



AGRICULTURAL PRODUCE COMMISSION

Encouraging Producer Initiative

ANNUAL REPORT
FOR YEAR ENDED 30 JUNE 2011

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AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF COMPLIANCE

For year ended 30th June 2011

Hon Terry Redman MLA

Minister for Agriculture and Food

In accordance with Section 61 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Produce Commission for the financial year ended 30 June 2011.


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

Enabling Legislation

Agricultural Produce Commission is established under the Agricultural Produce Commission Act 1988; and

Legislation impacting on the Commission's activities


- Anti-Corruption Commission Act 1988
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- State Supply Commission Act 1996
- Statutory Corporations (Liability of Directors) Act 1996
- Work Place Agreements Act 1993
- Workers Compensation and Rehabilitation Act 1981
- Workers Compensation and Rehabilitation (Acts of Terrorism) Act 2001



William Ryan
Chairman
Agricultural Produce Commission

Date:

18/6/11



Ray Moir
Member
Agricultural Produce Commission

Date:

18/6/11

Mission Statement

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.

APC Producers' Committees are established with the object of enhancing and protecting the producer's investment in their industry through facilitating and managing producer industry based programmes in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.

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CHAIRMAN'S REPORT

I am pleased to report that during the past year the Agricultural Produce Commission has continued to develop, while ensuring that the ongoing business is managed in an efficient manner.

During the year under review, the Commission has progressed the review of the Act and provided detailed advice and recommendations on changes required to the Act.

Once enacted these changes will enable the Commission to operate more efficiently and effectively, particularly relating to the compliance of payment of fee for service. It will also provide the opportunity for additional industries to establish producer committees should they wish to do so.

This year the Commission employed a number of staff directly both for APC administration and on behalf of the Fruit West Committee. This has enabled the Commission to retain high quality administrative staff and the Fruit West Committee to employ the staff needed for the effective management of their activities. Through this process the Commission has developed a new employment contract that reflects the current employment standards and is compliant with all of the industrial relations legislation.

The Commission has provided by guidance and direct support for the ongoing development of a single industry group to be known as 'Horticulture WA'. The aim of this is to increase the efficiency and cohesion of the different horticultural industries, particularly when dealing with issues that are common across the different industries.

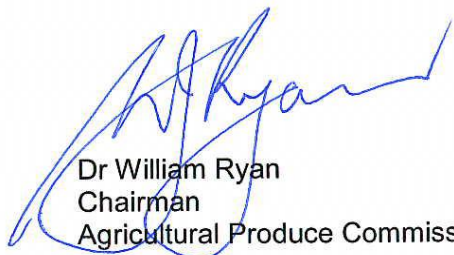
Highlights of the ongoing business include:

The severe floods in Carnarvon in December 2010 impacted on a number of banana growers and the Commission oversaw the evaluation and payment of compensation to the effected growers. A total of \$650,000 was approved for compensation. As part of this process the Commission has requested that the APC Carnarvon Banana Producers' Committee undertake a review of the provisions of its compensation scheme to ensure it will meet the ongoing needs of the industry.

The Commission held a half day meeting with the Chairmen of all of the Producers' Committees to provide them with an update on the activities of the Commission and discuss the major issues that are impacting on their industries.

Discussions, and the provision of information and support, is being provided to the wine grape industry, the turf industry and the cut flower industry who are at various stages of consideration of developing a Producers Committee for their respective industries.

In closing I would like to thank my fellow Commissioners for their ongoing contribution to the Commission. Specifically I would like to thank Yvonne Fahl who is stepping down after serving many years as a very effective Commissioner. I would also like to thank Ingrid Smith and the staff of the Commission. Under Ingrid's leadership they ensure that the Commission operates with a high degree of efficiency and professionalism.



Dr William Ryan
Chairman
Agricultural Produce Commission

AGRICULTURAL PRODUCE COMMISSION ACT

The Agricultural Produce Commission (the “Commission”) was established by the *Agricultural Produce Commission Act 1988* (the “Act”) which was proclaimed on 1 September 1989.

The Commission is a body corporate with perpetual succession and a common seal. The Commission is not an agent of the Crown, nor is it part of the Public Service. The Commission reports to the Minister for Agriculture.

MISSION STATEMENT

The Western Australian Agricultural Produce Commission facilitates the growth and prosperity of agricultural industries through Producer Committee initiated and funded research and development programmes.

APC Producers’ Committees are established with the object of enhancing and protecting the producer’s investment in their industry through facilitating and managing producer industry based programmes in a wide range of areas that include product and market development; improving production and handling systems and management of bio security risks.

COMMISSION FUNCTIONS

- a. Establish Producers’ Committees in relation to agricultural produce.
- b. Appoint members to Producers’ Committees.
- c. Advertise for the formation of Producers’ Committees.
- d. Conduct polls as prescribed under the Act, for the purposes of the establishment and operation of Producers’ Committees.
- e. Dissolve Producers’ Committees and appoint liquidators for the winding up of Producers’ Committees.
- f. Provide such services in relation to the functioning of Producers’ Committees as are necessary from time to time.
- g. Direct, coordinate and supervise the functioning and expenditure of Producers’ Committees.
- h. Provide such other service to producers’ committees as the Minister may direct.

Section 6.1 Agricultural Produce Commission Act

OPERATIONAL STRUCTURE

The Agricultural Produce Commission is comprised of four Commissioners appointed by the Minister for Agriculture. The Minister appoints one member of the Commission to be the Chairperson. Appointments are for a period not exceeding three years, but on expiry of tenure the incumbent can apply for a further term.

Commissioners during the year under review were:

| | |
|-----------------------|----------|
| Dr William Ryan | Chairman |
| Prof Graeme Roberston | Member |
| Ms Yvonne Fahl | Member |
| Mr Ray Moir | Member |

The Commission’s Executive Officer is engaged under a secondment agreement with the Department of Agriculture and Food.

As at 30 June 2011 there were:

- 9 active Producers’ Committees;
- 4 Producers’ Committees in recess.

Remuneration and expenses for Commissioners and Committee Members is available at approved rates, however, Committees use their discretion on whether to claim remuneration or not. A number of Committees have decided not to claim remuneration for their members.

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COMMISSION FUNDING

The Commission is funded by producers through Fee for Service, under section 14 of the Act and supporting Regulations.

All functions of the Commission and Producers' Committees, including general administration, financial management, accounting for Fee for Service collection, administration of the Act and legislative compliance, are funded on broad 'user pays' principles.

At its 2011 review of the administration charge to Committees the Commission approved revised rates. The new rates provided a decrease to most Committees, with only two committees experiencing a minor increase in rates. This change was made as part of a move towards a more comprehensive user-pays system.

| Committee | Admin Charge 11/12 | Change from 10/11 |
|--------------|--------------------|---------------------------------------------------------------------------|
| Avocado | \$5,000 | Committee suspended FFS collection – minimum annual fee charge initiated. |
| Banana | 11% | No change |
| Bees | 13% | No Change |
| Eggs | \$5,000 | No Change |
| Fruit | 10% | No Change |
| Pork | 8% | No Change |
| Potato | 8% | No Change |
| Potato Promo | 3% | Increased 1% |
| Strawberry | 14% | No Change |
| Table Grapes | 14% | No Change |
| Vegetables | 9% | No Change |

Should a Committee suspend Fee for Service collections, an annual fee is charged to cover APC fixed overheads and other costs associated with providing ongoing financial and support services.

COMMISSION MEETINGS

The Commission meets as necessary. Most meetings are face to face, although telephone or video conference technology is also used. During the year under review Commissioners participated in meetings as below:

COMMISSION MEETINGS 2010/11

| Commissioner | Eligible to Attend | Attended | Leave of Absence |
|------------------|--------------------|----------|------------------|
| Yvonne Fahl | 6 | 6 | |
| William Ryan | 6 | 6 | |
| Graeme Robertson | 6 | 6 | |
| Ray Moir | 6 | 6 | |

ANNUAL MEETING WITH COMMITTEE CHAIRPERSONS

Commissioners meet with Producers' Committees annually in order to review the past year and discuss future needs. The last meeting was held on Wednesday 9 February 2011.

COMMITTEE ADMINISTRATION

Committees, working within regulations issued by the Commission, have the autonomy to meet as they determine necessary for the efficient running of their Committee. The primary focus of the Commission's oversight of Committee activities is to ensure due diligence is conducted on Committee projects and there is sound financial governance and compliance with the Act. The Commission encourages every Committee to seek input from producers and in turn communicate with all producers on Committee activities.

Fee for Service charges are determined by the respective Committee, and reviewed annually. The Committee takes into account the ability of producers to pay the Fee for Service measured against the benefits delivered through the provision of industry based

services. The Fee for Service is applied to all produce of a particular commodity, usually at the first point of sale.

Fee for Service returns also capture industry specific data enabling Committees to plot the changing production profile and needs of their industry. As an example, the Pome, Citrus & Stone Fruit Committee can monitor apple production by variety.

The Commission is responsible for administering collection and expenditure of the Fee for Service.

The Commission maintains separate accounts for each Producers' Committee, providing Committees with comprehensive quarterly management revenue and expenditure reports. A number of Committees receive funding from other sources, such as matching research funds from national bodies, these funds are also administered by the Commission.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

During the 2010/11 year no compliance issues arose in relation to public sector standards, the WA Code of Ethics or the Commission's Code of Conduct.

APC COMMITTEE DIRECTIONS

The Commission, under section 11.3 of the APC Act, provides Producers' Committees with Directions which govern Committee operations.

APC CODE OF CONDUCT

In June 2007 the Commission adopted an enhanced and up-dated *Code of Conduct*. The APC Code of Conduct uses the WA Code of Ethics as its basis. The APC Code of Conduct applies to Commissioners and Commission staff, as well as Producers' Committee members and officers.

COMMITTEE AND PROCEDURAL MANUAL

The Commission has developed and published a Procedural Manual to assist Producers' Committee members in the effective operation of their Committee. The Manual is a "living document" being reviewed on a regular basis. The Manual details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT

A Producers' Committee can provide, or cause to be provided, any of the following services in relation to the agricultural produce for which it was established —

- promote agricultural produce including sales and marketing promotion;
- develop means of controlling pests and diseases;
- conduct research that advantages producers;
- conduct educational programmes relating to production;
- develop/expand markets for Western Australia agricultural produce;
- establish voluntary insurance schemes for the benefit of producers;
- provision of supply and demand forecasts;
- formulate schemes to accredit producers;
- establish quality control, inspection, grading, packing, transport and storage systems;
- address market failure issues, developing industry based solutions; and
- establish compensation schemes for crops lost or destroyed as part of pest or disease control measures.

Source: Agricultural Produce Commission Act 1988, Section 12.1

PUBLICITY AND COMMUNICATION

The APC web site (www.apcwa.org.au) provides extensive information about the Commission i.e. current Fee for Service rates, how to join the APC, Annual Reports and the Act and Regulations. Each Producers' Committee has its own web page providing information about the Committee and related industry organizations. The Commission

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encourages Committees to utilize the web site as a tool to communicate with their industry and interested parties.

CONFIDENTIALITY OF INFORMATION HELD BY THE COMMISSION

To give effect to the objects of the Act and Producers' Committee Charters, the Commission applies the information relating to Fee for Service for the benefit of the industry. Commissioners and members of Producers' Committees are bound by the APC Code of Conduct to protect any commercial sensitivity associated with that information. The Commission is cognisant of its obligations under the Privacy Act.

The Commission publishes aggregated information relating to the quantity of produce on which the Fee for Service has been collected.

Requests for information should be addressed to: The Chairman, Agricultural Produce Commission, 3 Baron-Hay Court, South Perth WA 6151.

INSURANCE

Commissioners, Chairpersons and members of Producers' Committees, and Commission staff are covered against accidents that may occur during performance of official business.

LEGAL PROTECTION OF COMMISSIONERS

Section 24 of the Act provides that a person who is or was a member of the Commission or an employee is not personally liable for any act done or omitted to be done in good faith by the Commission.

LEGAL ADVICE

The Commission is not entitled to obtain advice from the Crown Solicitors Office and therefore seeks legal advice, when and as required, from the private sector.

In the year under review the Commission obtained legal advice from a legal firm specializing in employment law.

This advice was to assist the Commission, and provide assurance, that the Commission was complying with State, Federal and APC Act requirements when directly employing members of staff.

SIGNIFICANT EVENTS DURING THE YEAR

CHANGES TO FEE FOR SERVICE FOR 10/11

The following changes were made to Fee for Service during the 10/11 year.

| Committee | Commodity | Old Rate \$ | New Rate \$ | UOM | Effective |
|------------------|------------------|--------------------|--------------------|--------------|------------------|
| Avocado | Avocado | 0.015 | 0.00 | Per kilogram | 1 July 2010 |

DIRECT EMPLOYMENT OF STAFF

During the 10/11 year the APC directly employed staff who were seconded to the APC Fruit West Committee.

The Commission also commenced direct employment of one of its finance staff, rather than having the staff member seconded through the Department of Agriculture and Food, WA.

ROLL-IN TO WHOLE OF GOVERNMENT'S OFFICE OF SHARED SERVICES

The APC rolled in to the Office of Shared Services along with the Department of Agriculture and Food on the 2 May 2011.

HORTICULTURE WA

During the 10/11 year the Commission assisted the horticultural industry by providing assistance to industry organisations and APC Producers' Committees to facilitate the formation of a representative horticultural body for Western Australia. This body to be known as 'Horticulture WA'.

FEE FOR SERVICE INITIATIVES

Details of individual Committee Fee for Service initiatives are provided in the section 'Committee Reports'.

Overall, Committees provide services to their industries in the form of:

- Industry Development and Training Officers who are available to producers to assist them on industry issues.
- Research projects (some jointly funded with other organisations).
- Funding for Industry Associations – West Australian Pork Producers Association (WAPPA), Potato Growers Association (PGA), Vegetable Growers Association (vegWA), Commercial Egg Producers Association (CEPA). These associations carry out functions on behalf of the Producers' Committee, as allowed by the Service Functions of the APC Act.
- Promotion and advertising of produce.
- Quality assurance of produce.
- Communication with Industry.
- Compensation in identified instances.
- Marketing of produce.

During the 11/12 Committee budgeting process, a number of Committees resolved to segment funds for use in the event of a bio-security event.

FEE FOR SERVICE COMPLIANCE

To ensure producers and their respective industry can maximise the service benefits, the Act requires all producers to pay Fee for Service on produce grown in Western Australia. Non-compliance by producers is of concern to all Committees as it limits an industry's capacity to extract maximum return from research and development into improved production techniques, bio security systems, product and market development.

During the year under review the Commission maintained its vigilance in ensuring Fee for Service compliance.

The Commission continues to promote to Committees the importance of maintaining producer and industry knowledge of Committee activities and funding initiatives.

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ESTABLISHING PRODUCER COMMITTEES

The Commission continued dialogue and negotiations with industries which might be interested in forming APC Producers' Committees. Industries which the Commission dealt with during the year included: the wine industry, the turf industry and the cut flower industry.

FEE FOR SERVICE RATES

| | |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Avocados</u> | \$0.00 per kilogram |
| <u>Beekeepers</u> | \$15.00 per beekeeper per annum (calendar year 2011) plus \$1.10 per hive per annum (calendar year 2011) |
| <u>Carnarvon bananas</u> | \$0.0154 per kilogram |
| <u>Citrus</u> | \$0.02 per kilogram |
| <u>Citrus (processing)</u> | \$0.01 per kilogram |
| <u>Pome fruit</u> | \$0.015 per kilogram |
| <u>Pome (processing)</u> | \$0.005 per kilogram |
| <u>Pork</u> | \$0.008 per kilogram carcass weight |
| <u>Potatoes</u> | |
| Processing, seed and ware export | \$5.00 per tonne |
| Domestic ware | \$25.75 per tonne |
| <u>Strawberries</u> | \$0.01 per kilogram |
| <u>Stone fruit</u> | \$0.015 per kilogram |
| <u>Stone fruit (processing)</u> | \$0.006 per kilogram |
| <u>Table grapes</u> | \$0.007 per kilogram |
| <u>Vegetables and tomatoes</u> | \$0.04 per individual package of 100kg or less \$0.20 per individual package of 101kg to 1000kg \$2.00 per individual package of over 1001kg Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables |

As at 1 August 2011

ACTIVE APC PRODUCERS' COMMITTEES AT DATE OF PUBLICATION

| Producers' Committee | Functions Adopted | Members |
|----------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| APC Avocado Producers' Committee | (a) to (k) | Dudley Mitchell (Chair) Alan Bllight Phil Minchin Dave Duncan Ken Gwynne |
| APC Beekeepers Producers' Committee (Established 2003) | (b), (c), (d), (h), (l), (la), (m) | Colin Fleay (Chair) Leilani Leyland Kim Fewster Rod Pavy Jerry Berg Michael Summerfield |
| APC Carnarvon Banana Producers' Committee (Established 1999) | (a) to (m) | Bruce Munro (Chair) Michael Andreoli Tom Day Darryl Hardman John Thomas John Kearney Chris Collins |
| APC Egg Producers' Committee (Established 2002) | (a) to (m) | Ian Wilson (Chair) Cameron Bell Joe Sacca Terry Woodard John Simpson |
| APC Pome, Citrus & Stone Fruit Producers' Committee (Fruit West) (Established 1994) | (a) to (m) | Ben Darbyshire (Chair) Bevan Eatts Bruce Wharton Geoff Fawcett Harvey Giblett Terry Martella Sue Middleton Shane Kay Mario Casotti |
| APC Potato Producers' Committee (Established 2001) | (a) to (m) | Sam Calameri (Chair) Dom Della Vedova Herbert Russell Terry Ackley |
| APC Pork Producers' Committee (Established 2002) | (a) to (m) | Neil Ferguson (Chair) Dr Rob Wilson Graeme Dent Errol Howard Ronald Penn |
| APC Strawberry Producers' Committee (Established 1995) | (a) to (l) and (m) | Gerry Verheyen (Chair) Neil Handasyde Kerry Langlands Wes Tweedie Anthony Yewers |
| APC Table Grape Producers' Committee (Established 1991) | (a) to (l) and (m) | Roger Fahl (Chair) Trevor Carter Matt Katich Tony Lovreta Peter Nuich Kim Taylor Allan Price |
| APC Vegetable Producers' Committee (Established 2005) | (a) to (m) | Maureen Dobra (Chair) Paul Humble Joyce Babun Michael Le James Wringe Dan Capogrecco Lisa Tana Anthony Marinovich |

COMMITTEE MEMBERSHIP

The Commission appoints the inaugural Committee Chairperson for a three-year term; the Committee appoints subsequent Chairpersons. To preserve continuity of service and experience, Committee tenures are usually arranged so only about half of the members retire in any given year.

The Commission advertises Committee vacancies in appropriate newspapers and industry newsletters. Committee Members whose term of office is expiring can apply for appointment for a further term.

COMMITTEE REPORTS 2010/11

APC AVOCADO PRODUCERS' COMMITTEE

Chairperson: Dudley Mitchell

The avocado industry in WA is in a transitional phase with the industry becoming a major player in the national supply chain in terms of production over our harvest period. 2010/2011 saw the largest ever crop from WA go to market and although the 2011/2012 crop is lower we are still increasing our share of the national crop. We are still facing problems of consistent supply due to biennial bearing patterns in our major production areas. Provided we can address this issue to some extent, the short to medium term looks good for our industry.

The APC Committee has assumed the running of the Avocado Growers Association of Western Australia and in so doing has become more representative of the industry at the state level. Because of the effectiveness of our national body the committee has voted to set the fee for service to \$0.00 for the upcoming season and use the committee to represent the industry to the national body through our state representative.

We have an ongoing commitment to local promotions which is under review this year in light of discussions with our national body to fund a similar program. If we can draw any positives out of this season it is that there seems to be renewed enthusiasm and debate in the industry which has certainly been lacking in the recent past. We look forward to a productive year in 2011-2012.

APC BEEKEEPERS PRODUCERS' COMMITTEE

Chairperson: Colin Fleay

Secretary: Leilani Leyland

An enhanced Disease and Pest Surveillance & Monitoring program conducted in conjunction with the Department of Agriculture Food WA continues to be one of the largest components of the FFS. The 2011 program has examined sentinel hives for external parasites and beetle pests. Samples have been taken for detecting American Foul Brood and European Foul Brood using the Honey Culture Test.

Vegetable growers (through the APC Vegetable Producers' Committee) have contributed monies to industry to assist in the cost for training beekeepers in various areas of pest and disease management. One such training session was held in June 2011 with another to be held in the near future.

The *Bee Informed* industry Newsletter is currently in discussions with the Fruit and Vegetable Growers (Fruit West) with regards to the possible amalgamation of the two magazines. Industry feels this will be a positive step forward to inform other grower groups as to the importance of Bees.

Mrs Leilani Leyland, Mr Kim Fewster and Mr Rod Pavy joined the committee in 2010 and Mr Afon Edwards retired from the committee in 2011. Two new members: Mr Mike Summerfield and Mr Jerry Berg joined the committee in June 2011.

The Committee has agreed to include in their annual budget an amount of \$50,000 for reimbursement to beekeepers for hives destroyed in the event of an eradication attempt of an exotic pest or disease.

APC CARNARVON BANANA PRODUCERS' COMMITTEE

Chairperson: Bruce Munro

Secretary: Alex Harper

The Gascoyne River did not flow until 18th December 2010 when a Monsoonal Low crossed the coast and sat over Carnarvon, producing 255mm of rain. This Monsoonal low caused the river to flow with the headwaters reaching the 9 Mile Bridge on the 18th December. The river peaked on the 20th December at 7.74metres.

The significance of the rainfall event for the region can be put in context by the fact that December mean rainfall is in the order of 5 mm, whilst the long term annual average is 230mm. So several locations would have recorded their annual average rainfall in one or two days during the event.

The damage bill of the flood is yet to be finalised, but initial estimates are in the order of 100 million dollars. Vast horticultural crops and pastoral livelihoods have been destroyed, going from drought to flood in less than 24 hours. At least 2000 cattle drowned.

Compensation was paid out to 26 members of the Carnarvon Banana Bio-Security and Compensation Scheme, totalling over \$650,000.

The banana industry has remained stable at 53 growers over the year and the area under production remained similar at 175ha at December 2010. Bananas have not been measured since the flood, however they will be measured in August 2011.

After the flooding event in December 2010, the Committee resolved to review the Carnarvon Banana Bio-Security and Compensation Scheme rules in order to remove any ambiguities within the Scheme Rules, and to ensure that the Rules reflect the intent of the Members. All members of the Scheme will be consulted during the review process.

Two new members have been appointed to the Committee: Chris Collins and John Kearney.

APC EGG PRODUCERS' COMMITTEE

Chairperson: Ian Wilson

Secretary: Lucy Radzikowska

The APC Egg Producers Committee during the year under review provided funding for Newcastle Disease Surveillance which was managed by the Department of Agriculture and Food WA, in accordance with the National Newcastle Disease Management Plan 2008-2012.

Funding was provided to The Commercial Egg Producers Association, for assistance in running the Association, with initiatives undertaken during the 2010/11 year including the promotion of WA Laid Eggs through the involvement with The Buy West Eat Best Cookbook and WA's Sheila Magazine and the promotion to egg producers of the importance of farm bio-security, animal welfare and product integrity.

APC POME, CITRUS AND STONE FRUIT PRODUCERS' COMMITTEE (FRUIT WEST)

Chairperson: Ben Darbyshire

Executive Manager: Gavin Foord

The Fruit West Committee is well pleased that Fee for Service collection exceeded forecasts for Pome, Citrus and Stone Fruits in 2010/2011. While we are aware that we must be mindful of peaks and troughs due to seasonal variation, this better than expected outcome allows us to plan 2011/2012 with a higher level of confidence. Pome and citrus fruits took the lead from the APC Table Grape Producers' Committee and began extensive monitoring of fruit maturity this season. The purpose of this activity was to establish benchmarks to help growers make informed decisions that will improve eating quality. The goal being; a better eating experience to increase demand for our fruit.

Other projects and activities included:

- Contribution to Coordinating a market development program for the Australian citrus value chain
- Preliminary investigation of export opportunities for all commodities
- Support for the Evaluation of ethyl formate and nitrogen for dis-infestation of eucalyptus weevil on export apples
- Investment in the development of the software program Grownote, for online demonstration of market access compliance
- Strategic planning to provide direction for industry and future investment through Fruit West

Our vision is that Fruit West will be part of a competitive and sustainable fruit growing industry where growers are unified, properly represented, profitable, passionate and empowered. Our key focus areas are:

1. To build consumer demand for Western Australian fruit
2. To empower growers by providing key business skills and information
3. To enhance grower competitiveness on a national and international level

4. To provide leadership, unity and purpose through the building of strong relationships

The collection of Fee For Service allows us to continue to provide service for those fees through Fruit West and industry partners, within the legal framework of the APC, in line with our agreed goals.

APC PORK PRODUCERS' COMMITTEE

Chairperson: Neil Ferguson

The APC Pork Producers' Committee is charged with the responsibility of ensuring funds generated from the industry on a Fee for Service basis supports activities or programs that directly benefit producers in Western Australian. This year the committee supported activities covering: Technology Transfer; Industry Training; Production Research; Veterinary Research; Nutritional Research and Industry Administration.

Production Research – The core project in this area is the Pork CRC with the APC committing \$50k in 2010/11 and \$75,000 for following years.

Nutritional Research – One of the carryover projects from 2009/10 was completed during 2010/11, with Dr John Pluske and his team publishing their results from the "Alternative Feed Ingredient for Weaner" project. This project demonstrated that the inclusion rate of Lupins and De-hulled Lupins can be increased in the weaner phase compared to traditional levels. The report findings were circulated amongst the nutritionists servicing the Western Australian pig industry and it is pleasing to see this research being practically applied in commercial diets.

Industry Administration - The West Australian Pork Producers Association (WAPPA) is the peak industry body representing the interest of all WA pig producers on matters of industry importance. This year WAPPA was instrumental in finishing the 'Care of the Compromised Pig Guide' which is to be published by Australian Pork Limited.

In terms of advocacy WAPPA has been heavily involved in negotiations/discussion surrounding the security of the abattoir and overseas labour requirements.

Veterinary Research/Extension - APC Pork Committee continues to financially support the APBA with the extremely popular pig display at the Perth Royal Show.

Portec Australia have concluded the trial work in respect to the project entitled "The effect of dam parity on maternally-derived IgG antibodies in piglets". The final report will be delivered to industry during the 2011/12 financial year.

Technology Transfer - The Department of Agriculture and Food facilitates extension to all WA pork producers. DAFWA plays a key role in providing research within the state. This year DAFWA conducted producer seminars, a number of on farm assessments and individual site inspections all designed to either improve the skill base of WA producers or provide methods of reducing the industry's Cost of Production.

Pork Training –. Pork Training WA has been very successful in securing funds for the new Model Code for pigs which all producers will need to complete to demonstrate a level of competency for people looking after the animals under their care. Producers will be able to have their staff accredited to Certificate Three level through a 'recognition of prior learning' (RPL) program. The original funding provided sufficient funds for two rounds and it is a credit to the industry that for 2011/12 we have 27 people enrolled under the RPL for Certificate Three and 23 people enrolled for Certificate Four. The success of this program will go a long way to ensuring our industry meets its obligations under the new Model Code.

Fee for Service – The Fee for Service has remained stable since the inception of the APC. The current fee stands at 0.08c/kg dressed weight. In the next two to four years the Committee will need to consider increasing the Fee for Service to in order to sustain the current level of services offered to industry.

With Gratitude - The APC Pork committee could not support the projects we do without the contribution and support of all WA producers, for that the committee wishes to thank all producers in Western Australia for their valuable contribution.

APC POTATO PRODUCERS' COMMITTEE

Chairperson: Sam Calameri

Executive Officer: Jim Turley

The Committee were very pleased to hear Western Australian consumption of Fresh Potatoes had increased for the second year in a row. These results compared favourably to the Eastern States where consumption has fallen up to 15%. The continued expenditure by the committee on marketing & Promotion has been justified although there needs to be a more focussed approach in certain areas of Promotion i.e. smalls & plain grade.

The peak industry body, The Potato Growers Association of WA (Inc) received funding once again to provide services in representing and developing the Western Australian potato industry on behalf of the Committee and producers.

Projects funded included; WA Seed Potato Seed Producers, Improving the Visual Internal Quality of WA Fresh Potatoes, Seed Certification & Virus Testing, A Supply Chain Approach to Variety Development – Research.

The Committee decided to leave the Fee for Service charge for both general and promotion activities the same as last year.

APC STRAWBERRY PRODUCERS' COMMITTEE

Chairperson: Gerry Verheyen

The WA strawberry industry has had a rest from actively funded projects this year. The project on 'Increasing the Shelf life of Australian Strawberries which was based in Albany, concluded in mid 2010. It was to be succeeded with BS10004 (WA Strawberry Improvement Program) but HAL requested a rewrite and resubmission and therefore the project is planned to start in October 2011. The project will permit WA access to seed from each of the Queensland and Victorian breeding programs, that seed will be grown and assessed under our climatic conditions for performance and also for *Fusarium* resistance.

HAL are arranging for both interstate breeding programs to be extended so all three projects will be synchronised. This year has also seen the retirement of Bruce Morrison from the Victorian program and a new breeder from NZ (Hinga Marsh) appointed in his place.

The shipment of strawberry runners into WA for this season was a difficult time. The recent adoption of area freedom for WA from potato cyst nematode means increased emphasis on the soil free status of runners. This poses problems for Victorian material which is grown predominantly in clay soil and comprises about 95% of runners imported into WA. After much negotiation and many nervous moments, some interim arrangements were agreed upon and with the exception of one early shipment which was subjected to root washing on entry, all consignments arrived without incident. There will be further forward planning and revision of import conditions prior to next season to avoid a similar situation arising again.

Wet weather at the start of this season has seen a surge in *Gnomoniopsis* stem and fruit rot causing increased levels of rejection and at this stage, yields can be expected to be slightly lower this year.

APC TABLE GRAPE PRODUCERS' COMMITTEE

Chairperson: Roger Fahl

The table grape season for 2010/2011 finished well with some early oversupply but grape prices received being fair. There was an increased demand throughout the season. The APC Committee was again focused on delivering the minimum maturity system to growers in Western Australia. This system is unique and seen as a benefit for both consumers of grapes and growers.

Table grape consumption in Western Australia leads the nation and prices received by growers are higher than any other state. The APC Committee is focused on keeping the system in place and reviewing each season to ensure changes are made to improve the system each year.

APC – Encouraging Producer Initiative

Promotional activity plans were reduced for this season as the committee agreed to join the national promotional program. This will be reviewed to see if we gained from the package or if we are better suited to a state based program.

Overall the Table Grape Committee maintain a steady approach to our work as our systems have been in place now for many years. The Committee is looking at working with AG W.A on investing into some research projects.

I would like to thank all growers for their support of the APC and look forward to a prosperous season for all.

APC VEGETABLE PRODUCERS' COMMITTEE

Chairperson: Maureen Dobra

Secretary: Jim Turley

The Committee further developed their marketing and promotions project, working in collaboration with Woolworths, and was pleased with the high standard of Marketing & Promotion of vegetables in the opening of the Woolworths Ellenbrook Retail facility. The National Retailer is now considering rolling out the program throughout Western Australia.

An investigation into the most appropriate and equitable methodology for the collection of the vegetable Fee for Service was funded, with the Committee deciding to leave the method of collection the same for 2011-2012.

The Committee is following up leads in relation to improving the compliance of FFS collection.

Projects approved for funding included: Developing Integrated Virus and Insect Management Strategies for Capsicums Grown in Carnarvon Region, Field Extension Officer, Marketing & Promotion of Western Australian Vegetables, Managing Root Rot of Baby Spinach, Good Practice for Producing Tomatoes – Drip Irrigation Systems, Funding VegetablesWA, Dimethoate & Fenthion Alternatives, Training inspectors to recognise the Varroa Mite which attacks bees.

SCOPE OF THE ACT

For the purposes of the Act 'agricultural industry' means a horticultural industry and such other agricultural industry as may be prescribed but excluding broadacre cropping and grazing industries (section 3.1).

Regulations to the Act define horticulture as:

- a) *Wine, fruit and the juices of fruit, whether fresh or processed.*
- b) *Vegetables and the juices of vegetables, whether fresh or processed.*
- c) *Nuts including processed nuts.*
- d) *Flowers, whether fresh or dried.*
- e) *Plants, including grass and other herbaceous plants, grown for sale as living plants.*

PRESCRIBED AGRICULTURAL INDUSTRIES TO WHICH THE ACT IS TO APPLY

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services, services that a Producers' Committee may provide in relation to the pork production industry (Gazetted 3 July 2001).
- **beekeeping industry** - prescribed as an agricultural industry under section 3.1 of the Act with section 12.1 (b), (c), (d), (h), (l), (la) and (m) services, services that a producers' committee may provide in relation to the beekeeping industry (Gazetted 23 October 2001).
- **egg production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services, services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

Pests and Diseases declared under Section 19a of the Act

Application to commercial and non-commercial producers of provisions relating to the control of certain pests or diseases:

- Notice gazetted on 19 September 2000 under Section 19a of the Act declaring *that Mediterranean fruit fly (Ceratitis Capitata) is a pest to which Section 19a of the Act is to apply.*
- Notice gazetted on 9 January 2004 under Section 19a of the Act declaring that Section 19a of the Act is to apply to the following bee pests and diseases:
 - *Pests – Acarine (Tracheal mite, Acarapis Woodi), Africanised honey bee, Asian honey bee, Tropilaelaps mite (Tropilaelaps clareae), Bruala fly, Small hive beetle and Varroasis (Varroa destructor and Varroa jacobsoni).*
 - *Diseases – American foul brood and European foul brood.*

FEE FOR SERVICE REGULATIONS

Horticulture Industry - *Agricultural Produce (Horticultural Industry) Regulations 2001.*

Regulation 5 notifies of the liability for producers to pay charges. Regulation 8 allows for the submission of returns by dealers and producers. For APC community fruit fly baiting committees Regulations 6 provides for local government authority to collect fees. Penalties apply for non-compliance.

Beekeeping Industry - *Agricultural Produce (Beekeeping Industry) Regulations 2003.* Under the Regulations, the Department of Agriculture and Food collects the Fee for Service on behalf of the APC in conjunction with the beekeeper registration fees collected under the *Beekeepers Act 1963.*

Pork Industry – *Agricultural Produce (Pork Production Industry) Regulations 2004* require abattoirs to collect and remit Fee for Service to the Commission not later than 14 days after the end of the month.

Egg Industry – *Agricultural Produce (Egg Production Industry) Regulations 2006* provide for Fee for Service collection direct from egg producers. However, as at 30 June 2009 the industry was still to decide on a commencement date for Fee for Service charges for eggs.

Voluntary Fee for Service – Fee for Service can be provided for voluntary horticultural groups under Section 19 of the Act, however Section 14 and Regulations do not apply.

ESTIMATES, DISCLOSURES, STATEMENTS

ESTIMATES FOR 2011/12

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides its estimates for the 2011/12 financial year.

AGRICULTURAL PRODUCE COMMISSION BUDGET ESTIMATES FOR 11/12

| EXPENSES | 2010/11 Budget | 2010/11 Actual | 2011/12 Budget |
|-------------------------------------------------------|------------------|------------------|------------------|
| DAFWA Contracted Services – Commission Administration | 87,532 | 59,426 | 36,234 |
| Producers' Committee Operating Costs | 3,211,612 | 3,293,271 | 3,894,452 |
| Employee Benefits | 78,653 | 131,004 | 140,832 |
| Other Expenses | 123,150 | 99,522 | 140,091 |
| Total Expenses | 3,500,947 | 3,583,223 | 4,211,610 |
| REVENUE | | | |
| Fee for Service | 3,180,250 | 3,301,027 | 3,150,000 |
| Grants | 42,000 | | 12,000 |
| Interest | 416,060 | 451,844 | 429,893 |
| Other Revenue | 12,500 | 8,677 | 75,756 |
| Total Revenue | 3,650,810 | 3,761,548 | 3,667,649 |
| Net Cost of Services | 149,863 | 178,324 | -543,961 |
| INCOME FROM STATE GOVERNMENT | | | |
| Resources Received Free of Charge | 8,200 | 8,460 | 9,000 |
| Total Income from State Government | 8,200 | 8,460 | 9,000 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | 158,063 | 186,785 | -534,961 |

DISCLOSURE PURSUANT TO SECTION 175ZE(1) OF THE ELECTORAL ACT 1907

In accordance with the disclosure requirements of Section 175ZE of the Electoral Act 1907, the Agricultural Produce Commission of Western Australia reports that during the 2010/11 financial year, the Commission incurred expenditure in the following areas.

| | |
|---------------------------------|-----------------|
| Advertising agencies | \$78,643 |
| Media advertising organizations | \$5,112 |
| Total Expenditure | \$83,754 |

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2011

The accompanying financial statements of the Agricultural Produce Commission have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2011 and the financial position as at 30 June 2011.

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

William Ryan

Chairman
Agricultural Produce Commission

Date:

15/6/11

Ray Moir

Member
Agricultural Produce Commission

Date:

18/6/11

Joe Murgia

Chief Finance Officer
Agricultural Produce Commission

Date:

18/6/11

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For year ended 30 June 2011

We hereby certify that the Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agricultural Produce Commission's performance, and fairly represent the performance of the Agricultural Produce Commission for the financial year ended 30 June 2011.

William Ryan

Chairman

Agricultural Produce Commission

Date:

29th August 2011.

Ray Moir

Member

Agricultural Produce Commission

Date:

29/8/11



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

AGRICULTURAL PRODUCE COMMISSION

Report on the Financial Statements

I have audited the accounts and financial statements of the Agricultural Produce Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Commission's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Agricultural Produce Commission at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Agricultural Produce Commission

Report on Controls

I have audited the controls exercised by the Agricultural Produce Commission. The Commission is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

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

Opinion

In my opinion, the controls exercised by the Agricultural Produce Commission 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.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Agricultural Produce Commission. The Commission 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.

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

Opinion

In my opinion, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2011.

Independence

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



COLIN MURPHY
AUDITOR GENERAL

2 September 2011

FINANCIAL STATEMENTS
AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2011

| | Note | 2011 | 2010 |
|-------------------------------------------------------------|-------------|------------------|------------------|
| | | \$ | \$ |
| COST OF SERVICES | | | |
| Expenses | | | |
| Department of Agriculture and Food contracted services | | | |
| -Administration | 6 | 59,426 | 73,620 |
| Employee benefits expense | 9 | 131,004 | 78,893 |
| Producers' Committee operating costs | 7 | 3,293,271 | 2,762,521 |
| Depreciation and amortisation expense | 8 | 1,373 | - |
| Other expenses | 10 | 98,149 | 194,703 |
| Total cost of services | | <u>3,583,223</u> | <u>3,109,737</u> |
| Income | | | |
| