



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

ANNUAL REPORT JUNE 2013



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INTRODUCTION

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

- ❑ to review facilities for, and the operation of, establishments related to the sale, slaughter and processing of animals and meat.
- ❑ manage the Muchea Livestock Centre; and
- ❑ 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 P.O. Box 1434 Midland, Western Australia, 6936). The Authority can be contacted by telephone on (08) 9274 7533 and by facsimile (08) 9274 7588 on or by e-mail to wamia@wamia.wa.gov.au. The Authority's web site is www.wamia.wa.gov.au

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

CHAIRMAN'S REPORT 2012/2013

To All Industry Stakeholders

The Board of Western Australia Meat Industry Authority (WAMIA) has focused on three core areas during the year ending 30 June 2013. These have been:

1. Overseeing the operations of the Muchea Livestock Centre(MLC);
2. Implementing other parts of the Authority's Strategic Plan as, set out in my report last year; and
3. Administering WAMIA's compliance function in accordance with the Western Australian Meat Industry Authority Act (1976).

I will therefore structure this report to deal with each of the three core areas of Board focus.

Operations of the Muchea Livestock Centre

In my report 12 months ago, I stated that forecasts indicated that livestock numbers were returning to WA and, as a result, WAMIA's budget for the year ending June 2013 showed a lift in volumes and revenues. Unfortunately that increase in volumes did not occur. Both cattle and sheep throughput during the year was more than 20% lower than the previous financial year. As a result, the Authority's expenses significantly exceeded its income, resulting in the loss shown in the attached financial statements.

Our budget for the 2014 financial year is that livestock throughput will be reasonably flat compared with 2013. WAMIA has therefore sought approval to increase some of its fees in order to cover expected increases in operating in costs. We are grateful to both the *Western Australian Farmers Federation* and the *Pastorals and Graziers Association* for their support for the fee increases, as the Board clearly recognises the additional burden this places on livestock producers and users of MLC.

The Authority's management has spent time this year trying to ensure that the MLC meets the needs of its users. An open day was held in May, user surveys were conducted and management increased its focus on ensuring that user feedback was sought. In this way it is hoped that the dialogue between users and management of MLC will improve and that centre will continue to improve its service to its customers.

The Board has also increased its focus on safety at MLC and has invested significant resources in trying to engineer out risks or develop systems and processes which reduce the risk to all users of the MLC. The Board conducts a detailed review of safety at every Board meeting.

Strategic Plan

There were a number of elements of the strategic plan which did not relate specifically to Muchea's current operations. These involved exploring the opportunity for value added services and long term development of the land at Muchea. Considerable work has been undertaken in those areas,

although there remain a number of impediments to development, including the supply of services to Muchea, the amount of flat land available, Council and legislative approval requirements and demand from industry looking to establish businesses at Muchea. This work will continue as we seek to develop our five and ten year plans for the area.

Compliance

WAMIA's Board has evaluated the compliance function that WAMIA undertakes and has recently implemented a risk management strategy under which audits will be more targeted at higher risk areas.

The Board also has developed a risk matrix and regularly reviews major risks of the Authority Board on a monthly basis.

The Board and management of the Authority welcome feedback from all stakeholders about the performance of WAMIA and how we may do a better job meeting your needs.



David Lock
Chairman

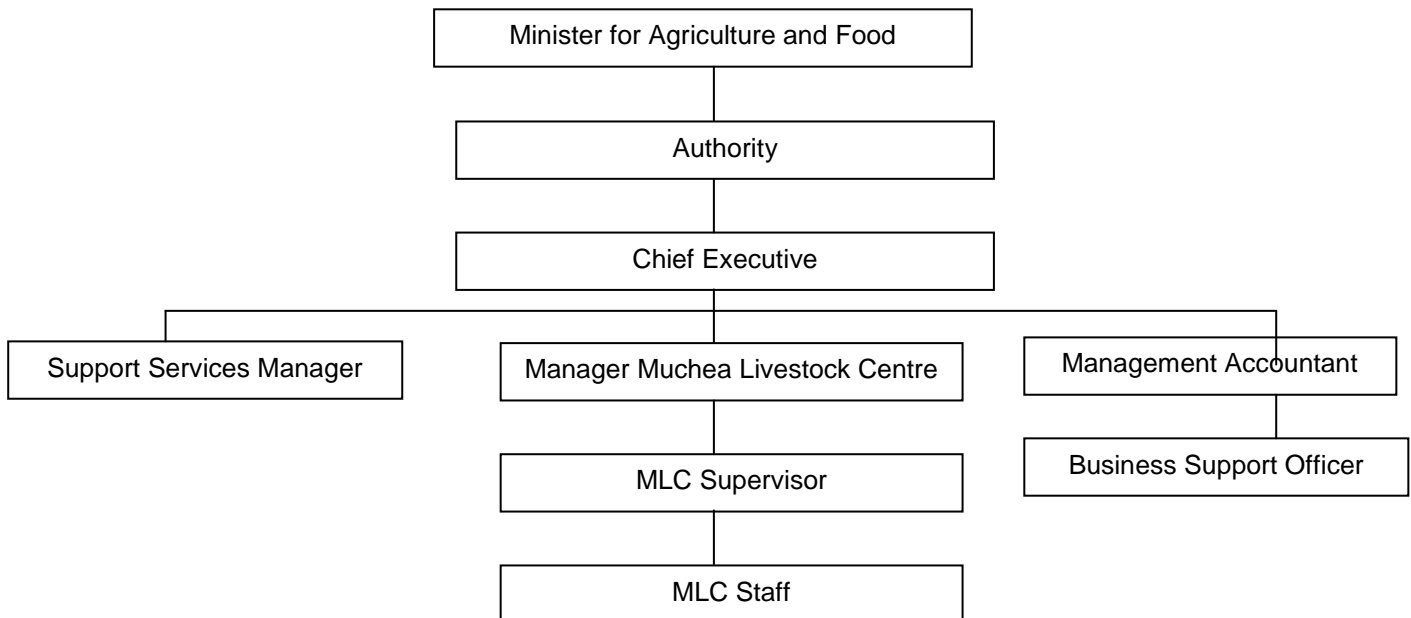
CORPORATE STRUCTURE

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 2013 were:

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

Organisational Chart



Membership Terms and Changes in 2012/2013

There were no Membership changes in the 2012/2013 financial year. Mr Panizza's term expired in March 2013 and he was reappointed until March 2016. The Chairman Mr Lock, Mr Griffiths and Mr Robinson terms expire in March 2015 and Mr McDougall, Dr Paterson, Ms O'Brien and Ms Gorter's terms expire in March 2014.

The administrative staff of the Authority at 30 June 2013 were:

Renata Paliskis	Chief Executive
Lyndon Henning	Manager Muchea Livestock Centre
Mark Elson	Management Accountant
Dave Saunders	Support Services Manager
Brooke Meredith	Business Support Officer
Marina Hodda	Executive Officer
Tiffany Marriott	School Based Trainee

Administration Office

The Authority offices are located at 15 Spring Park Road Midland, Western Australia.

Functions of the Authority

The Authority carries out the following functions as required by the Act:

- (a) Surveys, and keeps under review, the establishments and facilities available in the State for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.
- (b) Inspects, and where appropriate, approves the premises and facilities, and operations of saleyards, processing establishments and works and records in respect of each establishment its effective capacity and actual performance.
- (c) Implements schemes and practices for the branding of carcasses or meat, to define and identify source, methods of production, processing treatments, quality and other characteristics.
- (d) Manages Midland Saleyard or its replacement, the Muchea Livestock Centre.
- (e) Encourages and promotes improved efficiency throughout the meat industry.
- (f) Advises the Minister generally, and in particular as to:

- i. methods of overcoming areas of conflicting interest within the meat and livestock industries;
- ii. future requirements for saleyards, processing establishments and works;
- iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary; and
- iv. carries out such other functions as are required to give effect to the Act generally, in relation to saleyards, processing establishments, and other facilities, undertakings or activities in the meat industry.

CORPORATE ACTIVITIES

Authority Meetings

Nine Authority meetings were held during 2012/13. Members' attendance at the meetings is detailed in table 1 (maximum attendance in brackets):

Table 1 Member meeting attendance.

Name of Member	Meetings Attended
David Lock (Chairman)	9 (9)
Des Griffiths	8 (9)
Mark Panizza	9 (9)
Andy Paterson	9 (9)
Warren Robinson	8 (9)
Erin Gorter	8 (9)
Sally O'Brien	7 (9)
Kim McDougall	7 (9)

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 Griffiths (Chairman), Ms Paliskis and Mr Elson. Executive support was provided by Mr Elson. This Committee met on eight (8) occasions during 2012/2013.
- *MLC Community Consultative Group* – Required as a condition of the MLCs Department of Environment & Conservation approval provides interaction between the Local Community and the MLC. Membership made up of Mr Saunders (Chairman), Mr Henning and community members and Shire of Chittering Officers. Executive support was provided by Ms Hodda. This Committee met on two (2) occasions during 2012/2013.

- *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 Ms Paliskis (Chairman), Mr Henning and representatives of Agents, Transporters, Contractors and other MLC users. Executive support was provided by Ms Hodda. This Committee met on five (5) occasions during 2012/2013
- *Livestock Logistics WA Management Committee* - Mr Robinson held the position of independent Chairman of the Committee. Ms Paliskis sat as Managing Director and Mr Saunders as Committee Member representing the Authority until December 2012. They were replaced by Mr Henning and Mr McDougall. Executive support was provided by Ms Hodda.

