



Western Australian Meat Industry Authority

Annual Report

June 2014



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1 Introduction

The Western Australian Meat Industry Authority (WAMIA) is established by the *Western Australian Meat Industry Authority Act 1976* (the Act). WAMIA is subject to the direction of the Minister for Agriculture and Food (the Minister) in the performance of its functions. The functions of WAMIA 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 (MLC); and
- undertake any other functions as directed by the Minister.

WAMIA has an independent chairman appointed by the Minister and members representing producers, processors, retailers, industry employees and government. WAMIA reports to the Minister.

The activities of WAMIA are funded through charges at the MLC, revenue from livestock services, rentals, and fees charged for the approval of meat processing establishments. WAMIA's financial accounting system is subject to the *Financial Administration and Audit Act*. A chief executive appointed under the *Public Sector Management Act (1994)* manages WAMIA.

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2 Chairman's Report 2013/2014

I would like to take this opportunity to thank my fellow Board members who committed significant amounts of time during the year trying to build WAMIA into a high performing organisation. I'm pleased to report that there were no changes of Directors during the year.

The Western Australian Meat Industry Authority (WAMIA) has, like previous years, focused on three main areas during the year ending 30 June 2014. Those three key areas are:

- a) The operations of the Muchea Livestock Centre (MLC);
- b) Implementing WAMIA's Strategic Plan; and
- c) Administering WAMIA's compliance function in accordance with the *Meat Industry Authority Act 1976*.

Below I deal with the key elements of each of these focus areas.

Operations of the Muchea Livestock Centre (MLC)

One of the highlights of the MLC during the year ended 30 June 2014 was the record number of sheep processed during the year. MLC processed 785,505 sheep during the year, compared to 463,500 last year. This included a single sale record of 35,767 sheep in July 2013. Unfortunately, the large sheep numbers reflected adverse conditions on many farms which saw high levels of destocking.

Cattle numbers were also higher than the previous year with 92,780 head being processed through the facility compared with 80,917 head last year. MLC also worked diligently to control its costs and to be more efficient in its operations. A significant amount of capital was spent at MLC during the year, including the installation of platform cattle scales which had been moved from the old Midlands sale yards some years ago.

Some of the costs saving initiatives have been installation of air well pumps on stock water dams and replacement of bobcats which significantly reduced the operating costs.

MLC has had a considerable focus on improving safety. This has involved capital expenditure to remove or reduce risk areas, such as covering exposed beams in the sheep and cattle area and installation of block gates for safer stock movement. Safety remains a key focus of the Board at MLC and you are likely to see continued improvements in the future.

The Board was disappointed in March of this year when joint venture operations at MLC failed to deliver the expectations of users. As a result, the Board is reviewing alternate operating models for MLC which will deliver a

better outcome. We look forward to implementing those changes over the forthcoming year.

Strategic plan

We have been quite focused on trying to generate alternative sources of revenue for WAMIA so as not to be so reliant on fee increases to users of MLC and other services.

Some of these initiatives revolve around finding new tenants at Muchea who have operations synergistic with, or complementary to, MLC. This remains a goal of the Board although it is not an easy strategy to deliver on.

Compliance

WAMIA takes its compliance responsibilities under the Act very seriously and has increased the number of compliance visits undertaken by our inspectors. This has resulted in prosecutions in relation to illegal meat slaughter and inappropriate meat branding. This compliance function will continue to get focus from the Board.

The Board has also commenced a review of the Regulations supporting the Act to ensure that the Legislation remains current and relevant to the industry.

The Board and Management of WAMIA always welcome feedback in relation to our performance.

A handwritten signature in black ink, appearing to read 'DL', is positioned above the name David Lock.

David Lock
Chairman

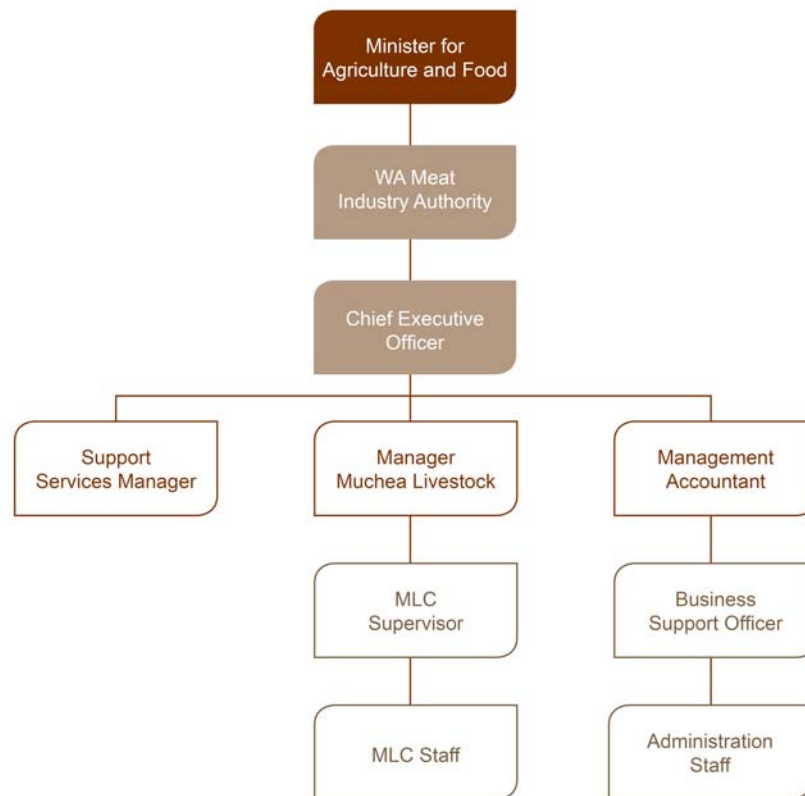
3 Corporate Structure

3.1 Members

The accountable authority is the Western Australian Meat Industry Authority (WAMIA) 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. WAMIA's members at 30 June 2014 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 DAFWA
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

3.2 Organisational Chart



3.3 Membership Terms and Changes in 2013/2014

There were no membership changes in the 2013/2014 financial year. Mr McDougall, Dr Paterson, Ms O'Brien and Ms Gorter's terms expired in March 2014 and they were reappointed until March 2017. The Chairman Mr Lock, Mr Griffiths and Mr Robinson's terms expire in March 2015 and Mr Panizza's term expires in March 2016.

The administrative staff of WAMIA at 30 June 2014 were:

Renata Paliskis	Chief Executive Officer
Lyndon Henning	Manager Muchea Livestock Centre
Mark Elson	Management Accountant
Dave Saunders	Support Services Manager
Brooke Meredith	Business Support Officer
Marina Hodda	Executive Officer
Michelle Caton	Administrative Assistant

3.4 Administration Office

WAMIA's offices are at 15 Spring Park Road Midland, Western Australia.

3.5 Functions of WAMIA

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

- a. Surveys, and keeps under review, the establishments and facilities available in the state for the sale of livestock and for the slaughter of animals and the processing of carcasses for human consumption.

- b. Inspects, and where appropriate, approves the premises, facilities and operations of saleyards, processing establishments and works, and records in respect of each establishment its effective capacity and actual performance.
- c. Implements schemes and practices for the branding of carcasses or meat, to define and identify source, methods of production, processing treatments, quality and other characteristics.
- d. Manages Midland Saleyards 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; and
 - iii. any matter relating to the meat industry referred to it by the Minister, or any matter that it considers necessary.
- g. Carries out such other functions as are required to give effect to the Act generally, in relation to saleyards, processing establishments, and other facilities, undertakings or activities in the meat industry.

4 Corporate Activities

4.1 Authority Meetings

Eleven meetings were held in 2013/14. 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)	11 (11)
Des Griffiths	11 (11)
Mark Panizza	9 (11)
Andy Paterson	11 (11)
Warren Robinson	11 (11)
Erin Gorter	10 (11)
Sally O'Brien	11 (11)
Kim McDougall	7 (11)

4.2 Committee Participation

WAMIA members and senior staff served on the following committees:

- **Finance Committee** – *Responsible for overseeing the financial management of WAMIA* – Membership is made up of Mr Griffiths (Chairman), Ms Paliskis, Mr Elson and Ms Meredith. Executive support was provided by Mr Elson. This committee met on eight occasions in 2013/2014.
- **MLC Community Consultative Group** – *Required as a condition of the MLC's Department of Environmental Regulation approval, provides interaction between the local community and the MLC.* Membership is made up of Mr Saunders (Chairman), Mr Henning, community members and Shire of Chittering officers. Executive support was provided by Ms Hodda. This committee met on one occasion in 2013/2014.
- **MLC Users' Group** – *Set up as part of the WAMIA 2010-2015 Strategic Plan, it provides MLC users with an opportunity to provide input into the MLC's operations and recommend improvements to centre design and operations.* Membership is 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 occasions in 2013/2014.

- **Livestock Logistics WA Management Committee** - Mr Robinson held the position of independent chairman of the committee. Mr Henning and Mr McDougall sat as committee members representing WAMIA. Executive support was provided by Ms Hodda. This committee met on six occasions in 2013/2014.

Other representations included:

- Ms Paliskis is a member of the Western Australian Beef Council (Incorporated).
- Mr Saunders represented WAMIA on the WA 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 until the opening of the new Katanning Saleyards in May 2014.
- Mr Henning represents WAMIA on a number of local community organisations including the Chittering Chamber of Commerce and the Chittering Disaster Recovery Committee.

4.3 Strategic Planning

WAMIA's board held a strategic planning workshop on 11 May 2012. The Strategic Plan was updated in May 2013:

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

WAMIA's Values:

- Honesty and ethics
- Leadership and accountability at all levels
- The provision of accurate information in a timely fashion
- Focus on animal welfare and safety
- Customer service with positive attitude

WAMIA's Strategic Issues and Strategies: as detailed in Table 2.

Table 2: WAMIA's strategic issues and strategies.

1. WAMIA's profile/perception of value

Raise WAMIA's perceived value and profile with:

- Minister;
- DAFWA;
- vendors;
- agents; and
- other users.

2. Market share and throughput

Increase livestock throughput at the 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; and
- identifying and providing an improved service to producers.

3. Need to be financially viable

- Be cash flow positive without reliance on interest revenue.
- Generate a break-even or better profit result after depreciation by:
 - increasing volume;
 - balancing volume and price;
 - reducing costs; and
 - protecting cash reserves for major future capital projects.

