



WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY



Annual Report 2020/21

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Accessibility

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

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Statement of Compliance

For year ended 30 June 2021

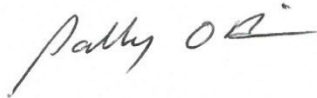
HON. ALANNAH MACTIERNAN MLC

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

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Meat Industry Authority for the financial year ended 30 June 2021.

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

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



S O' Brien

Chair of the Western Australian Meat
Industry Authority

20 August 2021



M Panizza

Member of the Western Australian Meat
Industry Authority

20 August 2021

Chair's Report 2020/21

To all industry stakeholders, it is my pleasure to present the Chairman's report for the Western Australian Meat Industry Authority (WAMIA) for the year ended 30 June 2021.

2020/21 has seen the Covid-19 pandemic continue to evolve, WAMIA has continued to operate and set an excellent example of saleyard operation in, at times, a challenging environment. I thank the entire WAMIA team along with saleyard users for their co-operation and ability to adapt quickly to changing conditions.

In late December Greg Lott advised the Board of his resignation and left the Authority in February 2021. On behalf of the Board, I would like to thank Greg for his service to WAMIA. Following an extensive and very competitive recruitment process, Tim Collins commenced as CEO in April 2021. Tim has a strong background in agribusiness development and logistics, having most recently been Project Manager on the Westport Project. I would also like to sincerely thank Sidney Pinto, Chief Financial Officer for filling the role of Acting CEO from late February until Tim's commencement in April, and also to the remainder of the WAMIA office staff for ensuring it was business as usual.

In September 2020, Ms Joanna Williams was appointed to the Board representing the Wholesale and Retail Meat Industry. Joanna brings a depth of experience in processing, integrated red meat supply chains and occupational health and safety. In July 2021 both Joanna and Belinda Lay, representing the Producers of Red Meat, had their terms extended for a further twelve months.

2021 has seen a change in the numbers and mix of livestock through the Muchea Livestock Centre (MLC). Cattle throughput for the year was 96,554 head, being greater than the budget of 93,000 head, just under last year's number of 96,616 and below the five-year average of 98,254 head. Private weigh cattle were 20,983 head being below budget and of last year's number of 26,864 and below the five-year average of 29,520. Cattle transshipment numbers were 101,978 cattle days being below budget and the five-year average of 85,600 head. Sheep throughput for the year was 456,095 head, being well below budget of 550,000 and last year's throughput of 558,544 and the five-year average of 586,884. Sheep transshipment days were 25,212 being considerably lower than the 90,143 throughput last year, as a result of large volumes accumulated to truck east.

The breaking of the drought on the eastern seaboard and dry conditions in WA in 2020 resulted in large numbers of stock being sold out of WA in 2020. Thankfully 2021 has delivered excellent rainfall across both the agricultural and pastoral regions of Western Australia. However, this has and will continue to impact saleyard throughput as producers seek to rebuild herds and flocks. As a flat fee for service organisation this has a significant bottom-line impact on WAMIA.

Largely as a result of reduced throughput, WAMIA incurred a full year loss of \$1,117,185 against a budgeted loss of \$627,752. Earnings before interest, tax, depreciation and amortisation was a loss of \$16,800 against a budget of \$473,984. The next few years present financial challenges with increased repairs and maintenance costs with an asset over ten years of age. The Board is actively seeking the best ways to manage this moving forward and also opportunities to diversify income and usage.

One of the Authority's key values is a focus on animal welfare and safety. Ongoing improvements have continued in this area during 20/21 with less incidents for both people and animals. A Veterinarian has been employed on a shared cost basis with Nutrien and Elders to be on site the day prior and sale days to ensure expert advice is available to help achieve the best animal welfare outcomes and decisions. Safety of our staff and users is a high priority with improved reporting systems being implemented in 2021 and ongoing training in livestock handling to continue into 2022.

Work continued during the year in the development of our Audit and Risk Process. With the retirement from the Board of Ms Julie Cox, Ms Joanna Williams was appointed to Chair the Audit and Risk Committee. Joanna brings a great deal of enthusiasm and knowledge to this process through her broad industry experience. The ongoing establishment and review of our policies and processes strives to set WAMIA on a path of continual improvement and accountability.

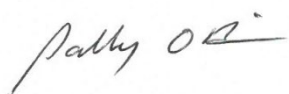
WAMIA maintained its compliance function, as set out in the WAMIA Act. We continue to work in a collaborative manner with other agencies to ensure the most appropriate and efficient outcomes.

The WAMIA Board has continued to monitor and note the ongoing negotiations for the renewal of the lease of Boyanup Saleyards from the Shire of Capel beyond its expiry in 2022.

I would like to thank my fellow Board Members for their ongoing support and contribution, the frank and open manner in which we are able to function as a Board is a strong attribute. I also extend thanks to my Deputy Chair Dr Kelly Pearce, for standing in on my behalf whilst I dealt with some family health challenges this year.

I would also like to sincerely thank Tim Collins CEO, Judy Niblett EO, Sidney Pinto CFO and Liam Birkin Saleyard Manager for their hard work and dedication in pursuing the continued success of WAMIA.

The Board of WAMIA always welcomes any feedback in relation to its performance.



Sally O'Brien

Chairman

31 August 2021

Overview

Executive Summary

Performance Highlights

The Muchea Livestock Centre processed 96,554 cattle for auction sales (62 below last year's throughput of 96,616) and 456,095 sheep (102,449 below last year's throughput of 558,544).

20,983 cattle were weighed for private sale at the Muchea Livestock Centre, 5,881 below last year's volume of 26,864.

Transshipment of cattle for the year was 101,978 cattle days (15,693 cattle days below last year's volume of 117,671).

WAMIA has incurred a full year loss of \$1,117,185 versus budget loss of \$627,752 primarily due to lower volumes. The sheep throughput was 17% below budget. The Transshipment cattle and Private weighing and scanning 15% and 25% lower than estimated respectively. The auction cattle were 4% above budget. Earnings before Interest, Tax, Depreciation and Amortisation was a loss of \$16,800 versus a budget earnings of \$473,984.



Operational Structure

About us

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

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

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

Enabling Legislation

- The Authority was established as an authority on 18 October 1976, under the *Western Australian Meat Industry Authority Act 1976* and *Western Australian Meat Industry Authority Regulations 1985*.

Board

The Authority consists of eight members appointed by the Minister and a representative of the Director General of the Department of Primary Industries and Regional Development (DPIRD). The Authority Members at 30 June 2021 were:

Sally O'Brien	Representing the Minister
Kelly Pearce (Deputy Chair)	Representing the Producers of Meat
Kim McDougall	Representing Private Abattoirs
Mark Panizza	Representing Private Abattoirs
Mark Ritchie	Representing the Director General's Office DPIRD
John Da Silva	Representing Employees of the Industry
Belinda Lay	Representing the Producers of Meat
Joanna Williams	Representing the Wholesale and Retail Meat Industry

Board Profiles



Sally O'Brien (Chairman)

Ms O'Brien was appointed as Chairman of the Board in August 2019 following her prior role as Deputy Chairman, and her appointment to the Board in 2011. She operates a family mixed broad acre agricultural business located at Irwin (WA's Midwest) producing grain, beef cattle, wool and prime lambs. Ms O'Brien was Vice Chairman of the Mingenew Irwin Group (2010-2017) (1998-2001 Treasurer). Ms O'Brien is a founding Board Member of MIGO (Mingenew Irwin Group Operations) a commercial division of the Mingenew Irwin Group.



Kelly Pearce

Dr Kelly Pearce was appointed to the Board for a three-year term in August 2019 representing the producers of meat and was appointed as Deputy Chair in 2020. Dr Pearce is a grain and prime lamb producer based in Yealering. She has an eighteen-year career in Agricultural Research and continues to coordinate several regional science and innovation projects and is currently Acting Executive Officer of The Facey Group based at Wickpin. Dr Pearce is a Director of the Biosecurity Council of WA, Director of the Grower Group Alliance (WA) and a Committee Member of the Gene Technology Technical Advisory Committee, and the WA Sheep & Goat Industry Funding Scheme Management Committee. Dr Pearce is a graduate of the Australian Institute of Company Directors and a 2012 Nuffield Scholar.



Kim McDougall

Mr McDougall was reappointed to the Western Australian Meat Industry Authority Board as the representative for Private Abattoirs for a further three-year term in April 2020. His career has spanned in excess of 30 years in the Western Australian livestock industry, principally dealing with producers in the marketing of both cattle and sheep.

Mr McDougall has represented the agribusiness agency sector at WALSA (Western Australian Livestock Salesmen's Association) as well as in the role of a management committee member of Livestock Logistics WA.

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



Mark Panizza

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



Mark Ritchie

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



John Da Silva

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



Belinda Lay

Mrs Lay was appointed to the Board for a one-year term in May 2020 and has been re-appointed for a further term until June 2022, as a representative of producers of meat. Mrs Lay is currently a business partner at Coolindown Farms, a family-owned mixed sheep and grain enterprise near Esperance and is the Co-Founder and current

secretary of Esperance Zone Innovation (EZI) Group Inc. She has worked in the Agricultural Industry since 1994 and holds a double Diploma in Business Studies and Agriculture as well as completing the full AICD Company Directors Course in 2020. In 2019, Mrs Lay won the WA Agrifutures Rural Women's Award for her pilot project looking at GPS tracking of lambing ewes for animal welfare and production outcomes.



Joanna Williams

Joanna Williams was appointed to the Board for a one-year term in September 2020 and has been re-appointed for a further term until June 2022, as a representative representing the Wholesale & Retail Meat Industry. Ms Williams is a highly accomplished operations, sales and marketing professional with over 15 years of experience within the fast

moving consumer goods (FMCG) industry and has worked extensively across both Australian domestic and international markets. She has considerable business and entrepreneurial experience through her partnerships within the wholesale and retail industries, having successfully negotiated supply agreements with all the major multiples in Australia. Ms Williams management roles within Craig Mostyn Group, Cannon Foods and Woolworths have provided her a comprehensive understanding of supply chain management within an accomplished integrated meat processing model. Joanna's experience in lean processing, continuous improvement and occupational safety and health is a great asset to the board.

Authority Meetings

Nine Authority meetings were held during 2020/21. Members' attendance at the meetings is detailed below.

Name of Member	Meetings Attended	Maximum Attendance
Sally O'Brien (Chairman)	8	9
Kelly Pearce (Deputy Chairman)	9	9
Kim McDougall	5	9
Mark Panizza	8	9
Mark Ritchie	8	9
John Da Silva	9	9
Belinda Lay	9	9
Joanna Williams	6	7

Mission

The Authority's mission is to provide an independent, accessible, and efficient livestock exchange facility for Western Australia that is safe for animals and people.