Other representations included:

- Mr Saunders represented the Authority on the State Committees to implement the National Livestock Identification System for cattle and sheep.
- Mr Saunders continued to serve as a Director of NSQA the National Saleyard Quality Assurance Program.
- Mr Saunders continued as a member of the Katanning Saleyard Advisory Committee.
- Mr Henning represents WAMIA on a number of Local Community organisations including the Local Chamber of Commerce & Local Disaster Recovery Committee

Strategic Planning

The Western Australian Meat Industry Authority Board held a Strategic Planning workshop on 11 May 2012. The resultant Plan effective 1 July 2013 was established:-

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

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

WAMIA's Strategic Issues and Strategies: as detailed in table 2 below:

Table 2 WAMIA Strategic Issues and Strategies

WAMIA's profile/perception of value	1	Raise WAMIA's perceived value & profile with: Minister DAFWA Vendors Agents Other users
Market share and throughput	2	Increase livestock throughput at MLC by: a. Maintaining market share as WA livestock population grows b. Growing market share above long term average (11%) c. Better understanding of WA livestock numbers and movements d. Identifying and providing an improved service to producers
Need to be financially viable	3	<ul style="list-style-type: none"> • Be cash flow positive without reliance on interest revenue. • Generate a break-even or better profit result after depreciation by: <ul style="list-style-type: none"> • Increasing volume • Balancing volume & price • Reducing costs • Protect cash reserves for major future capital projects
Developing the land	4	<ul style="list-style-type: none"> • Maximise value and cash flow from surplus land asset. • Develop a 20 year master plan in conjunction with appropriate advisors
Asset (MLC) utilisation	5	<ul style="list-style-type: none"> • Ensure that MLC asset utilization is maximized through: <ul style="list-style-type: none"> - Livestock volume - Value adding products / services • Other aligned activities
Legislative reform	6	Ensure compliance function is efficient, effective and focused and adds value to the WA Meat industry

On 21 May 2013, the WAMIA Board approved a revised plan which has seen the addition of the Strategic Issue: WAMIA's Risk Strategy for the MLC, being that WAMIA operational risks are managed in an efficient and effective manner.

The Progress of the implementation of the Strategic Plan is on track and reported the Board at every meeting.

In order to satisfy Strategic Issue 1: "WAMIA's profile/perception of value", Management have instituted annual customer surveys. In July of the reporting period, surveys of producers, agents, contractors and transporters were undertaken. The results have been analysed and key learning's identified and addressed through management. Issues that have been identified include the need for:

- a) Sunday drafting and weighing of cattle
- b) WAMIA to work directly with customers
- c) Special Sales.

In relation to point (b) The MLC Cattle Producers Open Day was held on 6 May 2013. Seventy five people registered and over one hundred attended to listen to a variety of speakers on preparation of stock for transports, what buyers want, cattle markets and how producers can strategically use the MLC. Over \$14000 of sponsorship was raised to run the day and very positive feedback was received. Some of this feedback will be used to run a Sheep Open Day, scheduled for October 2013.

Corporate Governance

During the reporting period, the Authority continued to review all aspects of its activities to ensure proper corporate governance practices were adopted. Achievements in this area include:

- Flat organisational structure; and
- Operation under a Delegated Authority Register

In November 2012 the WAMIA Board attended an Accountable and Ethical Decision Making Training session provided by the Public Sector Commission.

LEGISLATIVE CHANGES

Two sets of regulations were Gazetted during the period:

1. *"The Western Australian Meat Industry Authority Amendment Regulations 2012"* gazetted on the 14th September 2012.
2. *"The Western Australian Meat Industry Authority Amendment Regulations (No 2) 2013"* gazetted on the 8th February 2013.

Both of these Regulations updated Authority Statutory fees.

COMMUNICATIONS

The Authority implemented the following means of communication with its clients:

Web Site

The Authority maintains a web site www.wamia.wa.gov.au. A major overhaul of the web site was completed in 2012/2013. 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 period it averaged 300 "hits" per week. The website also allows MLC users to provide feedback on MLC operations.

Development of the website will continue in 2013/2014 with the next phase providing a point of interaction for processors, livestock agents and producers so that invoices can be paid and returns can be submitted electronically.

Social media

The Authority has developed a Facebook page and Twitter account for the Muchea Livestock Centre. Social media is used extensively to provide market results and sales information and advice of events.

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:

- The Muchea News, now in its third year, is a monthly one page advertorial that is printed in the Farm Weekly. This weekly publication has a readership of 13,000. News includes: changes in fees, profiling of new board members, requests for customer feedback and animal welfare requests.
- Producer mail outs to promote specific events.
- Use of SMS to provide market reports and sale information
- A Muchea Newsletter mailed to 3,000 producers.
- Regular meetings with WAFF, PGA, DAFWA and office of the Minister for Agriculture & Food.
- Attendance at Field Days including the annual Dowerin Field day.
- One on One stakeholder meetings between the Chief Executive and Industry Representatives.

MUCHEA LIVESTOCK CENTRE (MLC)

2012/2013 saw the MLC complete its third full year of operations with sale throughput remaining static over the period. The use of the MLC for non sale activities increased over the period. Management and staff continued to review its operations, carry out improvements and promote the Centre to ensure the MLC maintained its position as Western Australia's premium selling centre.

Improvements

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

- Additional slam latches throughout the centre including keeper modifications;
- Additional Man gates throughout cattle area;
- Relocation of gates at cattle ramps;
- New walk way connecting the main selling area to the cattle load-in ramp area; and
- Trial of alternative soft floor replacement material using recycled chip from the East Metropolitan Regional Council.

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

- Additional Lighting to sheep drafts;
- Modified gates in load out ramps; and
- Installation of steps & fall prevention gates to the auctioneers' walkways.

Achievements in other areas for the period were as follows:-

- Provision of more public seating and tables;
- Expansion of Accredited Live Export Area for cattle;
- Accreditation for MSA sheep sales;
- Continuation of cropping program providing approx 40ha of hay crop which will be used to supplement purchased oaten hay;
- Expansion of MLC farm flock to provide additional income and utilize surplus land; and
- Improvements to the efficiency of truckwash with new pumps & plumbing.

Defects

Mr. Henning is working closely with Project Manager, Savills (formerly Incoll) and Builders Cooper and Oxley to seek compensation for Hydraulic defects and rectify building defects including those in the following areas:-

- Sprinklers
- Pavement area

Animal Welfare

Compliance with Animal Welfare requirements is an essential element of the MLC's operation and 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.

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

WAMIA also coordinated Industry comment on the proposed Australian Animal Welfare Standards and Guidelines for Saleyards and Depots which was sought during the period.

WAMIA Management worked closely with the RSPCA on the "Beef Cattle Guidelines" released in November 2012. WAMIA played an integral part in the RSPCA reviewing their position on saleyards articulated in these Guidelines. This strengthened the relationship between the organisations.

Industry Consultation

WAMIA sought industry feedback on the installation of a manual 3 way cattle draft to complement the existing air operated 9 way draft. Industry supported the project which allowed more efficient (less staff and quicker draft speed) processing of live export pastoral lines. The Board approved construction of the draft which was completed in December 2012.

MLC – AGRIBUSINESS AREA

The development of an agribusiness area within the MLC buffer zone has been identified as part of the overall Muchea Employment Node structure plan and as an opportunity to increase the viability of MLC operations. The Agribusiness Plan development is part of the 2012-2015 Strategic Plan. In May 2013 Consultants, Greg Rowe and Associates were contracted to report on the Highest and Best Value

Use of the Muchea Livestock Centre Site. Their report will be available in August 2013. WA Farmers and the PGA will be kept informed of this development.

Working with the Muchea Livestock Agents

WAMIA has taken on the role of facilitating the discussions between agents of the Muchea Livestock Centre to yield mutual benefits. During the 2012/2013 financial year, examples include:-

1. Participation in the Muchea Livestock Centre User Group.
2. Meeting with agents individually to discuss and determine:-
 - a. Promotion of special sales and
 - b. Any operational issues associated with their sales.

Other services

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

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

OCCUPATIONAL SAFETY AND HEALTH

The Authority 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 WAMIA board meetings. Any injuries that may occur are managed in close liaison with RiskCover and in accordance with the requirements of the Workers Compensation and Injury Management Act 1981.

Table 3 below lists the target reporting for 2012/2013:

Table 3 reporting targets for 2012/2013

Indicator	2012/2013 Target	2012/2013 Actual
Number of Fatalities	0	0
Lost time injury / diseases (LTI/D) incidence rate	0	0
Lost time injury severity rate	0	0
Percentage of injured workers returned to work within (1) 13 weeks & (2) 26 weeks	100%	100%
Percentage of Managers and supervisors trained in occupational safety, health and injury management responsibilities	100%	100%

During the period WAMIA initiated an independent safety review undertaken by RiskLink Pty Ltd in September and October 2012. The report recommended that:-

- a. That WAMIA's Safety Management Plan be updated and meet its legislative requirements.
- b. That all MLC Users were required to provide WAMIA with a copy of their Safety Management Plan.
- c. Identified operational hazards be addressed.
- d. Identified infrastructure hazards be addressed.

The WAMIA Board endorsed the review in November 2012 and as of the 30th June 2013 the recommendations had been implemented by WAMIA Management. Key work undertaken include:-

- a. The implementation of WAMIA's Safety Management Plan in March 2013.
- b. The development of a Generic Safety Management Plan for MLC users implemented and operational in June 2013.
- c. Rectification of infrastructure and operational hazards identified.
- d. Achievement of Certificate IV in Workplace Health & Safety accreditation for the Support Service Manager and Muchea Livestock Centre Manager.

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 still required to undertake an induction program. 1,014 persons have been inducted by Authority staff since the MLCs opening.

LIVESTOCK THROUGHPUT FOR THE WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Cattle throughput in the 2012/2013 year continued the decline experienced in 2011/2012 to fall further by 5,665 head in contrast to the previous year with 80,917 head yarded. Of the number of cattle yarded, 11.05% were calves similar to 2011/2012 (10.2%). While pastoral numbers lifted in 2012/2013, there was a significant decline in cattle from the agricultural area. This was particularly evident in the period January to June 2013 which saw reduced numbers or weaners offered for sale, there was no single factor attributable to the decline, but a combination of market, seasonal and availability of stock contributed.

Sheep and lamb numbers increased significantly by 126,985 head (more than the previous year) to 550,066 head. While the low State sheep population continues to impact on numbers the increase is mainly attributable to poor seasonal conditions in the Wheat belt which forced many producers to significantly reduce numbers. This was particularly evident in the later stages of 2012/2013 and continued in the early part of 2013/2014 with a record yarding of 35,767 sheep on 9 July 2013.

According to the Department of Agriculture and Food of Western Australia, the Western Australian sheep population for 2012/2013 financial year remained static at 14.7m as at 30 June 2013. Meat and Livestock Australia projections continue to predict the commencement of a slow flock rebuild in 2013 -14.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2009/2010 and for the Muchea Livestock Centre from 2010/2011 onwards are listed in table 4 below:

Table 4 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

Transshipment & non sale weighing numbers for cattle and sheep 2010/2011 onwards are listed in the table 5 below.

Table 5 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

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.