4. Use of WAMIA's assets

- Maximise value and cash flow from surplus land asset.
- Develop a 20 year master plan in conjunction with appropriate advisors.
- Ensure that MLC asset use is maximised through:
 - livestock volume;
 - value adding products / services; and
 - other aligned activities.

5. Legislative reform

Ensure compliance function is efficient, effective, focused and adds value to the WA meat industry.

6. WAMIA's risk strategy for the MLC

Ensure that MLC operational risks are managed in an efficient and effective manner.

Implementation of the Strategic Plan is on track and reported quarterly to the board.

In order to satisfy *Strategic Issue 1: WAMIA's profile/perception of value*, management has conducted annual customer surveys. During the reporting period, issues that have been identified include the need for:

- reject stock communication;
- improved truckwash lighting;
- sinks in agent offices;
- continuation of the open day;
- establishment of a solid relationship with the agents so that they encourage their producer clients to use the MLC; and
- posting the market report on the website on the sale day.

A sheep producers' open day was held on 22 October 2013 at the MLC. Approximately \$8,000 sponsorship money was raised to fund the day. The theme of the day was *Making more money at Muchea*. Approximately 60 producers attended on the day and positive feedback was received.

WAMIA sponsored the Dongara Meat Profit Day on Thursday 3 April 2014 through the funding and manning of a trade stand. This provided the opportunity for WAMIA management to interact with the 210 participants who attended (most of whom were producers).

4.4 Corporate Governance

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

- flat organisational structure;
- operation under a delegated authority register;
- adoption of a revised accounting manual;
- adoption of an asset management plan; and
- requirement for major MLC users and contractors to provide certification for workers' compensation and public liability insurance.

5 Legislative Changes

Two sets of regulations were gazetted during the period:

1. The Western Australian Meat Industry Authority Amendment Regulations 2013 were gazetted on 20 August 2013. This regulation provided minor amendment to Schedule 6B.
2. The Western Australian Meat Industry Authority Amendment Regulations (No 3) 2013 were gazetted on 27 August 2013. This regulation updated WAMIA's statutory fees.

6 Communications

The WAMIA used the following channels to communicate with its clients:

6.1 Website

WAMIA maintains the website www.wamia.wa.gov.au. The website provides up-to-date yardings and market reports as well as information on WAMIA's functions, staffing and governance and is used to advertise special sales and employment vacancies. During the period it averaged 400 hits per week, up from 300 hits per week in 2012/2013. The website also allows MLC users to provide feedback on MLC operations.

In 2013/2014 a function was added to the website to allow agents to lodge returns automatically. Development of the website will continue in 2014/2015 with the next phase providing a point of interaction for processors to allow returns to be submitted electronically, and for agents and processors to access statistical information.

6.2 Social Media

Social media are used extensively to provide market results and sales information, notice of events and to interact with MLC users. As at 30 June 2014 WAMIA social media had the following levels of support:

- Facebook: Muchea Livestock Centre now with 200 likes.
- Twitter: Muchea Livestock now with 100 followers.

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

6.3 Other Communication Channels

WAMIA also uses the following media:

- *The Muchea News*, now in its fifth year, is a bimonthly one page advertorial that is printed in the *Farm Weekly*. This weekly publication has a readership of 13,000. News includes changes in fees and profiling of MLC initiatives/improvements.
- SMS to provide market reports and sale catalogues to 160 recipients.
- A Muchea newsletter mailed to 7,000 producers.
- Regular meetings with WAFF, PGA, LRTA, DAFWA and office of the Minister for Agriculture & Food.
- Attendance at field days including the annual Dowerin Field Days.
- Attendance at annual conferences including the WAFF, PGA and LRTA.
- One-on-one stakeholder meetings between the chief executive and industry representatives.

7 Muchea Livestock Centre (MLC)

2013/2014 saw the MLC complete its fourth full year of operations with sale throughput increasing to record the highest throughput since the first year of operation in 2010/2011. The use of the MLC for non sale activities continued to increase 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.

7.1 Improvements

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

- Additional slam latches throughout the centre including keeper modifications.
- Additional block gates throughout cattle area.
- Completion of the three way draft.
- Additional man gates to cattle scales.
- Fixing of rubber belting to sale pens to prevent horn injuries to buyers.

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

- Additional access gates to sheep drafts.
- Fitting slam latches to gates in sheep drafts.
- Modified laneway gates latches.
- Modification of truck and trailer ramps to improve access to winches.

Achievements in other areas for the period were as follows:

- Application for expansion of Accredited Live Export Area to include sheep.
- Construction of a loading ramp for fodder loading.
- Continuation of cropping program providing approx 40ha of hay crop which will be used to supplement purchased oaten hay.
- Additional landscaping on eastern embankment.
- Purchase of a tracked skid steer loader for replacing soft flooring more efficiently.
- Expansion of MLC farm flock to provide additional income and use surplus land.

7.2 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 sprinkler and pavement defects.

7.3 Animal Welfare

Compliance with animal welfare requirements is an essential element of the MLC's operation. The MLC has a zero tolerance policy towards animal cruelty – cases are 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; and
- humane destruction of stock.

MLC management has also worked closely with regulatory authorities to develop uniform interpretations of animal welfare requirements and assist in the training of animal welfare officers.

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

- the national president and state chief executive of the Royal Society for the Prevention of Cruelty to Animals toured the facility;
- MLC management met with senior officers from DAFWA to discuss the implication of proposed legislation for journey time requirements for saleyards; and
- MLC received a number of visits from representatives of Animals' Angels Australia.

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

7.4 Industry Consultation

WAMIA sought industry feedback on the installation of a platform scale (salvaged from the old Midland Saleyards) to complement the existing individual weighing systems. Industry supported the project which allows more efficient weighing of live export pastoral lines and provides a back up manual weighing point in the event of systems break downs. The Board approved construction of the platform scale which was due to be completed in August 2014.

8 Muchea Livestock Centre Precinct (MLCP)

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

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

A concept plan was developed and a prospectus printed. The Precinct has been advertised through publications including the *Farm Weekly* and *WA Transport Magazine*. The Precinct was a bronze sponsor of the Livestock and Rural Transporters Association in 2014. The advertising has reached 12,000 transporters and 16,000 producers.

8.1 Working with the Muchea Livestock Agents

WAMIA has taken on the role of facilitating the discussions between agents of the MLC to yield mutual benefits. During the 2013/2014 financial year examples include:

- participation in the Muchea Livestock Centre User Group; and
- meeting with agents individually to discuss and determine:
 - promotion of special sales and
 - any operational issues associated with their sales.

This saw an increased number of special sales held in 2013/2014 for both sheep and cattle including the first ram sale held at the MLC in October 2013.

In June 2014 the MLC was the venue for an auctioneers' school conducted by the Australian Livestock & Property Agents Association which was attended by stock agents from around Australia.

In March 2013 the MLC was the venue for an industry livestock standstill planning session as part of Operation Odysseus. This was attended by MLC staff, agents and representatives of DAFWA.

8.2 Other Services

The MLC 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
- Live export cattle depot accredited by the Department of Agriculture, Fisheries and Forestry (DAFF). Accreditation for a live export sheep depot has been applied for.
- Pregnancy testing
- Dentition assessment
- Manure and compost sales
- Truck parking
- Venue for community meetings and functions.

9 Occupational Safety and Health

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

Table 3 lists the target reporting for 2013/2014.

Table 3: Target reporting for 2013/2014.

Indicator	2013/2014 Target	2013/2014 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	(1) 80% (2) 80%	(1) 100% (2) 100%
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	80%	100%

During the period WAMIA continued to work with MLC users to address safety issues. These included:

- high visibility marking to cattle blocks gates;
- infrastructure on buyers' walkway stairs fitted with high visibility padding to prevent bump injury;
- all infrastructure beams in cattle laneways fitted with high visibility padding to prevent bump injury;
- noise reduction in cattle yards by fitting rubber stoppers to gates;
- introduction of mandatory safety bump caps for Livestock Logistics WA (LLWA) and WAMIA staff;
- Q fever testing and vaccination for all LLWA and WAMIA MLC staff;
- development of a Q fever policy for the MLC; and
- implementation of procedures for handling "high risk cattle".

During the period WAMIA appointed Mr Richard Overton of Great Southern Safety Consultants to provide occupational health and safety services to WAMIA. Mr Overton's role is to undertake external audits of the MLC Safety Management Plan and operations at the MLC. He also provides advice to WAMIA management and the MLC Saleyard Users Group.

Following the implementation of the Risk Link (2012) Safety Review in 2012/2013, WAMIA management continued to ensure that the outcomes of its key recommendations were maintained, viz:

- that WAMIA's Safety Management Plan be kept current and meet its legislative requirements;
- all MLC users be required to provide WAMIA with a copy of their safety management plan; and
- infrastructure and operational hazards be identified and addressed.

During the period WAMIA continued to ensure that staff were provided with relevant occupational health and safety training with a number of staff completing fire and building warden and fire extinguisher training.

In addition to the requirement for users to provide safety management plans, persons seeking access to the centre's operational area and out-of-hours access are required to undertake an induction program. Eighty two persons were inducted by WAMIA staff in the period making a total of 1,096 persons since the MLC opened.

10 Livestock Throughput for Muchea Livestock Centre

Cattle throughput in the 2013/2014 year saw the trend of previous years reversed with 92,780 head yarded, an increase of 11,863 head in contrast to the previous year total of 80,917 head yarded. Of the number of cattle yarded, 10% were calves similar to 2012/2013 (11.05%).

Following on from improved numbers last year, pastoral numbers continued to make up a significant portion of the MLC auction sale yardings. There was also an increase in the number of pastoral cattle passing through the MLC facilities for transshipment or private sale.

Whereas the period January to June 2013 saw reduced numbers, the same period in 2014 saw very consistent yardings with several successful large store sales in June 2014. This was due to the strong market conditions at the time.

Sheep and lamb numbers again increased significantly by 235,407 head (more than the previous year) to 785,750 head. This is the highest annual throughput seen at the MLC since it opened in 2010. While the low WA sheep population continues to affect numbers, the increase is attributable to:

- poor seasonal conditions in the wheatbelt in early 2013 which forced many producers to significantly reduce numbers. This was particularly evident with a record yarding of 35,767 sheep on 9 July 2013; and
- a resurgent market throughout most of 2014 which saw many producers favour saleyards over direct consignment.

