service from prior year.

	2014/15	2015/16	2016/17	2017/18	2018/19
Total cost of maintenance and distribution of information	\$81,777	\$89,771	\$99,630	\$106,959	\$90,290
Number of establishments	214	226	225	222	227
Actual cost per establishment for Delivering service	\$382	\$397	\$443	\$482	\$398
Target cost per establishment for Delivering service	\$301	\$299	\$444	\$467	\$379

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard Australian Standard for Construction of processing establishments or National Building Code	2 points
Export Standard for construction of processing establishments	3 points
Product description system	
Meets Minimum Regulatory Standards for fair trading	1 point
Meets Minimum Regulatory Standards (carries out carcase branding and ticketing)	2 points
Monitored Product Description System (AUS-MEAT A rating or equivalent)	3 points
Quality Assured Product Description System (AUS-MEAT A+ rating or equivalent)	4 points
Health and hygiene standards	
Complies with Australian Standard for Hygiene Production, with no meat inspection	2 points
Complies with Australian Standard for Hygiene Production, with meat inspection	3 points
Complies with all export standards	4 points
Training standards	
Minimum HACCP training (one person trained where approved) Minimum HACCP training (two or more persons trained)	1 point 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	2 points
audited) Certified ISO Quality System, third party audited	3 points
Certified 100 Quality System, tillid party addited	ο μοιπιδ
Total possible points for each abattoir	18 points

Other Statutory Information

Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

This section includes information about pricing policies, major capital projects and employees require by TI 903 Agency Annual Reports.

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 fees and charges were published in the Government Gazette on 1st July 2019 and introduced/payable from 1st July 2019. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

All major capital projects are complete for 2018/19.

Employment and Industrial Relations

Staff Profile	2019	2018
Full-time permanent	9	11
Full-time contract	3	3
Part-time measured on a FTE basis	4.6	5.8
On secondment	-	_
	16.6	19.8

Staff Development

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

During the financial year, our employees received both internal and external training as required.

Workers Compensation

Six workers compensation claims were recorded during the financial year. This compares to three claims in the previous financial year.

Unauthorised use of credit cards

Officers of the Authority hold corporate credit cards where their functions warrant usage of this facility. There were no cases of unauthorised use of credit cards during the financial year.

Governance Disclosures

This section contains disclosures in regard to governance, including potential conflicts of interest.

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 2018/19 was \$10,830.

Board and Committee Remuneration

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration 2018/19 financial year
Chairman	David Lock	Annual	12 months	\$23,468
Deputy	Sally O'Brien	Annual	12 months	\$13,643
Member	Damien Hills	Annual	4 months	-
Member	Mark Ritchie	Annual	8 months	-
Member	Kim McDougall	Annual	12 months	\$13,643
Member	Andrew Kennedy	Annual	11 months	*\$13,643
Member	Mark Panizza	Annual	12 months	\$16,223
Member	Julie Cox	Annual	11 months	\$11,369
Member	Belinda Murray	Annual	12 months	\$13,643
Member	John Da Silva	Annual	1 month	*-
			Total	\$105,632

^{*}One meeting overpayment was made to A Kennedy which is to be recovered.

^{*}Mr J Da Silva was appointed to the Board in May 2019 but did not commence his duties until July.

Other Legal Requirements

Expenditure on advertising, market research, polling and direct mail

Section 175ZE of the *Electoral Act 1907* requires public agencies to report details of expenditure to the organisations providing services in relations to advertising, market research, polling, direct mail and media advertising. The Authority has not incurred expenditure of this nature.

Disability access and inclusion plan outcomes

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

1. People with disability 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 disability 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 disability 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 disability 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 disability 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 disability 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.

7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Authority is an equal opportunity employer and encourages people with disability, Aboriginal and Torres Strait Islander people and persons from culturally diverse backgrounds to apply.

Compliance with public sector standards and ethical codes

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.

Recruitment and selection procedures have been undertaken in accordance with Public Sector Standards. Compliance with the Code is monitored by the Chief Executive Officer. No compliance issues have been considered in the period.

Recordkeeping Plans

The Authority is required to comply with the requirements of the *State Records Act* 2000. The Authority has an approved record keeping plan and appointed Record Keeping Officer.

Government Policy Requirements

Substantive Equality

The Authority is committed to ensure that all employees, job applicants and others dealing with the Authority receive equitable treatment and that there is no bias on the grounds of sex, marital status, pregnancy, race, religion, political conviction or impairment. Furthermore, the Authority seeks to ensure that no one 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 employees and recognises its legal obligations under the *Equal Opportunity Act*, 1984.

Occupational Safety, Health and Injury Management

The Authority is committed to ensuring that it maintains a safe working environment to all users of The Muchea Livestock Centre and its administration office.

An audit review of WAMIA's occupational safety and health management system was carried out in March 2018 in alignment with AS/NZS 4801:2001 by an external consultant. A full review has been undertaken utilising the skills of an external consultancy and qualified OSH graduate who has streamlined current OSH policies and procedures in place. Of the 9 recommendations tabled in the audit review, 8 were agreed upon and 100% were implemented by June 2019. Completed works included the consolidation of a revised document suite, establishment of a working group to action the review and a training gaps analysis.

To ensure that staff are adequately advised of safety issues, the Management team consults with staff through its Health and Safety Committee and also the MLC Users and Agents Groups.

The consideration of all safety incidents and hazard reports is a standard agenda item at meetings of the Authority and the Muchea Livestock Centre User and Agent Groups. Any injuries that occur are managed closely in conjunction with the insurer RiskCover, both to ensure that appropriate return to work programs are implemented and in accordance with the requirements of the *Workers Compensation and Injury Management Act* (1981).

During the period WAMIA continued to work closely with MLC Users and Agents to address any safety issues identified.

WAMIA continued to ensure that staff where provided with training relevant to the safe operation of the workplace with several staff attending first aid courses or fresher training, Chief/Deputy, Warden and fire suppression training and snake handling and relocation courses.

WAMIA has also introduced an in-house training course covering low stress stock handling and operational best practice in June, which has been specifically designed to improve the knowledge and skills of saleyard employees and contractors.

In addition, a requirement for users handling livestock is to provide Safety Management Plans. Persons seeking access to the Centre's operational area and out of hours access are required to undertake an induction program. Thirty-six persons were inducted by the Authority staff during this period, making a total of 1,190 persons since the Muchea Livestock Centre's opening.

Table1: OSH and Injury Management Summary:

Measure	Results	Results	Results	Target	Comments towards targets
	2016-17	2017-18	2018-19		towardo targoto
Number of fatalities	0	0	0	0	Achieved
Lost time injury and/or disease incidence rate	14.28	15.15	12.05	0 or 10% reduction	Achieved 20% reduction from 2017/18
Lost time injury and/or disease severity rate	0%	100%	50%	0 or 10% reduction	Achieved
Percentage of injured workers returned to work: (i) within 13 weeks	100%	0%	50%	100%	Not Achieved Target introduced 2018/19
(ii) within 26 weeks	100%	33%	50%	100%	Not Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	100%	Greater than or equal to 80%	Achieved