In 2012 the Management Committee agreed to appoint a full time manager. Mr Ken Borland was appointed to the position in November 2012 and resigned in May 2013. Mr Henning is currently acting in the position (in addition to his current role as MLC Manager) until a new full time appointment is made.

INDUSTRY DEVELOPMENT

Activities

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

Industry Database

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

Education

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

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

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 6 currently apply for all processing establishments in the State.

Table 6 Establishments by Category

CATEGORY	STANDARD/ INSPECTION	MARKET ACCESS	NUMBER AT 30/06/12	NUMBER AT 30/06/13
Export	Export standards and importing country requirements. AQIS Inspection.	No restrictions in Australia	10	10
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	8	8
Domestic (no government meat inspection)	Australian standard. Special conditions apply	Distribution and capacity restrictions	2	1
Special Prison farm and Agricultural Colleges.	Australian standard. Health Dept/ Local Govt Inspection	Internal supply and capacity restrictions	5	5
Closed with current	Required to maintain	Nil	3	4

approval	basic environmental standards			
Under construction	Non operational	Non operational	1	2
Total			29	30

Applications for Approvals

During the year, the Authority considered the following applications as detailed in table 7:

Table 7 Application applications by year.

	2010/2011	2011/2012	2012/2013
Applications to construct an establishment	1	0	1
Applications to operate	0	1	3
Applications for variation to approval	0	0	0

The applications granted were as follows:

Hillside Meat Processors Pty Ltd approval to operate the Narrogin abattoir.
 Wellard Animal Production Pty Ltd approval to operate the Beaufort River abattoir.
 Kimberley Freerange Beef Pty Ltd approval to operate the Gin Gin sheep abattoir.
 Kimberly Meat Processors Pty Ltd approval to construct an abattoir at Derby.
 A list of currently approved abattoirs is detailed in table 8.

Table 8 WAMIA Approved Abattoirs by Category as at the 30 June 2013

CATEGORY	ABATTOIR	LOCATION
Export	Wellard Animal Production Pty Ltd	Beaufort River via Woodanilling
	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
	Kimberley Freerange Beef Pty Ltd	Gingin
Domestic Unrestricted	T E Cullen and Sons*	Coolgardie
	Dardanup Butchering Company	Picton

	Windmill Meats	Corrigin
	Gingin Meatworks	Gingin
	Goodchild Abattoirs	Australind
	Hagan Bros	Greenough
	P R Hepple and Sons Pty Ltd	Northam
	Great Eastern Abattoir	Tammin
Domestic Restricted	B J and J A Haslam*	Hyden
	Kellerberrin Butchery	Kellerberrin
Other Species	Konynen 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.

Current Construction Approvals.

The following approvals to construct an abattoir are still current

- Kimberley Meat Processors Pty Ltd – Beef Abattoir, Derby.
- Kimberley Free Range Beef Pty Ltd – Beef abattoir, Broome.

Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that Standards are maintained. Joint visits to the establishments are made with the relevant regulatory agency if required in the case of new applications, changes in management, or where problems have occurred. At June 30 2013, all establishments in Western Australia complied with the relevant Australian Standards.

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

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

Industry Liaison for compliance

During the period, the Authority continued to maintain contact with officers from industry organisations such as the Federal Department of Agriculture Forestry and Fisheries and Western Australian Department of Agriculture and Food, Department

of Health, AUS-MEAT and the Australian Meat Industry Council in areas of regulatory and industry development.

State Processing statistics

The Authority maintains processing statistics for the State by type of animal and category of processing establishment. Table's 9 & 10 detail abattoir throughput for the years 2011/12 and 2012/13.

Table 9 Abattoir throughput cattle, sheep, lambs goats & pigs by Category for the years 2011/2012 and 2012/2013

CATEGORY	YEAR	CATTLE	SHEEP	LAMBS	GOAT	PIGS
Export	2011/12	263,595	694,396	1,481,310	74,663	485,503
	2012/13	276,164	1,423,923	1,816,543	17,006	501,217
	% Change	4.8 %	105.1 %	22.6 %	(77.2%)	3.2 %
Domestic (unrestricted)	2011/12	132,257	71,746	299,703	7,284	23,216
	2012/13	118,204	126,485	355,775	33,405	25,342
	% Change	(10.6%)	76.3%	18.7%	358.6%	9.2%
Domestic without Meat Inspection	2011/12	73	161	150	9	89
	2012/13	17	134	0	0	0
Special	2011/12	1,928	3,986	59	0	120
	2012/13	2,169	4,795	81	0	96
Totals	2011/12	398,166	770,289	1,781,222	81,956	508,924
	2012/13	396,554	1,555,337	2,172,399	50,411	526,655
	% Change	(0.4%)	101.9%	22%	(38.5%)	3.5%

Table 10 Abattoir throughput for other species by Category for the years 2011/2012 and 2012/2013

CATEGORY	YEAR	DEER	ALPACA	RABBIT	HORSE
Export	2011/12	111	0	0	0
	2012/13	204	0	0	0

Domestic (unrestricted)	2011/12	699	7	32,075	2
	2012/13	633	4	28,493	0
Total	2011/12	810	7	32,075	2
	2012/13	837	4	28,493	0

COMPLIANCE ACTIVITIES

Compliance Committee

The Committee did not meet during 2012/2013. In February 2013 the WAMIA reviewed the future of the Compliance Committee and determined that it adequately administer the compliance functions of the Act and Regulations. On this basis the Compliance Committee was wound up.

The Authority maintains its interaction with other regulators such as the Department of Health (DOH), AUS-MEAT, Australian Meat Industry Council (AMIC) and the Department of Agriculture Forestry & Fisheries (DAFF) by regular contact with staff at an operational level which is reported. The WAMIA Board acknowledges the valuable contribution of these officers from the DOH, AUS-MEAT, AMIC and DAFF.

Compliance Policy

In December 2012 the Board approved the Compliance Policy, which included:-

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

Compliance Functions

The Authority will undertake a further review of its compliance and audit functions in 2013/2014 to ensure that they avoid duplication to industry, are risk based, target areas of concern and maintain awareness of WAMIA's functions within the industry.

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. 10 cases are currently 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 carcase roller branding of Lamb, Hogget and Gold Beef. While almost all branded product is derived from AUS-MEAT accredited establishments, all abattoirs are required to have relevant quality assurance procedures. If a works is not AUS-MEAT Accredited this function is undertaken by the Authority Compliance Officer.

Branding Compliance

All establishments that carry out carcase roller branding do so under the supervision of full time government meat inspection services or an approved arrangement. All carcase brands are held under the security of the inspection service. 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 carry out random inspections of processing establishments, boning rooms, farmers markets, supermarkets and retail butchers to ensure compliance.

Compliance Activity Summary

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

Table 11 Inspections undertaken from 2010/2011 to 2012/2013

Inspections undertaken	2010/2011	2011/2012	2012/2013
Abattoirs	39	6	8
Boning Rooms	4	0	0
Smallgoods Establishments	1	0	0

Retailers	218	52	80
Other premises	28	7	3

Table 12 Investigations undertaken from 2011/2012 to 2012/2013

Investigations undertaken	2011/2012			2012/2013		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	2	0	3	7	0	10
Product mis-description	2	2	0	3	3	0
Labelling issues	0	0	0	1	1	0
Over the hooks	0	1	0	0	0	0
Brand issues	0	0	0	0	0	0
Other	0	0	0	0	0	0
Assist other regulators	0	0	0	0	0	0

Ongoing Investigations

- (a) 9 investigations into the alleged slaughter and sale of meat for human consumption.
- (b) 1 of alleged sale of pet meat for human consumption.

Legal Action

No legal action was undertaken in the period

HUMAN RESOURCES

Staffing Levels

The number of salary and wages staff employed by the Authority at 30 June 2012 and 30 June 2013 is given in table 13 below:

Table 13 Staff listing for 2011/2012 and 2012/2013

Title	FTE *as at 30/06/2012	FTE *as at 30/06/2013
Chief Executive Officer	1.0	1.0
Manager Muchea Livestock Centre	1.0	1.0
Management Accountant	1.0	1.0
Support Services Manager	1.0	1.0
Business Support Officer	1.0	1.0
Executive Officer	.4	.4
Saleyard Supervisor	1.0	1.0
Centre Cleaning, Maintenance, Feeding	4.4	3
Total	10.8	9.4

*FTE = Full Time Equivalent

Staff Training and Development

During the period, the Authority has continued to invest in its staff through training and development. Management and administrative staff received training and attended a number of seminars relevant to the Authority's operations. Mr Saunders & Mr Henning gained Certificate IV in Workplace Health & Safety and Mr Saunders passed the British Retail Consortiums Global Standard Food Third Party Auditing course. A number of staff gained basic First Aid & CPR Accreditation.

In 2012/2013, the Authority continued its participation in the Public Sector School Based Traineeship Program with Ms Tiffany Marriott from Hampton Senior High School. She is supervised by Business Support Officer Ms Brooke Meredith, herself a PSSB Trainee from 2009 to 2010.

Industrial Relations

All administrative and supervisory staff are covered by the Public Service and Government Officers Salary General Agreement 2011. This agreement expires on the 1st April 2014 and will be renegotiated during mid 2013/2014. Saleyard employees are covered by the Australian Workers Union (Western Australian Public Sector) General Agreement 2012. This agreement expires on the 25th April 2015.. All wage increases are in line with the State Government Wages Policy.

Freedom of Information Statement

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; and
 - (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; or
 - (v) other characteristics.
- (d) to assume responsibility for, or arrange for the management of -
 - (i) Midland saleyard; and
 - (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;
 - b) any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary; and
- (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 2012/2013 period.

RISK MANAGEMENT

In 2013 the Authority board reviewed and reassessed the risk identified in its 2012 risk register. At every Board meeting the significant risk identified are reported on and strategies were developed as required.

COMPLIANCE WITH THE ELECTORAL ACT 1907

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; and
- 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

PUBLIC INTEREST DISCLOSURE ACT

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.

DISABILITY ACCESS AND INCLUSION PLAN

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

1. *People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority.*
 - All policies, guidelines and practices that govern the operation of Authority facilities and services are consistent with the policy on disabled access.
2. *People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority.*
 - The Authority's administration building has disabled toilets and full access throughout the building. The Muchea Livestock Centre has full disabled access and facilities.
3. *People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.*
 - Authority information is available in person, via telephone, website and in hard copy and can be provided in a variety of formats upon request. All information is available in a clear, concise and easy to understand language and can be modified to suit individual requirements.