According to DAFWA, the Western Australian sheep population for the 2013/2014 financial year increased from 14.7 million to 15.2 million as at 30 June 2014. Meat and Livestock Australia projections continue to predict a slow flock rebuild in 2014-2015.

Yardings of cattle, sheep, lambs and pigs through the Midland Saleyards for financial years 1995/96 to 2009/2010 and for the MLC from 2010/2011 onwards are listed in Table 4.

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
2013/2014	92,780	785,750	0

Transshipment and non sale weighing numbers for cattle and sheep for 2010/2011 onwards are listed in Table 5.

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
2013/2014	27,969	59,596	16,994

10.1 Joint Venture (Livestock Logistics WA)

Since July 2001 the Midland Sales Management Joint Venture (MSMJV), a Joint Venture between the WAMIA, 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. WAMIA provides administrative support to the operations of LLWA.

Mr Shane Potter was appointed to the position of LLWA Manager in November 2013.

11 Industry Development

11.1 Activities

WAMIA 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.

11.2 Industry Database

WAMIA maintains a database of the WA saleyard and meat processing industry that provides accurate information on the throughput of the state's saleyards and abattoirs. Reports from the database can be generated for the current year and from 2005/2006. These reports are used by a number of government and industry organisations.

11.3 Education

WAMIA recognises that the involvement of the saleyard industry in the agricultural education sector is an important function and hosted visits to the MLC by students from a number of agricultural colleges and other educational institutions. Some of these students became employees of the LLWA.

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

12 Compliance

12.1 Establishment Approvals

WAMIA 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 are detailed in Table 6.

Table 6: Establishments by category

Category	Standard/ Inspection	Market Access	Number at 30/06/13	Number at 30/06/14
Export	Export standards and importing country requirements. AQIS Inspection.	No restrictions in Australia	10	12
Domestic (unrestricted)	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	8	7
Domestic (no government meat inspection)	Australian standard. Special conditions apply.	Distribution and capacity restrictions	1	1
Special prison farm and agricultural colleges.	Australian standard. Health Dept/ local govt inspection.	Internal supply and capacity restrictions	5	5
Closed with current approval	Required to maintain basic environmental standards.	Nil	4	2
Under construction	Non operational	Non operational	2	2
Total			30	29

12.2 Applications for Approvals

During the year, WAMIA considered the following applications as detailed in Table 7.

Table 7: Application applications by year.

	2011/2012	2012/2013	2013/2014
Applications to construct an establishment	0	1	0
Applications to operate	1	3	1
Applications for variation to approval	0	0	0

The applications granted were as follows:

- Food Security International Pty Ltd (trading as Corrigin Meatworks) - approval to operate the Corrigin abattoir.

A list of currently approved abattoirs is detailed in Table 8.

Table 8: WAMIA approved abattoirs by category as at 30 June 2014.

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

* Currently closed

12.3 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.

12.4 Industry Standards

WAMIA maintains close liaison with the relevant inspection bodies to ensure that standards are maintained. Joint visits to the establishments are made with the relevant regulatory agency if required in the case of new applications, changes in management, or where problems have occurred. At 30 June 2014, all establishments in Western Australia complied with the relevant Australian Standards.

To ensure that adequate personnel are available to implement hazard analysis and critical control points (HACCP), WAMIA requires a minimum of two persons in supervisory positions in processing establishments to complete approved training.

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

12.5 Industry Liaison for Compliance

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

12.6 State Processing Statistics

WAMIA maintains processing statistics for Western Australia by type of animal and category of processing establishment. Table 9 and Table 10 detail abattoir throughput for the years 2012/2013 and 2013/2014.

Table 9: Abattoir throughput of cattle, sheep, lambs, goats and pigs by category for the years 2012/2013 and 2013/2014

Year	Cattle	Sheep	Lambs	Goats	Pigs
Export					
2012/13	276,164	1,423,923	1,816,543	17,006	501,217
2013/14	291,910	1,562,050	2,409,762	49,997	507,469
% Change	5.7 %	9.7 %	32.7 %	194%	1.3 %
Domestic (unrestricted)					
2012/13	118,204	126,485	355,775	33,405	25,342
2013/14	117,834	114,491	387,535	33,308	25,409
% Change	(0.3%)	(9.5)%	8.9%	(0.3%)	0.3%
Domestic without Meat Inspection					
2012/13	17	134	0	0	0
2013/14	6	168	0	0	0
Special					
2012/13	2,169	4,795	81	0	96
2013/14	2,232	5,466	0	0	101
Totals					
2012/13	396,554	1,555,337	2,172,399	50,411	526,655
2013/14	411,982	1,682,175	2,797,297	83,305	532,979
% Change	3.9%	8.1%	28.8%	65.2%	3.5%

Table 10: Abattoir throughput for other species by category for the years 2012/2013 and 2013/2014

Category	Year	Deer	Alpaca	Rabbit	Horse
Export	2012/13	204	0	0	0
	2013/14	276	0	0	0
Domestic (unrestricted)	2012/13	633	4	28,493	0
	2013/14	622	0	28,324	0
Total	2012/13	837	4	28,493	0
	2013/14	898	0	28,324	0

13 Compliance Activities

WAMIA maintains its interaction with other regulators such as DOH, AUS-MEAT, AMIC and DAFF by regular contact with staff at an operational level which is reported. The WAMIA Board acknowledges the valuable contribution of the officers from DOH, AUS-MEAT, AMIC and DAFF.

13.1 Compliance Policy

The compliance unit operates under an approved compliance policy (December 2012) which includes:

1. Approval of Abattoirs
 - Operation to construct.
 - Granting or refusing applications.
 - Conditions of approval.
 - Revocation of approval.
2. Product description
 - Permission to use commercial brands.
 - Permission to use regulatory brands.
 - Revocation of approval to use commercial or regulatory brands.
 - Auditing of abattoirs.
 - Monitoring of retail outlets.
 - Monitoring of pet food establishments, illegal slaughter operations, boning rooms and small goods establishments.
3. Offences under the Act & Regulations
4. Advice to applicants/operators

In October 2013, the board considered and endorsed the following policy for illegal slaughter:

- WAMIA has a zero tolerance to illegal slaughter.
- WAMIA will investigate all allegations of illegal slaughter referred to it.
- All investigations will be fully documented.
- All investigations will be carried out in conjunction with other regulatory agencies where appropriate.

Where an investigation establishes clear evidence of illegal slaughter WAMIA will refer the matter to the State Solicitor's Office (SSO) for prosecution.

The Minister will be apprised of cases of illegal slaughter at the periodic briefings with the WAMIA chairman and chief executive.

13.2 Compliance Functions

WAMIA 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.

13.3 Illegal Slaughter

WAMIA 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. Twelve ongoing cases are under investigation.

Upon receipt of sufficient evidence, the matter is referred to the SSO. Should the SSO believe that a prima facie case exists and that the matter is of sufficient importance to warrant further action, WAMIA will request the commencement of legal proceedings.

13.4 Carcase Branding Activity

WAMIA'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 WAMIA's compliance officer.

13.5 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 WAMIA 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. WAMIA staff carry out random inspections of processing establishments, boning rooms, farmers' markets, supermarkets and retail butchers to ensure compliance.

13.6 Compliance Activity Summary

Table 11, Table 12 and Table 13 provide details of compliance activity during the period.

Table 11: Inspections undertaken from 2010/2011 to 2013/2014

Inspections undertaken	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014
Abattoirs	39	6	8	4
Boning rooms	4	0	0	0
Smallgoods establishments	1	0	0	0
Retailers	218	52	80	92
Other premises e.g. pet food establishments	28	7	3	2

Table 12: Enquiries received 2013/2014*

Enquiries received	2013/2014
Processing	55
Saleyard	54

* This is a new statistic

Table 13: Investigations undertaken from 2012/2013 to 2013/2014

Investigations undertaken	2012/2013			2013/2014		
	New	Completed	Ongoing	New	Completed	Ongoing*
Illegal slaughter	7	0	10	3	1	12
Product mis-description	3	3	0	0	0	0
Labelling issues	1	1	0	0	0	0
Over the hooks	0	0	0	0	0	0
Brand issues	0	0	0	0	0	0
Other	0	0	0	0	0	0
Assist other regulators	0	0	0	0	0	0

* not completed

13.7 Reported: Not-Completed Investigations

- Eleven investigations into the alleged slaughter and sale of meat for human consumption.
- One of alleged sale of pet meat for human consumption.

13.8 Legal Action

While no direct legal action was undertaken in the period, a joint investigation with the Shire of Serpentine Jarrahdale resulted in Mr A Carter of Oakford being successfully prosecuted under the *Food Act* for operating an illegal abattoir. Fines and charges totalling \$6,491.00 were imposed on Mr Carter.

13.9 Media

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

14 Human Resources

14.1 Staffing Levels

The number of salaried and wages staff employed by WAMIA at 30 June 2013 and 30 June 2014 is given in Table 14.

Table 14: Staff Listing for 2012/2013 and 2013/2014

Title	*FTE as at 30/06/2013	*FTE as at 30/06/2014
Chief executive officer	1.0	1.0
Manager MLC	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	0.4	0.4
Admin assistant	0	0.4
Saleyard supervisor	1.0	1.0
Centre cleaning, maintenance, feeding	3	3
Total	9.4	9.8

*FTE = Full Time Equivalent

14.2 Staff Training and Development

During the period, WAMIA 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 WAMIA's operations.

In 2013/2014 WAMIA did not continue its participation in the Public Sector School Based Traineeship Program due to staffing constraints. This situation will be reviewed in 2015/2016.

14.3 Industrial Relations

All administrative and supervisory staff are covered by the Public Service and Government Officers Salary General Agreement 2011. This agreement expired on 1 April 2014 and is currently being renegotiated. Saleyard employees are covered by the Australian Workers Union (Western Australian Public Sector) General Agreement 2012. This agreement expires on 25 April 2015. All wage increases are in line with the State Government Wages Policy.

14.4 Freedom of Information Statement

Section 16 (1) of the *Western Australian Meat Industry Authority Act 1976* as amended specifies the functions of WAMIA 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 Saleyards; 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;
 - iii. 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 management, powers, functions, liabilities and reporting procedures for WAMIA. WAMIA's governance structure is comprised of a chairman and members appointed by the Minister. WAMIA is a body corporate and capable, through its board and Minister, of all things required within its Act and associated regulations.

WAMIA'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.