Values

- be honest and ethical.
- display leadership and accountability at all levels.
- focus on animal welfare and safety.
- provide customer service with a positive attitude.

Organisational Structure

WAMIA Management Team

Tim Collins (Chief Executive Officer)

Mr Collins has significant experience as an executive in logistics and agribusiness. Prior to joining WAMIA he held the position of Project Director of Westport (a major WA State Government port infrastructure project) and previously held executive management roles with the CBH Group, Aurizon and Brookfield infrastructure Partners. Mr Collins is a graduate of the Royal Military College Duntroon, has completed a Master of Business Administration with Southern Cross University, a Master of Management with the Macquarie Graduate School of Management, a Bachelor of Transport Economics and Logistics with RMIT and has completed the Advance Management Program at INSEAD in France. He was appointed to WAMIA in April 2021

Sidney Pinto (Chief Financial Officer)

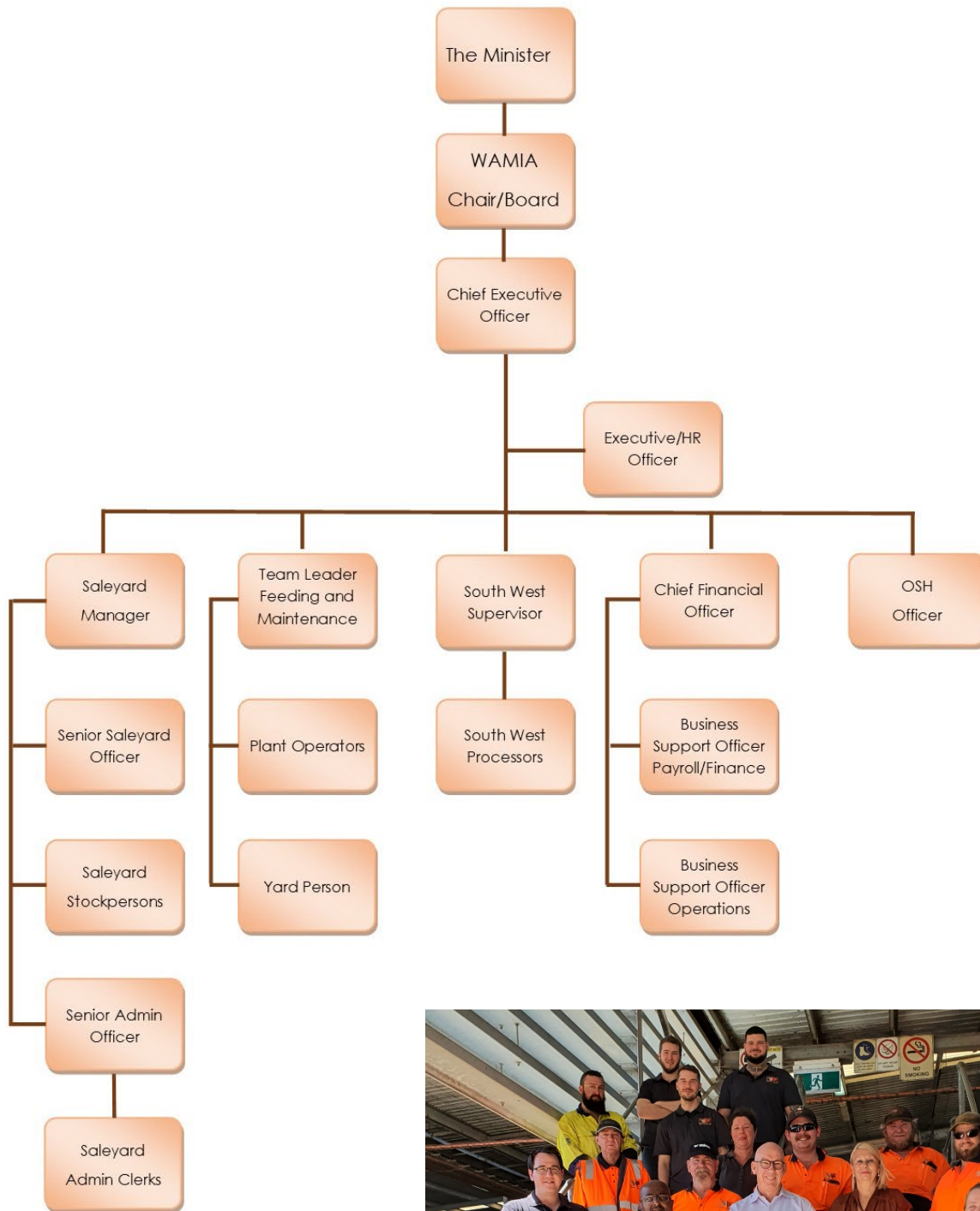
Mr Pinto is a member of CPA and has extensive accounting experience that spreads over various industries including manufacturing, mining, retail and services. Mr Pinto joined WAMIA in May 2016.

Judith Niblett (Executive Officer)

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



Organisational Chart



Back Row: L Birkin, D Stone
 Next Row: J Cornwallis, J Birkin
 Next Row: R Banfield, L Parmenter, J Parks, G Grey
 Next Row: S Gibson, J Niblett, S Rogers
 Next Row: B Banyai, T Collins
 Next Row: S Pinto, M Caton

Administered Legislation

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

- *Western Australian Meat Industry Authority Act 1976.*
- *and Western Australian Meat Industry Authority Regulations 1985.*

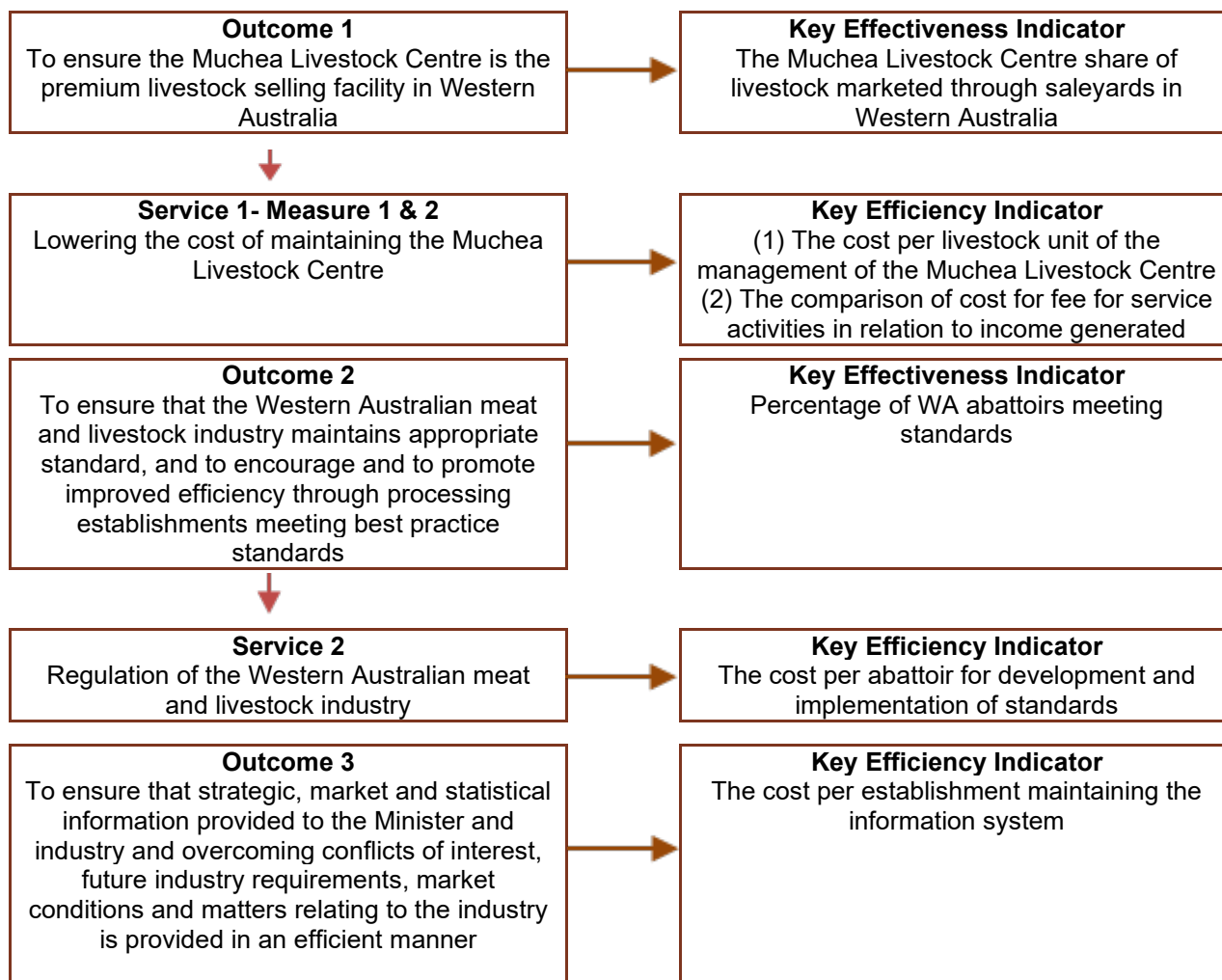
Other Key Legislation Impacting on the Western Australian Meat Industry Authority's Activities

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

- *Auditor General Act 2006;*
- *Public Sector Management Act 1994;*
- *Occupational Safety and Health Act 1984;*
- *Equal Opportunity Act 1984;*
- *Financial Management Act 2006;*
- *Pay-Roll Tax Assessment Act 2002;*
- *Taxation Administration Act 2003;*
- *Freedom of Information Act 1992;*
- *Industrial Relations Act 1979;*
- *Long Service Leave Act 1985;*
- *Workers Compensation and Injury Management Act 1981*
- *Minimum Conditions of Employment Act 1993;*
- *Salaries and Allowances Act 1975;*
- *State Records Act 2000; and*
- *State Supply Commission Act 1991.*
- *State Government Insurance Commission Act 1986;*
- *State Superannuation Act 2000;*
- *Procurement Act 2000'*
- *Professional Standards Act 1997;*
- *Animal Welfare Act 2002 and Transportation, Saleyard and Depots (Cattle and Sheep) Regulations 2020;*
- *Biosecurity and Agriculture Management Act 2007;*
- *Firearms Act 1973; and*
- *Dangerous Goods Safety Act.*

Performance Management Framework

Outcome-based Management Framework



Changes to Outcome-based Management Framework

The Authority's outcome-based management framework did not change during 2020/21.

Shared Responsibilities with Other Agencies

The Western Australian Meat Industry Authority did not share any responsibilities with other agencies in 2020/21.

Agency Performance

Report on Operations

Actual Results versus Budget Targets

Financial Targets

	2020/21 Target ⁽¹⁾ \$	2020/21 Actual \$	Variation ⁽²⁾ \$
Total cost of services ^(a)	4,461,043	4,796,948	(335,905)
Total Income ^(b)	3,833,291	3,679,763	(153,528)
Total equity ^(c)	53,805,857	53,226,901	(578,956)
Net increase / (decrease) in cash held ^(d)	(1,739,379)	(1,829,905)	(90,525)
Approved salary expense ^(e)	2,058,107	2,186,999	(128,892)

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 8.10 Explanatory statement to the financial statements.

- a. The variation is mainly due to additional salaries and wages of Saleyard staff on unbudgeted additional hours worked, long service leave provision expenses on casual staff, insurance costs, computing costs and repairs and maintenance costs over budget.
- b. Income below budget as a result of sheep, privates (cattle weighing/scanning), and transhipment cattle throughput significantly lower than estimated.
- c. The negative variance caused by lower throughput affecting income and higher costs over budget.
- d. Cashflow impact from lower income and higher costs.
- e. Salary expenses over budget as a result of additional salaries & wages costs incurred over budget.



Summary of Key Performance Indicators

	2020/21 Target (1) / Previous Year	2020/21 Actual	Variation (2)
<p>Outcome 1: To ensure the Muchea Livestock Centre is the premium livestock selling facility in Western Australia.</p> <p>Key Effectiveness Indicator: The Muchea Livestock Centre share of livestock marketed through saleyards in Western Australia.</p>	<p>Cattle 41.5% Sheep 43.8%</p>	<p>Cattle 39.2% Sheep 40.1%</p>	<p>Cattle (2.3%) Sheep (3.6%)</p>
<p>Service 1 – Measure 1</p> <p>Key Efficiency Indicator: Lowering the cost of maintaining the Muchea Livestock Centre.</p> <p>Relevance of indicator: Lowering the cost of maintaining the Muchea Livestock Centre</p>	<p>\$1.82</p>	<p>\$2.04</p>	<p>(\$0.22)</p>
<p>Service 1 – Measure 2</p> <p>Key Efficiency Indicator: The comparison of cost for fee for service activities in relation to income generated. *</p> <p>* Income generated for every \$1 of cost for fee for service activities.</p> <p>Relevance of indicator: The cost of any fee for service activity is not subsidised from income generated by ordinary saleyard fees.</p>	<p>\$0.86</p>	<p>\$0.98</p>	<p>(\$0.12)</p>
<p>Outcome 2: To ensure that the WA meat and livestock industry maintains appropriate standards.</p> <p>Key Effectiveness Indicator: Percentage of WA abattoirs meeting standards (refer to page 88 - Appendix A).</p>	<p>80.0%</p>	<p>71.5%</p>	<p>(8.5%)</p>
<p>Service 2: The Compliance and Licensing services are to ensure that WA abattoirs maintain minimum standards, and to encourage and promote improved efficiency through abattoirs meeting best practice standards.</p> <p>Key Efficiency Indicator: The cost per abattoir for development and implementation of standards. (Refer to page 88- Appendix A)</p>	<p>\$10,222</p>	<p>\$10,992</p>	<p>(\$770)</p>

	2020/21 Target (1) / Previous Year	2020/21 Actual	Variation (2)
<p>Outcome 3: To ensure strategic, market and statistical information is provided to the industry in an efficient manner.</p> <p>Key Efficiency Indicator: The cost per establishment of maintaining the information system.</p>	\$371	\$399	(\$28)

(1) As specified in the Budget Statements.

(2) Explanations for the variations between target and actual results are presented in “Audited Key Performance Indicators”, refer to pages 75 - 88.



Significant Issues Impacting the Agency

Current and emerging issues and trends

The major issues which faced the Authority during the year was ongoing Covid-19 outbreaks. Each outbreak also impacts the way business is conducted at the Muchea Livestock Centre (MLC) according to the level of restrictions applying at any given time. The major changes made were:

- restricting access to the site on sale days to essential workers only including Authorised Contractors, transportation staff, vendors and WAMIA employees;
- pre-Registration of Buyers;
- following Health Department advice in relation to hand hygiene and physical distancing requirements;
- temperature testing and registration at the main gates, prior to entry, using the WA Safe App QR Code, or manually record entry (every time they enter the facilities);
- mandatory wearing of face masks on entry to MLC;
- the MLC Canteen remained operational, but adhered to physical distancing requirements and only providing takeaways when required; and
- implementing working from home policies and procedures.

The MLC has taken on an educational role in terms of Q-Fever and raising awareness of the risks for those who are not vaccinated. All staff are now vaccinated and inductions to the site include this information and there is also increased signage across the site.

Economic and social trends

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

Changes in written law

The new *Animal Welfare (Transport, Saleyards and Depots) (Cattle and Sheep) Regulations 2020* came into effect in October 2020 in Western Australia. The WAMIA Management team is very committed to the effective adoption of these regulations and early in 2021, in collaboration with Agents, directly engaged veterinary services at the Muchea Livestock Centre to further enhance the welfare of animals whilst at the Saleyards.

Likely developments and forecast results of operations

Forecast livestock volumes have been reduced for 2021-22 due largely to the increased transshipment of livestock to eastern state producers, who are restocking in the aftermath of significant droughts, floods, and fires. Record prices on a national level are also a contributing factor to the reduction in numbers.

Climate change is an emerging risk with possible future implications that could impact on the welfare of communities and economies, both domestically and globally.

During February 2021, the Muchea Livestock Center became an emergency animal evacuation center for our local communities' equine livestock, after many families had emergency evacuate from their properties due to a significant bushfire occurring within the Shires of Chittering and Swan Valley. The WAMIA Board fully supported Management's decision to suspend our weekly cattle and sheep auctions for the first time in WAMIA's history.

As part of the Boards strategic and development plans to continually improve our operational efficiency, and reduce our CO2 emissions to align with the State Governments plan for a climate-resilient community and prosperous low-carbon future, WAMIA has commenced:

- adding further technological green energy advancements such as solar energy installation to reduce our carbon footprint and energy consumption,
- transitioning the facilities lighting systems to LED where appropriate, and
- exploring hydrogen energy capture.

WAMIA currently undertakes the following environmental activities:

- water harvesting and conservation
- recycling wastewater
- recycling paper and cardboard
- solar hot water systems and pumps
- animal manure on-sold for gardening purposes

Other improvements planned for the Muchea Livestock Center in 2021/22 include:

- significant improvements to the local 4G mobile network via installation of a local, MLC antenna,
- transition to the cloud based "Agrinous" for the conduct of IT in support of saleyard operations,
- the implementation of major maintenance program across the yards,
- the commencement of comprehensive low stress stock handling programs for WAMIA staff,
- further enhancements to the WAMIA safety management systems in terms of both equipment and operational practice with a strong focus on human safety and animal welfare, and



- the commencement of a strategic asset replacement program focused on the three crowding yards and crush/weighers operated by WAMIA.



Performance

Strategic Planning

The Authority's Board held workshops in 2019 and during 2020 to develop and finalise a new Strategic Plan which covers the period of 2020 to 2025. Key elements of the Plan are outlined below.

Purpose

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

Values

The Authority aims too always:

- operate at all times in a honest and ethical manner.
- display leadership and accountability at all levels.
- commitment to welfare and safety of people and animals.
- provide positive customer service.

Strategic Issues

The Authority identified the following key strategic issues that will be to be addressed to meet the ongoing objectives of the organisation.

- how do we attract more volume and throughput.
- Ministerial approval required for potential site development activities outside of the Act.
- risk of a serious safety incident.

increasing pressure on animal welfare.

- renewable Energy Development.
- depletion of cash reserves.
- ongoing compliance function of the Act.
- volume is at risk in an extended livestock standstill.

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

Compliance

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

Approval of Abattoirs

- approval to construct.
- granting or refusing applications.
- conditions of approval.
- revocation of approval.

Product description

- permission to use commercial brands.
- permission to use regulatory brands.
- revocation of approval to use commercial or regulatory brands.
- auditing of abattoirs.
- monitoring of retail outlets.
- monitoring of pet food establishments, illegal slaughter operations, boning rooms & small goods establishments.
- offences under the *Act and Regulations*.
- advice to Applicants/Operators.

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

- the Authority has a zero tolerance to illegal slaughter.
- the Authority will investigate all allegations of illegal slaughter referred to it.
- all investigations will be fully documented.
- investigations will be carried out in conjunction with other regulatory agencies where appropriate.
- where an investigation establishes clear evidence of illegal slaughter, the Authority will refer the matter to the State Solicitors Office for prosecution; and
- the Minister will be apprised of cases of illegal slaughter at the periodic briefings with the Authority's Chairman and Chief Executive Officer.

Industry Standards

The Authority maintains close liaison with the relevant inspection bodies to ensure that all required standards are maintained. Where appropriate, joint visits to establishments are made with other relevant regulatory agencies. At 30 June 2021, the Authority was not aware of any establishments in Western Australia which were failing to comply with the relevant Australian Standards.

Compliance Functions

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

Industry Liaison for Compliance

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

Illegal Slaughter

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

Carcass Branding Activity

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

Branding Compliance

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

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

Establishment Approvals

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

Table 1 : Establishments by Category

Category	Standard/Inspection	Market Access	Numbers as 30/06/20	Numbers as 30/06/21
Export	Export standards and importing country requirements / AQIS Inspection	No restrictions in Australia	12	11
Domestic Unrestricted	Australian Standard. Health Dept/ Local Govt Inspection	No restrictions in Australia.	6	6
Domestic Restricted	Australian standard. Special conditions apply	Distribution and capacity restrictions	1	1
Special Prison farm and Agricultural Colleges.	Australian standard. Health Dept/ Local Govt Inspection	Internal supply and capacity restrictions	5	5
Closed with current approval	Required to maintain basic environmental standards	Nil	4	5
Under construction	Non-operational	Non-operational	1	2
Total			29	30



Applications for Approvals

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

Table 2 : Applications by year

	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
Applications to construct an establishment	0	1	1	1
Applications to operate	2	3	0	0
Applications for variation to approval	0	0	0	0

Table 3 : WAMIA Approved Abattoirs by Category as of 30 June 2021

Category	Abattoir	Location
Export	Ausvision Meat Processors Pty Ltd	Beaufort River
	Derby Industries Pty Ltd	Wooroloo
	Harvey Industries Pty Ltd	Harvey
	Fletcher International Pty Ltd	Narrakup
	Prime Meat Co 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
	Central Agri Group Pty Ltd*	Esperance
	Gingin Meatworks	Gingin
	Kimberley Meat Company Pty Ltd	Derby
	WA Meat Co Pty*	Gingin
	Great Eastern Abattoir	Tammin
Domestic Unrestricted	Southern Brook Abattoir	Keysbrook
	Dardanup Butchering Company	Picton
	Konyen Farm (Rabbits)	Baldivis
	Avon Valley Abattoir	Northam
	Food Security International	Corrigin
	Goodchild Abattoirs*	Australind
	Hagan Bros	Greenough
Domestic Restricted	Kellerberrin Butchery	Kellerberrin
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
Under Construction	Whitmore Gardens Pty Ltd	Darling Downs
	Kilto Station Pty Ltd	Broome

* Currently licenced but not operating

Current Construction Approvals

The Board approved one application to construct an abattoir during 2020/21.

State Processing Statistics

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

Table 4 : Abattoir throughput by category (cattle, sheep, lamb, goat and pigs) for 2019/20 and 2020/21

Category	Year	Cattle	Sheep	Lambs	Goat	Pigs
Export	2019/20	437,504	1,682,874	2,352,716	27,291	700,877
	2020/21	351,044	1,340,075	2,189,505	14,846	752,436
Domestic (unrestricted)	2019/20	54,327	98,022	168,518	2,595	99,162
	2020/21	50,554	85,659	154,113	3,665	107,176
Domestic without Meat Inspection	2019/20	4	47	11	5	0
	2020/21	3	85	0	0	0
Special	2019/20	2,761	6,008	173	0	263
	2020/21	2,623	5,954	249	0	148
Totals	2019/20	495,612	1,515,898	1,842,257	29,916	800,302
	2020/21	404,224	1,431,773	2,343,867	18,511	859,760
% Change	2020/21	6%	1%	(35%)	(26%)	(2%)

Table 5 : Abattoir throughput for other species by category for the years 2019/20 and 2020/21

Category	Year	Deer	Rabbit	Other
Export	2019/20	0	0	0
	2020/21	0	0	0
Domestic (unrestricted)	2019/20	329	18,561	22
	2020/21	420	17,345	46
Total	2019/20	329	18,516	22
	2020/21	420	17,345	46

Compliance Activity Summary

Table 6 : Enquires received by the Authority from 2018/19 to 2020/21

Enquires Received	2018/2019	2019/2020	2020/21
Saleyard	42	97	231
Statistical	8	8	3
Market	8	16	51
Regulatory	25	7	7
General Information	23	15	370
Complaints	2	18	7
Total	108	161	620

Table 7 : Investigations undertaken by the Authority 2019/20 to 2020/21

Investigations Undertaken	2019/20			2020/21		
	New	Completed	Ongoing	New	Completed	Ongoing
Illegal slaughter	0	2	1	4	2	3
Product misdescription	0	0	0	0	0	0
Labelling issues	0	0	0	0	0	0
Over the hooks	0	0	0	0	0	0
Brand issues	0	1	0	0	0	0
Other	0	0	0	1	1	0
Assist other regulators	0	1	0	0	0	0

Legal Action

None

Muchea Livestock Centre (MLC)

Services

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

- transhipment
- feeding
- agistment
- DAWR accredited live export cattle depot
- pregnancy testing
- dentition assessment
- manure and compost sales
- truck parking
- truck wash
- venue for community meetings and functions.



Animal Welfare

Compliance with Animal Welfare requirements is an essential element of the MLC's operation. The MLC has a zero-tolerance policy for animal cruelty with any cases immediately referred to regulators. MLC staff work daily with MLC users to ensure that the centre maintains the highest standards through:

- planning and contingencies for animal welfare incidents.
- maintenance and design of MLC holding facilities and equipment.
- ensuring staff competency.
- management of weak, ill, or injured livestock at the centre.
- general management of livestock at the centre.
- humane euthanasia of stock.

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

A Memorandum of Understanding between the Authority and the Department of Primary Industries and Regional Development has been developed and was signed in September 2017. Further discussions have now commenced on initiating an updated agreement.

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

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



Livestock Throughput

Yarding of cattle, sheep and lambs for the Muchea Livestock Centre from 2012/13 to 2020/21 are listed in table 8.

Table 8 : Muchea Livestock Centre throughput by year

Year	Cattle	Sheep, lambs and goats
2012/2013	80,917	550,343
2013/2014	92,780	785,750
2014/2015	104,774	660,050
2015/2016	108,830	557,713
2016/2017	98,990	601,335
2017/2018	93,310	655,241
2018/2019	93,617	539,849
2019/2020	96,616	558,544
2020/2021	96,554	456,095

Table 9 : Muchea Livestock Centre transshipment and non-sale weighing (cattle and Sheep days multiplied by the number of head) throughput by year

Year	Non sale weighing	Cattle transshipment days	Sheep transshipment days
2012/2013	20,249	49,428	20,627
2013/2014	27,969	59,596	16,994
2014/2015	19,384	38,908	16,762
2015/2016	36,950	139,059	36,434
2016/2017	28,419	72,021	25,913
2017/2018	32,226	60,328	22,969
2018/2019	23,142	76,004	10,586
2019/2020	26,864	117,671	90,143
2020/2021	17,856	101,978	25,212

Industry Development

Activities

The Authority takes a proactive approach to promoting efficiency in the industry, through consultation with the WA Livestock Agents, Executive Committees of the WA Farmers

Federation, the Pastoralists and Graziers Association and the Livestock & Rural Transporters Association.

Industry Database

The Authority maintains a database of the WA Saleyard and Meat Processing Industry that provides accurate information on both the throughput of the States saleyards and abattoir industry. Reports from the database can be generated from 2005/06. These reports are used by several Government and Industry organisations.

Education

The Authority recognises that the involvement of the saleyard industry in the agricultural education sector is an important function. There is potential to develop the MLC as a training centre demonstrating best practice in stockmanship, animal welfare and biosecurity. This initiative would also form an important part of WAMIA's staff recruitment and retention strategy.





Auditor General

INDEPENDENT AUDITOR'S OPINION 2021

Western Australian Meat Industry Authority

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Western Australian Meat Industry Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Meat Industry Authority for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Meat Industry Authority. The controls exercised by the Authority are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Western Australian Meat Industry Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

The Board's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Western Australian Meat Industry Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control it determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

My independence and quality control relating to the reports on controls and key performance indicators

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

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Western Australian Meat Industry Authority for the year ended 30 June 2021 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, controls 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, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 August 2021

Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Western Australian Meat Industry Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

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



S. Pinto

Chief Financial Officer of the Western Australian Meat Industry Authority

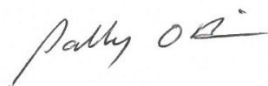
20 August 2021



Mark Panizza

Member of the Western Australian Meat Industry Authority

20 August 2021



S. O'Brien

Chair of the Western Australian Meat Industry Authority

20 August 2021

Financial statements for the year ended 30 June 2021

The Authority has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2021 which provides users with the information about the Authority's stewardship of resource entrusted to it. The financial information is presented in the following structure:

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Financial Statements

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 (\$)	2020 (\$)
INCOME			
Revenue			
Sales	3.2	654,233	643,570
Fees and charges	3.1	2,855,335	2,980,446
Interest revenue	3.3	64,728	135,638
Other revenue	3.5	105,467	185,180
TOTAL INCOME		3,679,763	3,944,834
EXPENSES			
Cost of sales	3.2	214,605	206,703
Employee benefits expense	2.1	2,186,997	2,056,226
Supplies and services	2.2	1,074,433	930,800
Depreciation and amortisation expense	4.1, 4.3, 4.4	1,175,253	1,176,168
Finance costs	6.3	688	787
Loss on disposal of non-current assets	3.4, 4.3	-	17,797
Other expenses	2.3	144,972	99,522
TOTAL EXPENSES		4,796,948	4,488,003
DEFICIT FOR THE PERIOD		(1,117,185)	(543,169)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation	4.1	(89,524)	7,053
Total other comprehensive income		(89,524)	7,053
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(1,206,709)	(536,116)

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

Statement of Financial Position

As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	5,874,024	5,703,929
Inventories	3.2	81,224	102,618
Receivables	5.1	284,517	343,141
Other assets	5.2	30,727	19,522
Other financial assets	5.3	1,000,000	1,000,000
Total Current Assets		7,270,492	7,169,210
Non-Current Assets			
Infrastructure, property, plant and equipment	4.1	44,383,480	45,553,491
Investment property	4.2	2,120,000	2,120,000
Right-of-use assets	4.3	20,475	28,710
Intangible assets	4.4	3,335	4,238
Total Non-Current Assets		46,527,290	47,706,439
TOTAL ASSETS		53,797,782	54,875,649
LIABILITIES			
Current Liabilities			
Payables	5.4	198,440	210,516
Lease liabilities	6.2	8,904	8,064
Employee related provisions	2.1	197,155	107,347
Total Current Liabilities		404,499	325,927
Non-Current Liabilities			
Lease liabilities	6.2	13,215	22,227
Employee related provisions	2.1	153,167	93,885
Total Non-Current Liabilities		166,382	116,112
Total Liabilities		570,881	422,039
NET ASSETS		53,226,901	54,433,610
EQUITY			
Contributed equity	8.8	-	-
Reserves		734,102	823,626
Accumulated surplus		52,492,799	53,609,984
TOTAL EQUITY		53,226,901	54,433,610

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 2021

	Notes	Contributed equity \$	Reserves \$	Accumulated surplus / (deficit) \$	Total equity \$
Balance at 1 July 2019	8.8	-	816,573	54,153,153	54,969,726
Deficit for the period		-	-	(543,169)	(543,169)
Other comprehensive income/ (loss)	8.8	-	7,053	-	7,053
Total comprehensive loss for the period		-	7,053	(543,169)	(536,116)
Balance at 30 June 2020		-	823,626	53,609,984	54,433,610
Balance at 1 July 2020	8.8	-	823,626	53,609,984	54,433,610
Deficit for the period		-	-	(1,117,185)	(1,117,185)
Other comprehensive income/(loss)	8.8	-	(89,524)	-	(89,524)
Total comprehensive income/(loss) for the period		-	(89,524)	(1,117,185)	(1,206,709)
Balance at 30 June 2021		-	734,102	52,492,799	53,226,901

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 2021

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		678,173	666,825
Fees and charges		2,845,578	2,879,852
Interest received		64,728	135,638
GST receipts on sales		346,746	335,573
Other receipts		114,567	127,953
Payments			
Employee benefits		(2,092,867)	(2,037,762)
Supplies and services		(1,329,102)	(1,218,267)
Finance costs		(688)	(787)
Accommodation		(17,446)	(6,415)
GST payments on purchases		(144,340)	(149,896)
GST payments to taxation authority		(200,767)	(211,075)
Net cash provided by operating activities		264,582	521,639
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(83,723)	(293,525)
Receipts			
Proceeds from sale of non-current assets		-	12,725
Proceeds from financial assets		-	5,300,289
Net cash (used in)/provided by investing activities		(83,723)	5,019,489
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(10,764)	(13,606)
Net cash used in financing activities		(10,764)	(13,606)
Net increase in cash and cash equivalents		170,095	5,527,522
Cash and cash equivalents at the beginning of the period		5,703,929	176,407
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1	5,874,024	5,703,929

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

Notes to the Financial Statements

For the year ended 30 June 2021

1. Basis of Preparation

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Authority on 20 August 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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

Judgements and estimates

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

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a

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

2. Use of our Funding

Expenses incurred in the delivery of services

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

	Notes
Employee benefits expenses	2.1(a)
Employee related provisions	2.1(b)
Supplies and services	2.2
Other expenses	2.3

2.1(a) Employee benefits expenses

	2021 \$	2020 \$
Employee benefits	2,156,639	2,028,588
Termination benefits	-	-
Superannuation – defined contribution plans	30,358	27,638
Total employee benefits expenses	2,186,997	2,056,226
Add: AASB 16 Non-monetary benefits	5,024	5,155
Less: Employee contributions	(3,420)	(4,560)
Net employee benefits	2,188,601	2,056,821

Employee Benefits: Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle and housing benefits are measured at the cost incurred by the Authority.

Employee Contributions: contributions made to the Authority by employees towards employee benefits that have been provided by the Authority. This includes both AASB-16 and non-AASB 16 employee contributions.

2.1(b) Employee related provisions

	2021 \$	2020 \$
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	128,084	78,673
Long service leave ^(b)	48,924	18,093
	177,008	96,766
Other provisions		
Employment on-costs ^(c)	20,147	10,581
Total current employee related provisions	197,155	107,347
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	133,189	81,638
Other provisions		
Employment on-costs ^(c)	19,978	12,247
Total non-current employee related provisions	153,167	93,885
Total employee related provisions	350,322	201,232

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

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

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

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Employment on-costs: The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Supplies and services, Note 2.2 and not included as part of the Authority's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Employment on-costs provision	2021 \$	2020 \$
Carrying amount at start of period	22,828	20,454
Additional provisions recognised	17,297	2,374
Carrying amount at end of period	40,125	22,828

Key sources of estimation uncertainty – long service leave

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

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

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

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

2.2 Supplies and services

	2021 \$	2020 \$
Supplies and services		
Communications	27,757	26,804
Computing	178,006	143,814
Consultants and contractors	131,923	129,488
Repairs and maintenance	220,475	216,284
Travel	9,312	12,952
Waste management	60,501	33,204
Water power gas	107,122	105,425
Fuel - diesel	18,072	22,052
Insurance (a)	192,514	133,409
Carcase disposal	38,639	33,254
Market reporting	22,950	19,800
Other	67,162	54,314
Total supplies and services expenses	1,074,433	930,800

(a) Insurance expenses include payments made to RiskCover Insurance of \$180,080 (2020:\$121,656). Refer to Note 8.4

2.3 Other expenses

	2021 \$	2020 \$
Other Expenses		
Bank fees	1,385	1,483
Expected credit losses	205	1,000
Audit fees ^(a)	51,931	52,931
Other ^(b)	91,451	44,108
Total other expenses	144,972	99,522

(a) Audit fees include statutory audit fees (2021:\$36,931, 2020:\$37,931: see Note 8.7) and non-statutory audit fees (2021:\$15,000, 2020:\$15,000).

(b) Other expenses include bad debts written off (2021:\$205, 2020:\$1,399), Staff amenities (2021:\$11,812, 2020:\$12,038) and Training costs (2021:\$15,103, 2020:\$4,785).

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

Repairs, maintenance costs are recognised as expenses as incurred.

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

Expected credit losses is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. The Authority has estimated a provision that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. Our Funding Sources

How we obtain our funding

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

	Notes
Fees and charges	3.1
Sales	3.2
Interest Revenue	3.3
Gains/(losses) on disposal	3.4
Other revenue	3.5

3.1 Fees and charges

	2021 \$	2020 \$
Saleyard Fees and Services	1,259,420	1,309,027
Livestock Services	1,286,999	1,348,195
Abattoir Licensing and Services	144,219	140,632
Truck Wash	164,697	182,592
	2,855,335	2,980,446

Revenue is recognised at the transaction price when the Authority transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for Fees and charges for yarding and processing of cattle and sheep at the Muchea Livestock Centre. The performance obligations for these user fees and charges are satisfied when services have been provided when accepting and processing of cattle and sheep for the public auction.

Revenue is recognised over-time for cattle and sheep feeding income. The Authority typically satisfies its performance obligations in relation to these user fees and charges when request for feeding of transshipment cattle and sheep is received and continued until the dispatch of such cattle and sheep from the Muchea Livestock Centre.

3.2 Trading profit

	2021 \$	2020 \$
Sales	654,233	643,570
Cost of Sales:		
Opening inventory	102,618	79,200
Purchases	193,211	230,121
	295,829	309,321
Closing inventory	81,224	102,618
Cost of Goods Sold	214,605	206,703
Trading Profit	439,628	436,867
Closing Inventory comprises:		
<u>Current Inventories</u>		
Inventories held for resale:		
Finished goods		
At cost	81,224	102,618
Total current inventories	81,224	102,618

Sale of Goods

Revenue is recognised at the transaction price when the Authority transfers control of the goods to customers.

Inventories

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

3.3 Interest Revenue

	2021 \$	2020 \$
Interest revenue (Interest on Term Deposits with BankWest and Rabobank)	64,728	135,638
Total	64,728	135,638

3.4 Gains/(losses) on disposal

	2021 \$	2020 \$
<u>Proceeds from disposal of non-current assets</u>		
Plant, equipment and vehicles	-	12,725
<u>Carrying amount of non-current assets disposed</u>		
Plant, equipment and vehicles	-	(30,178)
Net (loss)	-	(17,453)

Realised and unrealised (losses)/gains are usually recognised on a net basis.

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

3.5 Other Revenue

	2021 \$	2020 \$
Rental Income	96,067	92,838
Other Income(a)	9,400	92,342
	105,467	185,180

(a) Other income includes investment properties' revaluation gains (2021:\$nil, 2020:\$80,000), market information fee income of \$3,454 (2020:\$3,386) and various combined miscellaneous income of \$5,946 (2020:\$8,956).

4. Key Assets

Assets the Authority utilises for economic benefit or service potential

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

	Notes
Infrastructure, property, plant and equipment	4.1
Investment property	4.2
Right-of-use assets	4.3
Intangibles	4.4

4.1 Infrastructure, property, plant and equipment

Year ended 30 June 2021	Land \$	Buildings \$	Assets under construction \$	Infrastructure \$	Plant, equipment and vehicles \$	Total \$
1 July 2020						
Gross carrying amount	2,250,000	14,593,319	-	38,806,897	2,399,447	58,049,663
Accumulated depreciation	-	(2,859,042)	-	(8,051,062)	(1,586,068)	(12,496,172)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of period	2,250,000	11,734,277	-	30,755,835	813,378	45,553,491
Additions	-	9,632	34,457	-	39,634	83,723
Transfers	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
Revaluation (decrements)	-	(89,524)	-	-	-	(89,524)
Impairment losses	-	-	-	-	-	-
Depreciation	-	(234,848)	-	(778,255)	(151,107)	(1,164,210)
Carrying amount at 30 June 2021	2,250,000	11,419,537	34,457	29,977,580	701,905	44,383,480
Gross carrying amount	2,250,000	14,513,427	34,457	38,806,897	2,439,080	58,043,862
Accumulated depreciation	-	(3,093,890)	-	(8,829,317)	(1,737,175)	(13,660,382)
Accumulated impairment loss	-	-	-	-	-	-

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

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

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

Subsequent measurement

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

- land; and
- buildings.

Land is carried at fair value.

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

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

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

Land and buildings were revalued as at 1 July 2020 and the valuations were performed and recognised as at 30 June 2021. In undertaking the revaluation, fair value of buildings was determined on the basis of current replacement cost of \$11,405,273 (2020: \$11,729,385) and fair value of land under buildings and infrastructure of \$2,250,000 (2020: \$2,250,000) was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

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

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

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

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

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

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

4.1.1 Depreciation and impairment

Charge for the period

	2021 \$	2020 \$
<u>Depreciation</u>		
Plant, equipment and vehicles	151,107	139,363
Buildings	234,848	241,156
Infrastructure	778,255	778,907
Total depreciation for the period	1,164,210	1,159,426

As at 30 June 2021 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exception to this rule relates to land and investment properties.

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

Asset	Useful life: years
Buildings	50 years
Plant and equipment	10 years
Office equipment	5 years
Software (a)	4 years
Motor vehicles	8 years
Infrastructure	50 years

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

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

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

Impairment

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

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

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

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

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

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

4.2 Investment property

	2021 \$	2020 \$
Carrying amount at start of period	2,120,000	2,040,000
Revaluation increment	-	80,000
Carrying amount at end of period	2,120,000	2,120,000

Amount recognised in profit or loss: During 2021, investment property rentals of \$96,067 (2020: \$92,838) were included in 'Other Revenue' (Note 3.5). Maintenance expense relating to the investment property, included in 'Supplies and services' was \$nil (2020: \$nil).

Initial recognition

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

Subsequent measurement

Subsequent to initial recognition, investment properties are measured at fair value.

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

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

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

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

Investment properties were revalued as at 1 July 2020 and the valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021. In undertaking the revaluation, fair value was determined by reference to market values for investment property of \$2,120,000 (2020: \$2,120,000).

4.3 Right-of-use assets

	2021 \$	2020 \$
Vehicles	41,651	39,746
Accumulated amortisation	(21,176)	(11,036)
Net carrying amount at 30 June 2021	20,475	28,710

Additions to right-of-use assets during the 2021 financial year were \$1,904.

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 'Investment Property'.

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2021 \$	2020 \$
Vehicles	10,139	14,056
Total right-of-use asset depreciation	10,139	14,056
Lease interest expense	688	787
Loss arising from lease cessation transaction	-	344

The total cash outflow for leases in 2021 was \$11,452 (2020: \$14,393).

The Authority's leasing activities and how these are accounted for:

The Authority has leases for vehicles.

The Authority recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

4.4 Intangible assets

	2021 \$	2020 \$
<u>Computer software and website costs</u>		
At cost	22,102	22,102
Accumulated amortisation	(18,767)	(17,864)
	3,335	4,238
Reconciliations		
<u>Computer software and website costs</u>		
Carrying amount at start of period	4,238	6,924
Additions	-	-
Amortisation expense	(903)	(2,686)
Carrying amount at end of period	3,335	4,238

Initial recognition

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

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

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

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

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets at a minimum of \$5,000 that comply with the recognition criteria as per AASB 138.57 (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

Subsequent measurement

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

4.4.1 Amortisation and impairment

Charge for the period

	2021 \$	2020 \$
Computer software and website costs	903	2,686
Total amortisation for the period	903	2,686

As at 30 June 2021 there were no indications of impairment to intangible assets.

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

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

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

Software (a)	3 to 5 years
Website Costs	3 to 5 years

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

Impairment of intangible assets

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

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

5. Other Assets and Liabilities

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

	Notes
Receivables	5.1
Other assets	5.2
Other financial assets	5.3
Payables	5.4

5.1 Receivables

	2021 \$	2020 \$
Receivables	240,880	278,586
Allowance for expected credit losses	(2,000)	(2,000)
Accrued revenue	45,637	66,555
	284,517	343,141
Other debtors	-	-
Total receivables	284,517	343,141

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

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

5.2 Other assets

	2021 \$	2020 \$
Prepayments	30,727	19,522
	30,727	19,522

5.3 Other financial assets

	2021 \$	2020 \$
Financial assets at amortised cost –Term Deposits(a)	1,000,000	1,000,000
	1,000,000	1,000,000

(a) Bankwest term deposit of \$1,000,000 expiring on 10 October 2021 being maturity date more than 3 months from 30 June 2021 included under Other financial assets above (2020:\$1,000,000).

5.4 Payables

	2021 \$	2020 \$
<u>Current</u>		
Trade payables	30,627	48,364
GST payables	36,941	40,360
Accrued expenses	36,299	41,762
Accrued salaries	34,703	26,756
Payroll Tax Payable	49,479	43,369
Superannuation payable	10,391	9,905
Balance at end of period	198,440	210,516

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

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

6. Financing

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

	Notes
Cash and cash equivalents	6.1
Lease liabilities	6.2
Finance costs	6.3

6.1 Cash and cash equivalents

	2021 \$	2020 \$
Cash and cash equivalents	5,874,024	5,703,929
Balance at end of period	5,874,024	5,703,929

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

6.2 Leases liabilities

	2021 \$	2020 \$
Current	8,904	8,064
Non-current	13,215	22,227
	22,119	30,291

Initial measurement

The Authority measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Authority uses the incremental borrowing rate provided by Western Australian Treasury Corporation.

Lease payments included by the Authority as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;

- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Authority exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Authority if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Authority in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 4.3.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

6.3 Finance costs

	2021 \$	2020 \$
Finance costs		
Lease interest expense	688	787
Finance costs expensed	688	787

7. Financial instruments and Contingencies

	Notes
Financial instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 Financial instruments

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

	2021 \$	2020 \$
<u>Financial Assets</u>		
Cash and cash equivalents	5,874,024	5,703,929
Financial assets at amortised cost ^(a)	1,284,517	1,343,141
Total financial assets	7,158,541	7,047,070
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost ^(a)	161,499	170,156
Total financial liability	161,499	170,156

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

7.2 Contingent assets and liabilities

7.2.1 Contingent assets

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

7.2.2 Contingent liabilities

Litigation in progress

There were no claims present at 30 June 2021.

Native title claims

There were no claims present at 30 June 2021.

Contaminated sites

There were no suspected contaminated sites present at reporting date.

8. Other Disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

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

8.2 Initial application of Australian Accounting Standards

AASB 1059 Service Concession Arrangements: Grantors is effective on or after 1 January 2020.

AASB 1059 introduces the accounting treatment for assets in service concession arrangements from the perspective of public sector grantors. The standard defines a service concession arrangement and provide guidance on the recognition and measurement requirements.

Determining whether an arrangement is a service concession requires significant judgement and should be assessed on an asset by asset basis. There is no one size fits all approach and the characteristics of each potential service concession arrangement should be considered.

The new accounting standard has no impact on the Authority as the Authority does not have any service concession arrangements.

8.3 Key Management Personnel

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

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

Compensation of members of the accountable authority

Compensation Band (\$)	2021	2020
20,001 – 30,000	1	1
10,001 – 20,000	6	6
Up to 10,000	-	2
	\$	\$
Total compensation of members of the accountable authority	114,421	125,135

Compensation of senior officers

Compensation Band (\$)	2021	2020
200,001 – 210,000	-	1
170,001 – 180,000	1	1
140,001 – 150,000	1	-
30,001 – 40,000	1	-
	\$	\$
Total compensation of senior officers	349,974	373,061

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

8.4 Related Party Transactions

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

Related parties of the Authority include:

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

Material transactions with other related parties

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

8.5 Related bodies

There are no related bodies.

8.6 Affiliated bodies

There are no affiliated bodies.

8.7 Remuneration of auditors

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

	2021 \$	2020 \$
Auditing the accounts, controls, financial statements and key performance indicators	36,931	37,931

8.8 Equity

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

Reserves	2021 \$	2020 \$
<u>Asset revaluation surplus</u>		
Balance at start of period	823,626	816,573
Land	-	90,000
Buildings	(89,524)	(82,947)
Balance at end of period	734,102	823,626

Accumulated Surplus	2021 \$	2020 \$
Balance at start of period	53,609,984	54,153,153
Result for the period	(1,117,185)	(543,169)
Balance at end of period	52,492,799	53,609,984
Total equity at end of period	53,226,901	54,433,610

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$205 (2020: \$1,399) was written off the Authority's accounts receivable under the authority of:

	2021 \$	2020 \$
The accountable authority	205	1,399
	205	1,399

(b) Losses through theft, defaults and other causes

	2021 \$	2020 \$
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	-	-

(c) Gifts of public property

	2021 \$	2020 \$
Gifts of public property provided by the Authority	-	-
	-	-

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances, which are greater than 10% and 1% of Total Cost of Services budgeted for the Statements of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$4,461,043 or \$44,610) and are greater than 10% and 1% of Total Assets budgeted for the Statement of Financial Position (i.e. 1% of \$54,175,652 or \$541,757).

8.10.1 Statement of Comprehensive Income Variances

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
		A	B	C	(A-B)	(B-C)
INCOME						
Revenue						
Sales	1	581,125	654,233	643,570	73,108	10,663
Fees and charges		3,049,784	2,855,335	2,980,446	(194,449)	(125,111)
Interest revenue	a	95,500	64,728	135,638	(30,772)	(70,910)
Other revenue	b	106,882	105,467	185,180	(1,415)	(79,713)
TOTAL INCOME		3,833,291	3,679,763	3,944,834	(153,528)	(265,071)
EXPENSES						
Cost of sales		198,278	214,605	206,703	(16,327)	(7,902)
Employee benefits expense		2,058,107	2,186,997	2,056,226	(128,890)	(130,771)
Supplies and services	2, c	922,338	1,074,433	930,800	(152,095)	(143,633)
Depreciation and amortisation expense		1,173,360	1,175,253	1,176,168	(1,893)	915
Finance costs		700	688	787	12	99
Loss on disposal of non-current assets		-	-	17,797	-	17,797
Other expenses	d	108,260	144,972	99,522	(36,712)	(45,450)
TOTAL COST OF SERVICES		4,461,043	4,796,948	4,488,003	(335,905)	(308,945)
LOSS FOR THE PERIOD		(627,752)	(1,117,185)	(543,169)	(489,433)	(574,016)

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	e	-	(89,524)	7,053	(89,524)	(96,577)
Total other comprehensive income/(loss)		-	(89,524)	7,053	(89,524)	(96,577)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(627,752)	(1,206,709)	(536,116)	(578,957)	(670,593)

Major Estimate and Actual (2021) Variance Narratives

- (1) Cattle feeding income included in sales increased by \$73,108 (13%) above budget as a result of higher transshipment cattle and sale cattle throughput for the year.
- (2) Unbudgeted repairs and maintenance cost of ageing assets, prior years' workers compensation adjustments and computer software upgrades/maintenance costs contributed to \$152,095 (16%) increase in supplies and services costs to budget.

Major Actual (2021) and Comparative (2020) Variance Narratives

- (a) Lower interest earnings on term deposits due to decrease in interest yields in 2021 compared to last year.
- (b) Other income in 2020 includes investment properties' revaluation profit of \$80,000 (2021: \$nil).
- (c) Refer to (2) above.
- (d) Unbudgeted recruitment costs incurred in 2021: \$34,943 (2020: \$nil).
- (e) Revaluation deficit of buildings in 2021 compared to a revaluation surplus of land and buildings in 2020.

8.10.2 Statement of Financial Position Variances

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
ASSETS		A	B	C	(A-B)	(B-C)
Current Assets						
Cash and cash equivalents		5,964,550	5,874,024	5,703,929	(90,526)	170,095
Inventories		143,400	81,224	102,618	(62,176)	(21,394)
Receivables		348,000	284,517	343,141	(63,483)	(58,624)
Other current assets		29,100	30,727	19,522	1,627	11,205
Other financial assets		1,000,000	1,000,000	1,000,000	-	-
Total Current Assets		7,485,050	7,270,492	7,169,210	(214,558)	101,282
Non-Current Assets						
Infrastructure, Property, plant and equipment		44,545,000	44,383,480	45,553,491	(161,520)	(1,170,011)
Investment property		2,120,000	2,120,000	2,120,000	-	-
Right-of-use assets		22,000	20,475	28,710	(1,525)	(8,235)
Intangible Assets		3,602	3,335	4,238	(267)	(903)
Total Non-Current Assets		46,690,602	46,527,290	47,706,439	(163,312)	(1,179,149)
TOTAL ASSETS		54,175,652	53,797,782	54,875,649	(377,870)	(1,077,867)
LIABILITIES						
Current Liabilities						
Payables		127,795	198,440	210,516	(70,645)	12,076
Lease liabilities		8,500	8,904	8,064	(404)	(840)
Employee related provisions		100,000	197,155	107,347	(97,155)	(89,808)
Total Current Liabilities		236,295	404,499	325,927	(168,204)	(78,572)

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
Non-Current Liabilities						
Lease liabilities		13,500	13,215	22,227	285	9,012
Employee related provisions		120,000	153,167	93,885	(33,167)	(59,282)
Total Non-Current Liabilities		133,500	166,382	116,112	(32,882)	(50,270)
Total Liabilities		369,795	570,881	442,039	(201,086)	(128,842)
NET ASSETS		53,805,857	53,226,901	54,433,610	(578,956)	(1,206,709)
EQUITY						
Contributed equity						
Reserves		823,626	734,102	823,626	(89,524)	(89,524)
Retained earnings		52,982,231	52,492,799	53,609,984	(489,432)	(1,117,185)
TOTAL EQUITY		53,805,857	53,226,901	54,433,610	(578,956)	(1,206,709)

Major Estimate and Actual (2021) Variance Narratives

No major variances which are greater than 10% and 1% of Total Assets budgeted.

Major Actual (2021) and Comparative (2020) Variance Narratives

No major variances which are greater than 10% and 1% of Total Assets budgeted.

8.10.3 Statement of Cash Flow Variances

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		A	B	C	(A-B)	(B-C)
Receipts						
Sale of goods and services	3	568,790	678,173	666,825	109,383	11,348
Fees and charges		3,115,229	2,845,578	2,879,852	(269,651)	(34,274)
Interest received	f	95,000	64,728	135,638	(30,272)	(70,910)
GST receipts on sales		362,961	346,746	335,573	(16,215)	11,173
Other receipts		97,136	114,567	127,953	17,432	(13,386)
Payments						
Employee benefits		(2,082,842)	(2,092,867)	(2,037,762)	(10,025)	(55,105)
Supplies and services		(1,313,393)	(1,329,102)	(1,218,267)	(15,710)	(110,35)
Finance costs		(700)	(688)	(787)	12	99
Accommodation		(15,000)	(17,446)	(6,415)	(2,446)	(11,031)
GST payments on purchases		(150,000)	(144,340)	(149,896)	5,660	5,556
GST payments to taxation authority		(200,000)	(200,767)	(211,075)	(767)	10,308
Net cash provided by/(used in) operating activities		477,181	264,582	521,639	(212,598)	(257,057)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	4, g	(200,000)	(83,723)	(293,525)	116,277	209,802
Payments to acquire financial assets		-	-	-	-	-
Receipts						
Proceeds from sale of non-current assets		-	-	12,725	-	(12,725)
Proceeds from financial assets	h	-	-	5,300,289	-	(5,300,289)

	Variance Note	Original Budget 2021 \$	Actual 2021 \$	Actual 2020 \$	Variance between budget and actual \$	Variance between actual results for 2021 and 2020 \$
Net cash provided by/(used in) investing activities		(200,000)	(83,723)	5,019,489	116,277	(5,103,212)
CASH FLOWS FROM FINANCING ACTIVITIES						
Principal elements of lease payments		(16,560)	(10,764)	(13,606)	5,796	2,842
Net cash used in financing activities		(16,560)	(10,764)	(13,606)	5,796	2,842
Net increase/(decrease) in cash and cash equivalents		260,621	(170,095)	5,527,522	(90,525)	(5,357,427)
Cash and cash equivalents at the beginning of the period		5,703,929	5,703,929	176,407	-	5,527,522
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		5,964,550	5,874,024	5,703,929	(90,525)	(170,095)

Major Estimate and Actual (2021) Variance Narratives

- (3) Higher feeding income as a result of above budget transshipment cattle and sale cattle throughput.
- (4) Purchase of fixed assets budgeted delayed due to lower cattle and sheep throughput.

Major Actual (2021) and Comparative (2020) Variance Narratives

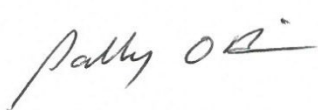
- (f) Lower interest earnings in 2021 due to fall in term deposit interest rates.
- (g) Refer to (4) above.
- (h) Reclassification of term deposits based on maturity in 2020 (2021: \$nil)

Audited Key Performance Indicators for the year ended 30 June 2021

Audited Key Performance Indicators

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Meat Industry Authority's performance, and fairly represent the performance of the Western Australian Meat Industry Authority for the financial year ended 30 June 2021.



S. O'Brien

Chair of the Western Australian Meat
Industry Authority

20 August 2021



Mark Panizza

Member of the Western Australian Meat
Industry Authority

20 August 2021

Outcome One (Effectiveness)

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

Relevance of Outcome

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

Effectiveness Indicator to be Measured

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

Relevance of Indicator

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

Source of Information/M Measurement

In July 2006, the Western Australian Meat Industry Authority (WAMIA or Authority) established a State database for Western Australian saleyard throughput figures sourced from all commercial saleyards operating in WA. This data has been entered onto a database to provide throughput figures for 2020/2021. All saleyards are represented regardless of total throughput or frequency of operation.

Performance of State Throughput

There are thirty-one (31) saleyards in Western Australia, and of these, six (6) saleyards operated on a regular basis (at least six sales per year) during the 2020/2021 financial year or accounted for at least 1% of State saleyards throughput of one species.

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

The market share of cattle and sheep have decreased by 2.3% and 3.7% respectively compared to last year.

Comparative Performance

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

Cattle and Calves

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
MLC	104,754	108,830	98,990	93,310	93,617	96,616	96,554
Total saleyards	244,701	241,052	237,011	215,963	227,505	233,060	246,566
% through MLC	42.8%	45.2%	41.8%	43.2%	41.1%	41.5%	39.2%
Next highest saleyard	69,661	63,552	67,389	60,187	68,447	69,398	78,111

Sheep, Lambs and Goats

	2014/15	2015/65	2016/17	2017/18	2018/19	2019/20	2020/21
MLC	660,093	557,713	608,002	655,241	539,849	558,544	456,095
Total saleyards	1,451,073	1,216,801	1,378,523	1,490,124	1,378,778	1,275,755	1,136,048
% through MLC	45.5%	45.8%	44.1%	44.0%	39.2%	43.8%	40.1%
Highest saleyard	734,397	624,619	703,895	834,883	838,929	717,211	679,953

Performance of Targets

WAMIA set target throughputs as part of its 2020/2021 budget process. These estimates were based on forecasting and seasonal conditions for the coming year. Based on the 2020/2021 actual throughput WAMIA met its expected target for cattle but has not met the target for sheep. The stock numbers for cattle being higher than the estimates by 4%. The throughput number for sheep was lower than the estimate by 17%.

	BUDGET	ACTUALS	VARIANCE	VARIANCE
Cattle	93,000	96,554	3,554	4%
Sheep, lambs, and goats	550,000	456,095	(93,905)	(17%)

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

Lowering the cost of maintaining the Muchea Livestock Centre.

Relevance of Indicator

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

Source of Information

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

Saleyards

	Total	Statutory	Fee for Service	Regulation	Information	Other
Income	\$3,679,763	\$1,379,460	\$1,985,058	\$189,507	\$3,454	\$122,284
Expenditure	\$4,796,948	\$2,247,311	\$2,035,230	\$307,772	\$90,236	\$116,399

Performance

The total cost of maintaining the Muchea Livestock Centre in 2020/2021 was \$2,247,311. The Muchea Livestock Centre's throughput for the year was 1,101,603 livestock units based on the Authority equivalency formula (sheep or lambs equal 1 unit, calves 2 units and cattle 7 units). The methodology for calculating for cost of maintaining the Muchea Livestock Centre and livestock units has been applied consistently since opening in May 2010.

The cost per unit for 2020/2021 to maintain the Muchea Livestock Centre was \$2.04 compared to target cost per unit of \$1.82. The cost per unit excluding depreciation cost of \$705,152 was \$1.40 (target was \$1.34). The actual cost per unit increased from \$1.78 in

2019/2020 to \$2.04 in 2020/2021 mainly due to unforeseen cost increases in insurance and repairs.

Comparative Performance

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Total cost of maintaining Muchea Livestock Centre	\$2,668,163	\$2,857,056	\$2,360,534	\$2,105,597	\$2,247,311
No. of livestock units handled in the year	1,256,687	1,267,106	1,134,518	1,180,661	1,101,603
Cost per unit	\$2.12	\$2.25	\$2.08	\$1.78	\$2.04
Target cost per unit	\$2.07	\$2.30	\$1.81	\$1.79	\$1.82
Cost per unit (less Depreciation)	\$1.54	\$1.67	\$1.46	\$1.19	\$1.40
Target cost per unit (less Depreciation)	\$1.59	\$1.75	\$1.33	\$1.30	\$1.34

Service One – Muchea Livestock Centre (Efficiency Measure 2)

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

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information

Fee for service income was determined from the Authority's accounts. Fee for service activities for 2020/2021 were: rentals, truck wash, livestock transshipment service, removal, and disposal service for injured and dead stock, agistment charges, sale of manure, waste management service fees and livestock feeding charges. A share of total costs attributable to fee for service activities is calculated. These included a share of administration, management, wages, depreciation, power, vehicle, and other operating costs.

Performance

In 2020/2021 the cost of providing fee for service activities at the Muchea Livestock Centre was \$2,035,230. The income generated by these activities was \$1,985,058.

In 2020/2021 the return of fee for service activities at the Muchea Livestock Centre was \$0.98 for every \$1.00 incurred in providing the service. This represents a negative return of 2% on the cost of those activities. Target was \$0.86 for every \$1 budgeted in providing the service.

Comparative Performance

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

	2016/17	2017/18	2018/19	2019/20	2020/21
Total cost of providing fee for service activities at Muchea Livestock Centre	\$2,298,826	\$2,216,598	\$2,019,397	\$1,896,563	\$2,035,230
Income generated by fee for service Activities	\$2,525,290	\$2,364,811	\$2,026,153	\$2,055,846	\$1,985,058
Income generated for every \$1.00	\$1.10	\$1.07	\$1.003	\$1.08	\$0.98
Target Income for every \$1.00	\$1.50	\$1.18	\$1.14	\$0.86	\$0.86
Incurred to provide service Percentage return on costs	10%	7%	0.3%	8%	(2%)

Note that comparison with the percentage return on fee for service activities in 2020/2021 saw a decrease in the percentage return on the provision of services at the Muchea Livestock Centre due to lower throughput.

Outcome Two (Effectiveness)

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

Relevance of Outcome

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

Effectiveness Indicator to be Measured

Percentage of WA abattoirs meeting standards.

Relevance of Indicator

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

Source of Information/M Measurement

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

Performance

The State's abattoirs continue to maintain acceptable standards with the average rating for the twenty-eight (28) abattoirs operating at 30 June 2021 calculated at 71.5%.

Comparative Performance

The following table compares ratings for abattoirs:

	2015/16	2016/17	2017/87	2018/19	2019/20	2020/21
Construction Standard	82.6%	82.6%	84.6%	83.3%	83.3%	79.2%
Product Description System	64.1%	64.1%	76.9%	73.6%	71.9%	67.7%
Health and Hygiene Standard	85.9%	85.9%	90.4%	86.1%	85.4%	84.4%
Training Standard	71.7%	71.7%	76.9%	75.0%	74.0%	71.9%
Quality Assurance System	47.8%	47.8%	61.5%	59.3%	52.8%	54.2%
Average Rating	70.4%	70.4%	78.1%	75.5%	73.5%	71.5%
Target Average Rating	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%

Service Two – Regulation of the Western Australian meat and livestock industry (Efficiency Measure 1)

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

Relevance of Service

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

Efficiency Indicator to be Measured

The cost per abattoir for development and implementation of standards.

Relevance of Indicator

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

Source of Information/M 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 \$307,772. The cost of attaining the standard per abattoir (\$307,772 divided by 28 approved abattoirs) is \$10,992. The average rating for 2020/2021 has been calculated at 71.5%. The efficiency performance (the cost per percentage point of processing establishments rating) is \$154. This means that it cost the Authority \$154 per percentage point of achievement for abattoirs.

Comparative Performance

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

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cost of achieving Standards	\$272,313	\$313,102	\$312,854	\$293,625	\$292,429	\$307,772
Number of Establishments	28	27	24	28	28	28
Actual cost per abattoir	\$9,725	\$11,596	\$13,036	\$10,487	\$10,444	\$10,992
Target cost per abattoir	\$7,056	\$10,826	\$12,647	\$9,980	\$10,147	\$10,222
Average abattoir rating	70.4%	70.7%	78.1%	75.5%	73.5%	71.5%
Cost per rating unit	\$138	\$164	\$167	\$139	\$142	\$154

The results show that the Authority has increased the cost per rating unit to manage these standards and maintain a higher level of service to ensure that industry standards are maintained, and continued action taken against non-complying facilities.

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

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

Relevance of Service

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

Efficiency Indicator to be Measured

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

Relevance of Indicator

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

Source of Information/M Measurement

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

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

Performance

The total cost of maintenance and distribution of information is calculated as a proportion of licensing and development overheads. The total cost to the Authority for 2020/2021 was \$90,236.

Twenty-eight (28) abattoirs, one hundred and eleven (111) processing works, thirty-one (31) saleyards and fifty-six (56) other outlets were operating during the 2020/2021 year. The cost per establishment for delivering the service was \$371. (\$90,236 divided by two hundred and twenty-six (226) establishments).

The total cost of maintenance and distribution of information in 2020/2021 has increased as a result of higher salaries and wages costs compared to 2019/2020. This explains the increase in cost per establishment for delivering service from prior year.

Comparative Performance

	2016/17	2017/18	2018/19	2019/20	2020/21
Total cost of maintenance and distribution of information	\$99,630	\$106,959	\$90,290	\$82,077	\$90,236
Number of establishments	225	222	227	226	226
Actual cost per establishment for Delivering service	\$443	\$482	\$398	\$363	\$399
Target cost per establishment for Delivering service	\$444	\$467	\$379	\$353	\$371

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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Other Statutory Information

Ministerial Directives

No Ministerial directives were received during the financial year.

Other Financial Disclosures

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

Pricing policies of services provided

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

The fees and charges were published in the Government Gazette on 1st July 2020 and introduced/payable from 1st July 2020. Details are available on the Authority's website at www.wamia.wa.gov.au.

Capital Works

One capital project is ongoing in replacing the saleyard software system.

Employment and Industrial Relations

Staff Profile	2021	2020
Full-time permanent	16	15
Full-time contract	-	-
Part-time measured on a FTE basis	4	3
On secondment	1	-
	21	18

Staff Development

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

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

Workers Compensation

Three compensation claim was recorded during the financial year. This compares to zero claims in the previous financial year.

Unauthorised use of credit cards

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

Governance Disclosures

This section contains disclosures regarding governance, including potential conflicts of interest.

Contracts with Senior Officers

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

Insurance premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2020/2021 was \$12,533.

Board and Committee Remuneration

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration 2020/21 financial year
Chairman	Sally O'Brien	Annual	12 months	\$23,468
Deputy	Kelly Pearce	Annual	12 months	\$13,643
Member	Joanna Williams	Annual	09 months	\$10,232
Member	Mark Ritchie	Annual	12 months	-
Member	Kim McDougall	Annual	12 months	\$13,643
Member	Belinda Lay	Annual	12 months	\$13,643
Member	Mark Panizza	Annual	12 months	\$16,223
Member	John Da Silva	Annual	12 months	\$13,643
Total				\$104,495

Government Policy Requirements

Substantive Equality

The Authority is committed to ensure that all employees, job applicants and others dealing with the Authority receive equitable treatment and that there is no bias on the grounds of sex, marital status, pregnancy, race, religion, political conviction or impairment. Furthermore, the Authority seeks to ensure that no one is disadvantaged by conditions or requirements which cannot be shown to be relevant to performance and that the talents and resources of employees are utilised to the full.

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

Occupational Safety, Health and Injury Management

The Authority is committed to ensuring high standards of occupational safety, health and effective injury management through its policies.

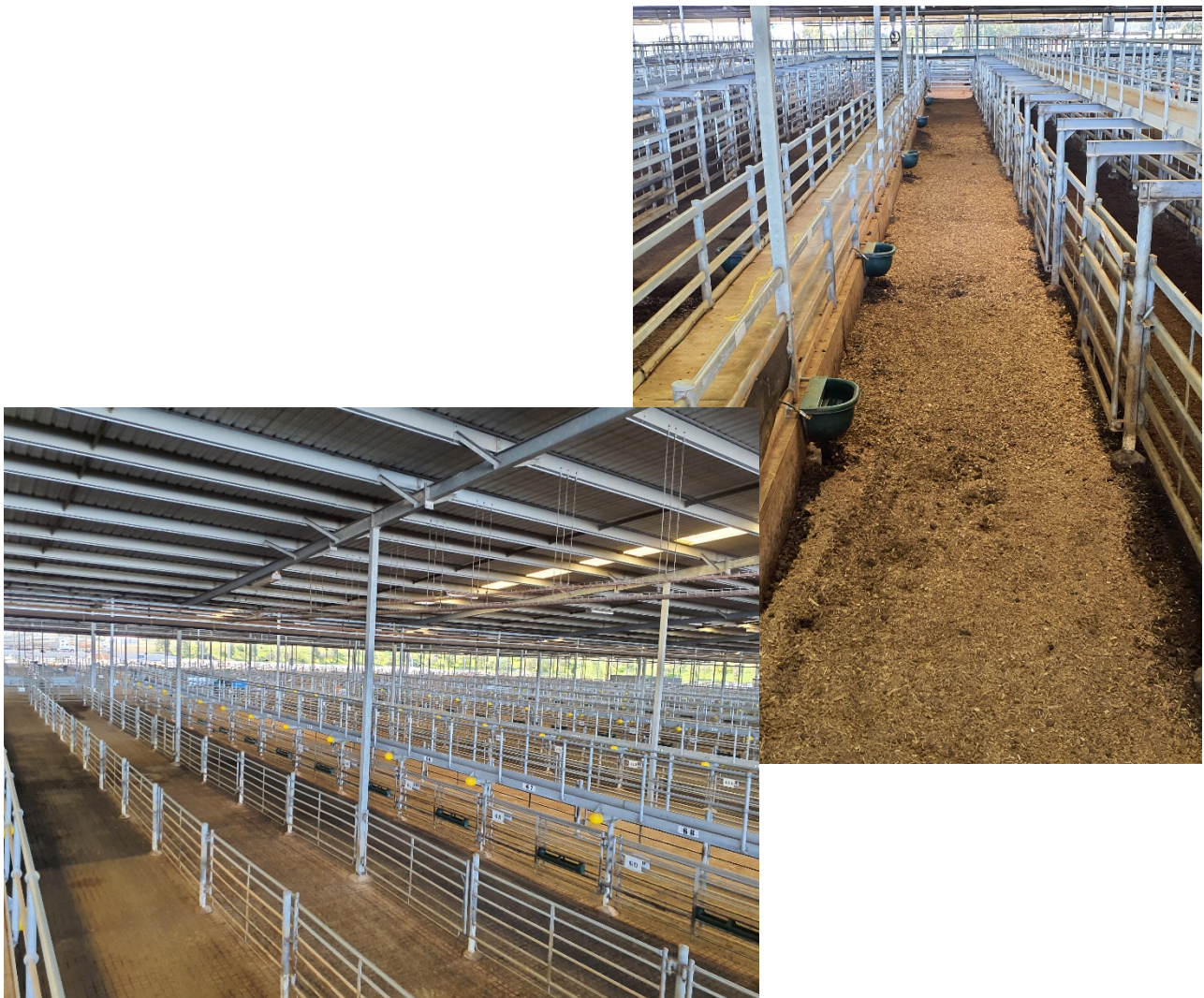
The Authority is further committed to supporting the Australian Work Health and Safety Strategy 2021-22 and continues to strive for excellence in safety management practices and improving occupational safety and health performance through its management systems.

Table 10 : OSH and Injury Management Summary

Measure	Results 2018-19	Results 2019-20	Results 2020-21	Target	Comments towards targets
Number of fatalities	0	0	0	0	Achieved
Lost time injury and/or disease incidence rate	12.05	0	5.63	0 or 10% reduction	Result from 1 LTI
Lost time injury and/or disease severity rate	50%	0	0	0 or 10% reduction	Achieved
Percentage of injured workers returned to work: (i) within 13 weeks	50%	N/A	100%	100%	Achieved
(ii) within 26 weeks	50%	N/A	100%	100%	Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	100%	Greater than or equal to 80%	Achieved

National Strategic Plan for Asbestos Awareness and Management 2019-2023

The Authority is committed to tracking progress towards achieving the National Strategic Plan (NSP) 2019-2023 WA targets one to three. Targets four to seven do not apply to the Authority and targets eight and nine are Federal government targets. The Authority will report at six monthly intervals to the Department of Mines, Industry Regulation and Safety as per reporting requirements set for WA Government departments and agencies.



Other Legal Requirements

Expenditure on advertising, market research, polling and direct mail

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

Disability access and inclusion plan outcomes

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

- (1) People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.**

All policies, guidelines and practices that govern the operation of Authority facilities and services are consistent with the policy on disabled access.

- (2) People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.**

The Authority's administration building has disabled toilets and full access throughout the building. The Muchea Livestock Centre has full disabled access and facilities.

- (3) People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.**

Authority information is available in person, via telephone, website and in hard copy and can be provided in a variety of formats upon request. All information is available in a clear, concise, and easy to understand language and can be modified to suit individual requirements.

- (4) People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.**

Authority staff members with key client and public roles are aware of the key access needs of people with disabilities as well as their families and carers who use Authority facilities and services.

- (5) People with disability have the same opportunities as other people to make complaints to a public authority.**

Complaints can be made to the Authority by various means. These include in person, in writing, by telephone or electronically.

(6) People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

When required, issues for public comment are advertised via local newspaper articles, media releases on the Authority website and letters to homeowners surrounding the relevant land area. Responses can be made by telephone, letter, email or in person. Should there be a requirement for public meetings, these meetings are conducted in venues with disabled access.

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

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

Compliance with public sector standards and ethical codes

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

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

Recordkeeping Plans

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