4. *People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.*
 - Authority staff members with key client and public roles are aware of the key access needs of people with disabilities as well as their families and carers who use Authority facilities and services.
5. *People with disabilities have the same opportunities as other people to make complaints to a public authority.*
 - Complaints can be made to the Authority by various means. These include in person, in writing, by telephone or electronically.
6. *People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority.*
 - When required, issues for public comment are advertised via local newspaper articles, media releases on the Authority website and letters to homeowners surrounding the relevant land area. Responses can be made by telephone, letter, e-mail or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

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.

- A staff training program was undertaken in 2012/2013.
- A full review of the effectiveness and efficiency of the Record Keeping Plan will take place in 2013/2014.
- The WAMIA induction program addresses employee roles and responsibilities in regard to their compliance with the record keeping plan.

The Western Australian Meat Industry Authority

Financial Statements

For the year ended 30 June 2013



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 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Meat Industry Authority at 30 June 2013 and

its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Western Australian Meat Industry Authority during the year ended 30 June 2013.

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

Board's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Western Australian Meat Industry Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

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 2013.

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

Board's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the key performance indicators of the Western Australian Meat Industry Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2013 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 ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 September 2013

Foreword

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 2013 and the financial position as at 30 June 2013.

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.

Statement of Compliance

For year ended 30 June 2013

HON KEN BASTON

MINISTER FOR AGRICULTURE AND FOOD

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 Statutory Authority for the financial year ended 30 June 2013.

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



(Signature)
David Lock
Chairman of the Western Australian Meat
Industry Authority
1 August 2013



(Signature)
D. Griffiths
Board Member of the Western Australian Meat
Industry Authority
1 August 2013

Contacts

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Overview

Executive Summary

Performance Highlights

- The Authority has had to manage the challenges of a decline in livestock numbers, industry changes to the use of saleyards and compliance to legislation requirements.
- Customer surveys (of MLC producers and influences) indicated the need for minor capital improvements, operational changes and information delivery.

Administered Legislation

The Minister for Agriculture and Food administers the following Acts:

- *Western Australian Meat Industry Authority Act 1976.*

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

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

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

Performance Management Framework

WAMIA's profile/perception of value - Raise WAMIA's perceived value & profile with the Minister, DAFWA, Vendors and other users.

Market share and throughput - Increase livestock throughput at MLC by maintaining market share as WA livestock population grows. Growing market share above long term average (11%), better understanding of WA livestock numbers and movements. Identifying and providing an improved service to producers.

Need to be financially viable - Be cashflow positive without reliance on interest revenue. Generate a break-even or better profit result after depreciation by: increasing volume, balancing volume & price, reducing costs, protect cash reserves for major future capital projects.

Utilisation of WAMIA's Assets - Maximise value and cashflow from surplus land asset. Develop a 20 year Master plan in conjunction with appropriate advisors. Ensure that MLC asset utilization is maximized through: livestock volume, value adding products / services, other aligned activities.

Legislative Reform - Ensure compliance function is efficient, effective and focused and adds value to the WA Meat industry.

WAMIA's Risk Strategy for MLC - Ensure that MLC operational risks are managed in an efficient and effective manner.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Financial Targets

	2012-13 Target(1) \$	2012-13 Actual \$	Variation(2) \$
Total expenses (sourced from Statement of Comprehensive Income)	3,387,293	3,420,759	(33,466)(a)
Total Income (sourced from Statement of Comprehensive Income)	2,122,646	2,042,041	(80,605)(b)
Total equity (sourced from Statement of Financial Position)	62,535,422	62,218,190	317,232(c)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(485,952)	(571,951)	(85,999) (d)
Approved full time equivalent (FTE) staff level	10	10	-

1) As specified in the Budget Statements.

2) Further explanations are contained in Note 31 'Explanatory statement' to the financial statements.

- (a) The variation was contributed to by increased wages and salary costs, implementation of the safety review, and past years land tax costs.
- (b) The year had a lower than anticipated throughput of cattle and a lowering of interest rates on term deposits.
- (c) The variation is due to a greater than expected cash demands and lower than expected throughput.
- (d) There was a payment to close the GESB pension scheme and other employee costs that were unforeseen.

Summary of Key Performance Indicators

	2012-13 Target ⁽¹⁾	2012-13 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):			
The volume of Livestock for Cattle	105,297	80,917	(23%)
The volume of Livestock for Sheep	435,690	550,066	26%
<i>Outcome 2: The lowering of the cost of maintaining the Muchea Livestock Centre</i>			
Key Effectiveness Indicator(s):			
The lowering of the per unit cost	2.45	2.13	13%
<i>Outcome 3: Providing fee for service activities on a financially viable basis</i>			
Cost of service provision for every \$1.00 incurred to provide the service.	\$1.11	\$1.25	(12%)
<i>Outcome 3: Cost per abattoir for development and implementation of standards.</i>			
The cost to the authority in carrying out these functions is paid by industry through fees and charges.	\$116	\$119	(2.5%)
<i>Outcome 4: To provide statistical, market and strategic information for industry issues in an efficient manner.</i>			
Cost per establishment of delivering the service.	\$342	\$373	(9%)

(1) As specified in the Budget Statements.

(2) Explanations for the variations between target and actual results are presented in note 31 'Explanatory statement' to the financial statements.

Significant Issues Impacting the Agency

Current and emerging issues and trends

The decline in the population of livestock in the catchment areas of the Muchea Livestock Centre and state-wide caused by - the growing of crops rather than livestock is increasing , the return from producing livestock is declining and the industry trend to sell privately and not use a saleyard is continuing.

Economic and social trends

Consumer preferences for alternative protein are increasing.

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

Since the opening of the Muchea Livestock Centre in 2010 the Authorities annual revenue has not been sufficient to cover the cash operating costs of Muchea and the Authority. This situation is primarily caused by the reduction in income from throughput due to seasonal impacts, the decline in the states sheep flock and higher operating costs. This has created a decline in the Authorities cash reserves which is not sustainable.

The Authority Board has developed a strategy to arrest the decline in the Authority's financial position. The key points of the strategy are to increase in fees beyond CPI for 2013/2014, to implement strategies to increase market share & throughput and better asset utilisation including the surplus land at the Muchea site.

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2013

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 2013 and the financial position as at 30 June 2013.

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



(Signature)

Mark Elson

Management Accountant of the Western
Australian Meat Industry Authority
16 September 2013



(Signature)

Des Griffiths

Board Member of the Western Australian
Meat Industry Authority
16 September 2013



(Signature)

David Lock

Chairman of the Western Australian Meat
Industry Authority
16 September 2013



Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013	2012
		\$	\$
INCOME			
Revenue			
Sales	7	28,732	13,035
Provision of services	8	1,451,975	1,402,942
Interest revenue	9	365,380	461,470
Other revenue	10	195,954	231,608
TOTAL INCOME		2,042,041	2,109,055
EXPENSES			
Employee benefits expense	11	1,054,449	1,022,241
Supplies and services	12	1,040,507	1,159,795
Depreciation and amortisation expense	13	1,167,274	1,229,982
Accommodation expenses	14	49,467	54,309
Other expenses	15	109,062	164,066
TOTAL EXPENSES		3,420,759	3,630,393
Profit/(loss) before grants and subsidies from State Government		(1,378,718)	(1,521,338)
LOSS FOR THE PERIOD		(1,378,718)	(1,521,338)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	25	(170,000)	(47,269,219)
Total other comprehensive income		(170,000)	(47,269,219)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,548,718)	(48,790,557)

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

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

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	26	8,274,877	8,846,828
Inventories	16	8,517	6,595
Receivables	17	199,505	133,626
Other current assets	18	4,157	2,044
Total Current Assets		8,487,056	8,989,093
Non-Current Assets			
Property, plant and equipment	19	18,665,577	55,180,068
Infrastructure	20	35,362,897	0
Intangible assets	21	12,938	10,399
Other non-current assets	18	96,520	152,024
Total Non-Current Assets		54,137,932	55,342,491
TOTAL ASSETS		62,624,988	64,331,584
LIABILITIES			
Current Liabilities			
Payables	23	190,490	222,989
Provisions	24	195,658	330,667
Total Current Liabilities		386,148	553,656
Non-Current Liabilities			
Provisions	24	20,650	11,019
Other non-current liabilities		-	-
Total Non-Current Liabilities		20,650	11,019
Total Liabilities		406,798	564,675
NET ASSETS		62,218,190	63,766,909
EQUITY			
Contributed equity	25	-	-
Reserves		1,662,318	1,832,318
Retained earnings		60,555,872	61,934,591
TOTAL EQUITY		62,218,190	63,766,909

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 2013

	Note	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance at 1 July 2011		-	49,101,537	63,455,929	112,557,466
Surplus/(deficit)		-	-	(1,521,338)	(1,521,338)
Other comprehensive income		-	(47,269,219)	-	(47,269,219)
Total comprehensive income for the period			1,832,318	61,934,591	63,766,909
Balance at 30 June 2012		-	1,832,318	61,934,591	63,766,909
Balance at 1 July 2012		-	1,832,318	61,934,591	63,766,909
Surplus/(deficit)		-	-	(1,378,719)	(1,378,719)
Other comprehensive income		-	(170,000)	-	(170,000)
Total comprehensive income for the period		-	1,662,318	60,555,872	62,218,190
Total		-	-	-	-
Balance at 30 June 2013		-	1,662,318	60,555,872	62,218,190

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 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		28,732	13,035
Provision of services		1,241,655	1,402,942
Interest received		365,380	461,470
GST receipts on sales		142,520	137,563
Other receipts		195,954	231,609
Payments			
Employee benefits		(1,179,826)	(928,775)
Supplies and services		(959,679)	(988,450)
Accommodation		(49,467)	(54,309)
GST payments on purchases		(154,001)	(168,920)
Net cash provided by/(used in) operating activities	26	(368,732)	106,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(203,218)	(214,684)
Net cash provided by/(used in) investing activities		(203,218)	(214,684)
Net increase/(decrease) in cash and cash equivalents		(571,951)	(108,519)
Cash and cash equivalents at the beginning of the period		8,846,828	8,955,347
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	26	8,274,877	8,846,828