WAMIA 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 (FOI) in WAMIA is a function of the chief executive, telephone (08) 9274 7533 located at 15 Spring Park Rd, Midland, WA.

WAMIA did not receive any FOI requests during the 2013/2014 period.

15 Risk Management

In 2014 the WAMIA board reviewed and reassessed the risks identified in its 2013 risk register. At every board meeting the significant risks identified are reported on and strategies are developed as required.

16 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, WAMIA did not incur any expenditure of this nature.

17 Equal Employment Opportunity

WAMIA is committed to ensuring 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 used to the full.

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

18 Public Sector Standards

WAMIA 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.

WAMIA 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.

19 Public Interest Disclosure Act

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

20 Disability Access and Inclusion Plan

WAMIA'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 WAMIA 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.
 - WAMIA's administration building has disabled toilets and full access throughout the building. The MLC 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.
 - WAMIA 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.
 - WAMIA 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 WAMIA 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 WAMIA 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 WAMIA's website and letters to homeowners surrounding the relevant land area. Responses can be made by telephone, letter, email or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

21 State Records Act

WAMIA is required to comply with the requirements of the *State Records Act 2000*. WAMIA has an approved record keeping plan and appointed a record keeping officer.

- A full review of the Record Keeping Plan will take place in 2014/2015.
- 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 2014

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2014, 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 2014 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 2014.

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 2014.

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 2014.

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 2014.

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 2014 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.




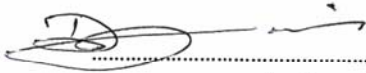
DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
29 August 2014

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 2014.


.....MEMBER
28/8/14
.....Date


.....MEMBER
28/8/14
.....Date

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 2014 and the financial position as at 30 June 2014.

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 2014

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 2014.

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

28th August 2014



(Signature)

D. Griffiths

Board Member of the Western Australian
Meat Industry Authority

28th August 2014

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Overview

Executive Summary

Performance Highlights

- The Authority has had to manage the challenges of increased 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.
- The need to attract tenants to the Muchea Livestock Centre Precinct is essential future viability.
- Industry Development

Operational Structure

The Western Australian Meat Industry Authority delivers services through the following:

- The Muchea Livestock Centre
- Compliance and Licensing
- The Livestock Logistics W.A. Joint Venture.

Enabling Legislation

The Western Australian Meat Industry Authority is established by the Western Australian Meat Industry Authority Act 1976. The Authority is subject to the direction of the Minister for Agriculture and Food.

Responsible Minister

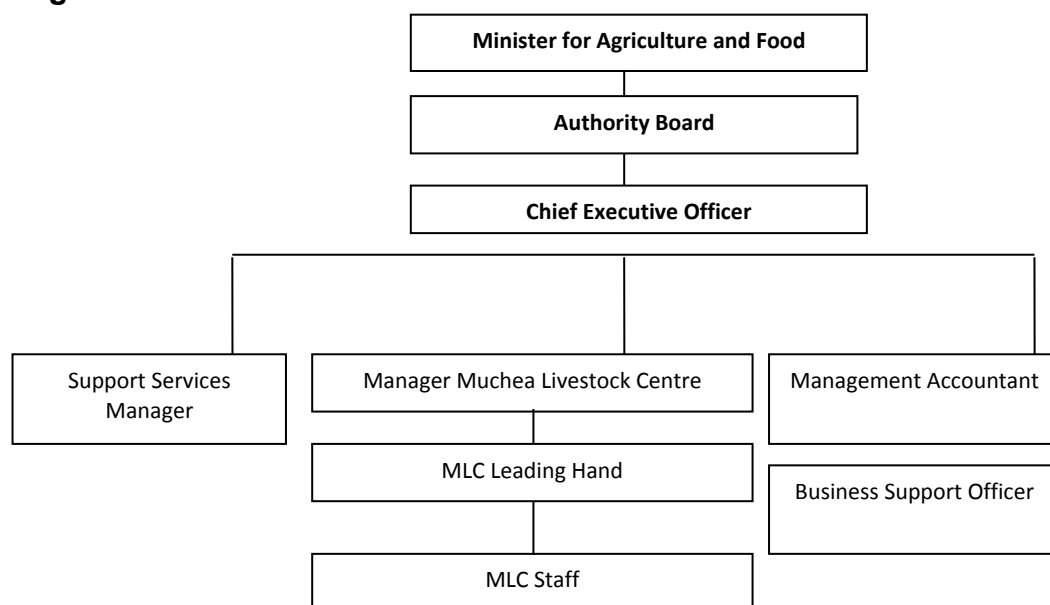
The Hon. Ken Baston MLA, Minister for Agriculture and Food.

Organisational Structure

Mission

To administer the Act, manage a best practice, viable, valuable and relevant facility. Deliver an efficient and relevant compliance service in an approachable, streamlined, transparent way.

Organisational Chart



Board of the Authority

Board members are appointed by the Minister for Agriculture and Food according to their expertise and experience in areas relevant to the Western Australian Meat Industry Authority's activities. The board consists of seven members appointed by the Minister and one member nominated by the Department of Agriculture and Food of W.A. (DAFWA).

Board Members are:

Mr 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 Meat Processors.

Kim McDougall – representing the Employees of the industry

Sally O'Brien – representing the Producers of Meat

Mark Panizza – representing Private Meat Processors.

Senior Officers

Renata Paliskis - Chief Executive Officer

Lyndon Henning – Manager Muchea Livestock Centre

Mark Elson – Management Accountant

Dave Saunders – Support Services Manager

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

	2013-14 Target ⁽¹⁾ \$	2013-14 Actual \$	Variation ⁽²⁾ \$
Total expenses (sourced from Statement of Comprehensive Income)	3,446,440	3,397,651	48,789 ^(a)
Total Income (sourced from Statement of Comprehensive Income)	2,001,236	2,541,295	540,059 ^(b)
Total equity (sourced from Statement of Financial Position)	60,772,987	61,311,835	538,848 ^(c)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(356,069)	19,219	375,288 ^(d)
Approved full time equivalent (FTE) staff level	10	9	1

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 32 'Explanatory statement' to the financial statements.

- (a) The variation was contributed to by lower soft-flooring replacement costs, lower cost of the safety review, less repairs and maintenance on equipment and lower feed costs.
- (b) The year had extraordinary high throughput for sheep and cattle throughput slightly exceeded budget. The effect of which which improved revenues from Cattle yard fees, Sheep yard fees and associated livestock services.
- (c) The variation is due to lower cash demands, higher than expected throughput and fee increases.
- (d) There was less capital expenditure, increased selling income and reduced operational expenditure improving the cash position.

Summary of Key Performance Indicators

	2013-14 Target ⁽¹⁾	2013-14 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	90,000	92,780	3%
The volume of Livestock for Sheep	463,500	785,505	69%
<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	2.13	1.63	23%
<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.	\$1.25	\$1.65	32%
<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	\$104	\$104	0%
<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.	\$378	\$364	4%

(1) As specified in the Budget Statements.

(2) Explanations for the variations between target and actual results are presented in note 32 'Explanatory statement' to the financial statements.

Significant Issues Impacting the Agency

Current and emerging issues and trends

The 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

The original estimate of 463,500 head for sheep was exceeded by 322,005 with the year's total being 785,505. The effect of the increase contributed \$272,678 of extra income. The volume of sheep for the forward year's are expected to return to a more traditional level.

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.

The financial year concluded with a cash positive position of \$19,219 which is an improvement on the past when the cash position was in decline. The cash position was improved due to the increase of fees above CPI, increased sheep volume and a conservative approach to expenditure by management.

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2014

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 2014 and the financial position as at 30 June 2014.

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

Chief Finance Officer of the Western
Australian Meat Industry Authority

28th August 2014



(Signature)

Des Griffiths

Board Member of the Western Australian
Meat Industry Authority

28th August 2014



(Signature)

David Lock

Chairman of the Western Australian Meat
Industry Authority

28th August 2014

Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014	2013
		\$	\$
INCOME			
Revenue			
Sales	7	32,909	28,732
Provision of services	8	1,994,793	1,451,975
Interest revenue	9	306,814	365,380
Other revenue	10	206,779	179,954
TOTAL INCOME		2,541,295	2,026,041
EXPENSES			
Employee benefits expense	11	1,094,828	1,054,449
Supplies and services	12	1,071,591	1,040,507
Depreciation and amortisation expense	13	1,137,982	1,167,274
Accommodation expenses	14	46,827	49,467
Other expenses	15	46,422	109,062
TOTAL EXPENSES		3,397,650	3,420,759
PROFIT /(LOSS) FOR THE PERIOD		(856,355)	(1,394,718)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Re-measurements of defined benefit liability	25	-	16,000
Changes in asset revaluation surplus	26	(50,000)	(170,000)
Total other comprehensive income		(50,000)	(154,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(906,355)	(1,548,718)

See also note 38 '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 2014**

	Note	2014	2013
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	27	610,882	591,664
Restricted cash and cash equivalents	27	7,683,214	7,683,214
Inventories	16	19,169	8,517
Receivables	17	246,038	199,505
Other current assets	18	5,355	4,157
Total Current Assets		8,564,658	8,487,056
Non-Current Assets			
Property, plant and equipment	19	18,348,513	18,665,577
Infrastructure	20	34,640,302	35,362,897
Intangible assets	22	11,079	12,938
Other non-current assets	18	104,383	96,520
Total Non-Current Assets		53,104,277	54,137,932
TOTAL ASSETS		61,668,935	62,624,988
LIABILITIES			
Current Liabilities			
Payables	24	132,243	190,490
Provisions	25	195,266	195,658
Total Current Liabilities		327,509	386,148
Non-Current Liabilities			
Provisions	25	29,591	20,650
Other non-current liabilities		-	-
Total Non-Current Liabilities		29,591	20,650
Total Liabilities		357,100	406,798
NET ASSETS		61,311,835	62,218,190
EQUITY	26		
Contributed equity		-	-
Reserves		1,612,318	1,662,318
Retained earnings		59,699,517	60,555,872
TOTAL EQUITY		61,311,835	62,218,190

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 2014

	Note	Contributed equity	Reserves	Retained earnings	Total equity
		\$	\$	\$	\$
Balance at 1 July 2012		-	1,832,318	61,934,591	63,766,909
Surplus/(deficit)		-	-	(1,394,718)	(1,394,718)
Other comprehensive income		-	(170,000)	16,000	(154,000)
Total comprehensive income for the period		-	1,662,318	60,555,872	62,218,190
Balance at 30 June 2013		-	1,662,318	60,555,872	62,218,190
Balance at 1 July 2013		-	1,662,318	60,555,872	62,218,190
Surplus/(deficit)		-	-	(856,355)	(856,355)
Other comprehensive income		-	(50,000)	-	(50,000)
Total comprehensive income for the period		-	1,612,318	59,699,517	61,311,835
Total		-	-	-	-
Balance at 30 June 2014		-	1,612,318	59,699,517	61,311,835

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 2014**

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		32,909	28,732
Provision of services		1,826,514	1,241,655
Interest received		290,012	365,380
GST receipts on sales		130,686	142,520
Other receipts		206,779	195,954
Payments			
Employee benefits		(1,058,334)	(1,179,826)
Supplies and services		(1,009,387)	(959,679)
Accommodation		(46,827)	(49,467)
GST payments on purchases		(211,830)	(154,001)
Net cash provided by/(used in) operating activities	27	160,522	(368,732)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(141,303)	(203,218)
Net cash provided by/(used in) investing activities		(141,303)	(203,218)
Net increase/(decrease) in cash and cash equivalents		19,219	(571,951)
Cash and cash equivalents at the beginning of the period		8,274,877	8,846,828
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	27	8,294,096	8,274,877

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 2014

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)		Revenue
Income	2(e)	7	Sale of goods
Income	2(e)	8	Provision of services
Income	2(e)	9	Interest
Income	2(e)		Gains
Assets	2(f)	19	<i>Property, plant and equipment and infrastructure</i>
Assets	2(f)	20	<i>Infrastructure assets</i>
Assets	2(f)	21	<i>Fair Value of assets</i>
Assets	2(g)	22	<i>Intangible assets</i>
Assets	2(h)	23	<i>Impairment of assets</i>
Assets/Liability	2(i)	29	<i>Leases</i>
Assets/Liability	2(j)	33	<i>Financial instruments</i>
Assets	2(k)	27	<i>Cash and cash equivalents</i>
Assets		27	<i>Restricted cash and cash equivalent</i>
Assets/Liability	2(l)	24	<i>Accrued salaries</i>
Assets	2(m)	17	<i>Inventories</i>
Assets	2(n)	18	<i>Receivables</i>
Liability	2(o)	24	<i>Payables</i>
Liability	2(p)	25	<i>Provisions</i>
Liability	2(p)	25	Provisions – employee benefits
Expense	2(p)	25	Provisions – other
Expense	2(q)		<i>Superannuation expense</i>
General	2(r)	34	<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 2014

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	Fair Value
Asset	2(g)	22	Intangible assets
Asset	2(h)	23	Impairment of assets
Liability	2(o)	24	Payables
Liability	2(r)	25	Provisions
Equity	2(d)	26	Equity
Cash Flow		27	Notes to the Statement of Cash Flows
Expense		28	Services provided free of charge
General		29	Commitments
General		30	Contingent liabilities and contingent assets
General		31	Events occurring after the end of the reporting period
General		32	Explanatory statement
General	2(j)	33	Financial instruments
General	2(j)	33(a)	<i>Financial risk management objectives and policies</i>
General	2(j)	33(b)	<i>Categories of financial instruments</i>
General	2(j)	33(c)	<i>Financial instrument disclosure</i>
General	2(r)	34	Jointly controlled operations
General		35	Remuneration of members of the accountable authority and senior officers
General		36	Remuneration of auditor
General	37		Supplementary financial Information
	37(a)		<i>Write offs</i>
	37(b)		<i>Losses through theft, defaults and other causes</i>
	37(c)		<i>Gifts of public property</i>
External		38	Schedule of income and expenses by service

Notes to the Financial Statements

For the year ended 30 June 2014

Note 1. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2014 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 2014.

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 34 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 and infrastructure are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings. Land and buildings are carried at fair value less accumulated depreciation (buildings and only) and accumulated impairment losses. All other items of infrastructure, vehicles, office equipment and 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 is used to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Fair value of land and buildings has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under note 19 Property, plant and equipment and is included in the valuation by the Western Australian Land Information Authority (Valuation Services). Independent valuations are obtained every 3 to 5 years for infrastructure.

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

The most significant assumptions 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. Infrastructure is reported under note 20 and fair value measurement is reported under note 21.

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

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

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

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

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

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

Software ^(a)	3 to 5 years
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(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, vehicles, office equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Authority is a not-for-profit entity, unless 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

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
- Financial Liabilities
 - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method. The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(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 24 '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

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

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

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

Long service leave

Long service leave that is not expected to be wholly 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

Superannuation expense is recognised in the Statement of Comprehensive Income in profit or loss for defined contribution plans, including the concurrent payment of employer contributions to the GSS scheme, as and when the contributions fall due.

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

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

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**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.

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 2013 that impacted on the Authority.

	<i>Fair Value Measurement</i>
AASB 13	This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.
	<i>Employee Benefits</i>
AASB 119	This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Authority assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.
	<i>Interpretation of Standards</i>
AASB 1048	This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.
AASB 2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 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> 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.
AASB 2011-9	<i>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]</i> This Standard requires to group items presented in other comprehensive income on the basis of whether are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

AASB 2011-10	<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. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.</p>
AASB 2012-2	<p><i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.</p>
AASB 2012-5	<p><i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>
AASB 2012-6	<p><i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.</p>
AASB 2012-9	<p><i>Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039</i></p> <p>The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in / financial impact for the Authority during the reporting period and at Measurement of tax assets and liabilities continues to be measured in : enacted or substantively enacted tax law pursuant to AASB 112.46-47.</p>
AASB 2012-10	<p><i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]</i></p> <p>The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.</p>
AASB 2013-9	<p><i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i></p> <p>Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.</p>

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
Int 21	<p><i>Levies</i></p> <p>This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Authority at reporting date.</p>	1 Jan 2014
AASB 9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2017. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 10	<p><i>Consolidated Financial Statements</i></p> <p>This Standard, issued in August 2011, 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>Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments</i>. The adoption of the new Standard has no financial impact for the Model Statutory Authority as it doesn't impact accounting for related bodies and the Authority has no interests in other entities.</p>	1 Jan 2014
AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 131 <i>Interests in Joint Ventures</i>, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.</p> <p>Mandatory application of the Standard was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact for the Model Statutory Authority as the new standard will continue to require proportional consolidation of the Authority's rights to assets and liabilities for the unincorporated joint operation.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i>, AASB 128 <i>Investments in Associates</i> and AASB 131 <i>Interests in Joint Ventures</i>. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard, issued in August 2011, supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.</p>	1 Jan 2014

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AASB 128	<p><i>Investments In Associates and Joint Ventures</i></p> <p>This Standard issued in August 2011, <i>supersedes AASB 128 Investments in Associates</i>, introducing a number of clarifications for the accounting treatments of changed ownership interest.</p> <p>Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Model Statutory Authority as it doesn't hold investments in associates or and the accounting treatments for joint operations is consistent with current practice.</p>	1 Jan 2014
AASB 1031	<p><i>Materiality</i></p> <p>This Standard is an interim standard cross-referencing definitions of 'materiality' in other Standards and will remain operative until references to AASB 1031 are removed from other Standards. There is no financial impact.</p>	1 Jan 2014
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2009-11	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i></p> <p>[modified by AASB 2010-7]</p>	1 Jan 2015
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. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 2011-7	<p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 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>. The Model Statutory Authority has undertaken an analysis of the suite of Consolidation and Joint Arrangements Standards and determined that there is no financial impact arising from adoption of the various Standards.</p>	1 Jan 2014
AASB 2012-3	<p><i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.</p> <p>The model Authority does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.</p>	1 Jan 2014
AASB 2013-3	<p><i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.</i></p> <p>This Standard introduces editorial and disclosure changes. There is no financial impact.</p>	1 Jan 2014

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

AASB 2013-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].</i>	1 Jan 2014
	The amendments, issued in October 2013, provide significant guidance to clarify whether determine whether a not-for-profit entity controls another entity when financial returns aren't a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.	
AASB 2013-9	<i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i>	1 Jan 2014
	This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The Authority has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.	1 Jan 2017
AASB 2014-1	<i>Amendments to Australian Accounting Standards</i>	1 Jul 2014
	The Authority has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
		1 Jan 2016
		1 Jan 2018

Note 7. Trading Profit

	2014	2013
	\$	\$
Sales	32,909	30,680
Cost of Sales:		
Opening inventory	(8,517)	(6,595)
Purchases	(43,097)	(45,836)
	<u>(51,614)</u>	<u>(52,431)</u>
Closing inventory	19,169	8,517
Cost of Goods Sold	<u>(32,445)</u>	<u>(43,914)</u>
Trading Profit/(Loss)	464	(13,234)

Note 8. Provision of services

	2014	2013
	\$	\$
Saleyard Fees and Services	1,270,586	932,106
Livestock Services	450,282	287,770
Abattoir Licensing and Services	100,224	86,056
Truck Wash	105,122	87,784
Joint Venture	68,579	58,259
	<u>1,994,793</u>	<u>1,451,975</u>

Note 9. Interest revenue

	2014	2013
	\$	\$
Interest revenue (Interest on Term Deposits with Bankwest and Rabobank)	306,814	365,380
	<u>306,814</u>	<u>365,380</u>

Note 10. Other revenue

	2014	2013
	\$	\$
Rental Income	126,285	106,738
Share of Joint Venture Income	7,862	30,000
Other Income	72,632	43,216
	206,779	179,954

Note 11. Employee benefits expense

	2014	2013
	\$	\$
Wages and salaries ^(a)	998,868	963,032
Superannuation – defined contribution plans ^(b)	95,960	80,493
Superannuation – defined benefit plans (<i>note 25 Provisions</i>)	-	10,924
	1,094,828	1,054,449

(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 25 Provisions.

Note 12. Supplies and services

	2014	2013
	\$	\$
Communications	49,765	51,557
Computing	31,300	41,483
Consultants and Contractors	172,373	146,764
Market Reporting	18,400	21,800
Repairs and Maintenance	198,541	152,191
Travel	6,826	8,107
Waste Management	56,450	61,837
Water Power Gas	106,224	98,781
Fuel - Diesel	36,544	32,809
Insurance	149,091	146,266
Cropping Preparation	31,255	37,214
Feeding Costs	43,097	45,836
Carcase Disposal	46,528	36,479
Safety Review	7,442	46,349
Other Costs	117,755	113,034
	1,071,591	1,040,507

Note 13. Depreciation and amortisation expense

	2014	2013
	\$	\$
Depreciation		
Plant, equipment and vehicles	86,589	77,065
Buildings	289,355	289,275
Infrastructure	760,179	799,291
Total depreciation	1,136,123	1,165,631
Amortisation		
Computer software	1,859	1,643

Total amortisation	1,859	1,643
Total depreciation and amortisation	1,137,982	1,167,274

Note 14. Accommodation expenses

	2014	2013
	\$	\$
Lease rentals	43,548	39,888
Cleaning	3,279	9,579
	46,827	49,467

Note 15. Other expenses

	2014	2013
	\$	\$
Rates and taxes	2,458	14,434
Bank Fees	639	592
Auditing	24,410	25,880
Diminution in Joint Venture Asset	-	55,504
Other	18,915	12,652
	46,422	109,062

Note 16. Inventories

	2014	2013
	\$	\$
Current		
Inventories held for resale:		
Finished goods		
At cost	19,169	8,517
Total current	19,169	8,517

Note 17. Receivables

	2014	2013
	\$	\$
Current		
Receivables	230,347	134,916
Allowance for impairment of receivables	(1,112)	(12,000)
Accrued revenue	16,803	76,589
	<u>246,038</u>	<u>199,505</u>
Total current	246,038	199,505
Non-current		
Total non-current	<u>-</u>	<u>-</u>
Total Receivables	246,038	199,505

Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	(12,000)	(24,314)
Doubtful debts expense	-	-
Amounts written off during the period	10,888	
Amount recovered during the period	-	12,314
Balance at end of period	(1,112)	(12,000)

The Authority does not hold any collateral or other credit enhancements as security for receivables. See also note 2(n) Receivables and note 33 Financial Instruments

Note 18. Other Assets

	2014	2013
	\$	\$
Current		
Prepayments	5,355	4,157
Total current	<u>5,355</u>	<u>4,157</u>
Non-current		
Equity share in Joint Venture - Livestock Logistics	104,383	96,520
Total non-current	<u>104,383</u>	<u>96,520</u>

Note 19. Property, plant and equipment

	2014	2013
	\$	\$
Land		
At fair value ^(a)	4,710,000	4,760,000
Accumulated impairment losses	-	-
	4,710,000	4,760,000
Buildings		
At fair value ^(a)	13,560,119	13,548,000
Accumulated depreciation	(289,355)	-
Accumulated impairment losses	-	-
	13,270,764	13,548,000
Plant, equipment		
At cost	548,012	529,754
Accumulated depreciation	(355,557)	(311,727)
Accumulated impairment losses	0	0
	192,455	218,027
Vehicles		
At cost	350,705	359,143
Accumulated depreciation	(175,411)	(219,593)
Accumulated impairment losses	-	-
	175,294	139,550
	18,348,513	18,665,577

Note - Land and buildings were revalued as at 1 July 2013 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2014. In undertaking the revaluation, fair value was determined by reference to market values for land: \$2,060,000. For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The authority has not elected to take up the valuation for buildings for 30th June 2014 as the movement is immaterial. Information on fair value measurement is provided in note 21. Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Land	Buildings	Plant, equipment and vehicles	Total
	\$	\$	\$	\$
2014				
Carrying amount at start of period	4,760,000	13,548,000	357,577	18,665,577
Additions	-	12,119	99,079	111,198
Transfers	-	-	(2,318)	(2,318)
Other- Establishment of Infrastructure Asset class	-	-	-	-
Classified as held for sale	-	-	-	-
Revaluation increments/(decrements)	(50,000)	-	-	(50,000)
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-
Depreciation	-	(289,355)	(86,589)	(375,944)
Carrying amount at end of period	4,710,000	13,270,764	367,749	18,348,513
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 start of period	4,760,000	13,548,000	357,577	18,665,577

Information on fair value movement is provided in note 21.

Note 20. Infrastructure

	2014	2013
	\$	\$
Infrastructure		
At cost	38,044,248	38,005,974
Accumulated depreciation	(3,403,946)	(2,643,077)
Accumulated impairment losses		
	34,640,302	35,362,897
Reconciliation		
Infrastructure		
Carrying amount at start of period	35,362,897	36,002,447
Additions	35,265	174,123
Transfers	2,319	(14,382)
Depreciation expense	(760,179)	(799,291)
Carrying amount at end of period	34,640,302	35,362,897

The authority established the infrastructure asset class last financial year. The infrastructure asset class primarily holds those specialised assets that are separate to the buildings, the infrastructure assets are held at cost.

Note 21. Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair value at end of period
	\$	\$	\$	\$
2014				
Land (Note 19)	-	-	4,710,000	4,710,000
Buildings (Note 19)	-	-	13,270,764	13,270,764
	-	-	17,980,764	17,980,764

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

	Land	Buildings
	\$	\$
2014		
Fair Value at start of period	4,760,000	13,548,000
Additions	-	12,119
Revaluation increments/(decrements) recognised in Profit or Loss	-	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(50,000)	-
Transfers (from/(to) Level 2)	-	-
Asset Class transfer	-	-
Disposals	-	-
Depreciation Expense	-	(289,355)
Fair Value at end of period	4,710,000	13,270,764
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(50,000)	-

Valuation processes

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

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

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

Historical cost per square metre floor area (m²)

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

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority.

Selection of land with restricted utility

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

Historical cost per cubic metre (m³)

The costs of construction of infrastructure are extracted from financial records of the Western Australian Meat industry Authority and indexed by movements in construction costs.

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

Description and fair value as at 30 June 2014 \$	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Land 4,710,000	Market approach	Selection of land with similar approximate utility	\$2,650,000 or \$0.88c m ² \$640,000 or \$51 m ² \$1,420,000 or \$391 m ²	Higher value of similar land increases estimated fair value.
Buildings 13,270,764	Depreciated Replacement Cost	Consumed economic benefit/obsolescence of asset	1.26% - 2.0% per year (1.63% per year)	
		Historical cost per square metre floor area (m ²)	\$257-\$255 Weighted Average Building Cost per m ² floor area \$256	Higher historical cost per m ² increases fair value.

Reconciliations of the opening and closing balances are provided in Note 19.

Basis of Valuation

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

Note 22. Intangible assets

Computer software	2014	2013
	\$	\$
At cost	14,875	14,875
Accumulated amortisation	(3,796)	(1,937)
Accumulated impairment losses		-
	11,079	12,938
Reconciliations		
Computer software		
Carrying amount at start of period	12,938	10,399
Additions	-	4,182
Classified as held for sale		
Impairment losses		
Impairment losses reversed		
Amortisation expense	(1,859)	(1,643)
Carrying amount at end of period	11,079	12,938

Note 23. Impairment of assets

There were no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 30 June 2014.

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 2014 have either been classified as assets held for sale or written-off

Note 24. Payables

	2014	2013
	\$	\$
<u>Current</u>		
Trade payables	15,667	90,626
GST, PAYE payables	40,825	33,863
Accrued expenses	46,339	35,145
Accrued salaries	29,412	30,856
Total current	132,243	190,490

See also note 2(o) Payables and note 33 Financial Instrument

Note 25. Provisions

	2014	2013
	\$	\$
Current		
<i>Employee benefits provision</i>		
Annual leave ^(a)	98,394	96,112
Long service leave ^(b)	70,694	77,486
Superannuation ^(d)	2,771	2,771
	171,859	176,369
<i>Other provisions</i>		
Employment on-costs ^(c)	23,407	19,289
	195,266	195,658
Non-current		
<i>Employee benefits provision</i>		
Long service leave ^(b)	25,152	17,552
	25,152	17,552
<i>Other provisions</i>		
Employment on-costs ^(c)	4,439	3,098
	29,591	20,650

- (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:

	2014	2013
	\$	\$
Within 12 months of the end of the reporting period	51,586	76,114
More than 12 months after the end of the reporting period	57,740	30,677
	109,326	106,791

- (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:

	2014	2013
	\$	\$
Within 12 months of the end of the reporting period	83,169	82,466
More than 12 months after the end of the reporting period	29,591	24,280
	112,760	106,746

- (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	
	2014	2013
	\$	\$
Movements in the present value of the defined benefit obligation in the reporting period were as follows:		
Liability at start of period	2,771	119,000
Included in profit or loss:		
Current service cost	-	-
Past service cost	-	-
Interest cost	-	2,771
	2,771	121,771
Included in Other Comprehensive Income:		
Remeasurements loss (gain) recognised:		
- Actuarial losses/(gains) arising from:		
demographic assumptions	-	-
financial assumptions	-	(16,000)

experience adjustments	-	-
	-	(16,000)
Benefits paid	-	(103,000)
	-	(103,000)
Liability at end of period	2,771	2,771
The Authority holds no plan assets, therefore the present value of the defined benefit obligation equals the net defined benefit liability. Employer contributions, to the Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS, equal the benefits paid.		

Significant Actuarial Assumptions

	2014 p.a	2013 p.a.
Discount Rate (Active members)	3.38%	2.84%
Discount Rate (Pensioners)	3.38%	2.84%
Expected Salary Increase rate	5%	5.5%
Expected Pension Increase rate	2.5%	2.5%
At 30 June 2014, the weighted average duration of the defined benefit obligation was 5.1 years (2013: 5 years).		

Movements in other provisions

Movements in each class of provisions during the period, other than employee benefits, are set out below:		
	2014	2013
Employment on-cost provision	\$	\$
Carrying amount at start of period	22,386	27,108
Additional/(reversals of) provisions recognised	5,459	(4,722)
Carrying amount at end of period	27,846	22,386

Note 26. Equity

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

Reserves

	2014	2013
	\$	\$
<u>Asset revaluation surplus</u>		
Balance at start of period	1,662,318	1,832,318
Net revaluation increments/(decrements)		
Land	(50,000)	(170,000)
Balance at end of period	1,612,318	1,662,318
Retained earnings		
	2014	2013
	\$	\$
Balance at start of period	60,555,872	61,934,591
Result for the period	(856,355)	(1,378,718)
Balance at end of period	59,699,517	60,555,872
Total equity at end of period	61,311,835	62,218,190

Note 27. Notes to the Statement of Cash Flows

Reconciliation of cash

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

	2014	2013
	\$	\$
Cash and cash equivalents	610,882	591,663
Restricted Cash and cash equivalents	7,683,214	7,683,214
	8,294,096	8,274,877

The restricted cash is for the further development of the Muchea Livestock Centre Precinct.

