



GOVERNMENT OF
WESTERN AUSTRALIA



WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

Western Australian Meat Industry Authority



Annual Report 2016/17



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Accessibility

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

Statement of Compliance

For year ended 30 June 2017

HON. ALANNAH MACTIERNAN MLC

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

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Meat Industry Authority for the financial year ended 30 June 2017.

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



D. Lock
Chairman of the Western Australian
Meat Industry Authority

3rd October 2017



M. Panizza
Member of the Western Australian Meat
Industry Authority

3rd October 2017

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Chairman's Report 2016/17

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 2017.

As in previous years, the last 12 months have seen significant changes at WAMIA. These changes have coincided with lower livestock numbers through the facility which has resulted in a lower than budgeted financial performance for the year. In the paragraphs below, I have set out some of the key issues WAMIA has faced during the year.

Muchea Livestock Centre (MLC)

The MLC had a challenging year during the 12 months to June 2017. In July 2016, the operations were changed to incorporate the joint venture operation known as Livestock Logistics Western Australia (LLWA). This involved the employment by WAMIA of all LLWA staff and undertaking all the penning, drafting and weighing operations which had been previously undertaken by LLWA. As often happens with amalgamations of separate businesses, there were challenges with people and roles, but those were settled during the year. By the end of the financial year, we were satisfied that the operations were appropriately and efficiently integrated into WAMIA. I thank stakeholders for their assistance and patience during the transition.

The other major challenge during the year for the MLC was the significant drop in livestock volume with cattle volume for the year being 98,990 head; compared with the previous year of 108,000 head. Sheep were approximately in line with last year at 608,002. This had a negative financial impact on WAMIA's operations as all our costs are based on budgeted volumes. Fortunately, we have seen a turnaround in the early part of July 2017 where volumes have started to recover.

Industry Role

One of WAMIA's key functions is to provide an industry leadership role in relation to sale yards in Western Australia. The Government relies on WAMIA for advice and guidance in relation to the need for new or replacement sale yards.

As it has been widely reported, the sale yard at Boyanup is likely to cease operations in 2022. WAMIA has been tasked with commissioning a report into the need for a replacement for the facility. This work will involve an assessment of current and future livestock volumes and trends in relation to transaction of livestock. Ultimately, WAMIA will recommend whether or not a sale yard is required and what form it might take, as well as the ideal location for a sale yard facility.

During September 2017, WAMIA will be arranging community consultation with a view to providing a report by the end of November.

Compliance

The Meat Industry Authority Act (1976) (the Act) specifies certain requirements of WAMIA in relation to compliance of abattoirs and the retail sale of meat. WAMIA has met its obligations under the Act and is considering whether it would be more efficient for some of those compliance functions to be managed by other Government entities to reduce the overall cost incurred. Further work will be undertaken during 2017/18 to consider how these functions may most economically be achieved.

I would like to thank my fellow Board members who have all contributed significant amounts of time during the year to ensure that WAMIA delivers the service to our stakeholders that is expected. We added one Director during the year and I welcome Bindi Murray to the Board.

I would also like to thank Andrew Williams, the CEO of WAMIA, and his team for the significant efforts they have made during this year, particularly in integrating the operations of LLWA and its people.

As always, the Board of WAMIA welcomes any feedback in relation to the performance of the West Australian Meat Industry Authority.



Chairman

3rd October 2017

Executive Summary

- The Muchea Livestock Centre processed 98,990 head of cattle for auction sales (5,010 below the budget of 104,000) and 608,002 head of sheep (57,568 over the budget of 550,434)
- Cattle weighed for private sale at The Muchea Livestock Centre was 28,419 (8,581 below the budget of 37,000)
- Transhipment of cattle for the year was 72,021 days (65,979 below the budget of 138,000)
- WAMIA has incurred a full year loss of \$1,195,524 against a budgeted loss of \$717,729 (an unfavourable variance of \$477,795), primarily due to the below budget volume of cattle for auction, private sale and transhipment. Operating profit for the year before depreciation is \$26,997 against a budgeted profit of \$500,526 (an unfavourable variance of \$473,529).
- As a result of ongoing investment in infrastructure such as increased capacity and CCTV, cash reserves decreased by \$540,941 from the 1 July 2016 year balance of \$8,421,839 to \$7,880,899 at 30 June 2017.

Overview

About us

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

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

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

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

The Authority's Offices are based at the Muchea Livestock Centre Lot 5 Muchea East Road Muchea Western Australia, 6501 (postal address PO Box 390 Bullsbrook, Western Australia, 6084). The Authority can be contacted by telephone on (08) 9571 0013 or by email to wamia@wamia.wa.gov.au. The Authority's website is www.wamia.wa.gov.au.

Responsible Minister

Our responsible Minister is the Hon. Alannah MacTiernan MLC, Minister for Regional Development; Agriculture and Food; Minister assisting the Minister for State Development, Jobs and Trade.

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;*
- *Contaminated Sites Act 2003;*
- *Disability Services Act 1993;*
- *Equal Opportunity Act 1984;*
- *Financial Management Act 2006;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Minimum Conditions of Employment Act 1993;*
- *Occupational Safety and Health Act 1984;*
- *Public Sector Management Act 1994;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000; and*
- *State Supply Commission Act 1991.*

Shared Responsibilities with Other Agencies

The Western Australian Meat Industry Authority did not share any responsibilities with other agencies in 2016/17.

Board

The Authority consists of eight members appointed by the Minister and the Director General or an officer of the Department of Agriculture and Food (DAFWA) nominated by the Director General. The Authority Members at 30 June 2017 were:

David Lock (Chairman)	Representing the Minister
Warren Robinson (Deputy Chairman)	Representing the Wholesale and Retail Meat Industry
Damien Hills	Representing the Director General of the Department of Agriculture and Food
Kim McDougall	Representing Private Abattoirs
Andrew Kennedy	Representing Employees of the Meat Industry
Mark Panizza	Representing Private Abattoirs
Sally O'Brien	Representing the Producers of Meat
Belinda Murray	Representing the Producers of Meat

Mr Damien Hills was appointed for the remainder of Mr Rouda's term as Representing the Director General of the Department of Agriculture and Food.

Board Profiles

David Lock (Chairman)

Mr Lock has been Chairman of the Western Australian Meat Industry Authority since March 2012. Mr Lock is currently Chief Executive Officer and Managing Director of Mareterram Limited, an ASX listed agribusiness and food company headquartered in WA. Mareterram is the single largest owner operator within the Shark Bay Prawn Managed Fishery with 11 factory trawlers and 10 licences. Mareterram has a national sales and marketing team which sells its own products together with other premium, sustainably caught seafood that are sourced both in Australia and internationally. Mr Lock is also Deputy Chairman of Water Corporation.

Warren Robinson

Mr Robinson was reappointed to the Board for a three-year term in April 2015. He has been part of the meat industry for the last 49 years. His career started in 1967 as an apprentice butcher working in a local butcher shop in Victoria Park. In 1977, he was employed by Woolworths as Quality Control Manager, rising to State Meat Manager from 1988 to 2001. During that time, he conceived and developed the Bunbury Meat Centre (at V & V Walsh) to process product and service the Woolworths Meat

Department throughout the state of Western Australia. Mr Robinson is currently the Director of Warren Robinson Meat Trading and Consulting Company.

Damien Hills

Mr Hills was appointed as the Delegate of the Director General of the Department of Agriculture and Food in October 2016. Mr Hills is currently Principal Policy Officer in the Grains and Livestock Directorate of the Department of Primary Industries and Regional Development. Mr Hills' has worked in both Western Australian and Victorian State Government in various roles including agriculture, water resource management, regional community engagement and development and salinity management. Mr Hills' was Chief Executive Officer for the South West Catchments Council for 5 years, a private consultant for 2 years, before entering the Oil and Gas Peak National Industry Association (APPEA) in the Environment, Safety and Regulation Field.

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.

Andrew Kennedy

Mr Kennedy was appointed to the Board in May 2016. Mr Kennedy commenced his legal career in London before moving to Melbourne to work in the field of workplace relations and safety for a national law firm. In 2006, Mr Kennedy moved from Melbourne to Perth with the same national law firm before commencing in an in-house legal role with a multinational mining company. In that role he was responsible managing the Asia Pacific region legal team. In March 2017, Mr Kennedy was appointed to the role of Australian Regional Group Executive, Legal Services, with Newmont Mining Corporation. In that role Mr Kennedy has overall responsibility for the legal, land and records management functions. Prior to

becoming a lawyer Mr Kennedy pursued a career in Agriculture and spent several years working in the sector in England and in the United States.

Mark Panizza

Mr Panizza was reappointed to the Board for a third three-year term in April 2016. 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.

Sally O'Brien

Ms O'Brien was reappointed to the Board for a third three-year term in April 2017. She has been self-employed in a family broad acre agricultural business located at Irwin in WA's Midwest for the past 20 years. 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 responsible for the identification of opportunities, formulation and implementation of policy in regards to commercial opportunities within the region, and still currently remains on the board.

Belinda Murray

Ms Murray was appointed to the Board for a three-year term commencing 31 March 2017. Ms Murray replaces Ms Gorter as a representative of producers of meat. Ms Murray is currently the 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. Since 2015, Ms Murray has been a director of Sheep Alliance of WA (formerly Sheep Industry Leadership Council).

Authority Meetings

Ten Authority meetings were held during 2016/17. Members' attendance at the meetings is detailed below.

Name of Member	Meetings Attended	Maximum Attendance
David Lock (Chairman)	10	10
Warren Robinson	9	10
Damien Hills	5	6
Robert Rouda	4	4
Kim McDougall	10	10
Andrew Kennedy	10	10
Mark Panizza	9	10
Sally O'Brien	9	10
Erin Gorter	2	3
Belinda Murray	0	0

Organisational Structure

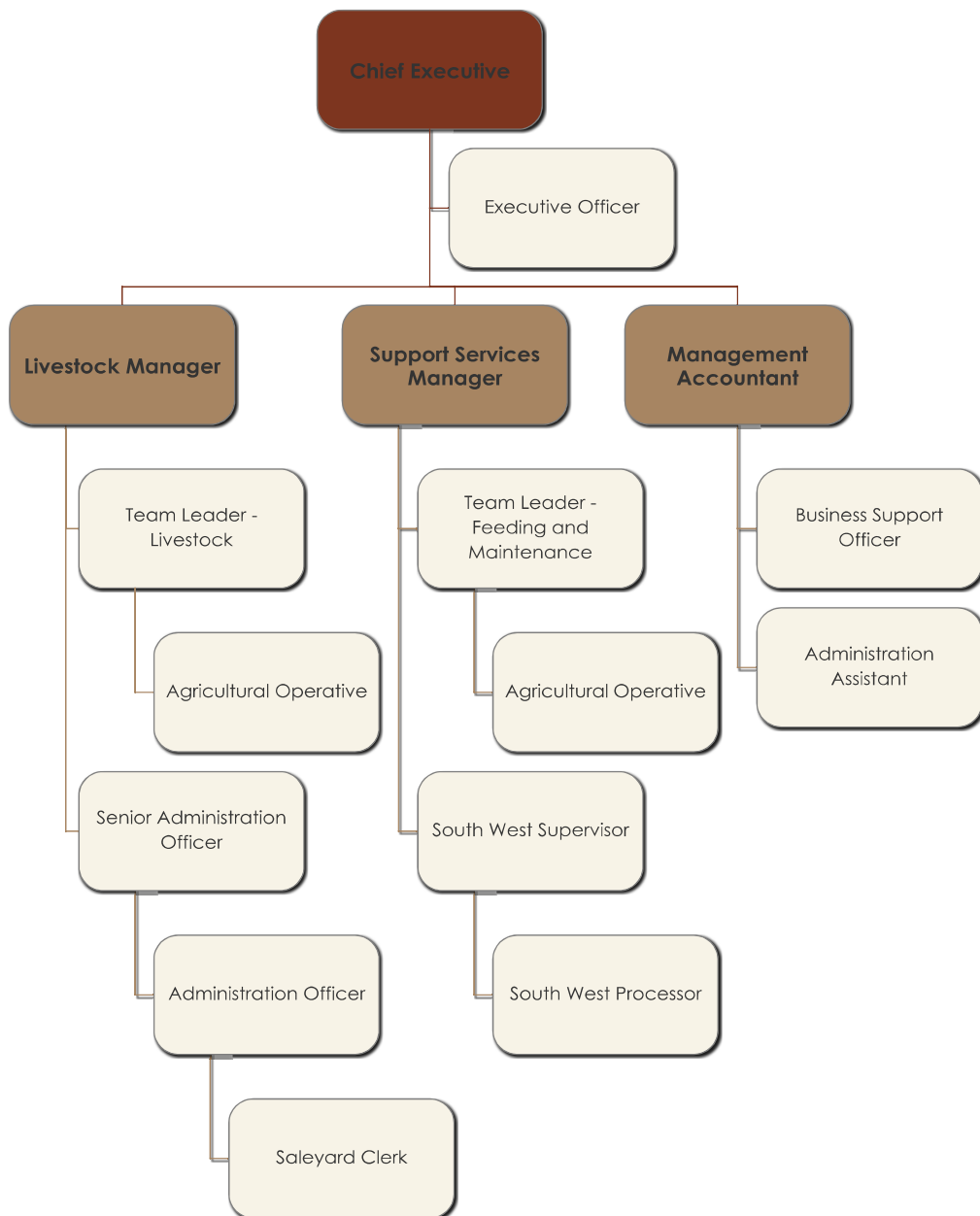
Management Team

Andrew Williams, Chief Executive

Dave Saunders, Support Services Manager

Sidney Pinto, Management Accountant

Brian Langford, Livestock Manager



Committee Participation

The following Authority members and senior staff participated in:

Finance Committee

The Finance Committee is responsible for overseeing the financial management of the Authority. Membership is made up of Mark Panizza (Chairman), Andrew Williams and Sidney Pinto. Executive support was provided by Brooke Meredith. This Committee met on twelve occasions during 2016/17.

MLC Community Consultative Group

The MLC Community Consultative Group is required as a condition of the Muchea Livestock Centre's (MLC) Department of Environmental Regulation approval. This group provides interaction between the Local Community and the MLC. Membership made up of Dave Saunders (Chairman), community members and Shire of Chittering Officers. This Committee meets on an as required basis and did not meet during 2016/17.

MLC User Group

Set up as part of the WAMIA 2010-2015 Strategic Plan, the MLC User Group meeting provides MLC users with an opportunity to provide input into the MLC's operations. Membership is made up of Andrew Williams (Chairman), Brian Langford and representatives of Agents, Transporters, Contractors and other MLC users. Executive support was provided by Jennifer Cameron and Brooke Meredith. This Committee met on three occasions during 2016/17.

MLC Agents

The MLC Agents Committee was set up to provide WAMIA Management and Agents the opportunity to discuss operational issues and initiatives to improve the efficiency of MLC operations. Membership is made up of Andrew Williams (Chairman) and representatives from each Agent. Executive support was provided by Jennifer Cameron and Brooke Meredith. This Committee met on seven occasions during 2016/17.

Health & Safety Committee

The Health & Safety Committee is a legislative requirement. The committee provides staff and management the opportunity to ensure that the WAMIA Safety Management Plan is successfully implemented, OH&S issues are reported on and Safe Work Procedures are reviewed and introduced. Membership is made up of Dave Saunders (Chairman), Brian Langford and staff representatives. Executive support was provided by Brooke Meredith. This Committee met on one occasion during 2016/17.

Emergency Planning Committee

The Emergency Planning Committee was formed in February 2017. The committee provides staff and management the opportunity to ensure that the MLC has effective and current emergency procedures in place. Membership is made up of Brooke Meredith (Chairman), Dave Saunders, Brian Langford and staff representatives. Executive support was provided by Brooke Meredith. This Committee met on three occasions during 2016/17.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Table 1: Financial Targets

	2016/17 Target \$	2016/17 Actual \$	Variation \$
Total cost of services	5,296,678	5,470,761	(174,083) ^(a)
Total Income	4,578,949	4,275,237	(303,712) ^(b)
Total equity	58,644,819	58,097,024	(547,795) ^(c)
Net increase / (decrease) in cash held	(494,560)	(2,040,941)	(2,535,501) ^(d)
Approved salary expense	2,536,887	2,850,945	(314,085) ^(e)

1. As specified in the Budget Statements.
2. Further explanations are contained in "Note 32. Explanatory statement" to the financial statements.
 - a. The variation is mainly due amalgamation of Joint Venture operations.
 - b. Income under budget mainly due to lower cattle volume than expected.
 - c. The negative variation mainly attributed to increase in expenses as a result of amalgamation of Joint Venture operations.
 - d. Investment of \$1,500,000 in term deposit and additional payments on non-current assets purchase.
 - e. Increase in salary expenses due to additional costs incurred on saleyard operations staff acquired from Joint Venture.

Table 2: Summary of Key Performance Indicators

	2016/17 Target \$	2016/17 Actual \$	Variation \$
<p><i>Outcome 1: To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.</i></p> <p>Key Effectiveness Indicator(s): The volume of Livestock for Cattle</p>	104,000	98,990	(5,010)
<p><i>Outcome 2: The lowering of the cost of maintaining the Muchea Livestock Centre</i></p> <p>Key Effectiveness Indicator(s): The lowering of the per unit cost</p>	\$2.10	\$2.12	(\$0.02)
<p><i>Outcome 3: Providing fee for service activities on a financially viable basis</i></p> <p>Key Effectiveness Indicator(s): The cost to the authority in carrying out these functions is paid by industry through fees and charges</p>	\$2,224,605	\$2,298,826	(\$74,221)

As specified in the Budget Statements.

Explanations for the variations between target and actual results are presented in "Note 32. Explanatory statement" to the financial statements.

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, however a number of initiatives and programs are in progress to mitigate this where possible.

Economic and social trends

There is an expectation in society that services delivered by the Western Australian Meat Industry Authority will be enhanced to take advantage of technological advances.

Changes in written law

There were no changes in any written law that affected the Authority during the financial year.

Likely developments and forecast results of operations

Volumes during the 2017/18 year are expected to rebound slightly from the lower levels in 2016/17 with continued focus on improving the efficiency and effectiveness of the services provided by the Western Australian Meat Industry Authority. Changes made to the structure of the workforce including the move from predominantly casual staff to more permanent part time employees has already and is expected to continue to improve service levels at the Muchea Livestock Centre.

Media

Gazette

The following Regulations were Gazetted during the period:

"The Western Australian Meat Industry Authority Amendment Regulations 2016" gazetted on 16 September 2016. This regulation provided minor fee amendments to Regulation 34 and Schedule 6.

Web Site

The Authority maintains a web site www.wamia.wa.gov.au. The website provides up-to-date yarding's and market reports as well as information on WAMIA's functions, staffing and governance and is used to advertise special sales and employment vacancies. During the 2016/17 period the website averaged 495 visits per week down from 519 visits per week in 2015/16.

Social Media

Social media is used extensively to provide market results and sale information, advice of events and to interact with MLC users. As of 30 June 2017 these sites had the following level of support:

Facebook:

<https://www.facebook.com/Muchea-Livestock-Centre-507137089317424/>

978 likes, up from 794 likes 2015/2016

Twitter:

<https://twitter.com/muchevalivestock>

173 followers, up from 134 followers 2015/16

SMS

293 contacts, up from 255 recipients 2015/16.

The Authority also uses other media options being:

Advertorials and press releases as well as interviews with rural media organisations and specific adverts in the rural press are used as required. Examples of this are:

- Advising stakeholders of initiatives and improvements at the Muchea Livestock Centre as well as important information such as changes in fees and charges.
- Meetings with Western Australian Farmers Federation (WAFF), Pastoralists and Graziers Association (PGA), Livestock and Rural Transport Association (LRTA), DAFWA and office of the Minister for Agriculture & Food.
- Attendance at Annual Conferences including the WAFF, PGA and LRTA.

- One on one stakeholder meetings between the Chief Executive and Industry Representatives.

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

Corporate Standards

Occupational Health & Safety

The Authority, through its Board, is committed to ensuring that it offers a safe working environment to all users of The Muchea Livestock Centre and its administration office. It has set policies in place to ensure that staff are adequately advised of safety issues and works closely with staff through its Health and Safety Committee and MLC users through its reference group. The consideration of all safety incidents and hazard reports is a standard agenda item at Authority Board meetings and the Muchea Livestock Centre User Group. Any injuries that occur are managed closely with RiskCover 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)*.

Table 3: Lists the target reporting for 2016/17:

Indicator	Target	2015/16 Actual	2016/17 Actual
Number of Fatalities	0	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0	14.28%
Lost time injury severity rate	0	0	0
Percentage of injured workers returned to work within (i) 13 weeks (ii) 26 weeks	(i)80% (ii)80%	(i)100% (ii)100%	(i)100% (ii)100%
Percentage of Managers and supervisors trained in occupational safety, health and injury management responsibilities	80%	100%	100%

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

During the period, WAMIA continued to ensure that staff were provided with relevant Occupational Health & Safety training with a number of staff completing low stress stock handling, first aid, fire & building warden and fire extinguisher training.

In addition to the requirement for Users to provide Safety Management Plan's, persons seeking access to the Centre's operational area and out of hour's access are required to undertake an induction program. 21 persons were inducted by Authority staff in the period making a total of 1,136 persons since the MLC's opening.

Risk Management

The Authority board reviews and reassesses the risks identified in its risk register on an annual basis. At every Board meeting the significant risk identified are reported on and strategies were developed as required.

Compliance with Electoral Act

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

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

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

Equal Employment Opportunity

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

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

Public Sector Standards

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

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

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

Disability Access and Inclusion Plan

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

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

a requirement for public meetings, these meetings are conducted in venues with disabled access.

The Authority is required to comply with the requirements of the *Public Interest Disclosure Act 2003* (PID). The Authority has formally adopted Guidelines and Procedures for dealing with disclosures and appointed Mr Saunders as the PID officer. No disclosures have been made in the period.

State Records Act

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

Freedom of Information

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

- a) to survey and keep under review the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- b) to review the operation of saleyards, establishments and processing works including:
 - i. Inspecting and where appropriate approving, the premises and facilities, and the conduct of operations there
 - ii. recording in respect of each establishment its effective capacity and actual performance.
- c) to implement schemes and practices for the branding of any carcasses or meat, which may include practices to define or identify its:
 - i. source
 - ii. method of production
 - iii. processing treatment
 - iv. quality
 - v. other characteristics.
- d) to assume responsibility for, or arrange for the management of:
 - i. Midland saleyard
 - ii. If the Minister so directs, any other undertakings, establishment or facility in the meat industry.
- e) to encourage and promote improved efficiency throughout the meat industry.
- f) to advise the Minister generally, and in particular as to:
 - i. methods of overcoming areas of conflicting interest within the meat and livestock industries
 - ii. future requirements for saleyards, establishments and processing works, particularly in relation to the overall slaughtering capacity of the State and the location of those establishments
 - iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary
- g) to carry out such other functions as are required to give effect to this Act

generally, in relation to saleyards, establishments, processing works and other facilities, undertakings or activities in the meat industry.

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

The Authority's Board comprises of Members representing a broad range of viewpoints in the meat processing supply chain. Additionally, it makes available relevant information on request and regularly consults with industry bodies. The Authority produces reports on industry matters. It has no library and no materials for sale other than livestock market reports, but does receive and hold information on the Western Australian meat industry derived from its own and other sources. The operation of Freedom of Information in the Authority is a function of the Chief Executive, telephone (08) 9571 0013 located at Lot 5 Muchea East Road Muchea, WA.

WAMIA did not receive any FOI requests during the 2016/17 period.

Performance

KPI's/KEI's

Strategic Planning

The Western Australian Meat Industry Authority Board redeveloped the Strategic Planning 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 to the Muchea Livestock Centre.

Values

The Authority aims to always:

- Be honest and ethical
- Display leadership and accountability at all levels
- Provide accurate information in a timely fashion
- 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 out dated;
- Animal welfare issues are becoming more prominent and have greater consequence; and
- 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 quarterly basis.

Compliance Policy

The Compliance unit 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;
- 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 2017,

the Authority is not aware of any establishments in Western Australia which are failing to comply with the relevant Australian Standards.

To ensure that adequate personnel are available to implement Hazard Analysis and Critical Control Points (HACCP), the Authority requires a minimum of two persons in supervisory positions in processing establishments to have completed approved training.

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

Compliance Functions

As outlined in Strategic Planning, 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 industry organisations such as the Federal Department of Agriculture and Water Resources (DAWR), Western Australian Department of Primary Industries and Regional Development (PIRD), Department of Health (DOH), AUS-MEAT, and the Australian Meat Industry Council (AMIC) in areas of regulatory and industry development.

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

Illegal Slaughter

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

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

Carcase Branding Activity

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

Branding Compliance

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

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

Establishment Approvals

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

Table 4: Establishments by Category

Category	Standard/Inspection	Market Access	Numbers at 30/06/16	Numbers as 30/06/17
Export	Export standards and importing country requirements AQIS Inspection	No restrictions in Australia	11	11
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	6	6
Domestic (no government meat inspection)	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	Non operational	Non operational	1	0
Total			28	27

Applications for Approvals

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

Table 5: Application by year

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Applications to construct an establishment	0	0	0	0
Applications to operate	1	0	1	0
Applications for variation to approval	0	0	1	0

There were no applications lodged during the 2016/2017 period.

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

Table 6: WAMIA Approved Abattoirs by Category as at the 30 June 2017

Category	Abattoir	Location
Export	Wellard Animal Production Pty Ltd	Beaufort River
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrikup
	Geraldton Meat Exports Pty Ltd *	Moonyoonooka
	Hillside Meat Processors Pty Ltd	Narrogin
	Western Meat Processors Pty Ltd	Cowaramup
	V and V Walsh Pty Ltd	Bunbury
	WAMMCo International Pty Ltd	Katanning
	Shark Lake Food Group Pty Ltd *	Esperance
	Gingin Meatworks	Gingin
	Kimberley Meat Company Pty Ltd	Derby

	Kimberley Freerange Beef Pty Ltd *	Gingin
	Great Eastern Abattoir	Tammin
Domestic Unrestricted	P R Hepple and Sons Pty Ltd **	Northam
	Dardanup Butchering Company	Picton
	Corrigin Meatworks	Corrigin
	Goodchild Abattoirs	Australind
	Hagan Bros	Greenough
Domestic Restricted	Kellerberrin Butchery	Kellerberrin
Other Species	Konyen Farm (Rabbits)	Baldivis
Special Abattoirs	Cunderdin Agricultural College	Cunderdin
	Denmark Agricultural College	Denmark
	Narrogin Agricultural College	Narrogin
	Morawa Agricultural College	Morawa
	Karnet Prison Farm	Serpentine
	Murdoch University*	Murdoch

* Currently closed

** Under contract of sale

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's 7 & 8 detail Abattoir throughput for the years 2015/16 and 2016/17.

Table 7: Abattoir throughput cattle, sheep, lambs goats & pigs by category for the years 2015/16 and 2016/7

Category	Year	Cattle	Sheep	Lambs	Goat	Pigs
Export	2015/16	338,146	1,359,437	2,530,536	54,790	639,998
	2016/17	323,745	919,456	2,678,345	55,840	659,535
Domestic (unrestricted)	2015/16	68,863	22,157	248,674	2,216	40,751
	2016/17	49,377	27,922	211,663	1,909	44,525
Domestic without Meat Inspection	2015/16	2	165	0	0	0
	2016/17	6	60	0	0	0
Special	2015/16	2,556	6,247	70	10	83
	2016/17	2,495	6,105	31	0	115

Totals	2015/16	408,748	1,388,006	2,779,280	57,016	680,832
	2016/17	375,623	953,543	2,890,123	57,749	704,175
% Change		(8.1%)	(31.3%)	3.9%	1.2%	3.4%

Table 8: Abattoir throughput for other species by category for the years 2015/16 and 2016/17

Category	Year	Deer	Alpaca	Rabbit	Horse
Export	2015/16	365	0	0	0
	2016/17	178	0	0	0
Domestic (unrestricted)	2015/16	377	13	27,805	0
	2016/17	371	36	25,730	0
Total	2015/16	742	13	27,805	0
	2016/17	549	36	25,730	0

Compliance Activity Summary

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

Table 9: Inspections undertaken from 2013/14 to 2016/17

Inspections Undertaken	2013/14	2014/15	2015/16	2016/17
Abattoirs	4	7	7	7
Boning Rooms	0	0	1	0
Retailers	92	138	167	179
Other premises e.g. pet food establishments	2	12	6	3

Table 10: Enquires received from 2014/15 to 2016/17

Enquires Received	2014/15	2015/16	2016/2017
Saleyard	32	15	28
Statistical	9	5	13
Market	4	5	5
Regulatory	7	11	7
General Information	47	60	38
Complaints	8	8	4
Total	106	104	95

Table 11: Investigations undertaken from 2015/16 to 2016/17

Investigations Undertaken	2015/16			2016/17		
	New	Completed	Ongoing	New	Completed	Ongoing*
Illegal slaughter	4	1	3	1	2	2
Product miss-description	0	0	0	0	0	0
Labelling issues	1	1	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	0	0
Assist other regulators	3	3	0	0	0	0

* Not completed.

Reported: not completed Investigations

None

Legal Action

An investigation into an illegal slaughtering operation in the Toodyay area has been completed and will be referred to the State Solicitors Office for consideration for prosecution.

A second investigation into an illegal slaughtering operation in the Toodyay area found the product sourced to be legally slaughtered but illegally obtained. The findings were referred to the Police Service for further action.

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
- 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 it is expected to be signed in late 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 will be implemented in to MLC Operations in late 2017

The Authority also 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's of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/1996 to 2009/2010 and for the Muehea Livestock Centre from 2010/2011 onwards are listed in Table 12.

Table 12: Midland/ Muehea Livestock Centre throughput by year

Year	Cattle	Sheep, lambs and goats	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402,	19,729
2002/2003	137,422	1,006,357	14,700

2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	104,132	913,597	0
2009/2010	100,249	648,205	0
2010/2011	106,183	701,614	0
2011/2012	86,582	423,081	0
2012/2013	80,917	550,343	0
2013/2014	92,780	785,750	0
2014/2015	104,774	660,050	0
2015/2016	108,830	557,713	0
2016/2017	98,990	660,050	0

Transshipment & non-sale weighing numbers for cattle and sheep 2010/2011 onwards are listed in the Table 13.

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

Year	Non sale weighing	Cattle transshipment days	Sheep transshipment days
2010/2011	7,654	69,528	101,365
2011/2012	9,762	34,637	7,878
2012/2013	20,249	49,428	20,627
2013/2014	27,969	59,596	16,994
2014/2015	19,384	38,908	16,762
2015/2016	36,950	139,059	36,434
2016/2017	27,822	75,799	25,913

Muchea Livestock Centre Precinct

The development of buffer land surrounding the saleyard complex within the Muchea Livestock Centre is an opportunity to increase the utilisation of the Centre and provide alternative and diversified revenue sources for the Authority.

Preliminary assessment works have now been completed and discussions are underway with interested parties for the long term lease of portions of the surrounding land.

Industry Development

Activities

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

Industry Database

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

Education

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

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



Auditor General

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 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the 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 2017.

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 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the 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 2017.

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 2017 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

4 October 2017

Disclosures and Legal Compliance

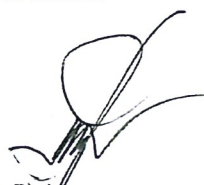
Financial Statements

Certification of Financial Statements

For the year ended 30 June 2017

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 2017 and the financial position as at 30 June 2017.

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



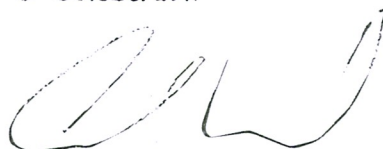
S. Pinto
Management Accountant of
Western Australian Meat Industry
Authority

3rd October 2017



M. Panizza
Member of Western Australian Meat
Industry Authority

3rd October 2017



D. Lock
Chairman of Western Australian
Meat Industry Authority

3rd October 2017



Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
INCOME			
Revenue			
Sales	5	537,274	630,777
Provision of services	6	3,446,052	2,100,336
Interest revenue	7	214,243	221,818
Gain on disposal of non-current assets	13	500	-
Other revenue	8	77,168	224,990
TOTAL INCOME		4,275,237	3,177,921
EXPENSES			
Cost of sales	5	210,880	235,897
Employee benefits expense	9	2,850,945	1,319,699
Supplies and services	10	1,061,445	1,078,457
Depreciation and amortisation expense	11	1,222,521	1,156,321
Accommodation expenses	12	16,324	50,009
Loss on disposal of non-current assets	13	-	2,223
Other expenses	14	108,646	80,997
TOTAL EXPENSES		5,470,761	3,923,603
LOSS FOR THE PERIOD		(1,195,524)	(745,682)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation	26	(70,000)	110,000
Total other comprehensive (loss)/ income		(70,000)	110,000
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,265,524)	(635,682)

See also Note 40 'Schedule of Income and Expenses by Service'.

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



Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	27	6,380,899	8,421,840
Inventories	15	25,744	44,672
Receivables	16	354,745	194,146
Other current assets	17	11,002	18,041
Total Current Assets		6,772,390	8,678,699
Non-Current Assets			
Property, plant and equipment	18	17,468,309	17,373,769
Infrastructure	19	33,060,212	33,551,591
Other financial assets	20	1,500,000	-
Intangible assets	22	8,373	8,997
Other non-current assets	17	-	126,498
Total Non-Current Assets		52,036,894	51,060,855
TOTAL ASSETS		58,809,284	59,739,554
LIABILITIES			
Current Liabilities			
Payables	24	467,273	217,009
Provisions	25	157,480	126,625
Total Current Liabilities		624,753	343,634
Non-Current Liabilities			
Provisions	25	87,507	33,372
Total Non-Current Liabilities		87,507	33,372
Total Liabilities		712,260	377,006
NET ASSETS		58,097,024	59,362,548
EQUITY			
Contributed equity	26	-	-
Reserves		1,252,318	1,322,318
Retained earnings		56,844,706	58,040,230
TOTAL EQUITY		58,097,024	59,362,548

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 2017

	Note	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
					\$
Balance at 1 July 2015	26	-	1,212,318	58,785,912	59,998,230
Loss for the period		-	-	(745,682)	(745,682)
Other comprehensive income		-	110,000	-	110,000
Total comprehensive loss for the period		-	110,000	(745,682)	(635,682)
<u>Transactions with owners in their capacity as owners:</u>					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2016		-	1,322,318	58,040,230	59,362,548
Balance at 1 July 2016		-	1,322,318	58,040,230	59,362,548
Loss for the period		-	-	(1,195,524)	(1,195,524)
Other comprehensive loss		-	(70,000)	-	(70,000)
Total comprehensive loss for the period		-	(70,000)	(1,195,524)	(1,265,524)
<u>Transactions with owners in their capacity as owners:</u>					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2017		-	1,252,318	56,844,706	58,097,024

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 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		507,677	394,879
Provision of services		3,315,076	2,121,710
Interest received		94,053	204,511
GST receipts on sales		401,913	278,260
Other receipts		147,897	188,365
Payments			
Employee benefits		(2,499,948)	(1,327,472)
Supplies and services		(1,364,292)	(1,313,634)
Accommodation		(21,889)	(50,009)
GST payments on purchases		(212,076)	(166,298)
GST payments to taxation authority		(186,864)	(88,100)
Net cash provided by operating activities	27	181,547	242,212
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(778,096)	(183,275)
Payments to acquire financial assets		(1,500,000)	-
Purchase of investments		55,608	-
Net cash used in investing activities		(2,222,488)	(183,275)
Net (decrease)/increase in cash and cash equivalents		(2,040,941)	58,937
Cash and cash equivalents at the beginning of the period		8,421,840	8,362,903
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27	6,380,899	8,421,840

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any other Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2017.

Note 2. Summary of significant accounting policies

(a) General statement

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

The *Financial Management Act 2006* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

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

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

The financial statements are presented in Australian dollars.

Note 3 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Authority only.

(d) Contributed equity

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

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

(e) Income**Revenue recognition**

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

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Rent Income

Rent income is recognised on accrual basis from property under lease.

Grants, donations, gifts and other non-reciprocal contributions

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

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

Gains

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

(f) Borrowing costs

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

No borrowing costs were incurred during the year.

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

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

Initial recognition and measurement

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

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

Subsequent measurement

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

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

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

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

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

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

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

Derecognition

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

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.

Depreciation

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

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

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

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

Land is not depreciated.

(h) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

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.

Computer software

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

Website costs

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

(i) Impairment of assets

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

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

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated

replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(j) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Authority is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

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

(k) Financial instruments

In addition to cash and cash equivalents, the Authority has three categories of financial instruments:

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Other financial assets
 - Receivables
- Financial Liabilities
 - Payables

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

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

(l) Cash and cash equivalents

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

(m) Inventories

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

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

(n) Receivables

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

(o) Payables

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

(p) Provisions

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

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Superannuation

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Authority makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

The Authority has no liabilities under the Pension Scheme or the GSS. 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 makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – other

Employment on-costs

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

(q) Superannuation expense

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

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

Assets or services received free of charge or for nominal cost that the Authority would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

The Authority has not received resources provided free of charge for the year ended 30 June 2017.

(s) Joint operations

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

(t) Comparative figures

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

Note 3. Key sources of estimation uncertainty

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

Long Service Leave

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

Note 4. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Authority.

AASB 1057	<i>Application of Australian Accounting Standards</i>
	This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.
AASB 2014-3	<i>Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>
	The Authority establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.
AASB 2014-4	<i>Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]</i>
	The adoption of this Standard has no financial impact for the Authority as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.
AASB 2014-9	<i>Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>
	This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the Authority has no joint ventures and associates, the application of the Standard has no financial impact.

AASB 2015-1	<i>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]</i>
	These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Authority has determined that the application of the Standard has no financial impact.
AASB 2015-2	<i>Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]</i>
	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.
AASB 2015-6	<i>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]</i>
	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.
AASB 2015-10	<i>Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 & 128</i>
	<i>This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.</i>

Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. By virtue of a limited exemption, the Authority has early adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Where applicable, the Authority plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>No income is derived from appropriations which will be measured under AASB 1058 <i>Income of Not-for-Profit Entities</i> and will be unaffected by this change. However, the Authority has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Authority has discharged its performance obligations.</p>	1 Jan 2019

		Operative for reporting periods beginning on/after
AASB 16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$34,126. The worth of non-cancellable operating leases which the Authority anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
AASB 1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-10	<p><i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The mandatory effective date (application date) for the Standard has been deferred to 1 January 2018 by AASB 2015-10. The Authority has determined that the Standard has no financial impact.</p>	1 Jan 2018

		Operative for reporting periods beginning on/after
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Authority has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
AASB 2016-2	<p><i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 <i>Statement of Cash Flows</i> (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Authority has not yet determined the application or the potential impact.</p>	1 Jan 2018
AASB 2016-4	<p><i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The Authority has not yet determined the application or the potential impact.</p>	1 Jan 2017

		Operative for reporting periods beginning on/after
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
AASB 2017-2	<p><i>Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle</i></p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

Note 5. Trading Profit

	2017	2016
	\$	\$
Sales	537,274	630,777
Cost of Sales:		
Opening inventory	44,672	9,685
Purchases	(281,296)	(290,254)
	(236,624)	(280,569)
Closing inventory	25,744	44,672
Cost of Goods Sold	(210,880)	(235,897)
Trading Profit	326,394	394,880

Note 6. Provision of services

	2017	2016
	\$	\$
Saleyard Fees and Services	1,299,417	1,275,859
Livestock Services	1,858,040	507,618
Abattoir Licensing and Services	117,137	115,900
Truck Wash	171,458	167,958
Joint Venture	-	33,001
	3,446,052	2,100,336

Note 7. Interest revenue

	2017	2016
	\$	\$
Interest revenue (Interest on Term Deposits with BankWest and Rabobank)	214,243	221,818
Total	214,243	221,818

Note 8. Other Revenue

	2017	2016
	\$	\$
Rental Income	80,086	137,217
Share of Joint Venture (Loss)/Income	(19,359)	14,345
Other Income	16,441	73,429
	77,168	224,990

Note 9. Employee benefits expense

	2017	2016
	\$	\$
Wages and salaries(a)	2,809,839	1,218,307
Superannuation – defined contribution plans(b)	41,091	99,824
Superannuation – defined benefit plans (Note 25 'Provisions')	15	1,568
	2,850,945	1,319,699

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

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

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

Employment on-costs liability is included at Note 25 'Provisions'.

Note 10. Supplies and services

	2017	2016
	\$	\$
Communications	50,760	32,578
Computing	134,255	63,049
Consultants and contractors	205,964	258,611
Repairs and Maintenance	223,442	238,693
Travel	22,228	8,837
Waste Management	6,111	43,349
Water Power Gas	98,020	96,874
Fuel – Diesel	25,703	30,180
Insurance	118,488	124,298
Carcase Disposal	47,936	64,498
Marketing Reporting	19,800	20,400
Other	108,739	97,090
	1,061,445	1,078,457

Note 11. Depreciation and amortisation expense

	2017	2016
	\$	\$
<u>Depreciation</u>		
Plant, equipment and vehicles	155,985	94,731
Buildings	289,524	289,524
Infrastructure	774,752	770,206
Total depreciation	1,220,261	1,154,462
<u>Amortisation</u>		
Computer software	2,260	1,859
Total amortisation	2,260	1,859
Total depreciation and amortisation	1,222,521	1,156,321

Note 12. Accommodation expenses

	2017	2016
	\$	\$
Lease rentals	16,324	41,541
Repairs and maintenance	-	995
Cleaning	-	7,473
	16,324	50,009

Note 13. Gain/(loss) on disposal of non-current assets

	2017	2016
	\$	\$
<u>Proceeds from disposal of non-current assets</u>		
Plant, equipment and vehicles	500	15,000
<u>Carrying amount of non-current assets disposed</u>		
Plant, equipment and vehicles	-	17,223
Gain/(loss)	500	(2,223)

Note 14. Other expenses

	2017	2016
	\$	\$
Bank Fees	1,858	1,505
Audit fees	38,830	34,437
Other (a)	67,958	45,055
	108,646	80,997

(a) Bad debts written off (2017: \$249, 2016: \$13,009), Staff amenities (2017: \$12,999, 2016: \$13,377) and Training costs (2017: \$10,328, 2016: \$8,982)

Note 15. Inventories

	2017	2016
	\$	\$
<u>Current</u>		
Inventories held for resale:		
Finished goods		
At cost	25,744	44,672
Total current	25,744	44,672

Note 16. Receivables

	2017	2016
	\$	\$
<u>Current</u>		
Receivables	265,999	159,373
Accrued revenue	88,746	34,773
	<u>354,745</u>	<u>194,146</u>
Other debtors	14,000	14,000
Allowance for impairment of receivables	(14,000)	(14,000)
Total current	354,745	194,146

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	(14,000)	(1,112)
Doubtful debts expense	-	(14,000)
Amounts written off during the period	-	1,112
Balance at end of period	(14,000)	(14,000)

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

Note 17. Other assets

	2017	2016
	\$	\$
<u>Current</u>		
Prepayments	5,009	18,041
Receivable from Joint Venture-Livestock Logistics WA	5,993	-
Total current	11,002	18,041

<u>Non-current</u>		
Equity share in Joint Venture – Livestock Logistics WA	-	126,498
Total non-current	-	126,498

Note 18. Property, plant and equipment

	2017	2016
	\$	\$
<u>Land</u>		
At fair value ^(a)	4,350,000	4,420,000
Accumulated impairment losses	-	-
	<u>4,350,000</u>	<u>4,420,000</u>
<u>Buildings</u>		
At fair value ^(a)	14,598,215	14,476,215
Accumulated depreciation	(2,073,673)	(1,784,149)
Accumulated impairment losses	-	-
	<u>12,524,542</u>	<u>12,692,066</u>
<u>Plant, equipment and vehicles</u>		
At cost	1,676,507	924,426
Accumulated depreciation	(1,082,740)	(662,723)
Accumulated impairment losses	-	-
	<u>593,767</u>	<u>261,703</u>
	<u>17,468,309</u>	<u>17,373,769</u>

- (a) Land and buildings were revalued as at 1 July 2016 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2017 and recognised at 30 June 2017. In undertaking the revaluation, fair value was determined by reference to market values for land: \$600,000 (2016: \$670,000) and fair value of buildings was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The Authority has not elected to take up the valuation of buildings for 30th June 2017 as the movement is immaterial. Information on fair value measurement is provided in Note 21.

	Land	Buildings	Buildings under construction	Plant, equipment and vehicles	Total
	\$	\$	\$	\$	\$
2017					
Carrying amount at start of period	4,420,000	12,692,066	-	261,703	17,373,769
Additions	-	-	122,000	364,971	486,971
Acquisitions from JV	-	-	-	109,861	109,861
Other disposals	-	-	-	-	-
Classified as held for sale	-	-	-	-	-
Revaluation increments/(decrements)	(70,000)	-	-	-	(70,000)
Impairment losses ^(a)	-	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-	-
Depreciation	-	(289,524)	-	(142,768)	(432,292)
Carrying amount at end of period	4,350,000	12,402,542	122,000	593,767	17,468,309
2016					
Carrying amount at start of period	4,310,000	12,981,590	-	285,192	17,576,782
Additions	-	-	-	88,465	88,465
Transfers	-	-	-	-	-
Other disposals	-	-	-	(17,223)	(17,223)
Classified as held for sale	-	-	-	-	-
Revaluation increments/(decrements)	110,000	-	-	-	110,000
Impairment losses ^(a)	-	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-	-
Depreciation	-	(289,524)	-	(94,731)	(384,255)
Write-off of assets destroyed by earthquake	-	-	-	-	-
Carrying amount at end of period	4,420,000	12,692,066	-	261,703	17,373,769

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

Information on fair value measurements is provided in Note 21.

Note 19. Infrastructure

	2017 \$	2016 \$
At fair value	38,772,906	38,489,533
Accumulated depreciation	(5,712,694)	(4,937,942)
Accumulated impairment losses	-	-
	33,060,212	33,551,591

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

	2017 \$	2016 \$
Reconciliation		
Carrying amount at start of period	33,551,591	34,213,624
Additions	283,373	108,173
Revaluation increments/(decrements)	-	-
Impairment losses	-	-
Transfers	-	-
Depreciation expense	(774,752)	(770,206)
Carrying amount at end of period	33,060,212	33,551,591

Note 20. Other financial assets

	2017 \$	2016 \$
<i>Held-to-maturity investments</i>		
Term Deposits(a)	1,500,000	-
	1,500,000	-

(a) Bankwest term deposit \$1,500,000 expiring on 27 Oct 2017.

Note 21. Fair value measurements

Assets measured at fair value:				Fair Value
2017	Level 1	Level 2	Level 3	At end of period
	\$	\$	\$	\$
Land (Note 18)	-	4,350,000	-	4,350,000
Buildings (Note 18)	-	12,402,542	-	12,402,542
Infrastructure (Note 19)	-	-	33,060,212	33,060,212
	-	16,752,542	33,060,212	49,812,754
Assets measured at fair value:				Fair Value
2016	Level 1	Level 2	Level 3	At end of period
	\$	\$	\$	\$
Land (Note 18)	-	4,420,000	-	4,420,000
Buildings (Note 18)	-	12,692,066	-	12,692,066
Infrastructure (Note 19)	-	-	33,551,591	33,551,591
	-	17,112,066	33,551,591	50,663,657

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings (Office Accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Fair value measurements using significant unobservable inputs (Level 3)

	Infrastructure
	\$
2017	
Fair Value at start of period	33,551,591
Additions	283,373
Revaluation increments/(decrements) recognised in Profit or Loss	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-
Transfers from/(to) Level 2	-
Disposals	-
Depreciation Expense	<u>(774,752)</u>
Fair Value at end of period	<u>33,060,212</u>
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-
2016	
	Infrastructure
	\$
Fair Value at start of period	34,213,624
Additions	108,173
Revaluation increments/(decrements) recognised in Profit or Loss	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-
Transfers from/(to) Level 2	-
Disposals	-
Depreciation Expense	<u>(770,206)</u>
Fair Value at end of period	<u>33,551,591</u>
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited as Treasurer's instructions require valuations of land and buildings to be categorised within Level 2 where the valuations will utilise significant Level 2 inputs on a recurring basis.

Land (Level 2 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 2 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 2 fair values)

Fair value for existing use specialised buildings asset is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable)

of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciation replacement cost utilises the significant Level 2 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 2 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Authority's enabling legislation.

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

Description	Fair value 2017 \$	Fair value 2016 \$	Valuation technique(s)	Unobservable inputs	Relationship of unobservable inputs to fair value
Infrastructure	33,060,212	33,551,591	Depreciated Replacement Cost	Consumed Economic benefit/obsolescence of asset Historical cost per square metre floor area (M2)	Greater consumption of economic benefit or increased obsolescence lowers fair value Higher historical cost per M2 increases fair value

Reconciliations of the opening and closing balances are provided in Note 19. Infrastructure and Note 21. Fair value measurements.

Note 22. Intangible assets

	2017	2016
	\$	\$
<u>Computer software</u>		
At cost	18,148	16,511
Accumulated amortisation	(9,775)	(7,514)
Accumulated impairment losses	-	-
	8,373	8,997
Reconciliations		
<u>Computer software</u>		
Carrying amount at start of period	8,997	9,220
Additions	1,636	1,636
Classified as held for sale		
Impairment losses	-	-
Impairment losses reversed	-	-
Amortisation expense	(2,260)	(1,859)
Carrying amount at end of period	8,373	8,997

Note 23. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2017.

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.

Note 24. Payables

	2017	2016
	\$	\$
<u>Current</u>		
Trade payables	226,645	117,516
GST payables	80,753	48,327
Accrued expenses	18,937	8,160
Accrued salaries	18,886	5,357
Payroll Tax Payable	105,215	25,249
Superannuation payable	16,837	12,400
Total current	467,273	217,009

Note 25. Provisions

	2017 \$	2016 \$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	84,001	60,565
Long service leave ^(b)	52,804	50,604
Superannuation ^(d)	4,354	4,339
	<u>141,159</u>	<u>115,508</u>
 <i>Other provisions</i>		
Employment on-costs	16,321	11,117
	<u>16,321</u>	<u>11,117</u>
	<u>157,480</u>	<u>126,625</u>
 <u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	76,093	30,339
	<u>76,093</u>	<u>30,339</u>
 <i>Other provisions</i>		
Employment on-costs	11,414	3,033
	<u>11,414</u>	<u>3,033</u>
	<u>87,507</u>	<u>33,372</u>

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

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	33,564	13,828
More than 12 months after the end of the reporting period	58,837	52,794
	<u>92,401</u>	<u>66,622</u>

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

	2017 \$	2016 \$
Within 12 months of the end of the reporting period	60,725	55,665
More than 12 months after the end of the reporting period	87,507	33,373
	<u>148,232</u>	<u>89,038</u>

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

(d) Defined benefit superannuation plans

	Pension Scheme		Pre-transfer benefit- Gold State Scheme	
	2017	2016	2017	2016
	\$	\$	\$	\$
Movements in the present value of the defined benefit obligation in the reporting period were as follows:				
Liability at start of period	-	-	4,339	2,771
Included in profit or loss:				
Current service cost	-	-	15	1,568
Past service cost	-	-	-	-
Interest cost	-	-	-	-
	-	-	4,354	4,339
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	-	-	4,354	4,339

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:

	2017	2016
Discount rate	2.26%	2.26%
Future salary increases	3.7%	3.5%

At 30 June 2017, the weighted average duration of the defined benefit obligation was 17.1 years (2016: 17.1 years).

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

	Defined Benefit Obligation	
	Increase	Decrease
	\$	\$
Discount rate (1% movement)	8,560	(8,860)
Future salary growth (1% movement)	8,836	(8,580)

Employer funding arrangements for the defined benefit plans

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

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 14 'Other expenses'.

Movements in other provisions

	2017	2016
	\$	\$
<u>Employment on-cost provisions</u>		
Carrying amount at start of period	14,151	25,088
Additional/(reversals of) provisions recognised	13,584	<u>(10,937)</u>
Carrying amount at end of period	<u>27,735</u>	<u>14,151</u>

Note 26. Equity

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

Reserves

	2017	2016
	\$	\$
<u>Asset revaluation surplus</u>		
Balance at start of period	1,322,318	1,212,318
Land	<u>(70,000)</u>	<u>110,000</u>
Balance at end of period	<u>1,252,318</u>	<u>1,322,318</u>

Retained earnings

	2017	2016
	\$	\$
Balance at start of period	58,040,230	58,785,912
Result for the period	<u>(1,195,524)</u>	<u>(745,682)</u>
Balance at end of period	<u>56,844,706</u>	<u>58,040,230</u>
Total equity at end of period	<u>58,097,024</u>	<u>59,362,548</u>

Note 27. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2017	2016
	\$	\$
Cash and cash equivalents	6,380,899	8,421,840
	<u>6,380,899</u>	<u>8,421,840</u>

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

	2017	2016
	\$	\$
Loss for the period	(1,195,524)	(745,682)
<u>Non-cash items</u>		
Depreciation and amortisation expense	1,222,521	1,156,321
Share of Joint Venture Loss/(Income)	19,359	(14,345)
Net (gain)/loss on disposal of property, plant and equipment	(500)	2,223
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	(106,626)	(32,417)
Current inventories	18,655	(34,987)
Other current assets	13,033	(15,276)
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(a)	125,640	(82,483)
Current provisions	30,855	(25,974)
Non-current provisions	54,134	34,832
Net cash provided by/(used in) operating activities	181,547	242,212

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.

(a) This is the net GST paid/received, i.e. cash transactions.

(b) This reverses out the GST in receivables and payables.

Note 28. Services provided free of charge

	2017	2016
	\$	\$
During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the Authority:		
The Department of Finance – Gov. Accommodation - Leasing	-	9,242
	-	9,242

Note 29. Commitments**Non-cancellable operating lease commitments**

	2017	2016
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	21,225	12,926
Later than 1 year and not later than 5 years	12,901	20,457
Later than 5 years	-	-
	34,126	33,383

The commitments below are exclusive of GST.

Capital expenditure commitments

	2017	2016
	\$	\$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	531,940	172,377
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	531,940	172,377

Note 30. Contingent liabilities and contingent assets

Contingent liabilities

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

Litigation in progress

There were no claims present at 30 June 2017.

Native title claims

There were no claims present at 30 June 2017.

Contaminated sites

There were no suspected contaminated sites present at reporting date.

Contingent assets

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

Note 31. Events occurring after the end of the reporting period

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

Note 32. Explanatory statement

Significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016 are shown below. Significant variances are considered to be those greater than 10% or \$10 million.

Statement of Comprehensive Income

	Variance Note	Original Budget 2017 \$	Actual 2017 \$	Actual 2016 \$	Variance between budget and actual \$	% Bud	Variance between actual results for 2017 and 2016 \$	% Act
		A	B	C	(A-B)		(B-C)	
INCOME								
Revenue								
Sales		567,361	537,274	630,777	(30,087)	-5%	(93,503)	-15%
Provision of services		3,644,582	3,446,052	2,100,336	(198,530)	-5%	1,345,716	64%
Interest revenue		209,000	214,243	221,818	5,243	3%	(7,575)	-3%
Gain on disposal of non-current assets		-	500	-	500	-	500	-
Other revenue	1	158,006	77,168	224,990	(80,838)	-51%	(147,822)	-65%
TOTAL INCOME	A	4,578,949	4,275,237	3,177,921	(303,712)	-7%	1,097,316	35%
EXPENSES								
Cost of sales	2	301,464	210,880	235,897	90,584	30%	25,017	11%
Employee benefits expense	3	2,536,887	2,850,945	1,319,699	(314,058)	-12%	(1,531,245)	-116%
Supplies and services		1,138,011	1,061,445	1,078,457	76,566	7%	17,012	2%
Depreciation and amortisation expense		1,218,255	1,222,521	1,156,321	(4,266)	0%	(66,200)	-6%
Accommodation expenses	4	13,672	16,324	50,009	(2,652)	-19%	33,685	67%
Loss on disposal of non-current assets		-	-	2,223	-		2,223	
Other expenses	5	88,389	108,646	80,997	(20,257)	-23%	(27,649)	-34%
TOTAL EXPENSES	B	5,296,678	5,470,761	3,923,603	(174,083)	-3%	(1,547,157)	-39%
LOSS FOR THE PERIOD		(717,729)	(1,195,524)	(745,682)	(477,795)	-67%	(449,842)	-60%
OTHER COMPREHENSIVE INCOME								
Items not reclassified subsequently to profit or loss								
Changes in asset revaluation surplus		-	(70,000)	110,000	(70,000)	-	(180,000)	164%
Total other comprehensive (loss)/income		-	(70,000)	110,000	(70,000)	-	(180,000)	164%
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(717,729)	(1,265,524)	(635,682)	(547,795)	-76%	(629,842)	-99%

Statement of Financial Position

	Variance Note	Original Budget 2017 \$	Actual 2017 \$	Actual 2016 \$	Variance between budget and actual \$	% Bud	Variance between actual results for 2017 and 2016 \$	% Act
		A	B	C	(A-B)		(B-C)	
ASSETS								
Current Assets								
Cash and cash equivalents	6	7,827,227	6,380,899	8,421,840	(1,446,328)	-18%	(2,040,941)	-24%
Inventories	7	44,671	25,744	44,672	(18,927)	-42%	(18,928)	-42%
Receivables	8	117,456	354,745	194,146	237,289	202%	160,599	83%
Other current assets	9	52,815	11,002	18,041	(41,813)	-79%	(7,039)	-39%
Total Current Assets	C	8,042,169	6,772,390	8,678,699	(1,269,779)	-16%	(1,906,309)	-22%
Non-Current Assets								
Property, plant and equipment		17,630,294	17,468,309	17,373,769	(161,986)	-1%	94,539	1%
Infrastructure		33,273,500	33,060,212	33,551,591	(213,288)	-1%	(491,379)	-1%
Other Financial Assets	10	-	1,500,000	-	1,500,000	0%	1,500,000	0%
Intangible Assets	11	7,138	8,373	8,997	1,235	17%	(624)	-7%
Other non-current assets	D	-	-	126,498	-	0%	(126,498)	-100%
Total Non-Current Assets		50,910,932	52,036,894	51,060,855	1,125,962	2%	976,039	2%
TOTAL ASSETS		58,953,101	58,809,284	59,739,554	(143,817)	0%	(930,270)	-2%
LIABILITIES								
Current Liabilities								
Payables	12	120,026	467,273	217,009	(347,247)	-289%	(250,264)	-115%
Provisions		154,884	157,480	126,625	(2,596)	-2%	(30,855)	-24%
Total Current Liabilities	E	274,910	624,753	343,634	(349,843)	127%	(281,119)	-82%
Non-Current Liabilities								
Provisions	13	33,372	87,507	33,372	(54,135)	-162%	(54,135)	-162%
Total Non-Current Liabilities	F	33,372	87,507	33,372	(54,135)	-162%	(54,135)	-162%
Total Liabilities		308,282	712,260	377,006	(403,978)	-131%	(335,254)	-89%
NET ASSETS		58,644,819	58,097,024	59,362,548	(547,795)	-1%	(1,265,523)	-2%
EQUITY								
Contributed equity		-	-	-				
Reserves		1,322,318	1,252,318	1,322,318	(70,000)	-5%	(70,000)	-5%
Retained earnings		57,322,501	56,844,706	58,040,230	(477,795)	-1%	(1,195,523)	-2%
TOTAL EQUITY		58,644,819	58,097,024	59,362,548	(547,795)	-1%	(1,265,523)	-2%

Statement of Cash Flows	Variance Note	Original Budget 2017 \$	Actual 2017 \$	Actual 2016 \$	Variance between budget and actual \$	% Bud	Variance between actual results for 2017 and 2016 \$	% Act
		A	B	C	(A-B)		(B-C)	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts								
Sale of goods and services	14	265,897	507,677	394,879	241,780	91%	112,798	29%
Provision of services	15	3,815,473	3,315,076	2,121,710	(500,397)	-13%	1,193,366	56%
Interest received	16	209,000	94,053	204,511	(114,947)	-55%	(110,458)	-54%
GST receipts on sales		436,995	401,913	278,260	(35,082)	-8%	123,653	44%
Other receipts		158,007	147,897	188,365	(10,110)	-6%	(40,468)	-21%
Payments								
Employee benefits		(2,469,537)	(2,499,948)	(1,327,472)	(30,411)	-1%	(1,172,476)	-88%
Supplies and services		(1,427,689)	(1,364,292)	(1,313,634)	63,397	4%	(50,658)	-4%
Accommodation	17	(13,674)	(21,889)	(50,009)	(8,215)	-60%	28,120	56%
GST payments on purchases	18	(146,446)	(212,076)	(166,298)	(65,630)	-45%	(45,778)	-28%
GST payments to taxation authority	19	(290,549)	(186,864)	(88,100)	103,685	36%	(98,764)	-112%
Net cash provided by/(used in) operating activities	G	537,477	181,547	242,212	(355,930)	66%	(60,665)	-25%
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments								
Purchase of non-current assets	20	(1,144,054)	(778,096)	(183,275)	365,958	32%	(594,821)	-325%
Payments to acquire financial assets	10	-	(1,500,000)	-	(1,500,000)	-	(1,500,000)	-
Purchase of investments	21	112,017	55,608	-	(56,409)	50%	55,608	-
Net cash provided by/(used in) investing activities	H	(1,032,037)	(2,222,488)	(183,275)	309,549	30%	(2,039,213)	1,113%
Net increase/(decrease) in cash and cash equivalents		(494,560)	(2,040,941)	58,937	(1,546,381)	-313%	(2,099,878)	3,563%
Cash and cash equivalents at the beginning of the period		8,321,787	8,421,840	8,362,903	(100,053)	-1%	58,937	1%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	I	7,827,227	6,380,899	8,421,840	(1,646,434)	-21%	(2,040,941)	-24%

Major Variance Narrative

Variations between estimate and actual

Income-

1. The unrealised feeding income mainly due to fall in demand in feeding own feed of stock agents resulted in negative variance to budget.

Expenditure –

2. The cost of sales reduced as a result of lower hay quantity than expected and loss of live export feeding income and cost thereof.
3. Employee costs were under-budget by \$314,058 (12%) as demand for overtime on weekends was required to supervise pastoral cattle, feeding and to cover leave.
4. Accommodation expenses include extra cost for making good of leased premises at Midland after relocation to Muchea in September 2016.
5. Other expenses were over budget by \$20,257 mainly due to extra training & development cost incurred for saleyard staff & various miscellaneous expenses.

Assets and Liabilities

6. Cash and cash equivalents
Various capital projects have been completed during 2016/17 financial year resulting lower than expected cash reserves.
7. Inventories
Lower levels of inventories were maintained as a result of efficient management of supplies required for feeding and Soft flooring.
8. Receivables
The receivables balance increased due to start of cattle season & increase in activities.
9. Other Current Assets
Accrued interest income on term deposits were realised before the period end making the balance lower than the budget by 79%.

Non-Current Assets

10. New term deposit has been created to better suit cash flow requirements with maturity more than three months.
11. Extra costs incurred to develop the Authority's web site over budget.

Current Liabilities

12. The trade payables balance was over budget due to increase in purchase of goods & services to cater the increased demand of activities.

Non-Current Liabilities

13. Annual leave and long service leave balances include Livestock Logistics WA balances acquired on 1 July 2016.

Cash Flows

Operating Activities

14. Sale of goods and services revenue increased due to amalgamation of operations of Livestock Logistics WA and higher volume of transshipment cattle feeding income.
15. Decreased level of activity in live export cattle impacted on provision of services.
16. Interest income has decreased as a result of lower interest rate and withdrawal of funds for operating cash flow requirements.

17. The extra cost of making good of leased premises over budget.
18. Input GST payments increased in line with increase in supplies and services and purchase of capital items.
19. GST payments to Australian Taxation Office decreased due to higher input GST as above.

Investing Activities

20. Budgeted payments for new Administration building not occurred till 2017/18 financial year due to delays in commencement of work.
21. The interim distribution from joint venture – Livestock Logistics WA was lower than expected due to losses.

Variance between estimate actual results for 2017 and 2016**Income –**

- A. The sales revenue was \$1,097,316 and 35% higher than the previous year mainly attributed to the impact of Livestock Logistics WA amalgamation from 1 July 2016.

Expenditure –

- B. The total expenses was \$1,547,157 39% higher than last year predominantly increase in salaries & wages. All Livestock Logistics WA employees have been absorbed into the business from 1 July 2016 which resulted in higher than expected employee benefits expense.

Current Assets -

- C. The current assets decreased due to re-classification of term deposit of three months or maturity into other financial assets.

Non-Current Assets -

- D. Nil balance for 2016/17 financial year due to the impact of dissolution of Livestock Logistics on 1 July 2016.

Current Liabilities -

- E. Payables were \$250,264 higher than last year. Increase in payables was a result of demand of goods & services of amalgamated operations.

Non-Current Liabilities -

- F. Increase in provisions balance as a result of acquisition of Livestock Logistics WA long service leave balances as of 30 June 2016.

Cash at end of the period -

- G. The net cash provided has fallen due to increase in payments for goods and services of amalgamated operations
- H. The investment of \$1,500,000 in a new term deposit.
- I. The cash reserves were decreased from \$8,421,840 to \$6,380,899 by \$2,040,941, a cash negative result. This was due to additional capital expenditure on various projects in 2016/17.

Note 33. Financial instruments

(a) Financial risk management objectives and policies

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

Credit risk

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

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

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

Liquidity risk

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

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

The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

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

(b) Categories of financial instruments

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

	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	6,380,899	8,421,840
Other Financial Assets	1,500,000	-
Receivables ^(a)	354,745	194,146
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost ^(a)	386,520	168,682

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

(c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Carrying Amount \$	Not past due and not impaired \$	Past due but not impaired					Impaired financial assets \$
			Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$	
2017								
Cash and cash equivalents	6,380,899	6,380,899	-	-	-	-	-	-
Other Financial Assets	1,500,000	1,500,000	-	-	-	-	-	-
Receivables ^{(a), (b)}	354,745	337,398	4,915	12,432	-	-	-	-
	8,235,644	8,218,297	4,915	12,432	-	-	-	-
2016								
Cash and cash equivalents	8,421,840	8,421,840	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
Receivables ^(a)	194,146	184,656	-	6,950	2,540	-	-	-
	8,615,986	8,606,496	-	6,950	2,540	-	-	-

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

(b) An amount of \$14,000 is outstanding from a tenant whose lease has now been terminated for non-payment. This amount has been provided for in full.

Liquidity risk and interest rate exposure

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

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

	Weighted Average Effective Interest Rate %	Interest rate exposure				Maturity dates							
		Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$	Nominal Amount \$	Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$		
2017													
<u>Financial Assets</u>													
Cash and cash equivalents	2.2	6,380,899	6,277,915	102,984	-	6,380,899	102,984	6,277,915	-	-	-	-	-
Other Financial Assets	2.5	1,500,000	1,500,000	-	-	1,500,000	-	-	1,500,000	-	-	-	-
Receivables ^(a)		354,745	-	-	354,745	354,745	342,313	12,432	-	-	-	-	-
		8,235,644	7,777,915	102,984	354,745	8,235,644	445,297	6,290,347	1,500,000	-	-	-	-
<u>Financial Liabilities</u>													
Payables ^(a)		386,520	-	-	386,520	386,520	386,520	-	-	-	-	-	-
		386,520	-	-	386,520	386,520	386,520	-	-	-	-	-	-

(a) The amount of receivables/payables exclude the GST recoverable/payable from/to the ATO (statutory receivable/payable).

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

	Weighted Average Effective Interest Rate %	Interest rate exposure				Maturity dates						
		Carrying Amount \$	Fixed interest rate \$	Variable interest rate \$	Non-interest bearing \$	Nominal Amount \$	Up to 1 month \$	1-3 months to 1 year \$	1-5 years \$	More than 5 years \$		
2016												
<u>Financial Assets</u>												
Cash and cash equivalents	2.025	8,421,840	7,683,214	738,626	-	8,421,840	738,626	7,683,214	-	-	-	-
Receivables ^(a)		194,146	-	-	194,146	194,146	174,731	19,415	-	-	-	-
		8,615,986	7,683,214	738,626	194,146	8,615,986	913,357	7,702,629	-	-	-	-
<u>Financial Liabilities</u>												
Payables ^(a)		168,682	-	-	168,682	168,682	168,682	-	-	-	-	-
		168,682	-	-	168,682	168,682	168,682	-	-	-	-	-

(a) The amount of receivables/payables exclude the GST recoverable/payable from/to the ATO (statutory receivable/payable).

Interest rate sensitivity analysis

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

2017	Carrying amount \$	-100 basis points		+100 basis points	
		Loss \$	Equity \$	Loss \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalents	6,380,899	(63,809)	(63,809)	63,809	63,809
Other Financial Assets	1,500,000	(15,000)	(15,000)	15,000	15,000
Total Increase/(Decrease)		(78,809)	(78,809)	78,809	78,809

2016	Carrying amount \$	-100 basis points		+100 basis points	
		Loss \$	Equity \$	Loss \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalents	8,421,840	(84,218)	(84,218)	84,218	84,218
Total Increase/(Decrease)		(84,218)	(84,218)	84,218	84,218

Fair values

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

Note 34. Joint operations

Name of Operation	Principal Place of Business	Principal Activity	Ownership Interest (%)
Midland Scales Joint Venture trading as Livestock Logistics WA	Muchea Livestock Centre	Livestock weighing and handling	33%

Livestock Logistics WA has been dissolved on 30 June 2016 and all its operations being integrated into the Authority with effect from 1 July 2016.

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

	2017 \$	2016 \$
<u>Current assets</u>		
Receivables	5,993	-
	<u>5,993</u>	<u>-</u>
<u>Non-current assets</u>		
Other	-	126,498
Total assets	-	126,498

Note 35. Compensation of Key Management Personnel

The Authority has determined that key management personnel include Ministers, board members, and senior officers of the Authority. However, the Authority is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*:

Compensation of members of the accountable authority

Compensation Band (\$)	2017	2016
Up to 10,000	1	
10,001 – 20,000	6	6
20,001 – 30,000	1	1
30,001 – 140,000	-	-
	\$	\$
Short term employee benefits	111,824	108,595
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total compensation of members of the accountable authority	111,824	108,595

Compensation of senior officers

Compensation Band (\$)	2017	2016
100,001 – 110,000	1	-
110,001 – 120,000	-	1
120,001 – 130,000	-	-
130,001 – 140,000	-	-
140,001 +	2	2
	\$	\$
Short term employee benefits	382,842	522,608
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Total compensation of senior members	382,842	522,608

Note 36. Remuneration of auditor

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

	2017	2016
	\$	\$
Auditing the accounts, controls, financial statements and key performance indicators	32,500	19,200

Note 37. Related Party Transactions

The Authority is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Authority is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State

and entities related to State.

Related parties of the Authority include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- superannuation payments to GESB (Note 9);
- lease rentals payments for fleet leasing to the Department of Finance (Note 12);
- commitments for future lease payments to the Department of Finance (Note 29);
- insurance payments to the Riskcover fund (Note 11);
- services received free of charge from the Department of Finance (Note 28); and
- remuneration for services provided by the Auditor General (Note 36).

Material transactions with related parties

All transactions (including general citizen type transactions) between the Authority and Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities are not material for disclosure.

Note 38. Affiliated bodies

There are no affiliated bodies.

Note 39. Supplementary financial information

(a) Write-offs

	2017	2016
	\$	\$
Bad Debts write-off	249	13,009
	<u>249</u>	<u>13,009</u>

(b) Losses through theft, defaults and other causes

	2017	2016
	\$	\$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	<u>-</u>	<u>-</u>

(c) Gifts of public property

	2017	2016
	\$	\$
Gifts of public property provided by the Authority	-	-
	<u>-</u>	<u>-</u>

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2017



D. Lock
Chairman of the Western Australian
Meat Industry Authority

3rd October 2017



M. Panizza
Member of the Western Australian
Meat Industry Authority

3rd October 2017

Detailed Information in Support of Key Performance Indicators

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

Key Effectiveness Indicator	2013-14	2014-15	2015-16	2016-17
	%	%	%	%
The % of throughput for MLC (Cattle)	41.3	42.8	45.2	41.8
The % of throughput for MLC (Sheep)	49.1	45.5	45.1	44.1

Service 1:

Key Efficiency Indicators	2013-14	2014-15	2015-16	2016-17
	\$	\$	\$	\$
Total Cost	2,260,321	2,343,393	2,402,177	2,668,163
Cost per unit	1.63	1.74	1.90	2.12
Cost per unit less depreciation	0.80	0.97	1.08	1.54

Ministerial Directions

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Pricing policies of services provided

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

The current fees and charges were published in the Gazette on 16th Sept 2016 and introduced/payable from 16th Sept 2016. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

All capital projects are complete for 2016-17 except for New Administration Building and CCTV Camera Project 2.

Employment and Industrial Relations

Staff Profile

	2017	2016
Full-time permanent	14	5
Full-time contract	1	3
Part-time measured on a FTE basis	6.7	1.2
On secondment	-	-
	21.7	9.2

Staff Development

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

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

Workers Compensation

Three workers compensation claims were recorded during the financial year.

Governance Disclosures

Contracts with Senior Officers

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with 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 2016/17 was \$9,805.

Other Legal Requirements

Annual Estimates

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

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

<https://publicsector.wa.gov.au/document/annual-reporting-framework-2016/17>

Government Policy Requirements

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

<https://publicsector.wa.gov.au/document/annual-reporting-framework-2016/17>

Performance Indicators

Certification of Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2017.



D.Lock
Chairman of Western Australian Meat
Industry Authority

3rd October 2017



M. Panizza
Member of Western Australian Meat Industry
Authority

3rd October 2017



Outcome One (Effectiveness)

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

Relevance of Outcome

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

Effectiveness Indicator to be Measured

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

Relevance of Indicator

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

Source of Information/Measurement

In July 2006 the Western Australian Meat Industry Authority (WAMIA) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2016/2017. 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, five(5) saleyards operated on a regular basis (at least six sales per year) during the 2016/2017 financial year or accounted for at least 1% of State saleyards throughput of one species.

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

Comparative Performance

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

Cattle and Calves

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
MLC	106,183	86,582	80,917	92,780	104,754	108,830	98,990
Total saleyards	250,649	209,263	205,596	224,932	244,701	241,052	237,011
% through MLC	42.4%	41.4%	39.0%	41.3%	42.8%	45.2%	41.8%
Next highest saleyard	72,553	59,788	63,104	69,010	69,661	63,552	67,389

Sheep, Lambs and Goats

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
MLC	701,614	423,081	550,066	785,505	660,093	557,713	608,002
Total saleyards	1,845,041	1,175,110	1,215,223	1,598,139	1,451,073	1,216,801	1,378,523
% through MLC	38.0%	36.0%	45.0%	49.1%	45.5%	45.8%	44.1%
Highest saleyard	1,155,265	707,579	619,992	753,590	734,397	624,619	703,895

Performance of Targets

WAMIA set target throughputs as part of its 2016/2017 budget process. These estimates were based on forecasting and seasonal conditions for the coming year. Based on the 2016/2017 actual throughput WAMIA did not meet its expected targets with stock numbers for cattle being lower than estimates by 5%. The throughput number for sheep exceeded the estimate by 10%. The forward year's sheep throughput is of concern, with continued decline in the State sheep flock.

	TARGET	ACTUALS	VARIANCE	VARIANCE %
Cattle	104,000	98,990	(5,010)	(5%)
Sheep, lambs and goats	550,434	608,002	57,568	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 the repair and maintenance program.

Source of Information

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

	Total	Saleyards		Development & Standards		
		Statutory	Fee for Service	Regulation	Information	Other
Income	\$4,275,237	\$1,367,403	\$2,525,290	\$161,081	\$3,163	\$218,300
Expenditure	\$5,470,760	\$2,668,163	\$2,298,826	\$313,102	\$99,630	\$91,039

Performance

The total cost of maintaining Muchea Livestock Centre in 2016/2017 was \$2,668,163. The Muchea Livestock Centre's throughput for the year was 1,256,687 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units, cattle 7 units).

The cost per unit for 2016/2017 to maintain the Muchea Livestock Centre was \$2.12. The cost of depreciation is now a significant portion of the total and \$733,513 was excluded to calculate the cost per unit less depreciation of \$1.54. This calculation is based on six years of operations at the Muchea Livestock Centre (which commenced operations on 3 May 2010). The comparative data prior to 2010/2011 is for the Midland Saleyards which closed on 27 April 2010. The higher unit cost is attributable to increased operating costs and lower throughput of cattle.

Comparative Performance

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Total cost of maintaining Muchea Livestock Centre	\$2,280,403	\$2,260,321	\$2,342,620	\$2,402,177	\$2,668,163
No. of livestock units handled in the year	1,071,790	1,388,670	1,345,763	1,266,373	1,256,687
Cost per unit	\$2.13	\$1.63	\$1.74	\$1.90	\$2.12
Cost per unit (less Depreciation)	\$1.04	\$0.80	\$0.97	\$1.08	\$1.54

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 2016/17 were: rentals, truck wash, livestock transshipment 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 2016/2017 the cost of providing fee for service activities at the Muchea Livestock Centre was \$2,298,826. The income generated by these activities was \$2,525,290.

In 2016/2017 the return of fee for service activities at the Muchea Livestock Centre was \$1.10 for every \$1.00 incurred in providing the service. This represents a return of 10% on the cost of those activities.

Comparative Performance

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

	2012/13	2013/14	2014/15	2015/16	2016/17
Total cost of providing fee for service activities at Muchea Livestock Centre	\$510,725	\$516,132	\$585,052	\$792,493	\$2,298,826
Income generated by fee for service Activities	\$638,733	\$850,553	\$913,365	\$1,543,580	\$2,525,290
Income generated for every \$1.00	\$1.25	\$1.65	\$1.56	\$1.95	\$1.10
Incurred to provide service Percentage return on costs	25%	65%	56%	95%	10%

A comparison with the percentage return on fee for service activities in 2016/2017 has seen a decrease in the percentage return on the provision of services at the Muchea Livestock Centre due to additional costs as a result of Livestock Logistics WA amalgamation.

Performance Targets

In the past WAMIA has set MLC income target as part of its 2016/2017 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2016/2017 the MLC actual income was below the budgeted income by \$303,712 (7%).

	TARGET	ACTUALS	VARIANCE	VARIANCE
			\$	%
Income	\$4,578,949	\$4,275,237	(\$303,712)	(7%)

Outcome Two (Effectiveness)

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

Relevance of Outcome

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

Effectiveness Indicator to be Measured

Percentage of WA abattoirs meeting standards.

Relevance of Indicator

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

Source of Information/M Measurement

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 standards with the average rating for the twenty three (23) abattoirs operating at 30 June 2017 calculated at 70.7%. This situation demonstrates that the activities of the Authority continue to be effective in this area.

Comparative Performance

The following table compares ratings for abattoirs:

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Construction Standard	80.0%	80.6%	91.3%	91.3%	82.6%	82.6%
Product Description System	64.0%	64.6%	70.7%	70.7%	64.1%	66.3%
Health and Hygiene Standard	83.0%	84.4%	92.4%	92.4%	85.9%	85.9%
Training System	72.0%	71.9%	78.3%	78.3%	71.7%	70.7%
Quality Assurance System	66.7%	48.6%	53.6%	53.6%	47.8%	47.8%
Average Rating	69.1%	70.0%	77.2%	77.2%	70.4%	70.7%

Service Two – Compliance and Licensing (Efficiency Measure 1)

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

Relevance of Service

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

Efficiency Indicator to be Measured

The cost per abattoir for development and implementation of standards.

Relevance of Indicator

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

Source of Information/Measurement

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

Performance

Total cost of the development and implementation of these standards (a proportion of licensing and development expenditure) is \$313,102. The cost of attaining the standard per abattoir (\$313,102 divided by 27 approved abattoirs) is \$11,596. The average rating for 2016/17 has been calculated at 70.7%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$164. This means that it cost the Authority 164 per percentage point of achievement for abattoirs.

Comparative Performance

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

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Cost of achieving Standards	\$200,208	\$219,047	\$232,923	\$245,802	\$272,313	\$313,102
Number of Establishments	25	30	29	28	28	27
Cost per abattoir	\$8,008	\$7,302	\$8,032	\$8,779	\$9,725	\$11,596
Average abattoir rating	69.1%	70.0%	77.2%	77.2%	70.4%	70.7%
Cost per rating unit	\$116	\$104	\$104	\$114	\$138	\$164

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

Service Three – Development and Administration (Efficiency Measure 1)

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

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information/Measurement

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

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

Performance

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads. The total cost to the Authority for 2016/2017 was \$99,630.

Twenty seven (27) abattoirs, one hundred and eleven (111) processing works, thirty one (31) saleyards and fifty six (56) other outlets were operating during the 2016/17 year. The cost per establishment for delivering the service was \$443. (\$99,630 divided by two hundred and twenty five (225) establishments).

Comparative Performance

	2012/13	2013/14	2014/15	2015/16	2016/17
Total cost of maintenance and distribution of information	\$81,609	\$78,236	\$81,777	\$89,771	\$99,630
Number of establishments	216	215	214	226	225
Cost per establishment for Delivering service	\$378	\$364	\$382	\$397	\$443

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard

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

Product description system

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

Health and hygiene standards

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

Training standards

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

Quality assurance

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

Total possible points for each abattoir 18 points