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

Index of Notes to the Financial Statements

For the year ended 30 June 2013

Subject	Policy Note	Disclosure Note	Title of the Policy note
General	1		Australian Accounting Standards
General	1		<i>Early adoption of standards</i>
General	1		<i>General</i>
General	2		Summary of significant accounting policies
General	2(a)		<i>General statement</i>
General	2(b)		<i>Basis of preparation</i>
General	2(c)		<i>Reporting entity</i>
General	2(d)	25	<i>Contributed equity</i>
Income	2(e)		<i>Income</i>
Income	2(e)		<i>Revenue</i>
Income	2(e)	7	<i>Sale of goods</i>
Income	2(e)	8	<i>Provision of services</i>
Income	2(e)	9	<i>Interest</i>
Income	2(e)		<i>Gains</i>
Assets	2(f)	19	<i>Property, plant and equipment and infrastructure</i>
Assets	2(f)	20	<i>Infrastructure assets</i>
Assets	2(g)	21	<i>Intangible assets</i>
Assets	2(h)	22	<i>Impairment of assets</i>
Assets/Liability	2(i)	28	<i>Leases</i>
Assets/Liability	2(j)	32	<i>Financial instruments</i>
Assets	2(k)	26	<i>Cash and cash equivalents</i>
Assets		26	<i>Restricted cash and cash equivalent</i>
Assets/Liability	2(l)	23	<i>Accrued salaries</i>
Assets	2(m)	17	<i>Inventories</i>
Assets	2(n)	18	<i>Receivables</i>
Liability	2(o)	23	<i>Payables</i>
Liability	2(p)	24	<i>Provisions</i>
Liability	2(p)	24	<i>Provisions – employee benefits</i>
Expense	2(p)	24	<i>Provisions – other</i>
Expense	2(q)		<i>Superannuation expense</i>
General	2(r)	33	<i>Jointly controlled operations</i>
General	2(s)		<i>Comparative figures</i>
General	3		Other accounting policies
General	4		Judgements made by management in applying accounting policies
General	5		Key sources of estimation uncertainty

Index of Notes to the Financial Statements

For the year ended 30 June 2013

Subject	Policy Note	Disclosure Note	Title of the Policy note
General	6		Disclosure of changes in accounting policy and estimates
General	6		<i>Initial application of an Australian Accounting Standard</i>
General	6		<i>Voluntary changes in accounting policy</i>
General	6		<i>Future impact of Australian Accounting Standards not yet operative</i>
	6		<i>Changes in accounting estimates</i>
Income/Expense		7, 16	Trading profit
	2(e)	8	Provision of services
Income	2(e)	9	Interest revenue
Income	2(e)	10	Other revenue
Expense	2(p,2q)	11, 23	Employee benefits expense
Expense		12	Supplies and services
Expense		13	Depreciation and amortisation expense
Expense		14	Accommodation expenses
Expense		15	Other expenses
Asset	2(m)	16	Inventories
Asset	2(n)	17	Receivables
Asset		18	Other assets
Asset	2(f)	19	Property, plant and equipment
Asset	2(f)	20	Infrastructure assets
Asset	2(g)	21	Intangible assets
Asset	2(h)	22	Impairment of assets
Liability	2(o)	23	Payables
Liability	2(r)	24	Provisions
Equity	2(d)	25	Equity
Cash Flow		26	Notes to the Statement of Cash Flows
Expense		27	Services provided free of charge
General		28	Commitments
General		29	Contingent liabilities and contingent assets
General		30	Events occurring after the end of the reporting period
General		31	Explanatory statement
General	2(j)	32	Financial instruments
General	2(j)	32(a)	<i>Financial risk management objectives and policies</i>
General	2(j)	32(b)	<i>Categories of financial instruments</i>
General	2(j)	32(c)	<i>Financial instrument disclosure</i>
General	2(r)	33	Jointly controlled operations
General		34	Remuneration of members of the accountable authority and senior officers
General		35	Remuneration of auditor
General		36	Supplementary financial Information
		36(a)	<i>Write offs</i>
		36(b)	<i>Losses through theft, defaults and other causes</i>
		36(c)	<i>Gifts of public property</i>
External		37	Schedule of income and expenses by service

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

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

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the annual reporting period ended 30 June 2013.

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 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 4 '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 5 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting entity

The reporting entity comprises the Authority and bodies included at note 33 'Jointly controlled operations'.

(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.

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) Property, plant, equipment and infrastructure

Capitalisation/expensing of assets

Items of property, plant and equipment 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 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 historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings and 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 buying 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 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. 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.

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.

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

Derecognition

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

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 19 'Property, plant and equipment'.

Depreciation

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

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

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

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

Infrastructure

The assets are recognised at cost 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'.

Land is not depreciated.

(g) Intangible assetsCapitalisation/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, to the extent that they

represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of assets

Property, plant and equipment 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 an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

(i) 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.

(j) Financial instruments

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

- Loans and receivables;
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Restricted cash and cash equivalents
 - Receivables
 - Other financial assets

- Financial Liabilities
 - Payables
 - Other Payables

Amounts due to the Treasurer

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.

(k) Cash and cash equivalents

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

(l) Accrued salaries

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

(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) 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

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the end of the reporting period 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

The liability for long service leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period 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.

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

Superannuation

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

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

closed to new members since 1995.

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

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

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

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

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer 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'.

(q) Superannuation expense

The superannuation expense of the defined benefit plans is made up of the following elements:

- current service cost;
- interest cost (unwinding of the discount);
- actuarial gains and losses; and
- past service cost.

Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expense in profit or loss.

The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

[See also note 2(p) 'Provisions – Employee Benefits' under Superannuation]

(r) Jointly controlled operations

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

(s) Comparative figures

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

Note 3. Other accounting policies

Where relevant to specific agencies, the following 'Significant accounting policies' note will also need to be disclosed.

Rental income

The Authority receives rental income from lease agreements with Livestock Agents and other parties. The income is accounted for on a straight-line basis over the term of the lease. Contingent rental income is recognised as income in the period in which it is earned.

Note 4. 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 number of leases for buildings for office accommodation. The lease relates to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, the lease has been classified as an operating lease.

Note 5. 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.

Estimating fair values of freehold land and buildings

Management manage the risk of material misstatement by engaging the Valuer Generals Office (Landgate) to undertake a valuation of the freehold land and buildings held by the Authority at the end of the reporting period. It is the policy of the Authority to carry freehold land and buildings based on the valuations provided by the Valuer Generals Office.

Note 6. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Authority.

AASB 2011-9

Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is 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*. Consequently, the Authority has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i> amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i></p> <p>AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

**Operative for
reporting
periods
beginning
on/after**

<i>AASB 13</i>	<i>Fair Value Measurement</i>	1 Jan 2013
	<p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The Authority has liaised with the Western Australian Land Information Authority (Valuation Services) to ensure that sufficient information will be provided to meet the disclosure requirements of this Standard. There is no financial impact.</p>	
<i>AASB 119</i>	<i>Employee Benefits</i>	1 Jan 2013
	<p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.</p> <p>Actuarial gains and losses of the defined benefit plans will be recognised in other comprehensive income (currently in profit or loss). This will impact profit or loss but not total comprehensive income for the period.</p> <p>The effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts is not material.</p>	
<i>AASB 127</i>	<i>Separate Financial Statements</i>	1 Jan 2013
	<p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 128</i>	<i>Investments in Associates and Joint Ventures</i>	1 Jan 2013
	<p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Authority has not yet determined the application or the potential impact of the Standard.</p>	
<i>AASB 1053</i>	<i>Application of Tiers of Australian Accounting Standards</i>	1 Jul 2013
	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	
<i>AASB 2010-2</i>	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]	1 Jul 2013
	<p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	

		Operative for reporting periods beginning on/after
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2011-2	<p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
AASB 2011-6	<p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 <i>Separate Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

		Operative for reporting periods beginning on/after
<i>AASB 2011-8</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
<i>AASB 2011-10</i>	<p><i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is limited financial impact.</p>	1 Jan 2013
<i>AASB 2011-11</i>	<p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jan 2013
<i>AASB 2012-1</i>	<p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013

Note 7. Trading Profit

	2013	2012
	\$	\$
Sales	30,680	15,396
Cost of Sales:		
Opening inventory	(2,361)	0
Purchases	-	(2,361)
	<u>(2,361)</u>	<u>(2,361)</u>
Closing inventory	413	(2,361)
Cost of Goods Sold	<u>(1,948)</u>	<u>(2,361)</u>
Trading Profit	<u>28,732</u>	<u>13,035</u>

Note 8. Provision of services

	2013	2012
	\$	\$
Saleyard Fees and Services	932,106	875,833
Livestock Services	287,770	307,394
Abattoir Licensing and Services	86,056	91,223
Truck Wash	87,784	59,288
Joint Venture	58,259	69,204
	<u>1,451,975</u>	<u>1,402,942</u>

Note 9. Interest revenue

	2013	2012
	\$	\$
Interest revenue (Interest on Term Deposits held with Bankwest)	365,380	461,470
	<u>365,380</u>	<u>461,470</u>

Note 10. Other revenue

	2013	2012
	\$	\$
Rental Income	106,738	80,302
Share of Joint Venture Income	30,000	100,000
Sale of Sundry Equipment	-	6,980
Other Income	59,216	44,326
	<u>195,954</u>	<u>231,608</u>

Note 11. Employee benefits expense

	2013	2012
	\$	\$
Wages and salaries ^(a)	963,032	897,888
Superannuation – defined contribution plans ^(b)	80,493	45,141
Superannuation – defined benefit plans (note 24 'Provisions')	10,924	79,212
	<u>1,054,449</u>	<u>1,022,241</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.

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

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

Note 12. Supplies and services

	2013	2012
	\$	\$
Communications	51,557	47,999
Computing	41,483	26,827
Consultants and Contractors	146,764	317,055
Market Reporting	21,800	20,200
Repairs and Maintenance	152,191	152,108
Travel	8,107	12,568
Waste Management	61,837	83,700
Water Power Gas	98,781	81,115
Fuel - Diesel	32,809	29,893
Insurance	146,266	114,121
Cropping Preparation	37,214	19,748
Feeding Costs	45,836	99,282
Carcase Disposal	36,479	32,392
Safety Review	46,349	0
Other Costs	113,034	122,787
	1,040,507	1,159,795

Note 13. Depreciation and amortisation expense

	2013	2012
	\$	\$
<u>Depreciation</u>		
Plant, equipment and vehicles	77,065	84,041
Buildings	289,275	1,145,647
Infrastructure	799,291	0
Total depreciation	1,165,631	1,229,688
<u>Amortisation</u>		
Computer software	1,643	294
Total amortisation	1,643	294
Total depreciation and amortisation	1,167,274	1,229,982

Note 14. Accommodation expenses

	2013	2012
	\$	\$
Lease rentals	39,888	44,110
Cleaning	9,579	10,199
	49,467	54,309

Note 15. Other expenses

	2013	2012
	\$	\$
Relocation Costs	-	1,045
Bank Fees	592	562
Auditing	25,880	25,620
Diminution in Joint Venture Asset	55,504	94,577
Other	27,086	42,262
	109,062	164,066

Note 16. Inventories

	2013	2012
	\$	\$
Current		
Inventories held for resale:		
Finished goods		
At cost	8,517	6,595
Total current	8,517	6,595

Note 17. Receivables

	2013	2012
	\$	\$
<u>Current</u>		
Receivables	134,916	112,426
Allowance for impairment of receivables	(12,000)	(24,314)
Accrued revenue	76,589	45,514
	199,505	133,626
Total current	199,505	133,626
<u>Non-current</u>		
Total non-current	-	-
Total Receivables	199,505	133,626
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(24,314)	(24,314)
Doubtful debts expense		
Amounts written off during the period		
Amount recovered during the period	12,314	
Balance at end of period	(12,000)	(24,314)

The Authority does not hold any collateral or other credit enhancements as security for receivables. See also note 2(n) 'Receivables' and note 32 'Financial Instruments'

Note 18. Other Assets

	2013	2012
	\$	\$
<u>Current</u>		
Prepayments	4,157	2,044
Total current	4,157	2,044
<u>Non-current</u>		
Equity share in Joint Venture - Livestock Logistics	96,520	152,024
Total non-current	96,520	152,024

Note 19. Property, plant and equipment

	2013	2012
	\$	\$
<u>Land</u>		
At fair value ^(a)	4,760,000	4,930,000
Accumulated impairment losses	-	-
	4,760,000	4,930,000
<u>Buildings</u>		
At fair value ^(a)	13,548,000	52,309,978
Accumulated depreciation	-	(2,470,256)
Accumulated impairment losses	-	-
	13,548,000	49,839,722
<u>Plant, equipment</u>		
At cost	529,754	506,094
Accumulated depreciation	(311,727)	(265,184)
Accumulated impairment losses	0	0
	218,027	240,910
<u>Vehicles</u>		
At cost	359,143	361,133
Accumulated depreciation	(219,593)	(191,697)
Accumulated impairment losses	-	-
	139,550	169,436
	18,665,577	55,180,068

- (a) Note - Land and buildings were revalued as at 1 July 2012 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2013 and recognised at 30 June 2013. The valuation methodology is Fair Value, in accordance with Australian Standards Board, AASB116 and Treasury Instruction T954. Fair Value is the amount determined using the revaluation model, having regard to the highest and best use of the asset for which market participants would be prepared to pay taking into consideration the legal, physical and economic restrictions affecting the properties ability to realise that potential. Infrastructure assets were previously included in buildings in the prior year and are now a separate asset class see 'note 20'.

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

	Land	Buildings	Buildings under construction	Plant, equipment and vehicles	Leased plant, equipment and vehicles	Total
	\$	\$	\$	\$	\$	\$
2013						
Carrying amount at start of period	4,930,000	49,839,722	-	410,346	-	55,180,068
Additions	-	-	-	24,295	-	24,295
Transfers	-	-	-	-	-	-
Other- Establishment of Infrastructure Asset class	-	(36,002,447)	-	-	-	(36,002,447)
Classified as held for sale	-	-	-	-	-	-
Revaluation increments/(decrements)	(170,000)	-	-	-	-	(170,000)
Impairment losses	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-
Depreciation	-	(289,275)	-	(77,064)	-	(366,339)
Carrying amount at end of period	4,760,000	13,548,000		357,577	-	18,665,577
2012						
Carrying amount at start of period	52,199,219	50,871,163	-	404,603	-	103,474,985
Additions	-	114,206	-	89,784	-	203,990
Transfers	-	-	-	-	-	-
Other disposals	(46,600,000)	-	-	-	-	(46,600,000)
Classified as held for sale	-	-	-	-	-	-
Revaluation increments/(decrements)	(669,219)	-	-	-	-	(669,219)
Impairment losses	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-
Depreciation	-	(1,145,647)	-	(84,041)	-	(1,229,688)
Write-off of assets destroyed by earthquake	-	-	-	-	-	-
Carrying amount at end of period	4,930,000	49,839,722	-	410,346	-	55,180,068

Note 20. Infrastructure

	2013	2012
	\$	\$
<u>Infrastructure</u>		
At cost	38,005,974	-
Accumulated depreciation	(2,643,077)	-
Accumulated impairment losses	-	-
	<u>35,362,897</u>	<u>-</u>
Reconciliation		
<u>Infrastructure</u>		
Carrying amount at start of period	36,002,447	-
Additions	174,123	-
Transfers	(14,382)	-
Depreciation expense	(799,291)	-
Carrying amount at end of period	<u>35,362,897</u>	<u>-</u>

The authority decided to establish the infrastructure asset class from the 1st July 2012. The infrastructure asset class primarily holds those specialised assets that are separate to the buildings, the infrastructure assets are held at cost.

Note 21. Intangible assets

	2013	2012
	\$	\$
<u>Computer software</u>		
At cost	14,875	10,693
Accumulated amortisation	(1,937)	(294)
Accumulated impairment losses	-	-
	<u>12,938</u>	<u>10,399</u>
Reconciliations		
<u>Computer software</u>		
Carrying amount at start of period	10,399	-
Additions	4,182	10,693
Classified as held for sale		
Impairment losses		
Impairment losses reversed		
Amortisation expense	(1,643)	(294)
Carrying amount at end of period	<u>12,938</u>	<u>10,399</u>

Note 22. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2013.

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 2013 have either been classified as assets held for sale or written-off

Note 23. Payables

	2013	2012
	\$	\$
<u>Current</u>		
Trade payables	90,626	21,700
GST, PAYE payables	33,863	17,899
Accrued expenses	35,145	127,768
Accrued salaries	30,856	55,622
Total current	190,490	222,989

See also note 2(o) 'Payables' and note 32 'Financial Instruments'

Note 24. Provisions

	2013	2012
	\$	\$
<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	96,112	113,317
Long service leave ^(b)	77,486	72,895
Superannuation ^(d)	2,771	119,000
	176,369	305,212
<u>Other provisions</u>		
Employment on-costs ^(c)	19,289	25,455
	195,658	330,667
<u>Non-current</u>		
Employee benefits provision		
Long service leave ^(b)	17,552	9,366
	17,552	9,366
<u>Other provisions</u>		
Employment on-costs ^(c)	3,098	1,653
	20,650	11,019

(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:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	76,114	96,766
More than 12 months after the end of the reporting period	30,677	29,143
	106,791	125,909

(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:

	2013	2012
	\$	\$
Within 12 months of the end of the reporting period	24,280	31,817
More than 12 months after the end of the reporting period	82,466	64,960
	106,746	96,777

(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 15 'Other expenses'.

(d) Defined benefit superannuation plans

	Pre-transfer benefit– Gold State Scheme	
	2013	2012
	\$000's	\$000,s
The amounts recognised in the Statement of Comprehensive Income are as follows:		
Interest cost (unwinding of the discount)	3	4
Net actuarial losses/(gains) recognised	(16)	40
Total included in 'Employee benefits expense' <i>(note 11 'Employee benefits expense')</i>	(13)	44

The amounts recognised in the Statement of Financial Position are as follows:		
Present value of unfunded obligations		75
Liability in the statement of financial position		119

Reconciliation of the unfunded liability recognised in the statement of financial position is as follows:		
Liability at start of period	119	75
Interest cost (unwinding of the discount)	(13)	4
Net actuarial losses/(gains) recognised	-	40
Benefits paid	(103)	-
Liability at end of period	3	119

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

Discount rate	3.38%	2.84%
Future salary increases	5.00%	5.50%

Historic summary

	2013	2012	2011	2010	2009
	\$000's	\$000's	\$000's	\$000's	\$000's
<i>Pre-transfer benefit – Gold State Scheme</i>					
Present value of unfunded obligation	3	119	75	76	84
Fair value of plan assets					
Deficit	3	119	75	76	84
<i>Experience adjustments arising on plan liabilities</i>					
Pension scheme					
Pre-transfer benefit – Gold State Scheme	(15)	(15)	(6)	(11)	9

Movements in other provisions

	2013	2012
	\$000's	\$000's

Movements in each class of provisions during the period, other than employee benefits, are set out below:

Employment on-cost provision

Carrying amount at start of period	27,108	26,851
Additional/(reversals of) provisions recognised	(4,722)	257
Carrying amount at end of period	22,386	27,108

Note 25. Equity

The 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

	2013	2012
	\$	\$
<u>Asset revaluation surplus</u>		
Balance at start of period	1,832,318	49,101,537
Net revaluation increments/(decrements)		
Land	(170,000)	(47,269,219)
Balance at end of period	1,662,318	1,832,318
Retained earnings		
	2013	2012
	\$	\$
Balance at start of period	61,934,591	63,455,929
Result for the period	(1,378,718)	(1,521,338)
Balance at end of period	60,555,872	61,934,591
Total equity at end of period	62,218,190	63,766,909

Note 26. Notes to the Statement of Cash Flows**Reconciliation of cash**

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

	2013	2012
	\$	\$
Cash and cash equivalents	591,663	865,458
Term Deposits	7,683,214	7,981,370
	8,274,877	8,846,828

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

	2013	2012
	\$	\$
Loss for the period	(1,378,718)	(1,521,338)
<u>Non-cash items</u>		
Depreciation and amortisation expense	1,167,274	1,229,982
Share of Joint Venture Income	55,504	79,175
<u>(Increase)/decrease in assets</u>		
Current receivables ^(a)	(65,880)	163,018
Current inventories	(1,921)	950
Other current assets	(2,113)	(9,191)
<u>Increase/(decrease) in liabilities</u>		
Current payables ^(a)	(32,196)	199,606
Current provisions	(135,008)	(16,499)
Other current liabilities	14,695	(26,223)
Non-current provisions	9,631	6,685
Net cash provided by/(used in) operating activities	(368,732)	106,165

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

Note 27. Services provided free of charge

	2013	2012
	\$	\$
During the period services for Government Accommodation were provided free of charge. :		
Department of Finance through Building Management and Works.	0	4,852
	0	4,852

Note 28. Commitments**Non-cancellable operating lease commitments**

	2013	2012
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	26,528	23,384
Later than 1 year and not later than 5 years	21,033	66,516
Later than 5 years	-	-
	47,561	89,900

The Authority has entered into a property lease which is a non-cancellable lease with a two year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 2% per annum. An option exists to renew the lease at the end of the two year term for an additional term of two years.

The commitments below are inclusive of GST.

Capital expenditure commitments

	2013	2012
	\$	\$
Capital expenditure commitments, being planned capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	641,450	738,236
Later than 1 year and not later than 5 years	1,562,500	1,134,000
Later than 5 years		
	2,203,950	1,872,236

Note 29. Contingent liabilities and contingent assets**Contingent Liabilities**

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

Contingent assets

There were no contingent assets present at the end of the financial year.

Note 30. Events occurring after the end of the reporting period

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

Note 31. Explanatory statement

Significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013 are shown below. Significant variations are considered to be those greater than \$50,000.

Significant variances between estimate and actual for 2013

	2013 Estimate \$	2013 Actual \$	Variance \$
<u>Income</u>			
Yard Fees Cattle	651,293	488,218	(163,075)
Yard Fees Sheep	329,812	405,078	75,266
<u>Expenditure</u>			
Depreciation	1,263,300	1,165,632	97,668
Authority Costs	20,278	105,149	(84,871)

IncomeYard Fees Cattle

The number of cattle attracting yard fees at the Muchea Livestock Centre was estimated at 105,297 and the year's result was a through put of 80,917. The volume was lower than estimated by 30% with a constant price being charged.

Yard Fees Sheep

The original estimate for through put of sheep yard fees was 435,690 head and the number for the year was 550,066, a 26% increase due to a poor season requiring producers to turn off stock.

ExpenditureDepreciation

The original budget had allowed for capital expenditure of \$347,000 for the year. The expenditure on capital was \$167,687 and the resulting depreciation was a lower cost.

Authority Costs

The original budget had not allowed for the lowering of the value of the investment held in the Livestock Logistics Joint Venture for \$55,337. Also previous years unpaid land tax for \$14,433 was not included in original estimates.

Significant variances between actual results for 2012 and 2013

	2013 \$	2012 \$	Variance \$
<u>Income</u>			
Feeding Fees	161,175	211,789	(50,614)
Interest Income	365,380	461,470	(96,090)
<u>Expense</u>			
Wages Saleyard	299,719	244,149	55,570
Earthmoving/Road-works	11,640	200,080	(188,440)

IncomeFeeding Fees

The variance is due to the lowering of volume by 3% to 343,767 for the year and the lowering of the price charged to \$0.40c from \$0.43c the previous year.

Interest Income

The lowering of interest rates on term deposits occurred throughout the year. The drawing on cash reserves had an impact on the cash deposits reducing the interest earning principle.

ExpenseWages Saleyard

The year had increases to award pay rates of 4% and the use of staff was emphasised to reduce the cost of contactors.

Earthmoving/Road-works

The previous year had repair work carried out to the embankment, ponds and the roadworks.

Note 32. 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, loans and receivables, held-to-maturity investments, payables, bank overdraft, WATC/Bank borrowings, finance leases, and Treasurer's advances. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 32(c) 'Financial instruments disclosures' and note 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. The Authority's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

(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:

	2013	2012
	\$	\$
<u>Financial Assets</u>		
Cash and cash equivalents ^(b)	591,664	865,458
Restricted cash and cash equivalents	7,683,214	7,981,370
Receivables ^(a)	134,916	112,426
Other Current Assets	76,589	45,514
<u>Financial Liabilities</u>		
Financial Liabilities measured at amortised cost	90,627	21,700
Other Current Liabilities	85,785	201,289

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

(b)The authority has provided a guarantee of \$35,000 to its bankers to cover payroll commitments.

(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 \$	
2013							
Cash and cash equivalents	591,664	591,664			-	-	-
Restricted cash and cash equivalents	7,683,214	-			-	-	-
Receivables ^(a)	134,916	134,916	117,864	17,052	-	-	-
Other financial assets	76,589	76,589			-	-	-
8,486,383	803,169		117,864	17,052	-	-	-
2012							
Cash and cash equivalents	865,458	865,458	-	-	-	-	-
Restricted cash and cash equivalents	7,981,370	7,981,370	-	-	-	-	-
Receivables ^(a)	112,426	91,679	6,819	13,928	-	-	-
Other financial asset	45,514	45,514	-	-	-	-	-
9,004,768	8,984,021	-	131,720	20,483	-	-	-

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

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 \$
2013											
<u>Financial Assets</u>											
Cash and cash equivalents	4.2	591,664	-	591,664	-	591,664	591,664	-	-	-	-
Restricted cash and cash equivalents	4.2	7,683,214	7,683,214	-	-	7,683,214	-	-	7,683,214	-	-
Receivables ^(a)	-	134,916	-	-	134,916	134,916	117,865	17,051	-	-	-
Other financial assets	4.2	76,589	-	-	76,589	76,589	76,589	-	-	-	-
		8,486,383	7,683,214	591,664	211,505	8,486,383	786,118	17,051	7,683,214	-	-
<u>Financial Liabilities</u>											
Payables	-	90,627	-	-	90,627	90,627	79,173	11,454	-	-	-
Other Payables	-	85,785	-	-	85,785	85,785	85,785	-	-	-	-
		176,412	-	-	176,412	176,412	164,958	11,454	-	-	-

(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

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 \$
2012											
Financial Assets											
Cash and cash equivalents	4.25	865,458	-	865,458	-	865,458	865,458	-	-	-	-
Restricted cash and cash equivalents	4.25	7,981,370	7,981,370	-	-	7,981,370	-	-	7,981,370	-	-
Receivables ^(a)	-	112,426	-	-	112,426	112,426	97,296	15,130	-	-	-
Other financial assets	4.25	45,514	-	-	45,514	45,514	45,514	-	-	-	-
		9,004,768	7,981,370	865,458	157,940	9,004,768	1,008,268	15,130	7,981,370	-	-
Financial Liabilities											
Payables	-	21,700	-	-	21,700	21,700	18,779	2,921	-	-	-
Other Current Liabilities	-	201,289	-	-	201,289	201,289	201,289	-	-	-	-
		222,989	-	-	222,989	222,989	220,068	2,921	-	-	-

(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.

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2013	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalent	591,664	(5,916)	(5,916)	5,916	5,916
Restricted cash and cash equivalents	7,683,214	(76,832)	(76,832)	76,832	76,832
Other financial assets	-	-	-	-	-
<u>Financial Liabilities</u>					
Bank overdraft	-	-	-	-	-
Total Increase/(Decrease)		(82,748)	(82,748)	82,748	82,748

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
2012	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash and cash equivalent	865,458	(8,654)	(8,654)	8,654	8,654
Restricted cash and cash equivalents	7,981,370	(79,813)	(79,813)	79,813	79,813
Other financial assets	-	-	-	-	-
<u>Financial Liabilities</u>					
Bank overdraft	-	-	-	-	-
Total Increase/(Decrease)		(88,467)	(88,467)	88,467	88,467

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 33. Jointly controlled operations

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

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

	2013 \$	2012 \$
<u>Current assets</u>		
Cash and cash equivalents	30,000	100,000
	<u>30,000</u>	<u>100,000</u>
<u>Non-current assets</u>		
Other	96,520	152,024
	<u>96,520</u>	<u>152,024</u>
Total assets	126,520	252,024

Note 34. Remuneration of members of the accountable authority and senior officers**Remuneration of members of the accountable authority**

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:

\$	2013	2012
Up to 10,000	6	6
10,001 to 20,000	1	1
	\$	\$
Cash remuneration received in relation to 2013	76,545	68,699
Annual leave and long service leave accruals		-
Other benefits		-
The total remuneration of members of the accountable authority	76,545	68,699

The 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:

\$	2013	2012
80,001 – 90,000		1
90,001 – 100,000	1	
100,001 – 110,000		2
110,001 – 120,000	2	
120,001 – 130,000		
130,001 – 140,000		
140,001 – 150,000		
150,001 – 160,000		
160,001 – 170,000		1
170,001 – 180,000		
180,001 – 190,000		
190,001 – 200,000	1	
Cash remuneration received in relation to 2013	454,019	444,766
Annual leave and long service leave accruals	62,924	45,554
Other benefits	-	-
The total remuneration of senior officers	516,943	490,320

The total remuneration includes the superannuation expense incurred by the Authority in respect of members officers of the accountable authority.

No officers are members of the pension fund.

Note 35. Remuneration of auditor

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

	2013	2012
	\$	\$
Auditing the accounts, financial statements and key performance indicators	18,500	20,000

Note 36. Supplementary financial information**(a) Write-offs**

	2013	2012
	\$	\$
Bad Debts written-off during the period	2,004	5,642
	2,004	5,642

(b) Losses through theft, defaults and other causes

	2013	2012
	\$	\$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

	2013	2012
	\$	\$
Gifts of public property provided by the Authority	-	300
	-	300

Note 37. Schedule of income and expenses by service

	Muchea Livestock Centre		Compliance and Licensing		Development and Administration		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Income</u>								
Sales	28,732	13,035	0	0	0	0	28,732	13,035
Provision of services	1,365,918	1,311,719	86,057	91,223	0	0	1,451,975	1,402,942
Interest revenue	0	0	0	0	365,380	461,470	365,380	461,470
Other revenue	167,400	207,545	0	0	28,554	24,063	195,954	231,608
Gain on disposal of non-current assets	0	0	0	0	0	0	0	-
Total Income	1,562,050	1,532,299	86,057	91,223	393,934	485,533	2,042,041	2,109,055
<u>Expenses</u>								
Cost of sales	0	0	0	0	0	0	0	0
Employee benefits expense	499,729	362,270	40,076	49,136	514,644	610,835	1,054,449	1,022,241
Supplies and services	987,684	1,139,766	37,330	5,142	15,493	14,887	1,040,507	1,159,795
Depreciation and amortisation expense	1,167,274	1,229,982	0	0	0	0	1,167,274	1,229,982
Accommodation expenses	0	0	0	0	49,467	54,309	49,467	54,309
Other expenses	103,169	157,571	0	0	5,893	6,495	109,062	164,066
Total expenses	2,757,856	2,889,589	77,406	54,278	585,497	686,526	3,420,759	3,630,393
Profit/(loss) before grants and subsidies from State Government	(1,195,806)	(1,357,290)	8,651	36,945	(191,563)	(200,993)	(1,378,718)	(1,521,338)
Grants and subsidies from State Government								
Profit/(loss) before grants and subsidies from State Government	(1,195,806)	(1,357,290)	8,651	36,945	(191,563)	(200,993)	(1,378,718)	(1,521,338)
Income tax equivalent expense								
Profit/(loss) for the period							(1,378,718)	(1,521,338)

Additional Key Performance Indicator Information

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2013.



(Signature)

David Lock

Chairman of the Western Australian Meat Industry Authority

16 September 2013



(Signature)

Des Griffiths

Member of the Western Australian Meat Industry Authority

16 September 2013

Detailed Information in Support of Key Performance Indicators

Ensure Muchea Livestock Centre(MLC) is the premium facility

Cattle	2009-10	2010-11	2011-12	2012-13
	%	%	%	%
Key Effectiveness Indicator				
The % of throughput for MLC	39.3%	42.4%	41.4%	39.0%
Sheep	2009-10	2010-11	2011-12	2012-13
	\$	\$	\$	\$
Key Efficiency Indicators				
The % of throughput for MLC	37.2%	38.03%	36.0%	45.0%
Comparative Performance	2009-10	2010-11	2011-12	2012-13
	\$	\$	\$	\$
Total cost	\$868,431	\$2,262,518	\$2,412,031	\$2,280,403
Number of units handled	1,296,389	1,325,529	985,040	1,071,790
Cost per unit	\$0.67	\$1.71	\$2.45	\$2.13
Cost per unit less depreciation	\$0.48	\$0.85	\$1.40	\$1.04



Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

Pricing policies of services provided

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

The current fees and charges were published in the Gazette on 31 December 2012 and introduced/payable from 7 January 2013. Details are available on the Authority's website at www.wamia.wa.gov.au

Capital Works

Capital projects completed

No capital projects were completed during 2012-13.

Employment and Industrial Relations

Staff Profile

	2013	2012
Full-time permanent	7	7
Full-time contract	1	0
Part-time measured on a FTE basis	2	2
On secondment	0	0
	10	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 training in excess of 15 hours of in-house and external training.

Workers Compensation

There were no compensation claims recorded during the financial year.

Governance Disclosures

Contracts with Senior Officers

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

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2012-13 was \$155,513.

Other Legal Requirements

Annual Estimates

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

The estimates are to be prepared and submitted to the Minister at such times as determined by the Treasurer, or no later than three months before the commencement of the next financial year.

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

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

<http://www.publicsector.wa.gov.au/Pages/A-ZPublications.aspx>

Government Policy Requirements


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

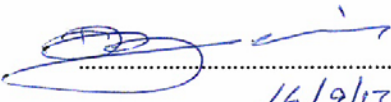
<http://www.publicsector.wa.gov.au/Pages/A-ZPublications.aspx>

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 2013.


.....MEMBER
16/9/13


.....MEMBER
16/9/13



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 2012/2013. All saleyards are represented regardless of total throughput or frequency of operation.

PERFORMANCE TO STATE THROUGHPUT

There are twenty nine (29) operating saleyards in Western Australia of these six (6) saleyards operated on a regular basis (at least six sales per year) during the 2012/2013 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 retained the second highest market share for sheep.

COMPARATIVE PERFORMANCE

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

Cattle and Calves

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
MLC	97,089	99,883	103,530	100,890	106,183	86,582	80,917
Total saleyards	229,865	251,239	242,927	259,195	250,649	209,263	205,596
% through MLC	42.23%	39.8%	42.7%	39.3%	42.4%	41.4%	39.0%
Next highest saleyard	57,578	77,612	67,645	67,786	72,553	59,788	63,104

Sheep, Lambs and Goats

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
MLC	1,038,329	903,839	913,957	648,449	701,614	423,081	550,066
Total saleyards	2,133,714	2,010,372	2,149,313	1,745,192	1,845,041	1,175,110	1,215,223
%through MLC	48.7%	45.0%	42.5%	37.2%	38.03%	36.0%	45.0%
Next highest saleyard	1,000,915	998,828	1,140,728	991,579	1,155,265	707,579	619,992

PERFORMANCE TO TARGETS

WAMIA set target throughputs as part of its 2012/2013 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2012/2013 actual throughput WAMIA did not meet its expected targets with stock numbers for cattle being lower than estimates by 23%. The trend is worrying as the majority of income is generated through cattle activity. Though the throughput number for sheep did exceed the estimate by 26% this can only be seen as a short term event and the future year's throughput is a concern. The throughput is determined by a number of factors and the continued decline of the State sheep flock will have an effect in the long term. These factors impacted on all of the State's major selling centres.

	TARGET	ACTUALS	VARIANCE
Cattle	105,297	80,917	(24,380) (23%)
Sheep, lambs and goats	435,690	550,066	114,376 26%

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 OUTCOME

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

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 the relocation program, capital improvements program and other specific costs associated with fee for service activities).

PERFORMANCE

The total cost of maintaining Muchea Livestock Centre in 2012/2013 was \$2,280,403. The Muchea Livestock Centre's throughput for the year was 1,071,790 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 2012/2013 to maintain the Muchea Livestock Centre was \$2.13. The cost of depreciation is now a significant portion of the total and \$1,167,274 was excluded to calculate the cost per unit less depreciation of \$1.04.

This calculation is based on two years of operations of the Muchea Livestock Centre (which commenced operations on 3 May 2010). The comparative data prior to 2010/2011 is for the Midland Saleyards which closed on 27 April 2010. The increase in unit cost is attributable to reduced throughput and higher operating costs.

COMPARATIVE PERFORMANCE

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Total cost of maintaining Midland Saleyard	\$737,295	\$868,431	\$2, 262,518	2,412,031	\$2,280,403
No. of livestock units handled in the Year	1,574,990	1,296,389	1,325,529	985,040	1,071,790
Cost per unit	\$0.47	\$0.67	\$1.71	\$2.45	\$2.13
Cost per unit (less depreciation)	\$0.44	\$0.48	\$0.85	\$1.40	\$1.04

SERVICE ONE – MUCHEA LIVESTOCK CENTRE (EFFICIENCY MEASURE 2)

To ensure the Muchea Livestock Centre is providing a fee for service activities on a financially viable basis.

RELEVANCE OF OUTCOME

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

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 2012/13 were: rentals, livestock transport truck wash, livestock transshipment service, removal and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees, livestock feeding charges and income derived from the Joint Venture. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle and other operating costs.

PERFORMANCE

In 2012/2013 the cost of providing fee for service activities at the Muchea Livestock Centre was \$510,725. The income generated by these activities was \$638,733.

In 2012/2013 the return of fee for service activities at the Muchea Livestock Centre was \$1.25 for every \$1.00 incurred in providing the service. This represents a return of (25%) 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.

	2009/10	2010/11	2011/12	2012/13
Total cost of providing fee for service activities at Muchea Livestock Centre	\$336,896	\$554,504	\$572,370	\$510,725
Income generated by fee for service activities	\$365,580	\$615,657	644,948	\$638,733
Income generated for every \$1.00 incurred to provide service	\$1.09	\$1.11	\$1.11	\$1.25
Percentage return on costs	9%	11%	11%	25%

A comparison with the percentage return on fee for service activities in 2009/2010 has seen an increase in the percentage return on the provision of services at the Muchea Livestock Centre, the increased capacity and ability of the facility to handle large numbers of stock more efficiently had a significant impact on the percentage return. Expenditure increased significantly due to higher depreciation costs and operational costs.

PERFORMANCE TO TARGETS

In the past WAMIA has set MLC income target as part of its 2012/2013 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2012/2013 actual income, WAMIA did not reach the budgeted income by \$40,299(3%).

	TARGET	ACTUALS	VARIANCE
Income	\$1,385,190	\$1,344,891	\$(40,299) (3%)

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/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 thirty (30) abattoirs operating at 30 June 2013 calculated at 70.0%. 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:

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Construction Standard	79.8%	79.3%	77.0%	77.0%	80.0%	58.0%
Product Description System	63.4%	62.9%	60.3%	60.3%	64.0%	62.0%
Health and Hygiene Standard	83.0%	82.8%	80.2%	80.2%	83.0%	81.0%
Training System	69.6%	69.0%	67.2%	67.2%	72.0%	69.0%
Quality Assurance System	46.4%	47.1%	44.8%	44.8%	66.7%	35.0%
Average Rating	68.5%	68.2%	65.9%	65.9%	69.1%	70.0%

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 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.

EFFICIENCY INDICATOR TO BE MEASURED

The cost per abattoir for development and implementation of standards.

RELEVANCE

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 \$219,047. The cost of attaining the standard per abattoir \$219,047 divided by 30 approved abattoirs) is \$7,302. The average rating for 2012/13 has been calculated at 70.0%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$104. This means that it cost the Authority \$104 to achieve each percentage point of achievement for abattoirs.

COMPARATIVE PERFORMANCE

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

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Cost of achieving standards	\$250,825	\$253,819	\$230,997	\$264,951	\$200,208	\$219,047
Number of establishments	28	30	30	29	25	30
Cost per abattoir	\$8,958	\$8,460	\$7,700	\$9,136	\$8,008	\$7,302
Average abattoir rating	68.5%	68.2%	65.9%	65.9%	69.1%	70.0%
Cost per rating unit	\$132	\$124	\$113	\$138	\$116	\$104

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 OUTCOME

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 abattoir, processing works, saleyard, media outlets and government departments of maintaining the information system.

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

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

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

PERFORMANCE

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads (includes the cost of providing the National Livestock Reporting Service). The total cost to the Authority for 2012/2013 was \$81,609.

Thirty (30) abattoirs, one hundred and fourteen (108) processing works twenty seven (29) saleyards and forty nine (49) other outlets were operating during the 2012/13 year. The cost per establishment for delivering the service was \$378. (\$81,645 divided by 216 establishments).

COMPARATIVE PERFORMANCE

	2008/09	2009/10	2010/11	2011/12	2012/13
Total cost of maintenance and distribution of information	\$85,032	\$74,004	\$77,010	\$74,858	\$81,609
Number of establishments	203	208	219	219	216
Cost per establishment for delivering service	\$419	\$356	\$352	\$342	\$378

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 points

Quality assurance

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

Total possible points for each abattoir	18 points
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