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

	2014	2013
	\$	\$
Loss for the period	(856,355)	(1,394,718)
Non-cash items		
Depreciation and amortisation expense	1,137,982	1,167,274
Share of Joint Venture Income	(7,862)	55,504
(Increase)/decrease in assets		
Current receivables ^(a)	(46,633)	(65,880)
Current inventories	(10,654)	(1,921)
Other current assets	(1,198)	(2,113)
Increase/(decrease) in liabilities		
Current payables ^(a)	(73,147)	(32,196)
Current provisions	(392)	(119,008)
Other current liabilities	9,840	14,695
Non-current provisions	8,941	9,631
Net cash provided by/(used in) operating activities	160,522	(368,732)

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

Note 28. Services provided free of charge

	2014	2013
	\$	\$
During the period services for Government Accommodation were provided free of charge. :		
Department of Finance through Building Management and Works.	-	-
	-	-

Note 29. Commitments

Non-cancellable operating lease commitments		
	2014	2013
	\$	\$
Commitments for minimum lease payments are payable as follows:		
Within 1 year	16,190	26,528
Later than 1 year and not later than 5 years	60,877	21,033
Later than 5 years	-	-
	77,067	47,561

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		
	2014	2013
	\$	\$
Capital expenditure commitments, being planned capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	425,000	641,450
Later than 1 year and not later than 5 years	1,305,804	1,562,500
Later than 5 years	-	-
	1,730,804	2,203,950

Note 30. 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 31. Events occurring after the end of the reporting period

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

Note 32. Explanatory statement

Significant variations between estimates and actual results for 2014. Significant variations are considered to be those greater than \$5,000.

Significant variances between estimate and actual for 2014

	2014 Estimate \$	2014 Actual \$	Variance \$
Income			
Provision of Services	1,511,671	1,994,793	483,122
Expenditure			
Supplies and Services	1,063,836	1,071,591	(7,755)

Income

Provision of Services

The number of sheep attracting yard fees at the Muchea Livestock Centre was estimated at 463,500 and the year's result was a through put of 785,505. The volume was higher than estimated by 69% combined with a fee increase to 0.82c from 0.80c resulted in \$272,678 in extra income. The number of cattle was also above budget by 2,780 or 3% creating \$45,213 in extra income. The increased throughput created demand for associated revenue with increased use of: Daily fees \$28,312, Feeding Fees \$37,897, Dead-stock Fees \$60,730. Resulting in the year being \$483,122 higher than budget.

Expenditure

Supplies and Services

The higher than planned expenditure had lower costs for; Soft-floor replacement \$23,550, Feed costs \$18,103 and environmental monitoring \$10,955. These savings were absorbed by extra costs for the Chart of Accounts Project (\$16,302), repairs and maintenance (\$15,370), extra costs for live export feed (13,234) and extra costs for security (\$10,145). The combination of these factors and other smaller variances resulted in the year being (\$7,755) above budget.

Significant variations between actual results for 2013 and 2014. Significant variations are considered to be those greater than \$30,000.

Significant variances between actual results for 2013 and 2014.

	2014 \$	2013 \$	Variance \$
Income			
Provision of services	1,994,793	1,451,975	542,818
Interest Income	306,814	365,380	(58,566)
Expense			
Supplies and Services	1,071,591	1,040,507	(31,084)
Employee Benefit Expense	1,094,828	1,054,449	(40,379)
Other Expenses	46,422	109,062	62,640

Income

Provision of Services

The variance is due to the increase of throughput in cattle by 15% to 92,783 (2014) from 80,617 (2013) and the increase of the price charged to \$7.60c from \$7.40c the previous year. Also the throughput for sheep increased by 69% to 785,505 and the increase of the price charged to \$0.82c from \$0.80c the previous year contributed to the increased income. The increased throughput for Cattle and Sheep creating a flow on demand for associated activities of Feeding Fees and Daily Fees.

Interest Income

The lowering of interest rates on term deposits occurred throughout the year. The rate expected was 4.2% and the final re-investment for the year in June was at a rate of 3.55%.

Expense

Supplies and Services

The current year had higher demand for inputs due to the higher throughput than the previous year. The increased costs were partly absorbed by reduced operational costs.

The year had higher costs for carcass disposal than last year by \$10,049, hire of equipment by \$15,073 and general repairs by \$19,059. The year had consulting costs for the Agribusiness precinct for \$24,152 which had not occurred in the previous year. Repairs to the main scales were carried out during the year \$32,118 higher than last year.

The notable reduced costs were the safety review plan where the current year was the first year for monitoring the progress of the safety review plan reduced by \$38,907, sundry equipment reduced by \$9,748, reduced electrical repairs by \$20,626 and reduced computer system maintenance and repairs for \$10,161.

The result was an increase in costs of \$31,084 from the previous year.

Employee Benefit Expense

The increased throughput had a higher demand for hours worked than the previous year, salary rates and board sitting fees were increased during the year.

Other Expenses

The previous year had an accounting adjustment for the reduction of the investment held in the Livestock Logistics joint venture for \$55,504.

Note 33. Financial instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, 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 33(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:

	2014	2013
	\$	\$
Financial Assets		
Cash and cash equivalents ^(b)	610,882	591,664
Restricted cash and cash equivalents	7,683,214	7,683,214
Receivables ^(a)	230,347	134,916
Other Current Assets	16,803	76,589
Financial Liabilities		
Financial Liabilities measured at amortised cost	132,243	190,490

(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 \$	
2014								
Cash and cash equivalents	610,882	610,882				-	-	-
Restricted cash and cash equivalents	7,683,214	-				-	-	-
Receivables ^(a)	230,347	230,347				-	-	-
Other financial assets	16,803	16,803				-	-	-
	8,541,246	858,032				-	-	-
2013								
Cash and cash equivalents	591,664	591,664				-	-	-
Restricted cash and cash equivalents	7,683,214	-				-	-	-
Receivables ^(a)	134,916	134,916				-	-	-
Other financial assets	76,589	76,589				-	-	-
	8,486,383	803,169				-	-	-

(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 \$
2014											
<u>Financial Assets</u>											
Cash and cash equivalents	-	610,882	-	610,882	-	610,882	610,882	-	-	-	-
Restricted cash and cash equivalents	-	7,683,214	7,683,214	-	-	7,683,214	-	-	7,683,214	-	-
Receivables ^(a)	-	230,347	-	-	230,347	230,347	201,235	29,112	-	-	-
Other financial assets	-	16,803	-	-	16,803	16,803	16,803	-	-	-	-
		8,541,246	7,683,214	610,882	247,150	8,541,246	828,920	29,112	7,683,214	-	-
<u>Financial Liabilities</u>											
Payables	-	132,243	-	-	132,243	132,243	132,243	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
		132,243	-	-	132,243	132,243	132,243	-	-	-	-

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

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

	Weighted Average Effective Interest Rate %	Carrying Amount \$	Interest rate exposure			Nominal Amount \$	Maturity dates				
			Fixed interest rate	Variable interest rate	Non- interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
			\$	\$	\$		\$	\$	\$	\$	\$
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	-	190,490	-	-	190,490	190,490	190,490	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		190,490	-	-	190,490	190,490	190,490	-	-	-	-

(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.

	Carrying amount	-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2014	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalent	610,882	(6,108)	(6,108)	6,108	6,108
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)		(82,940)	(82,940)	82,940	82,940

	Carrying amount	-100 basis points		+100 basis points	
		Profit	Equity	Profit	Equity
2013	\$	\$	\$	\$	\$
Financial Assets					
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

Fair values

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

Note 34. 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:

	2014	2013
	\$	\$
<u>Current assets</u>		
Cash and cash equivalents	-	30,000
	-	30,000
<u>Non-current assets</u>		
Other	104,382	96,520
	104,382	96,520
Total assets	104,382	126,520

Note 35. 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:

	2014	2013
Up to 10,000	6	6
10,001 to 20,000	1	1
	\$	\$
Base remuneration and superannuation	115,520	76,545
The total remuneration of members of the accountable authority	115,520	76,545

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the accountable authority. Base remuneration was increased due to the review of the Western Australian Meat Industry Board remuneration by the Public Sector Commission effective on the 6th of November 2014.

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:

\$	2014	2013
80,001 – 90,000		
90,001 – 100,000		1
100,001 – 110,000	1	
110,001 – 120,000	1	2
120,001 – 130,000	1	
130,001 – 140,000		
140,001 – 150,000		
150,001 – 160,000	1	
160,001 – 170,000		
170,001 – 180,000		
180,001 – 190,000		
190,001 – 200,000		1
	\$	\$
Base remuneration and superannuation received	544,618	454,019
Annual leave and long service leave accruals	150,070	62,924
Other benefits	-	-
The total remuneration of senior officers	694,688	516,943

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

No officers are members of the pension fund.

Note 36. Remuneration of auditor

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

	2014	2013
	\$	\$
Auditing the accounts, financial statements and key performance indicators	19,000	18,500

Note 37. Supplementary financial information**(a) Write-offs**

	2014	2013
	\$	\$
Bad Debts written-off during the period	10,880	2,004
	10,880	2,004

(b) Losses through theft, defaults and other causes

	2014	2013
	\$	\$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

	2014	2013
	\$	\$
Gifts of public property provided by the Authority	-	-
	-	-

(d) Related Bodies

The Authority has no related or affiliated bodies.

Note 38. Schedule of income and expenses by service

	Muchea Livestock Centre		Compliance and Licensing		Development and Administration		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Sales	32,909	28,732	900	0	0	0	32,909	28,732
Provision of services	1,894,569	1,365,918	100,224	86,057	0	0	1,994,793	1,451,975
Interest revenue	0	0	0	0	306,814	365,380	306,814	365,380
Other revenue	203,808	151,400	0	0	2,971	28,554	206,779	179,954
Total Income	2,130,386	1,546,050	101,124	86,057	309,785	393,934	2,541,295	2,026,041
Expenses								
Cost of sales	0	0	0	0	0	0	0	0
Employee benefits expense	734,067	499,729	159,508	40,076	201,253	514,644	1,094,828	1,054,449
Supplies and services	912,924	987,684	40,380	37,330	118,287	15,493	1,071,591	1,040,507
Depreciation and amortisation expense	1,137,982	1,167,274	0	0	0	0	1,137,982	1,167,274
Accommodation expenses	46,827	0	0	0	0	49,467	46,827	49,467
Other expenses	(55,348)	103,169	33,035	0	68,735	5,893	46,422	109,062
Total expenses	2,776,452	2,757,856	232,923	77,406	388,275	585,497	3,397,650	3,420,759
Profit/(loss) before grants and subsidies from State Government	(646,066)	(1,211,806)	(131,799)	8,651	(78,490)	(191,563)	(856,355)	(1,394,718)
Grants and subsidies from State Government								
Profit/(loss) before grants and subsidies from State Government	(646,066)	(1,211,806)	(131,799)	8,651	(78,490)	(191,563)	(856,355)	(1,394,718)
Income tax equivalent expense								
Profit/(loss) for the period							(856,355)	(1,394,718)

Additional Key Performance Indicator Information

Detailed Information in Support of Key Performance Indicators

Ensure Muchea Livestock Centre(MLC) is the premium facility

Cattle	2010-11	2011-12	2012-13	2013-14
	%	%	%	%
Key Effectiveness Indicator				
The % of throughput for MLC	42.4%	41.4%	39.0%	41.3%
Sheep	2010-11	2011-12	2012-13	2013-14
	\$	\$	\$	\$
Key Efficiency Indicators				
The % of throughput for MLC	38.03%	36.0%	45.0%	49.1%
Comparative Performance				
	2010-11	2011-12	2012-13	2013-14
	\$	\$	\$	\$
Total cost	\$2,262,518	\$2,412,031	\$2,280,403	\$2,260,321
Number of units handled	1,325,529	985,040	1,071,790	1,388,670
Cost per unit	\$1.71	\$2.45	\$2.13	\$1.63
Cost per unit less depreciation	\$0.85	\$1.40	\$1.04	\$0.80c

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 30 June 2014 and introduced/payable from 1st July 2014. 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 2013-14.

Employment and Industrial Relations

Staff Profile

	2014	2013
Full-time permanent	6	7
Full-time contract	1	1
Part-time measured on a FTE basis	2	2
On secondment	0	0
	9	10

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 2013-14 was \$149,091.

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:

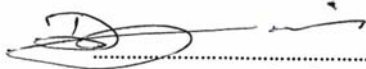
<http://www.publicsector.wa.gov.au/Pages/A-ZPublications.aspx>

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 2014.


.....MEMBER
28/8/14
.....Date


.....MEMBER
28/8/14
.....Date

OUTCOME ONE (EFFECTIVENESS)

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

RELEVANCE OF OUTCOME

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

EFFECTIVENESS INDICATOR TO BE MEASURED

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

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

In July 2006 the Western Australian Meat Industry Authority (WAMIA) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2013/2014. All saleyards are represented regardless of total throughput or frequency of operation.

PERFORMANCE TO STATE THROUGHPUT

There are twenty seven (27) operating saleyards in Western Australia of these five (5) saleyards operated on a regular basis (at least six sales per year) during the 2013/2014 financial year or accounted for at least 1% of State saleyards throughput of one species.

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

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
MLC	99,883	103,530	100,890	106,183	86,582	80,917	92,780
Total saleyards	251,239	242,927	259,195	250,649	209,263	205,596	224,932
% through MLC	39.8%	42.7%	39.3%	42.4%	41.4%	39.0%	41.3%
Next highest saleyard	77,612	67,645	67,786	72,553	59,788	63,104	69,010

Sheep, Lambs and Goats

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
MLC	903,839	913,957	648,449	701,614	423,081	550,066	785,505
Total saleyards	2,010,372	2,149,313	1,745,192	1,845,041	1,175,110	1,215,223	1,598,139
% through MLC	45.0%	42.5%	37.2%	38.03%	36.0%	45.0%	49.1%
Next highest saleyard	998,828	1,140,728	991,579	1,155,265	707,579	619,992	753,590

PERFORMANCE TO TARGETS

WAMIA set target throughputs as part of its 2013/2014 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2013/2014 actual throughput WAMIA did meet its expected targets with stock numbers for cattle being higher than estimates by 3%. Though the throughput number for sheep did exceed the estimate by 69% this can only be seen as a short term event and the forward year's throughput is a concern. The throughput is determined by a number of factors and the continued decline of the State sheep flock will have an effect in the long term.

	TARGET	ACTUALS	VARIANCE
Cattle	90,000	92,780	2,780 3%
Sheep, lambs and goats	463,500	785,505	322,005 69%

SERVICE ONE – MUCHEA LIVESTOCK CENTRE (EFFICIENCY MEASURE 1)

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

RELEVANCE OF SERVICE

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

EFFICIENCY INDICATOR TO BE MEASURED

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

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION

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

		SALEYARDS		Development & Standards		
Income	Total	Statutory	Fee for service	Regulation	Information	Administration
	\$2,541,295	\$1,279,833	\$850,553	\$101,124	\$2,971	\$306,814

		SALEYARDS		Development & Standards		
Expenditure	Total	Statutory	Fee for service	Regulation	Information	Administration
	\$3,397,650	\$2,260,321	\$516,132	\$232,923	\$78,236	\$310,038

PERFORMANCE

The total cost of maintaining Muchea Livestock Centre in 2013/2014 was \$2,260,321. The Muchea Livestock Centre's throughput for the year was 1,388,670 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 2013/2014 to maintain the Muchea Livestock Centre was \$1.63. The cost of depreciation is now a significant portion of the total and \$1,137,982 was excluded to calculate the cost per unit less depreciation of \$0.80c.

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

COMPARATIVE PERFORMANCE

	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Total cost of maintaining Midland Saleyard	\$868,431	\$2,262,518	2,412,031	\$2,280,403	\$2,260,321
No. of livestock units handled in the Year	1,296,389	1,325,529	985,040	1,071,790	1,388,670
Cost per unit	\$0.67	\$1.71	\$2.45	\$2.13	\$1.63
Cost per unit (less depreciation)	\$0.48	\$0.85	\$1.40	\$1.04	\$0.80c

SERVICE ONE – MUCHEA LIVESTOCK CENTRE (EFFICIENCY MEASURE 2)

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

RELEVANCE OF SERVICE

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

EFFICIENCY INDICATOR TO BE MEASURED

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

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION

Fee for service income was determined from Authority accounts. Fee for service activities for 2013/14 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 2013/2014 the cost of providing fee for service activities at the Muchea Livestock Centre was \$516,132. The income generated by these activities was \$850,553.

In 2013/2014 the return of fee for service activities at the Muchea Livestock Centre was \$1.65 for every \$1.00 incurred in providing the service. This represents a return of (65%) 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.

	2010/11	2011/12	2012/13	2013/14
Total cost of providing fee for service activities at Muchea Livestock Centre	\$554,504	\$572,370	\$510,725	\$516,132
Income generated by fee for service activities	\$615,657	644,948	\$638,733	\$850,553
Income generated for every \$1.00 incurred to provide service	\$1.11	\$1.11	\$1.25	\$1.65
Percentage return on costs	11%	11%	25%	65%

A comparison with the percentage return on fee for service activities in 2012/2013 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.

PERFORMANCE TO TARGETS

In the past WAMIA has set MLC income target as part of its 2013/2014 budget process these estimates were based on forecasting marketing and seasonal conditions for the coming year. Based on the 2013/2014 actual income, the MLC income exceeded the budgeted income by \$463,915 (31%).

	TARGET	ACTUALS	VARIANCE
Income	\$1,476,406	\$1,940,321	\$463,915 31%

OUTCOME TWO (EFFECTIVENESS)

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

RELEVANCE OF OUTCOME

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

EFFECTIVENESS INDICATOR TO BE MEASURED

Percentage of WA abattoirs meeting standards.

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

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

PERFORMANCE

The State's abattoirs continue to maintain standards with the average rating for the twenty nine (29) abattoirs operating at 30 June 2014 calculated at 77.2%. This situation demonstrates that the activities of the Authority continue to be effective in this area.

COMPARATIVE PERFORMANCE

The following table compares ratings for abattoirs:

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Construction Standard	79.3%	77.0%	77.0%	80.0%	80.6%	91.3%
Product Description System	62.9%	60.3%	60.3%	64.0%	64.6%	70.7%
Health and Hygiene Standard	82.8%	80.2%	80.2%	83.0%	84.4%	92.4%
Training System	69.0%	67.2%	67.2%	72.0%	71.9%	78.3%
Quality Assurance System	47.1%	44.8%	44.8%	66.7%	48.6%	53.6%
Average Rating	68.2%	65.9%	65.9%	69.1%	70.0%	77.2%

SERVICE TWO – COMPLIANCE AND LICENSING (EFFICIENCY MEASURE 1)

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

RELEVANCE OF SERVICE

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

EFFICIENCY INDICATOR TO BE MEASURED

The cost per abattoir for development and implementation of standards.

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/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 \$232,923. The cost of attaining the standard per abattoir \$232,923 divided by 29 approved abattoirs) is \$8,032. The average rating for 2013/14 has been calculated at 77.2%. 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:

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Cost of achieving standards	\$253,819	\$230,997	\$264,951	\$200,208	\$219,047	\$232,923
Number of establishments	30	30	29	25	30	29
Cost per abattoir	\$8460	\$7,700	\$9,136	\$8,008	\$7,302	\$8,032
Average abattoir rating	68.2%	65.9%	65.9%	69.1%	70.0%	77.2%
Cost per rating unit	\$124	\$113	\$138	\$116	\$104	\$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 SERVICE

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

EFFICIENCY INDICATOR TO BE MEASURED

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

RELEVANCE OF INDICATOR

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

SOURCE OF INFORMATION/MEASUREMENT

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

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

PERFORMANCE

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads (includes the cost of providing the National Livestock Reporting Service). The total cost to the Authority for 2013/2014 was \$78,236.

Twenty nine (29) abattoirs, one hundred and eight (108) processing works twenty seven (27) saleyards and fifty one (51) other outlets were operating during the 2013/14 year. The cost per establishment for delivering the service was \$364. (\$78,236 divided by 215 establishments).

COMPARATIVE PERFORMANCE

	2009/10	2010/11	2011/12	2012/13	2013/14
Total cost of maintenance and distribution of information	\$74,004	\$77,010	\$74,858	\$81,609	\$78,236
Number of establishments	208	219	219	216	215
Cost per establishment for delivering service	\$356	\$352	\$342	\$378	\$364

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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