



GOVERNMENT OF
WESTERN AUSTRALIA

Western Australian Meat Industry Authority



2016 Annual Report



WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

Statement of Compliance

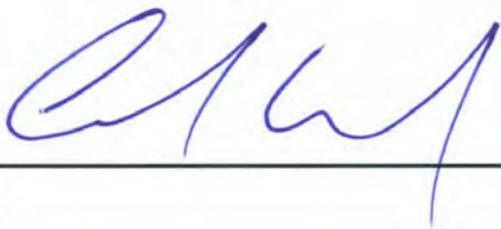
For year ended 30 June 2016

HON DEAN NALDER

MINISTER FOR AGRICULTURE AND FOOD; TRANSPORT

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 2016.

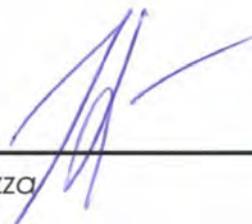
The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*



D. Lock

Chairman of the Western Australian Meat Industry Authority

20 September 2016



M. Panizza

Member of the Western Australian Meat Industry Authority

20 September 2016

Contacts

Administration Office:

15 Spring Park Road
MIDLAND WA 6055

P +618 9274 7533

F +618 9274 7588

Postal Address

PO box 1434
MIDLAND DC 6936

W www.wamia.wa.gov.au

E wamia@wamia.wa.gov.au

Muchea Livestock Centre:

Lot 5 Muchea East Road
MUCHEA WA 6501

Contents

Statement of Compliance	1
Chairman's Report 2015/16	4
Executive Summary	6
Overview	7
About us	7
Board	8
Organisational Structure.....	10
Administered Legislation	12
Agency Performance	14
Report on Operations	14
Significant Issues Impacting the Agency.....	15
Media	16
Corporate Standards	17
Occupational Health & Safety	17
Risk Management	17
Compliance with Electoral Act	17
Equal Employment Opportunity	18
Public Sector Standards	18
Disability Access and Inclusion Plan.....	18
State Records Act	19
Freedom of Information.....	19
Performance	21
KPI's/KEI's.....	21
Auditor General's report	31
Disclosures and Legal Compliance	34
Financial Statements.....	34
Statement of Comprehensive Income.....	35
Statement of Financial Position	36
Statement of Changes in Equity	37

Statement of Cash Flows.....	38
Notes to the Financial Statements	39
Additional Key Performance Indicator Information.....	84
Certification of Key Performance Indicators	84
Ministerial Directions.....	85
Other Financial Disclosures.....	85
Governance Disclosures.....	86
Other Legal Requirements	86
Government Policy Requirements	86
Performance Indicators	87
Certification of Performance Indicators.....	87
Outcome One (Effectiveness)	88
Outcome Two (Effectiveness).....	92
APPENDIX A.....	96

Chairman's Report 2015/16

To all Industry Stakeholders, it is my pleasure to present the Chairman's Report for the West Australian Meat Industry Authority (WAMIA) for the year ended 30 June 2016.

Once again, the last 12 months have seen significant change at WAMIA. I would like to thank my fellow Board members who all committed significant amounts of time during the year to build and transform WAMIA into a highly effective organisation. We added one Board member during the year and I welcome Andrew Kennedy to the Board.

WAMIA focussed its attention on its three primary functions during the year, being:

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

Set out below are the key elements of each of these focus areas.

Muchea Livestock Centre (MLC)

The MLC processed a record number of cattle during the year (108,000 head) as well as more than half a million sheep. It also continued to focus on broadening its business by participating in private sales and transshipment of cattle and sheep.

However, much of the Board's time was focussed on restructuring the operations of MLC. This involved agreeing a plan with livestock agents and other users to dissolve the joint venture operation known as Livestock Logistics Western Australia (LLWA). Negotiations with the joint venture partners and other key stakeholders were lengthy, however the outcome was a position which the joint venture partners in LLWA and other key stakeholders supported. The agreement sees WAMIA take full responsible for the operations at MLC from 1 July 2016. This avoids some of the previous uncertainty as to roles and responsibilities between LLWA, WAMIA and livestock agents. WAMIA's Board and management are confident that users and other stakeholders will continue to see improved outcomes at MLC.

Strategic Plan

WAMIA's Board and key executives formulated a new strategic plan during the year over the course of a number of facilitated sessions. This process resulted in the following key strategies which the Board is focussing on:

- Ensuring that the WAMIA compliance function provides value to the Minister, the meat industry and consumers of meat in Western Australia
- Dissolution of LLWA and WAMIA to take responsibility for all operations at the MLC
- Utilising MLC site to its full potential
- Ensuring that the operation of MLC is commercially robust, while having regard to the

requirements of a government agency

- Reviewing, and where appropriate, updating the technology used throughout the MLC
- Ensuring best practice animal welfare outcomes
- Maintaining a sufficient livestock throughput at MLC to ensure it remains a viable part of the livestock supply chain

One of the elements of the Strategic Plan is the further development of real estate around the MLC. Whilst this remains a long term goal, we are making progress on the implementation of this strategic initiative.

Compliance

WAMIA continues to meet its obligations under the Act in relation to the compliance of abattoirs and the retail sale of meat. It has increased its inspections compared with the previous year and also has approved one new beef abattoir.

The year ended June 2016 was the first full year of operations for our CEO, Andrew Williams. I would like to thank Andrew and his team for the significant effort and passion they showed for the business during the year. WAMIA is lucky to have the quality of people that we have.

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



David Lock

Chairman

Executive Summary

- Agreement was reached with the Authority's partners, (Landmark and Elders) in the Midland Scales Management Joint Venture (T/A Livestock Logistics WA) to cease operations of the joint venture on 30 June 2016 with the services provided by the joint venture to be provided by the Authority from 1 July 2016.
- The Muchea Livestock Centre processed 108,830 head of cattle for auction sales (a record number for the Centre) and 557,713 head of sheep
- The utilisation of the Livestock Centre continued to improve with a significant increase in the volume of cattle weighed for private sale to 36,950 compared to 19,384 in 2014/15
- The transshipment of both cattle and sheep also grew sharply to 139,059 cattle days (38,908 in 2014/15) and 36,434 sheep days (16,762 in 2014/15)
- The Authority's focus on its compliance activities saw an increase in compliance inspections compared to the previous year and the approval of a new abattoir in the Kimberley Region
- The Authority continued its focus on improving internal processes and policies with a number of updated policies approved and processes improved
- The Authority's operations before capital expenditure generated a positive cash flow of \$242,212 with a net increase on cash on hand at 30 June 2016 of \$58,937 compared to 30 June 2015

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; Transport (the Minister) in the performance of its functions. The functions of The Authority under the Act are:

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

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

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

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

Responsible Minister

The Hon. Dean Nalder, BBus, GradDip(AppFin&Inv) MLA, Minister for Agriculture and Food; Transport.

Board

Members

The accountable Authority is the Western Australian Meat Industry Authority (the Authority), which consists of seven members appointed by the Minister and the Director General or an officer of the Department of Agriculture and Food (DAFWA) nominated by the Director General. The Authority Members at 30 June 2016 were:

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

Mr McDougall has changed his membership to the Authority, now representing the private abattoirs. Mr Andrew Kennedy was appointed for the remainder of Mr McDougall's term as a representative of employees of the meat industry. Mr Panizza's term was renewed for three years until March 2019.

Board Profiles

Mr David Lock (Chairman)

Mr Lock has been appointed 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 Australian owned agribusiness and food company headquartered in WA. Norwest, a division of Mareterram, is the single largest owner operator within the Shark Bay Prawn Managed Fishery, while Mareterram Foods manage the sales and marketing of the Norwest products together with other premium, sustainably caught seafood that are sourced worldwide, as well as acting as the exclusive agents for other premium food brands.

Mr 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 worked in various regional areas throughout the State as an accountant in public practice before taking up a position in the private sector. He is currently a Director and CEO of Dardanup Butchering Company. He holds Directorships in other commercial enterprises associated with agriculture. 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.

Mr 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 45 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.

Mr Kim McDougall

Mr McDougall was reappointed to the Board as the representative for Private Abattoirs for a three-year term in April 2016. 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. He 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". He is currently the Executive Manager for Livestock, of the Harvey Industries Group, Mr McDougall is responsible for the overall procurement of livestock for Harvey Beef, WA's largest beef processor. In the role he is responsible for strategic planning, business development and managing key relationships in the supply chain. Mr McDougall is currently the WA representative on the Australian Meat Industry Council Livestock Committee and was recently awarded a scholarship sponsored by (AMPC) Australian Meat Processors Corporation to participate in the prestigious Australian Rural Leadership Program. He holds an advanced diploma in leadership and management from the University of Western Australia.

Erin Gorter

Mrs Gorter was reappointed to the Board for a second three-year term in April 2014. She has a background in agriculture and education and farms in the Kojonup area. She operates a diverse range of rural enterprises comprising of prime lambs, grains, wool and agroforestry. She has extensive experience volunteering on various committees, both national and state, in varying roles. She has represented producers across Australia on committees focusing on research, development and extension. Mrs Gorter also operates her own business, offering executive services and events management to rural based groups. She is currently contracted as the Executive Officer of WA's largest pasture based grower group and has been responsible for the establishment and development of a mixed farming regional grower group in her region. She is also a member of the Ministerial Agricultural Advisory Committee.

Sally O'Brien

Mrs O'Brien was reappointed to the Board for a second three-year term in April 2014. She has been self-employed in a family broad acre agricultural business located at Irwin in WA's Midwest for the past 19 years. She was Vice Chairman of the Mingenew Irwin Group (2010-2016) (1998-2001 Treasurer). Mrs 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.

Andrew Kennedy

Mr Kennedy was appointed to the Board for the remainder of Mr McDougall's term as a member representing retail employees. 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 a role as Manager for Legal Services with a multinational mining company. In that role he was responsible for the legal aspects of employment, industrial relations and safety as well as managing the Asia Pacific region legal team consisting of five lawyers. Mr Kennedy has broad ranging experience covering general contract, commercial law and litigation, with a specific focus on workplace relations and workplace safety. Mr Kennedy has also been responsible for the preparation and delivery of workplace training, developing customised briefings on issues such as appropriate workplace behaviours, pre-employment medicals, performance management, industrial legislation reforms and OH&S laws and regulations.

Authority Meetings

Eleven Authority meetings were held during 2015/16. Members' attendance at the meetings is detailed in Table 1.

Table 1: Member meeting attendance.

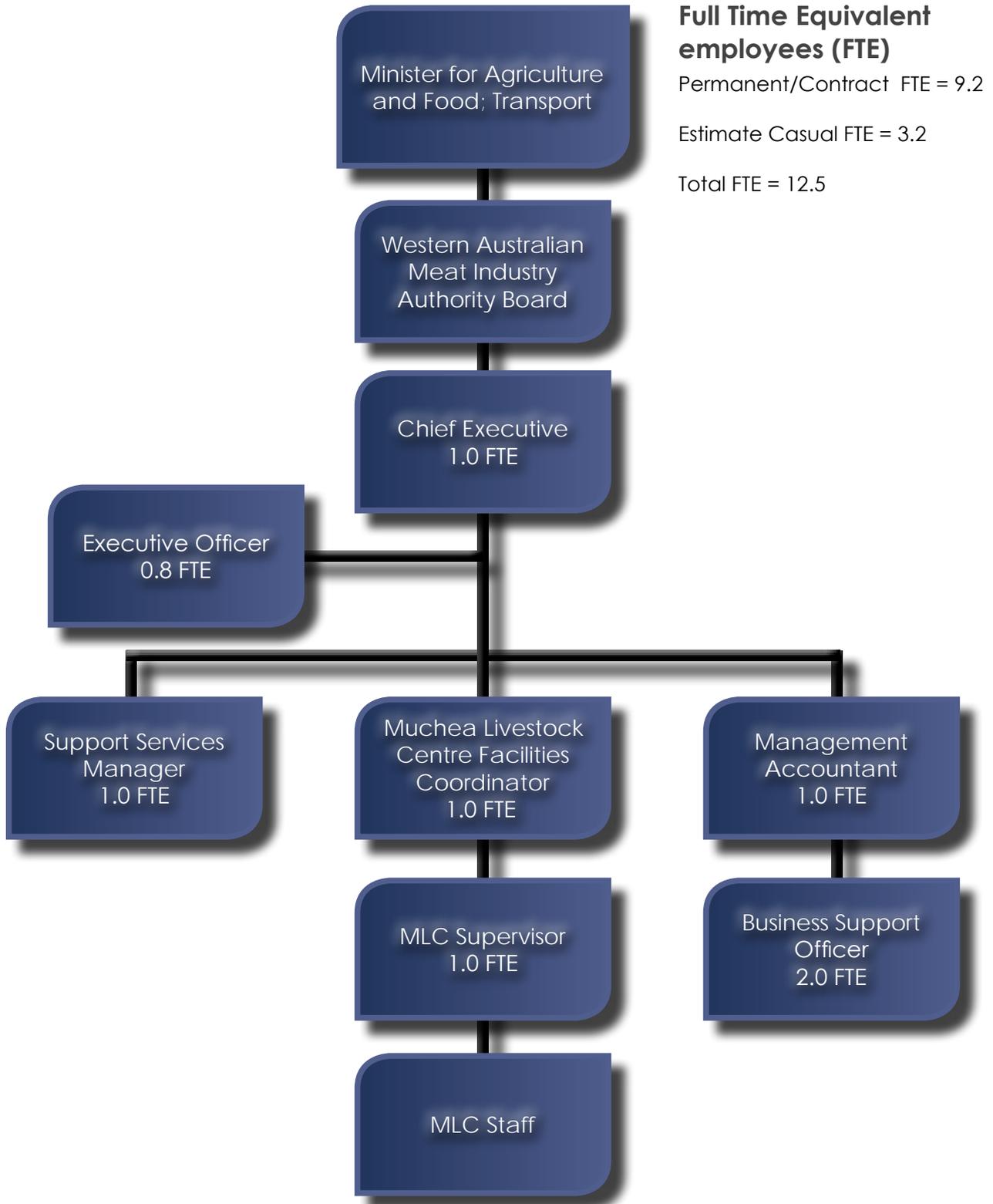
Name of Member	Meetings Attended	Maximum Attendance
David Lock (Chairman)	9	11
Warren Robinson	11	11
Mark Panizza	11	11
Erin Gorter	9	11
Sally O'Brien	9	11
Kim McDougall	8	11
Robert Rouda	9	11
Andrew Kennedy	2	2

Organisational Structure

The administrative staff of the Authority at 30 June 2016 were:

Andrew Williams	Chief Executive
Dave Saunders	Support Services Manager
Mario Romeo	Facilities Coordinator
Jennifer Cameron	Executive Officer
Brooke Meredith	Business Support Officer
Michelle Caton	Administrative Assistant

Organisational Chart



Management team

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

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

Dave Saunders (Support Services Manager)

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

Committee Participation

The following Authority members and senior staff participated in:

- **Finance Committee** – Responsible for overseeing the financial management of the Authority – Membership made up of Mr Panizza (Chairman), Mr Williams, and Ms Meredith. Executive support was provided by Ms Meredith. This Committee met on 11 occasions during 2015/16.
- **MLC Community Consultative Group** – Required as a condition of the MLCs Department of Environmental Regulation approval, provides interaction between the Local Community and the MLC. Membership made up of Mr Saunders (Chairman), Mr Romeo, community members and Shire of Chittering Officers. Executive support was provided by Mrs Cameron. This Committee did not meet during 2015/16.
- **MLC Users Group** – Set up as part of the WAMIA 2010-2015 Strategic Plan, provides MLC users with an opportunity to provide input into the MLCs operations and recommend improvements to centre design and operations. Membership made up of Mr Williams (Chairman), Mr Romeo and representatives of Agents, Transporters, Contractors and other MLC users. Executive support was provided by Mrs Cameron. This Committee met on two (2) occasions during 2015/16.
- **Livestock Logistics WA Management Committee** - Mr Robinson held the position of independent Chairman of the Committee. Mr Williams, and Mr McDougall sat as Committee Members representing the Authority. Executive support was provided by Mrs Cameron. This Committee met on three (3) occasions during 2015/16.

Administered Legislation

The Authority assists the Minister for Agriculture and Foods; Transport in administration 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;*

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

- *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 2015/16.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Table	2:	Financial		Targets
		2015/16 Target ⁽¹⁾	2015/16 Actual	Variation ⁽²⁾
		\$	\$	\$
Total cost of services		3,555,139	3,923,603	(368,464) ^(a)
Total Income		2,421,552	3,189,607	768,055 ^(b)
Total equity		58,863,828	59,374,234	510,406 ^(c)
Net increase / (decrease) in cash held		(461,675)	59,037	520,712
Approved salary expense		1,220,457	1,149,649	70,808 ^(d)

(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 to increase in Muchea Livestock Centre service expenses (\$231,429) and increase in administration expenses (\$137,035).

(b) In addition to the explanation above regarding expenses, the variation was mainly due to an increase in livestock volume and hence fees and income as a result of better than expected.

(c) The positive variation is mainly due to a greater than expected asset revaluation increments for land (\$110,000) and decrease in target loss (\$400,406).

(d) The positive variation is due to non-replacement of saleyard manger position at Muchea Livestock Centre

Table 3: Summary of Key Performance Indicators

	2015/16 Target ⁽¹⁾	2015/16 Actual	Variation ⁽²⁾
<i>Outcome 1: To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.</i>			
Key Effectiveness Indicator(s):	85%	86%	1%
The volume of Livestock for Cattle	\$22,700	\$21,950	\$750
<i>Outcome 2: The lowering of the cost of maintaining the Muchea Livestock Centre</i>			
Key Effectiveness Indicator(s):	75%	76%	1%
The lowering of the per unit cost	0.36 \$5,000	0.39 \$5,311	0.03 (311)
<i>Outcome 3: Providing fee for service activities on a financially viable basis</i>			
Key Effectiveness Indicator(s):	\$200m	\$206m	\$6m
The cost to the authority in carrying out these functions is paid by industry through fees and charges	66% \$19,300 \$5,000	68% \$18,900 \$5,155	2% \$400 (155)

(1) As specified in the Budget Statements.

(2) 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

The rapid pace of technological advancement is leading to a reduction in agency costs and creates opportunities to deliver enhanced services.

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

It is likely that Authority operations will undergo a period of consolidation during 2017 as a result of the full impact of changes made during the 2015/16 financial year. The most significant areas for change will be in:

- continuation of the research and development project on software development for public sector accounting. This project is expected to deliver significant cost savings to the public sector; and
- measures taken in the current period with respect to information technology services should begin to deliver significant cost savings and greater sales growth.

Media

Gazette

The following Regulations were Gazetted during the period:

"The Western Australian Meat Industry Authority Amendment Regulations 2015" gazetted on 24 July 2015. 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 yardings 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 2015/16 period it averaged 519 "hits" per week up from 490 hits per week in 2014/15.

Social Media

Social media is used extensively to provide market results and sales information, advice of events and to interact with MLC users. As of 30 June 2016 these sites had the following level of support:

- Facebook page: Muchea Livestock Centre now with 794 likes, up from 613 likes 2014/15
- Twitter page: Muchea Livestock now with 149 followers, up from 130 followers 2014/15
- SMS for market reports with 255 recipients, up from 163 recipients 2014/15.

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

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

Corporate Standards

Occupational Health & Safety

The Authority, 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 Occupational Health and Safety Committee and MLC users through its reference group. The consideration of all safety incidents & 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 4: Lists the target reporting for 2015/16:

Indicator	Target	2014/15 Actual	2015/16 Actual
Number of Fatalities	0	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0	0
Lost time injury severity rate	0	0	0
Percentage of injured workers returned to work within (i) 13 weeks (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 with MLC users to address safety issues identified, this included:

During the period, WAMIA continued to ensure that staff were provided with relevant Occupational Health & Safety training with a number of staff completing 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. 19 persons were inducted by Authority staff in the period making a total of 1115 persons since the MLC's opening.

Risk Management

In 2015 the Authority board reviewed and reassessed the risks identified in its 2014 risk register. 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.
 - o 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) 9274 7533 located at 15 Spring Park, Midland, WA.

WAMIA did not receive any FOI requests during the 2015/16 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 2016 to 2020. 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:

1. The Authority's compliance function is not adequately defined;
2. LLWA needs to be replaced by the Authority;
3. The MLC site is not currently used to its full potential;
4. The operations of the MLC are constrained by government processes;
5. The technology used in the livestock centre is out dated;
6. Animal welfare issues are becoming more prominent and have greater consequence; and

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

Compliance Policy

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

1. Approval Of Abattoirs
 - a. Approval to construct
 - b. Granting or refusing applications
 - c. Conditions of approval
 - d. Revocation of approval
2. Product description
 - a. Permission to use commercial brands
 - b. Permission to use regulatory brands
 - c. Revocation of approval to use commercial or regulatory brands
 - d. Auditing of abattoirs
 - e. Monitoring of Retail Outlets
3. Monitoring of Pet Food establishments, illegal slaughter operations, boning rooms & small goods establishments
4. Offences under the Act & Regulations
5. 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 2016, the Authority is not aware of any establishments in Western Australia which are failing to comply with the relevant Australian Standards.

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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 Forestry and Fisheries (DAFF), Western Australian Department of Agriculture and Food (DAFWA), 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 5.

Table 5: Establishments by Category

CATEGORY	STANDARD/ INSPECTION	MARKET ACCESS	NUMBER AT 30/06/15	NUMBER AT 30/06/16
Export	Export standards and importing country requirements AQIS Inspection	No restrictions in Australia	13	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	1	4
Under construction	Non operational	Non operational	2	1
Total			28	28

One abattoir is non-operational, located at Hyden, which had its approval withdrawn in the period.

Applications for Approvals

During the year, the Authority considered the following applications as detailed in Table 6.

Table 6: Application by year.

	2013/14	2014/15	2015/16
Applications to construct an establishment	0	0	0
Applications to operate	1	0	1
Applications for variation to approval	0	0	1

The applications granted were as follows:

June 2016 - Kimberley Meat Company, approval to operate the Derby Abattoir granted.

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

June 2016 - Department of Corrective Services, Karnet Prison Farm Abattoir, variation to conditions of the capacity restriction, condition was removed.

A list of currently approved abattoirs is detailed in table 7.

Table 7: WAMIA Approved Abattoirs by Category as at the 30 June 2016

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

expected to commence operations in late 2016

Current Construction Approvals

The following approvals to construct an abattoir are still current:

Kimberley Freerange Beef Kilto Abattoir

State Processing Statistics

The Authority maintains processing statistics for the State by type of animal and category of processing establishment. Table's 8 & 9 detail Abattoir throughput for the years 2014/15 and 2015/16.

Table 8: Abattoir throughput cattle, sheep, lambs goats & pigs by category for the years 2014/15 and 2015/16

CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOAT	PIGS
Export	2014/15	346,902	1,448,119	2,343,816	64,898	573,908
	2015/16	338,146	1,359,437	2,530,536	54,790	639,998
Domestic (unrestricted)	2014/15	76,320	22,378	250,544	2,463	32,042
	2015/16	68,863	22,157	248,674	2,216	40,751
Domestic without Meat Inspection	2014/15	7	113	0	0	0
	2015/16	2	165	0	0	0
Special	2014/15	2,505	4,750	0	0	51
	2015/16	2,556	6,247	70	10	83
Totals	2014/15	425,734	1,475,360	2,594,360	67,361	606,001
	2015/16	408,748	1,388,006	2,779,280	57,016	680,832
	% Change	(5.4%)	(5.9%)	7.1%	(15.4%)	12.4%

Table 9: Abattoir throughput for other species by category for the years 2014/15 and 2015/16

CATEGORY	YEAR	DEER	ALPACA	RABBIT	HORSE
Export	2014/15	363	0	0	0
	2015/16	365	0	0	0
Domestic (unrestricted)	2014/15	432	0	27,672	0
	2015/16	377	13	27,805	0
Total	2014/15	795	0	27,672	0
	2015/16	742	13	27,805	0

Compliance Activity Summary

Tables 10, 11 & 12 provide details of compliance activity during the period.

Table 10: Inspections undertaken from 2012/13 to 2015/16

Inspections Undertaken	2012/13	2013/14	2014/15	2015/16
Abattoirs	8	4	7	7
Boning Rooms	0	0	0	1
Retailers	80	92	138	167
Other premises e.g. pet food establishments	3	2	12	6

Table 11: Enquires received from 2014/15 to 2015/16

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

Table 12: Investigations undertaken from 2014/15 to 2015/16

Investigations Undertaken	2014/15			2015/16		
	New	Completed	Ongoing	New	Completed	Ongoing*
Illegal slaughter	8	7	1	4	1	3
Product mis-description	1	1	0	0	0	0
Labelling issues	5	5	0	1	1	0
Over the hooks	0	0	0	0	0	0
Brand issues	1	0	1	0	0	0
Other	0	0	0	0	0	0
Assist other regulators	1	1	0	3	3	0

* not completed

Reported: not completed Investigations

None

Legal Action

An investigation into the sale of mutton legs as hogget was completed in the period with the store operator was issued with a first and final warning in relation to the offence.

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
- DAFF accredited live export cattle depot
- Pregnancy Testing
- Dentition Assessment
- Manure & 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.

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

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/1996 to 2009/2010 and for the Muchea Livestock Centre from 2010/2011 onwards are listed in Table 13.

Table 13: Midland/ Muchea Livestock Centre throughput by year.

Year	Cattle	Sheep, lambs & goats	Pigs
1995/1996	98,705	1,494,103	64,269
1996/1997	100,603	1,490,504	61,742
1997/1998	123,444	1,474,421	41,986
1998/1999	118,559	1,458,323	29,049
1999/2000	114,718	1,294,692	20,518
2000/2001	119,902	1,275,489	20,749
2001/2002	139,352	1,212,402	19,729
2002/2003	137,422	1,006,357	14,700
2003/2004	113,610	802,650	12,061
2004/2005	122,661	865,658	13,441
2005/2006	112,724	948,972	12,242
2006/2007	97,089	1,038,329	2,369
2007/2008	99,883	903,839	0
2008/2009	104,132	913,597	0
2009/2010	100,249	648,205	0
2010/2011	106,183	701,614	0
2011/2012	86,582	423,081	0
2012/2013	80,917	550,343	0
2013/2014	92,780	785,750	0
2014/2015	104,774	660,050	0
2015/2016	108,830	557,713	0

Transshipment & non-sale weighing numbers for cattle and sheep 2010/2011 onwards are listed in the Table 14.

Table 14: 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

Muchea Livestock Centre Precinct

The development of buffer land surround 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 discussion are underway with interested parties for the long term lease of portions of the surrounding land.

Joint Venture (Livestock Logistics WA)

Since July 2001, the Midland Sales Management Joint Venture (MSMJV) a Joint Venture between the Authority, Elders Ltd and Landmark Operations Pty Ltd has managed the receival, drafting and weighing operations for cattle and pigs at Midland and cattle at the MLC. In 2007, the joint venture was re-named Livestock Logistics WA (LLWA). The Joint Venture is governed by a Management Committee made up of two representatives from each partner and an independent Chairman. The Authority provides administrative support to the operations of LLWA.

During the year agreement was reached among the Partners to cease operations as at 30 June 2016. The Joint Venture will be dissolved with the services previously provided by the Joint venture, provided by the Authority from 1 July 2016.

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's report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Meat Industry Authority at 30 June 2016 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Report on Controls

I have audited the controls exercised by the Western Australian Meat Industry Authority during the year ended 30 June 2016.

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

Opinion

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 2016.

Board's Responsibility for Controls

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

Auditor's Responsibility for the Audit of Controls

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

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

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

Report on the Key Performance Indicators

I have audited the key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2016.

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

Opinion

In my opinion, in all material respects, the key performance indicators of the 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 2016.

Board's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility for the Audit of Key Performance Indicators

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

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

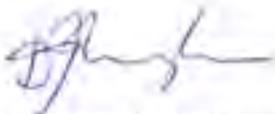
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2016 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
21 September 2016

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2016

The accompanying financial statements of the Western Australian Meat Industry Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2016 and the financial position as at 30 June 2016.

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

S. Pinto

Management Accountant of Western
Australian Meat Industry Authority

20 September 2016

M. Panizza

Member of Western Australian Meat
Industry Authority

20 September 2016

D. Lock

Chairman of Western Australian Meat
Industry Authority

20 September 2016



Statement of Comprehensive Income

For the year ended 30 June 2016

	Note	2016 \$	2015 \$
INCOME			
Revenue			
Sales	6	630,777	352,724
Provision of services	7	2,100,336	1,837,454
Interest revenue	8	221,818	279,611
Other revenue	9	224,990	194,911
TOTAL INCOME		3,177,921	2,664,700
EXPENSES			
Cost of sales	6	235,897	102,252
Employee benefits expense	10	1,319,699	1,232,152
Supplies and services	11	1,078,457	962,115
Depreciation and amortisation expense	12	1,156,321	1,150,765
Accommodation expenses	13	50,009	45,115
Loss on disposal of non-current assets	14	2,223	-
Other expenses	15	80,997	85,906
TOTAL EXPENSES		3,923,603	3,578,305
PROFIT/(LOSS) FOR THE PERIOD		(745,682)	(913,604)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	26	110,000	(400,000)
Total other comprehensive income		110,000	(400,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(635,682)	(1,313,605)

See also Note 39. 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 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	27	738,626	679,689
Other Financial Assets	27	7,683,214	7,683,214
Inventories	16	44,672	9,685
Receivables	17	194,146	180,747
Other current assets	18	18,041	2,665
Total Current Assets		8,678,699	8,556,000
Non-Current Assets			
Property, plant and equipment	19	17,373,769	17,576,782
Infrastructure	20	33,551,591	34,213,624
Intangible assets	22	8,997	9,220
Other non-current assets	18	126,498	112,153
Total Non-Current Assets		51,060,855	51,911,779
TOTAL ASSETS		59,739,554	60,467,779
LIABILITIES			
Current Liabilities			
Payables	24	217,009	271,173
Provisions	25	126,625	152,598
Total Current Liabilities		343,634	423,771
Non-Current Liabilities			
Provisions	25	33,372	45,778
Total Non-Current Liabilities		33,372	45,778
Total Liabilities		377,006	469,549
NET ASSETS		59,362,548	59,998,230
EQUITY			
Contributed equity	26	-	-
Reserves		1,322,318	1,212,318
Retained earnings		58,040,230	58,785,912
TOTAL EQUITY		59,362,548	59,998,230

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 2016

	Note	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2014	26				
Changes in accounting policy or correction of prior period errors		-	-	-	-
Restated balance at 1 July 2014		-	1,612,318	59,699,517	61,311,835
Profit/(loss)		-	-	(913,605)	(913,605)
Other comprehensive income		-	(400,000)	-	(400,000)
Total comprehensive income for the period		-	(400,000)	(913,605)	(1,313,605)
<u>Transactions with owners in their capacity as owners:</u>					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2015		-	1,212,318	58,785,912	59,998,230
Balance at 1 July 2015		-	1,212,318	58,785,912	59,998,230
Profit/(loss)		-	-	(745,682)	(745,682)
Other comprehensive income		-	110,000	-	110,000
Total comprehensive income 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

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 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		394,879	221,618
Provision of services		2,121,710	1,760,062
Interest received		204,511	260,062
GST receipts on sales		278,260	154,562
Other receipts		188,365	194,911
Payments			
Employee benefits		(1,327,472)	(1,194,794)
Supplies and services		(1,313,634)	(799,473)
Accommodation		(50,009)	(45,115)
GST payments on purchases		(166,298)	(152,529)
GST payments to taxation authority		(88,100)	(71,301)
Net cash provided by/(used in) operating activities	27	242,212	328,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(183,275)	(259,196)
Purchase of investments		-	-
Net cash provided by/(used in) investing activities		(183,275)	(259,196)
Net increase/(decrease) in cash and cash equivalents		58,937	68,807
Cash and cash equivalents at the beginning of the period		8,362,903	8,294,096
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27	8,421,840	8,362,903

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



Notes to the Financial Statements

For the year ended 30 June 2016

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The 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*. Partial exemption permitting early adoption of AASB 20157 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* has been granted. Aside from AASB 20157, there has been no early adoption of any other Australian Accounting Standards issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2016.

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

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

(c) Reporting entity

The reporting entity comprises of the Authority 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.

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.



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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

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

Gains

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

(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. 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 19. 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.



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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

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

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

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

Land is not depreciated.

(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:

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

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

Licences

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

Development costs



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

Computer software

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

Website costs

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

(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



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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 at bank, the Authority has three categories of financial instruments:

- 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
 - Term deposits
- Financial Liabilities
 - Payables
 - Bank overdraft
 - Finance lease liabilities

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

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



(l) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and Other Financial Assets

) assets comprise of 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 basis.

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

(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) Borrowings

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

(q) Provisions

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

Provisions - employee benefits

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

Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other longterm employee benefits'.



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Long service leave

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

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

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

Superannuation

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became noncontributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012,



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

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

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

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

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

Provisions – other

Employment on-costs

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

Warranties

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

Remediation costs

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

(r) Superannuation expense

Superannuation expense is recognised in the Statement of Comprehensive Income in



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

profit or loss for defined contribution plans, including the concurrent payment of employer contributions to the GSS scheme, as and when the contributions fall due.

For defined benefit plans (the Pension Scheme and the pre-transfer component of the GSS), changes in the defined benefit obligation are recognised in the Statement of Comprehensive Income either in profit or loss, or, other comprehensive income as follows:

- profit or loss:
 - current service cost;
 - past service cost; and
 - interest cost.
- other comprehensive income:
 - actuarial gains and losses.

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

The Authority has received resources provided free of charge from the Department of Finance for the year ending 30th June 2016 with a nominal value of \$9,242(Note 28)

(t) 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 operators 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.

(u) Comparative figures

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

Note 3. Judgements made by management in applying accounting policies

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

Operating lease commitments

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

Note 4. Key sources of estimation uncertainty



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

Long Service Leave

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

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2015 that impacted on the Authority.

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

Part C of this Standard defers the application of AASB 9 to 1 January 2017. The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 20141. The Authority has not yet determined the application or the potential impact of AASB 9.

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

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

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

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

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.



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 20157 *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	<i>Financial Instruments</i>	1 Jan 2018
	<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 20126, AASB 2013-9, and AASB 20141 <i>Amendments to Australian Accounting Standards</i>. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2018
	<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. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 16	<i>Leases</i>	1 Jan 2019
	<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. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 1057	<i>Application of Australian Accounting Standards</i>	1 Jan 2016
	<p>This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.</p>	



AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]	1 Jan 2018
	This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.	
	The mandatory application date of this Standard has been amended by AASB 20126 and AASB 20141 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.	
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jan 2018
	Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.	
AASB 2014-3	<i>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]</i>	1 Jan 2016
	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>	1 Jan 2016
	The adoption of this Standard has no financial impact for the Model Authority as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 Jan 2018
	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.	



**WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY**

AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i>	1 Jan 2018
	<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>	
AASB 2014-9	<i>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]</i>	1 Jan 2016
	<p>This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
AASB 2014-10	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 & 128]</i>	1 Jan 2016
	<p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
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>	1 Jan 2016
	<p>These amendments arise from the issuance of International Financial Reporting Standard <i>Annual Improvements to IFRSs 2012–2014 Cycle</i> in September 2014, and editorial corrections. The Authority has not yet determined the application or the potential impact of the Standard.</p>	



AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]* – 1 Jan 2016

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 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]* – 1 Jul 2016

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 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15* – 1 Jan 2017

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Authority has not yet determined the application or the potential impact of AASB 15.

AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128* – 1 Jan 2016

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 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. The Authority has not yet determined the application or the potential impact of AASB 2014-10.



AASB 2016-2 Amendments to Australian Accounting Standards – 1 Jan 2017
Disclosure Initiative: Amendments to AASB 107

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.

AASB 2016-3 Amendments to Australian Accounting Standards – 1 Jan 2018
Clarifications to AASB 15

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Authority has not yet determined the application or the potential impact.

AASB 2016-4 Amendments to Australian Accounting Standards – 1 Jan 2017
Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

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 Fair Value Measurement. The Authority has not yet determined the application or the potential impact.



Note 6. Trading Profit

	2016 \$	2015 \$
Sales	630,777	352,724
Cost of Sales:		
Opening inventory	9,685	19,169
Purchases	(290,254)	(131,106)
	<u>(280,569)</u>	<u>(111,937)</u>
Closing inventory	44,672	9,685
Cost of Goods Sold	<u>(235,897)</u>	<u>(102,252)</u>
Trading Profit	<u>394,880</u>	<u>250,472</u>

Note 7. Provision of services

	2016 \$	2015 \$
Saleyard Fees and Services	1,275,859	1,306,672
Livestock Services	507,618	250,316
Abattoir Licensing and Services	115,900	112,954
Truck Wash	167,958	134,458
Joint Venture	33,001	33,054
	<u>2,100,336</u>	<u>1,837,454</u>

Note 8. Interest revenue

	2016 \$	2015 \$
Interest revenue (Interest on Deposits with BankWest and Rabobank)	221,818	279,611
	<u>221,818</u>	<u>279,611</u>

Note 9. Other Revenue

	2016 \$	2015 \$
Rental Income	137,216	152,040
Share of Joint Venture Income	14,345	7,770
Other Income	73,429	35,101
	<u>224,990</u>	<u>194,911</u>

Note 10. Employee benefits expense

	2016 \$	2015 \$
Wages and salaries ^(a)	1,218,307	1,132,280
Superannuation – defined contribution plans ^(b)	99,824	99,872
Superannuation – defined benefit plans (Note 25. Provisions)	1,568	-
	<u>1,319,699</u>	<u>1,232,152</u>

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

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



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Employment on-costs expenses, such as workers' compensation insurance, are included in Note 15. Other expenses.

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

Note 11. Supplies and services

	2016 \$	2015 \$
Communications	32,578	32,218
Computing	63,049	38,614
Consultants and contractors	258,611	238,587
Repairs and Maintenance	238,693	188,688
Travel	8,837	7,169
Waste Management	43,349	38,392
Water Power Gas	96,874	84,118
Fuel – Diesel	30,180	42,309
Insurance	124,298	114,191
Carcase Disposal ^(a)	64,498	48,236
Marketing Reporting	20,400	22,000
Safety Review	-	3,095
Other	97,090	104,498
	1,078,457	962,115

(a) Offset by revenue in Saleyard Fees and Services ("Note 7. Provision of services")

Note 12. Depreciation and amortisation expense

	2016 \$	2015 \$
<u>Depreciation</u>		
Plant, equipment and vehicles	94,732	95,541
Buildings	289,524	289,524
Infrastructure	770,206	763,841
Leased plant, equipment and vehicles	-	-
Total depreciation	1,154,462	1,148,906
<u>Amortisation</u>		
Licenses		
Computer software	1,859	1,859
Total amortisation	1,859	1,859
Total depreciation and amortisation	1,156,321	1,150,765

Note 13. Accommodation expenses

	2016 \$	2015 \$
Lease rentals	41,541	38,743
Repairs and maintenance	995	1,136
Cleaning	7,473	5,236
	50,009	45,115



Note 14. Net gain/(loss) on disposal of non-current assets

	2016	2015
	\$	\$
<u>Proceeds from disposal of non-current assets</u>		
Land		
Plant, equipment and vehicles	15,000	-
<u>Carrying amount of non-current assets disposed</u>		
Land		
Plant, equipment and vehicles	17,223	-
Net gain/(loss)	(2,223)	-

Note 15. Other expenses

	2016	2015
	\$	\$
Rates and Taxes	-	1,501
Bank Fees	1,505	1,001
Auditing	34,437	23,574
Other (a)	45,055	59,830
	80,997	85,906

(a) Bad debts written off(2016:\$13,009), Staff amenities (2016:\$ 13,377) and Training costs (2016:\$ 8,982)

Note 16. Inventories

	2016	2015
	\$	\$
<u>Current</u>		
Inventories held for resale:		
Finished goods		
At cost	44,672	9,685
Total current	44,672	9,685



Note 17. Receivables

	2016 \$	2015 \$
<u>Current</u>		
Receivables	159,373	141,466
Allowance for impairment of receivables	-	(1,112)
Accrued revenue	34,773	40,393
	<u>194,146</u>	<u>180,747</u>
Other debtors	14,000	-
Allowance for impairment of receivables	(14,000)	-
Total current	<u>194,146</u>	<u>180,747</u>
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(1,112)	(1,112)
Doubtful debts expense	(14,000)	-
Amounts written off during the period	1,112	-
Impairment losses reversed during the period	-	-
Balance at end of period	<u>(14,000)</u>	<u>(1,112)</u>

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

Note 18. Other assets

	2016 \$	2015 \$
<u>Current</u>		
Prepayments	18,041	2,665
Total current	<u>18,041</u>	<u>2,665</u>
<u>Non-current</u>		
Equity share in Joint Venture – Livestock Logistics WA	126,498	112,153
Total non-current	<u>126,498</u>	<u>112,153</u>



Note 19. Property, plant and equipment

	2016 \$	2015 \$
<u>Land</u>		
At fair value ^(a)	4,420,000	4,310,000
Accumulated impairment losses	-	-
	4,420,000	4,310,000
<u>Buildings</u>		
At fair value ^(a)	14,476,215	13,271,144
Accumulated depreciation	(1,784,149)	(289,524)
Accumulated impairment losses	-	-
	12,692,066	12,981,590
<u>Plant, equipment and vehicles</u>		
At cost	924,426	894,689
Accumulated depreciation	(662,723)	(609,497)
Accumulated impairment losses	-	-
	261,703	285,192
	17,373,769	17,576,782

(a) Land and buildings were revalued as at 1 July 2015 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2016 and recognised at 30 June 2016. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,590,000 (2015: \$1,480,000) 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).



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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

	Land	Buildings	Plant, equipment and vehicles	Total
	\$	\$	\$	\$
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)
Carrying amount at end of period	4,420,000	12,692,066	261,703	17,373,769
2015				
Carrying amount at start of period	4,710,000	13,270,764	367,749	18,348,513
Additions	-	350	13,372	13,722
Transfers	-	-	(388)	(388)
Other disposals	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments/(decrements)	(400,000)	-	-	(400,000)
Impairment losses ^(a)	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-
Depreciation	-	(289,524)	(95,541)	(385,065)
Write-off of assets destroyed by earthquake	-	-	-	-
Carrying amount at end of period	4,310,000	12,981,590	285,192	17,576,782

(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. Fair value measurements



Note 20. Infrastructure

	2016 \$	2015 \$
At fair value	38,489,533	38,381,360
Accumulated depreciation	(4,937,942)	(4,167,736)
Accumulated impairment losses		
	33,551,591	34,213,624

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

	2016 \$	2015 \$
Reconciliation		
Carrying amount at start of period	34,213,624	34,640,302
Additions	108,173	337,111
Assets classified as held for sale	-	-
Revaluation increments/(decrements)	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Transfers	-	52
Depreciation expense	(770,206)	(763,841)
Carrying amount at end of period	33,551,591	34,213,624

Information on fair value measurements is provided in Note 21. Fair value measurements

Note 21. Fair value measurements

	Level 1	Level 2	Level 3	Fair Value At end of period
	\$	\$	\$	\$
Assets measured at fair value:				
2016				
Noncurrent assets classified as held for sale	-	-	-	-
Land (Note 19)	-	-	4,420,000	4,420,000
Buildings (Note 19)	-	-	12,692,066	12,692,066
Infrastructure (Note 20)	-	-	33,551,591	33,551,591
	-	-	50,663,657	50,663,657
2015				
Non-current assets classified as held for sale	-	-	-	-
Land (Note 19)	-	-	4,310,000	4,310,000
Buildings (Note 19)	-	-	12,981,590	12,981,590
Infrastructure (Note 20)	-	-	34,213,624	34,213,624
	-	-	51,505,214	51,505,214

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 Non-current assets held for sale, Land and Buildings (Office)



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)

2016	Land \$	Buildings \$	Infrastructure \$
Fair Value at start of period	4,310,000	12,981,590	34,213,624
Additions	-	-	108,173
Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	110,000	-	-
Transfers from/(to) Level 2	-	-	-
Disposals	-	-	-
Depreciation Expense	-	(289,524)	(770,206)
Fair Value at end of period	4,420,000	12,692,066	33,551,591
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-
2015	Land \$	Buildings \$	Infrastructure \$
Fair Value at start of period	4,710,000	13,270,764	34,640,302
Additions	-	350	337,111
Revaluation increments/(decrements) recognised in Profit or Loss	-	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(400,000)	-	-
Transfers from/(to) Level 2	-	-	52
Transfers from/(to) from/(to) noncurrent assets classified as held for sale	-	-	-
Disposals	-	-	-
Depreciation Expense	-	(289,524)	(763,841)
Fair Value at end of period	4,310,000	12,981,590	34,213,624
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-

Valuation processes

There were no changes in valuation techniques during the period.

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



Land (Level 3 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 3 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 and Infrastructure (Level 3 fair values)

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

Valuation using depreciation replacement cost utilises the significant Level 3 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 nonfinancial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Model Statutory Authority's enabling legislation.



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

Description	Fair value 2016 \$	Fair value 2015 \$	Valuation technique(s)	Unobservable inputs	Relationship of unobservable inputs to fair value
Land	4,420,000	4,310,000	Market approach	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings	12,692,066	12,981,590	Depreciated Replacement Cost	Consumed Economic benefit/ obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value
				Historical cost per square metre floor area(M2)	Higher historical cost per M2 increases fair value
Infrastructure	33,551,591	34,213,624	Depreciated Replacement Cost	Consumed Economic benefit/ obsolescence of asset	Greater consumption of economic benefit or increased obsolescence lowers fair value
				Historical cost per square metre floor area(M2)	Higher historical cost per M2 increases fair value

Reconciliations of the opening and closing balances are provided in Note 19. Property, plant and equipment, Note 20. Infrastructure, and Note 21. Fair value measurements



Note 22. Intangible assets

	2016 \$	2015 \$
<u>Computer software</u>		
At cost	16,511	14,875
Accumulated amortisation	(7,514)	(5,655)
Accumulated impairment losses	-	-
	8,997	9,220

Reconciliations

<u>Computer software</u>		
Carrying amount at start of period	9,220	11,079
Additions	1,636	-
Classified as held for sale	-	-
Impairment losses	-	-
Impairment losses reversed	-	-
Amortisation expense	(1,859)	(1,859)
Carrying amount at end of period	8,997	9,220

Note 23. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2016.

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

All surplus assets at 30 June 2016 have either been classified as assets held for sale or written-off.

Note 24. Payables

	2016 \$	2015 \$
<u>Current</u>		
Trade payables	117,516	179,286
GST payables	48,327	29,204
Accrued expenses	8,160	13,225
Accrued salaries	5,357	43,886
Other	37,649	5,572
Total current	217,009	271,173



WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

Note 25. Provisions

	2016 \$	2015 \$
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave ^(a)	60,565	76,564
Long service leave ^(b)	50,604	55,042
Superannuation ^(e)	4,339	2,771
	<u>115,508</u>	<u>134,377</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	11,117	18,221
	<u>11,117</u>	<u>18,221</u>
	<u>126,625</u>	<u>152,598</u>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave ^(b)	30,339	38,911
	<u>30,339</u>	<u>38,911</u>
<i>Other provisions</i>		
Employment on-costs ^(d)	3,033	6,897
	<u>3,033</u>	<u>6,867</u>
	<u>33,372</u>	<u>45,778</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:

	2016 \$	2015 \$
Within 12 months of the end of the reporting period	13,828	23,483
More than 12 months after the end of the reporting period	52,794	61,589
	<u>66,622</u>	<u>85,072</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:

	2016 \$	2015 \$
Within 12 months of the end of the reporting period	55,665	64,756
More than 12 months after the end of the reporting period	33,373	45,777
	<u>89,038</u>	<u>110,533</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 18. Other assets.

(d) Defined benefit superannuation plans

	Pension Scheme		Pre-transfer benefit- Gold State Scheme	
	2016 \$	2015 \$	2016 \$	2015 \$
Movements in the present value of the defined benefit obligation in the reporting period were as follows:				
Liability at start of period	-	-	2,771	2,771
Included in profit or loss:				
Current service cost	-	-	1,568	-
Past service cost	-	-	-	-
Interest cost	-	-	-	-
	-	-	4,339	2,771
Included in Other Comprehensive Income:				
Remeasurements loss (gain) recognised:				
- Actuarial losses/(gains) arising from:				
demographic assumptions	-	-	-	-
financial assumptions	-	-	-	-
experience adjustments	-	-	-	-
	-	-	-	-
Benefits paid	-	-	-	-
	-	-	-	-
Liability at end of period	-	-	4,339	2,771

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

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

	2016	2015
Discount rate	2.26%	2.74%
Future salary increases	3.5%	4.0%

At 30 June 2016, the weighted average duration of the defined benefit obligation was 17.1 years (2015: 17.5 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)	8,496	(8,868)
Future salary growth (1% movement)	8,824	(8,536)
Future longevity (1 year movement)	-	-

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.

(e) Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled within two financial years, but this may be extended if claims are made late in the warranty period and are subject to confirmation by suppliers that component parts are defective. The timing and amount of economic outflows is uncertain and estimates are based on past claims experience.

The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 15. Other expenses.

Movements in other provisions

	2016 \$	2015 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	25,088	27,846
Additional/(reversals of) provisions recognised	(10,937)	(2,758)
Payments/other sacrifices of economic benefits	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	14,151	25,088

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

	2016 \$	2015 \$
<u>Asset revaluation surplus</u>		
Balance at start of period	1,212,318	1,612,318
Net revaluation increments/(decrements)		
Land	110,000	(400,000)
Balance at end of period	1,322,318	1,212,318

Retained earnings

	2016 \$	2015 \$
Balance at start of period	58,785,912	59,699,517
Result for the period	(745,682)	(913,605)
Balance at end of period	58,040,230	58,785,912
Total equity at end of period	59,362,548	59,998,230



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:

	2016	2015
	\$	\$
Cash and cash equivalents	738,626	679,689
Other Financial Assets	7,683,214	7,683,214
	8,421,840	8,362,903

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

	2016	2015
	\$	\$
Profit after income tax equivalents	(745,682)	(913,605)
<u>Non-cash items</u>		
Depreciation and amortisation expense	1,156,321	1,150,765
Share of Joint Venture Income	(14,345)	(7,770)
Net (gain)/loss on disposal of property, plant and equipment	2,223	-
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	(32,417)	91,322
Current inventories	(34,987)	9,484
Other current assets	(15,276)	12,349
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(b)	(82,483)	42,855
Current provisions	(25,974)	(73,584)
Non-current provisions	34,832	16,187
Net cash provided by/(used in) operating activities	242,212	328,003

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.

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



Note 28. Services provided free of charge

	2016 \$	2015 \$
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	-
	<u>9,242</u>	<u>-</u>

Note 29. Commitments

Non-cancellable operating lease commitments

	2016 \$	2015 \$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	12,926	21,547
Later than 1 year and not later than 5 years	20,457	23,309
Later than 5 years	-	-
	<u>33,383</u>	<u>44,856</u>

The Authority has entered into a property lease which is a non-cancellable lease which will expire on 30/9/2016, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 3% per annum. The Authority will not renew the lease.

The commitments below are inclusive of GST.

Capital expenditure commitments

	2016 \$	2015 \$
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	172,377	309,000
Later than 1 year and not later than 5 years	-	1,545,000
Later than 5 years	-	-
	<u>172,377</u>	<u>1,854,000</u>

Note 30. Contingent liabilities and contingent assets

Contingent liabilities

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

Litigation in progress

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

There is a claim in relation to alleged injury of a third party by a gate at the Muchea Livestock Centre.



Native title claims

There were no claims present at the 30th June 2016.

Contaminated sites

There were no suspected contaminated sites present at balance sheet date.

Contingent assets

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

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

The Livestock Logistics WA Joint Venture ceased trading at 30th June 2016 and will be wound up during the 2016/17 financial year.



Note 32. Explanatory statement

Significant variations between the original budget and actual results and variations between last year actual to 2015/2016 actuals are shown below in table form.

Statement of Comprehensive income	Var. Note	Original Budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual		Variance between actual results for 2016 and 2015	
		\$ A	\$ B	\$ C	\$ (A-B)	%Var	\$ (B-C)	%Var
INCOME								
Revenue								
Sales	1	283,137	630,777	352,724	347,640	123%	278,053	79%
Provision of services	2	1,709,880	2,100,336	1,837,454	390,456	23%	262,882	14%
Interest revenue	3	256,540	221,818	279,611	(34,722)	-14%	(57,793)	-21%
Other revenue		171,995	224,990	194,911	52,995	31%	30,079	15%
TOTAL INCOME	A	2,421,552	3,177,921	2,664,700	756,369	31%	513,221	19%
EXPENSES								
Cost of Sales	4	123,690	235,897	102,252	(112,207)	-91%	(133,645)	-131%
Employee benefits expense	5	1,220,157	1,319,699	1,232,152	(99,542)	-8%	(87,547)	-7%
Supplies and services	6	1,001,714	1,078,457	962,115	(76,743)	-8%	(116,342)	-12%
Depreciation and amortisation expense		1,135,666	1,156,321	1,150,765	(20,655)	-2%	(5,556)	0%
Accommodation expenses		51,413	50,009	45,115	1,404	3%	(4,894)	-11%
Loss on disposal of non-current assets		0	2,223	0	(2,223)	-	(2,223)	-
Other expenses	7	22,499	80,997	85,906	(58,498)	-260%	4909	6%
TOTAL EXPENSES	B	3,555,139	3,923,603	3,578,305	(368,464)	-10%	(345,298)	-10%
PROFIT/(LOSS) FOR THE PERIOD								
					(1,133,588)		(745,682)	
							(913,605)	
					387,906	34%	167,923	18%
OTHER COMPREHENSIVE INCOME								
Items not reclassified subsequently to profit or loss								
Changes in asset revaluation surplus		0	110,000	(400,000)	110,000		510,000	128%
Total other comprehensive income		0	110,000	(400,000)	110,000		510,000	128%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					(1,133,588)		(635,682)	
							(1,313,605)	
					497,906	44%	677,923	52%

WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

Statement of Financial Position as at 30 June 2016	Var. Note	Original Budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual		Variance between actual results for 2016 and 2015	
		\$ A	\$ B	\$ C	\$ (A-B)	%Var	\$ (B-C)	%Var
ASSETS								
Current Assets								
Cash and cash equivalents		638,573	738,626	679,689	100,053	16%	58,937	9%
Other Financial Assets		7,683,214	7,683,214	7,683,214	0	0%	0	0%
Inventories	8	21,182	44,672	9,685	23,490	111%	34,987	361%
Receivables	9	288,347	194,146	180,747	(94,201)	-33%	13,399	7%
Other current assets		61,369	18,041	2,665	(43,328)	-71%	15,376	577%
Non-current assets classified as held for sale		-	-	-	-	-	-	-
Total current assets		8,692,685	8,678,699	8,556,000	(13,986)	0%	122,699	1%
Non-Current Assets								
Property, plant and equipment		18,138,185	17,373,769	17,576,782	(764,416)	-4%	(203,013)	-1%
Infrastructure		34,474,152	33,551,591	34,213,624	(922,561)	-3%	(662,033)	-2%
Intangible assets		10,149	8,997	9,220	(1,152)	-11%	(223)	-2%
Other non-current assets		112,016	126,498	112,153	14,482	13%	14,345	13%
Total Non-Current Assets	C	52,734,502	51,060,855	51,911,779	(1,673,647)	-3%	(850,924)	-2%
TOTAL ASSETS		61,427,187	59,739,554	60,467,779	(1,687,633)	-3%	(728,225)	-1%
LIABILITIES								
Current Liabilities								
Payables		306,380	217,009	271,173	89,371	29%	54,164	20%
Provisions		85,913	126,625	152,598	(40,712)	-47%	25,973	17%
Total Current Liabilities	10,D	392,293	343,634	423,771	48,659	12%	80,137	19%
Non-Current Liabilities								
Provisions		34,994	33,372	45,778	1,622	5%	12,406	27%
Total Non-Current Liabilities		34,994	33,372	45,778	1,622	5%	12,406	27%
Total Liabilities		427,287	377,006	469,549	50,281	12%	92,543	20%
NET ASSETS		60,999,900	59,362,548	59,998,230	(1,737,914)	-3%	(820,768)	-1%
EQUITY								
Contributed equity		-	-	-	-	-	-	-
Reserves	11	1,612,318	1,322,318	1,212,318	(290,000)	-18%	110,000	9%
Retained earnings		59,387,582	58,040,230	58,785,912	(1,347,352)	-2%	(745,682)	-1%
TOTAL EQUITY		60,999,900	59,362,548	59,998,230	(1,637,352)	-3%	(635,682)	-1%



WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

Statement of Cash Flows as at 30 June 2016	Var. Note	Original Budget 2016	Actual 2016	Actual 2015	Variance between estimate and actual		Variance between actual results for 2016 and 2015	
		\$	\$	\$	\$	%Var	\$	%Var
		A	B	C	(A-B)		(B-C)	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts								
Sale of goods and services		159,447	394,879	221,618	235,432	148%	173,261	78%
Provision of services		1,902,417	2,121,710	1,760,062	219,293	12%	361,648	21%
Interest received		256,540	204,511	260,062	(52,029)	-20%	(55,551)	-21%
GST receipts on sales		216,501	278,260	154,562	61,759	29%	123,698	80%
Other receipts		171,995	188,365	194,911	16,370	10%	(6,546)	-3%
Payments								
Employee benefits		(1,297,626)	(1,327,472)	(1,194,794)	(29,846)	-2%	(132,678)	-11%
Supplies and services		(1,059,207)	(1,313,634)	(799,473)	(254,427)	-24%	(514,161)	-64%
Accommodation		(51,413)	(50,009)	(45,115)	1,404	3%	(4,894)	-11%
GST payments on purchases		(113,935)	(166,298)	(152,529)	(52,363)	-46%	(13,769)	-9%
GST payments to taxation authority		(102,566)	(88,100)	(71,301)				
Net cash provided by/(used in) operating activities	12,E	82,152	242,212	328,003	145,594	-177%	(68,992)	-21%
CASH FLOWS FROM INVESTING ACTIVITIES								
Payments								
Purchase of non-current assets		(123,268)	(183,275)	(259,196)	(60,007)	-49%	75,921	29%
Purchase of investments								
Net cash provided by/(used in) investing activities	13	(123,268)	(183,275)	(259,196)	(60,007)	-49%	75,921	29%
Net increase/(decrease) in cash and cash equivalents		(41,116)	58,937	68,807	100,053	243%	(9,870)	-14%
Cash and cash equivalents at the beginning of the period		8,362,903	8,362,903	8,294,096	0	0%	68,807	1%
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	F	8,321,787	8,421,840	8,362,903	100,053	1%	58,937	1%



Major Variance Narratives

Variances between estimate and actual

Income –

1. The higher than expected sales of \$347,640 or 123% was due to increased Feeding Fees and improved sales of compost.
2. The Provision of Services was higher than budget by \$390,456 or 23% due to Cattle Yard Fees having higher than expected throughput due partly to the attraction of high prices at sale. Cattle throughput was 14.6% higher than the budget. The improved throughput also increases associated Fee income from Livestock Services offered. The throughput for Sheep also exceeded budget by 1.4% increasing income from Yard Fees.
3. Interest revenue decreased due to fall in rates throughout the financial year.

Expenditure –

4. The budget was exceeded by (\$112,207) (91%) due to extra feed required to cater for the high demand.
5. Employee Costs were over-budget by (\$99,542) (8%) as demand for overtime on weekends has been necessary to supervise pastoral cattle feeding and to cover leave.
6. Supplies & services expenses increased in line with cattle & sheep volume as more services required to cater the increased demand of various services.
7. Other expenses were over budget by (\$58,498) (260%) due to various miscellaneous expenses incurred than expected.

Assets and Liabilities

Assets

8. Inventories

The inventories were over budget by (\$23,490) or (111%) as higher inventory levels were required due to increased volume in cattle & sheep. The inventories include hay, fuel & manure.

9. Receivables

The receivables balance decreased due to improved focus on debt collection during the year resulting 33% under budget.

Current Liabilities

10. The Total Current Liabilities were \$48,659 or 12% under budget. The accounts payable was below the budget due to timely settlement of trade payables.

Equity

11. The Reserves were below budget by (\$290,000) or (18%) due to non-appreciation of valuation of land held by the Authority except taking up a surplus on one piece of land held for \$110,000.



Cash Flows

Operating Activities

12. The net cash used in operating activities was \$145,594 or 177% above budget. The increased throughput for Cattle and Sheep resulted in increased income combined with the operational costs being contained with the pressure of extra demand for services.

Investing Activities

13. The Net cash provided in investing activities was \$60,007 or 49% above budget. Capital projects are assessed individually and more projects were approved by the board than what the budget had allowed for.

Variances between estimate actuals results for 2016 and 2015

Income –

- A- The sales revenue was \$513,221 19% higher than the previous year since the recording of sales for Feeding Fees and Livestock Trading began in the 2014/2015 & notable improvement in capturing various income items in 2015/16.

Expenditure -

- B- The total expenses was (\$345,298) (10%) higher than last year. The cost of sales now includes purchases for feed and livestock.

Non – Current Assets -

- C- Property plant and equipment was (\$850,924) (2%) lower than last year. The depreciation totalled (\$1,156,321) and the revaluation surplus of land was \$110,000. The 2014/2015 revaluation of Land and Buildings was (\$400,000)..

Current Liabilities -

- D- Payables were \$80,137 or 19% lower than last year. The timing of payments created lower payables.

Payments -

- E- Net cash provided by operating activities decreased by (\$68,992) (21%) mainly due to increase in supply & services (\$514,161) & higher employee costs necessary to cater the increase in volume.

Cash at end of the period –

- F- The cash reserves were increased from 2014/2015 by \$58,937, a cash positive result. This was due to costs being contained whilst demand for services was strong with high throughput.

Note 33. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Authority are cash and cash equivalents, restricted 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 33 (c) Financial instrument disclosures and Note 17. Receivables.

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

Liquidity risk

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

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

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

Market risk

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

(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:

	2016	2015
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents	738,626	679,689
Restricted cash and cash equivalents	7,683,214	7,683,214
Loans and receivables ^(a)	194,146	180,747
Other current assets	18,042	2,665
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	217,009	271,173

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



(c) Financial instrument disclosures

Credit risk

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

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

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$	\$	\$	\$	\$	\$	\$	
2016								
Cash and cash equivalents	738,626	738,626	-	-	-	-	-	
Other financial assets	7,683,214	7,683,214	-	-	-	-	-	
Receivables ^{(a), (b)}	194,146	184,656	-	6,950	2,540	-	-	
Loans and advances	-	-	-	-	-	-	-	
	8,615,986	8,606,496	-	6,950	2,540	-	-	
2015								
Cash and cash equivalents	679,689	679,689	-	-	-	-	-	
Other financial asset	7,685,879	2,665	-	-	-	-	-	
Receivables ^{(a), (c)}	180,747	180,747	-	-	-	-	-	
Loans and advances	-	-	-	-	-	-	-	
	8,546,315	863,101	-	-	-	-	-	

(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 who's lease has now been terminated for non-payment. This amount has been provided for in full.

(c) A particular debtor has filed for bankruptcy and it is expected that only \$8,000 in 2016 (2015: \$3,000) of the amount owing will be recovered. The carrying amount of the receivable before deducting the impairment loss was \$28,000 (2015: \$12,000).



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 %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates				
			Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2016											
<u>Financial Assets</u>											
Cash and cash equivalents	1.25	738,626	-	738,626	-	738,626	738,626	-	-	-	-
Restricted cash and cash equivalents	2.8	7,683,214	7,683,214	-	-	7,683,214	-	-	7,683,214	-	-
Receivables ^(a)		194,146	-	-	194,146	194,146	174,731	19,415	-	-	-
Loans and advances		-	-	-	-	-	-	-	-	-	-
Other financial assets		-	-	-	-	-	-	-	-	-	-
		8,615,986	7,683,214	738,626	194,146	8,615,986	913,357	19,415	7,683,214	-	-
<u>Financial Liabilities</u>											
Payables		117,516	-	-	117,516	117,516	117,516	-	-	-	-
Bank overdraft		-	-	-	-	-	-	-	-	-	-
WATC/Bank borrowings		-	-	-	-	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-	-	-	-
Amounts due to the Treasurer		-	-	-	-	-	-	-	-	-	-
		117,516	-	-	117,516	117,516	117,516	-	-	-	-

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



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

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates				
			Fixed interest rate \$	Variable interest rate \$	Non- interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1-5 years \$	More than 5 years \$
2015											
<u>Financial Assets</u>											
Cash and cash equivalents	1.25	679,689	-	679,689	-	679,689	679,689	-	-	-	-
Restricted cash and cash equivalents	2.85	7,683,214	7,683,214	-	-	7,683,214	-	-	7,683,214	-	-
Receivables ^(a)		180,747	-	-	180,747	180,747	161,177	19,570	-	-	-
Loans and advances		-	-	-	-	-	-	-	-	-	-
Other financial assets		2,665	-	-	2,665	2,665	2,665	-	-	-	-
		8,546,315	7,683,214	679,689	183,412	8,546,315	843,531	19,570	7,683,214	-	-
<u>Financial Liabilities</u>											
Payables		271,173	-	-	271,173	271,173	271,173	-	-	-	-
Bank overdraft		-	-	-	-	-	-	-	-	-	-
WATC/Bank borrowings		-	-	-	-	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-	-	-	-
Amounts due to the Treasurer		-	-	-	-	-	-	-	-	-	-
		271,173	-	-	271,173	271,173	271,173	-	-	-	-

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



Interest rate sensitivity analysis

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

2016	Carrying amount \$	-100 basis points		+100 basis points	
		Profit \$	Equity \$	Profit \$	Equity \$
<u>Financial Assets</u>					
Cash and cash equivalent	738,626	(7,386)	(7,386)	7,386	7,386
Other financial assets	7,683,214	(76,832)	(76,832)	76,832	76,832
Total Increase/(Decrease)		(84,218)	(84,218)	84,218	84,218

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

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 Operations	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%

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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

	2016 \$	2015 \$
<u>Current assets</u>		
Cash and cash equivalents	-	-
	-	-
<u>Non-current assets</u>		
Buildings under construction		
Other	126,498	112,153
Total assets	126,498	112,153

The following is a representation of the financial information for the Livestock Logistics Joint Venture as of 30 June 2016.

The investment amount held is calculated using the equity method. The amount held is one third of the total equity of \$379,494, \$126,498.

The Joint Venture had unrestricted cash on hand for \$328,671 as at 30 June 2016. There is a guarantee with Bankwest for payroll commitments for \$50,000. The capital commitments were \$50,000 to maintain operations. There were no loans, advances or contingent liabilities for 30 June 2016.

Note 35. Remuneration of members of the accountable authority and senior officers

Remuneration of members of the accountable authority and senior officers

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

Remuneration Band (\$)	2016	2015
Up to 10,000	-	6
10,001 – 20,000	6	1
20,001 – 30,000	1	-
30,001 – 140,000	-	-
	\$	\$
Base remuneration and superannuation	108,595	119,611
Annual leave and long service leave accruals	-	-
Other benefits	-	-
Total remuneration of members of the accountable authority	108,595	119,611

Total remuneration includes the superannuation expense incurred by the Authority in respect of members of the accountable authority.



Remuneration of senior officers

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

Remuneration Band (\$)	2016	2015
50,001 – 60,000	-	-
60,001 – 70,000	-	-
100,001 – 110,000	-	1
110,001 – 120,000	1	-
120,001 – 130,000	-	1
130,001 – 140,000	-	1
140,001 +	2	1
	\$	\$
Base remuneration and superannuation	439,559	571,714
Annual leave and long service leave accruals	83,049	116,064
Other benefits	-	-
Total remuneration of senior officers	522,608	687,778

Total remuneration includes the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority.

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:

	2016	2015
	\$	\$
Auditing the accounts, controls, financial statements and key performance indicators	19,200	19,000

Note 37. Affiliated bodies

There are no affiliated bodies

Note 38. Supplementary financial information

(a) Write-offs

	2016	2015
	\$	\$
Bad Debts write-off	13,009	57
	13,009	57

WESTERN AUSTRALIAN MEAT
INDUSTRY AUTHORITY

(b) Losses through theft, defaults and other causes

	2016 \$	2015 \$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	<u>-</u>	<u>-</u>

(c) Gifts of public property

	2016 \$	2015 \$
Gifts of public property provided by the Authority	-	-
	<u>-</u>	<u>-</u>



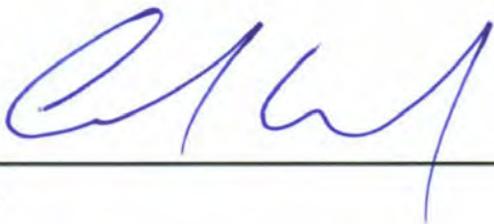
Note 39. Schedule of income and expenses by service

	Mueha Livestock Centre		Compliance and Licencing		Development and Administration		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Income								
Sales	629,277	351,149	1,500	1,575	-	-	630,777	352,724
Provision of services	1,984,436	1,724,500	115,900	112,954	-	-	2,100,336	1,837,454
Commonwealth grants and contributions	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	221,818	279,611	221,818	279,611
Other revenue	183,427	115,552	-	-	41,563	79,359	224,990	194,911
Gain on disposal of non-current assets	-	-	-	-	-	-	-	-
Total Income	2,797,140	2,191,201	117,400	114,529	263,381	358,970	3,177,921	2,664,700
Expenses								
Cost of sales	186,849	99,540	49,048	2,712	-	-	235,897	102,252
Employee benefits expense	651,218	788,159	46,436	46,347	622,045	397,646	1,319,699	1,232,152
Supplies and services	1,020,956	889,784	-	-	57,501	72,331	1,078,457	962,115
Depreciation and amortisation expense	1,145,253	1,141,850	-	-	11,068	8,915	1,156,321	1,150,765
Finance costs	-	-	-	-	-	-	-	-
Accommodation expenses	1,639	-	-	-	48,370	45,115	50,009	45,115
Loss on disposal of non-current assets	-	-	-	-	2,223	-	-	-
Other expenses	26,006	(21,585)	3,910	58,991	51,081	48,500	80,998	85,906
Total expenses	3,031,921	2,897,748	99,394	108,050	792,288	572,507	3,923,603	3,578,305
Profit/(loss) before grants and subsidies from State Government	(234,781)	(706,547)	18,006	6,479	(528,907)	(213,537)	(745,682)	(913,605)
Grants and subsidies from State Government	-	-	-	-	-	-	-	-
Profit/(loss) before income tax equivalent expense	(234,781)	(706,547)	18,006	6,479	(528,907)	(213,537)	(745,682)	(913,605)
Income tax equivalent expense	-	-	-	-	-	-	-	-
Profit/(loss) for the period							(745,682)	(913,605)

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

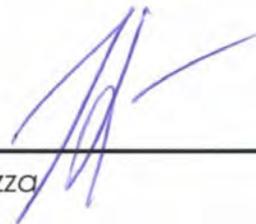
We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Model Statutory Authority's performance, and fairly represent the performance of the Model Statutory Authority for the financial year ended 30 June 2016.



D. Lock

Chairman of Western Australian Meat
Industry Authority

20 September 2016



M. Panizza

Member of Western Australian Meat Industry
Authority

20 September 2016

Detailed Information in Support of Key Performance Indicators

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

	2012/13 %	2013/14 %	2014/15 %	2015/16 %
Key Effectiveness Indicator				
The % of throughput for MLC (Cattle)	39	41.3	42.8	45.2
The % of throughput for MLC (Sheep)	45	49.1	45.5	45.1

Service 1:

	2012/13 \$	2013/14 \$	2014/15 \$	2015/16 \$
Key Efficiency Indicators				
Total Cost	2,280,403	2,260,321	2,343,393	2,402,177
Cost per unit	2.13	1.63	1.74	1.90
Cost per unit less depreciation	1.04	0.80	0.97	1.08

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 31st July 2015 and introduced/ payable from 31st July 2015. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

All capital projects are complete for 2015/16.

Employment and Industrial Relations

Staff Profile

	2016	2015
Full-time permanent	5	6
Full-time contract	3	-
Part-time measured on a FTE basis	1.2	3
On secondment	-	-
	9.2	9

Staff Development

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

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

Workers Compensation

No workers compensation claims of any nature 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 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 2015/16 was \$9,679.

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-2015/16>

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-2015/16>

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 2016.



D.Lock

Chairman of Western Australian Meat Industry Authority

20 September 2016



M.Panizza

Member of Western Australian Meat Industry Authority

20 September 2016



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 2015/16. 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 2015/16 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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
MLC	100,890	106,183	86,582	80,917	92,780	104,754	108,830
Total Saleyards	259,195	250,649	209,263	205,596	224,932	244,701	241,052
% through MLC	39.3%	42.4%	41.4%	39.0%	41.3%	42.8%	45.2%
Next highest saleyard	67,786	72,553	59,788	63,104	69,010	69,661	63,552

Sheep, Lambs and Goats

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
MLC	648,449	701,614	423,081	550,066	785,505	660,093	557,713
Total Saleyards	1,745,192	1,845,041	1,175,110	1,215,223	1,598,139	1,451,073	1,216,801
% through MLC	37.2%	38.0%	36.0%	45.0%	49.1%	45.5%	45.8%
Highest saleyard	991,579	1,155,265	707,579	619,992	753,590	734,397	624,619

Performance of Targets

WAMIA set target throughputs as part of its 2015/16 budget process these estimates were based on forecasting and seasonal conditions for the coming year. Based on the 2015/16 actual throughput WAMIA did meet its expected targets with stock numbers for cattle being higher than estimates by 15%. The throughput number for sheep marginally exceeded the estimate by 1%. The forward year's sheep throughput is of concern, with continued decline in the State sheep flock.

	Target	Actuals	Variance
Cattle	95,000	108,830	13,830 15%
Sheep, Lambs and goats	550,000	557,713	7,713 1%

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

Performance Indicators



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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).

Income	Saleyards			Development and Standards		
	Total \$	Statutory \$	Fee for Service \$	Regulation \$	Information \$	Administration \$
	3,177,921	1,291,995	1,543,580	117,400	3,128	221,818
Expenditure	Saleyards			Development and Standards		
	Total \$	Statutory \$	Fee for Service \$	Regulation \$	Information \$	Administration \$
	3,923,603	2,402,177	792,493	272,313	89,771	366,849

Performance

The total cost of maintaining Muchea Livestock Centre in 2015/16 was \$2,402,177. The Muchea Livestock Centre's throughput for the year was 1,266,373 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 2015/16 to maintain the Muchea Livestock Centre was \$1.90. The cost of depreciation is now a significant portion of the total and \$1,040,689 was excluded to calculate the cost per unit less depreciation of \$1.08c.

This calculation is based on four years of operations of the Muchea Livestock Centre (which commenced operations on 3 May 2010). The comparative data prior to 2010/11 is for the Midland Saleyards which closed on 27 April 2010. The lower unit cost is attributable to increased throughput and lower operating costs.

	2011/12	2012/13	2013/14	2014/15	2015/16
Total cost of maintaining Muchea Livestock Centre	\$2,412,031	\$2,280,403	\$2,260,321	\$2,342,620	\$2,402,177
No. of livestock units Handled in the year	985,040	1,071,790	1,388,670	1,345,763	1,266,373
Cost per unit	\$2.45	\$2.13	\$1.63	\$1.74	\$1.90
Cost per unit (less Depreciation)	\$1.40	\$1.04	\$0.80	\$0.97	\$1.08



Service One – Muchea Livestock Centre (Efficiency Measure 2)

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

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information

Fee for service income was determined from Authority accounts. Fee for service activities for 2015/16 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, livestock feeding charges and income derived from the Joint Venture. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle and other operating costs.

Performance

In 2015/16 the cost of providing fee for service activities at the Muchea Livestock Centre was \$792,493. The income generated by these activities was \$1,543,580.

In 2015/16 the return of fee for service activities at the Muchea Livestock Centre was \$1.95 for every \$1.00 incurred in providing the service. This represents a return of 95% 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.



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

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

A comparison with the percentage return on fee for service activities in 2014/15 has seen an increase in the percentage return on the provision of services at the Muchea Livestock Centre due to improved volume of services provided and increased efficiency in the provision of services.

Performance Targets

In the past WAMIA has set MLC income target as part of its 2015/16 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2015/16 actual income, the MLC income exceeded the budgeted income by \$756,369 (31%).

	Target	Actuals	Variance
Income	\$2,421,552	\$3,177,921	\$756,369 31%

Outcome Two (Effectiveness)

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

Relevance of Outcome

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

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

Effectiveness Indicator to be Measured

Percentage of WA abattoirs meeting standards.

Relevance of Indicator

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

Source of Information/M Measurement

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

Performance

The State's abattoirs continue to maintain standards with the average rating for the twenty three (23) abattoirs operating at 30 June 2016 calculated at 70.4%. 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:

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	%	%	%	%	%	%
Construction Standard	77.0	80.0	80.6	91.3	91.3	82.6
Product Description	60.3	64.0	64.6	70.7	70.7	64.1
Health and hygiene standard	80.2	83.0	84.4	92.4	92.4	85.9
Training System	67.2	72.0	71.9	78.3	78.3	71.7
Quality Assurance System	44.8	66.7	48.6	53.6	53.6	47.8
Average rating	65.9	69.1	70.0	77.2	77.2	70.4

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 \$272,313. The cost of attaining the standard per abattoir \$272,313 divided by 28 approved abattoirs is \$9,725. The average rating for 2015/16 has been calculated at 70.4%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$138. This means that it cost the Authority 138 per percentage point of achievement for abattoirs.

Comparative Performance

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

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cost of achieving standards	\$264,951	\$200,208	\$219,047	\$232,923	\$245,802	\$272,313
Number of Establishments	29	25	30	29	28	28
Cost per abattoir	\$9,136	\$8,008	\$7,302	\$8,032	\$8,779	\$9,725
Average abattoir rating	65.9%	69.1%	70.0%	77.2%	77.2%	70.4%
Cost per rating unit	\$138	\$116	\$104	\$104	\$114	\$138

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 2015/16 was \$89,771.

Twenty eight (28) abattoirs, one hundred and eleven (111) processing works thirty one (31) saleyards and fifty six (56) other outlets were operating during the 2015/16 year. The cost per establishment for delivering the service was \$397. (\$89,771 divided by 226 establishments).

Comparative Performance

	2011/12	2012/13	2013/14	2014/15	2015/16
Total cost of maintenance and distribution of information	\$74,858	\$81,609	\$78,236	\$81,777	\$89,771
Number of establishments	219	216	215	214	226
Cost per establishment for delivering service	\$342	\$378	\$364	\$382	\$397

APPENDIX A

Western Australian Meat Industry Authority rating system for abattoir standards:

Construction standard

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

Export Standard for construction of processing establishments 3 points

Product description system

Meets Minimum Regulatory Standards for fair trading 1 point

Meets Minimum Regulatory Standards (carries out carcase branding and ticketing) 2 points

Monitored Product Description System (AUS-MEAT A rating or equivalent) 3 points

Quality Assured Product Description System (AUS-MEAT A+ rating or equivalent) 4 points

Health and hygiene standards

Complies with Australian Standard for Hygiene Production, with no meat inspection 2 points

Complies with Australian Standard for Hygiene Production, with meat inspection 3 points

Complies with all export standards 4 points

Training standards

Minimum HACCP training (one person trained where approved) 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 point

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

18 points

Total possible points for each abattoir

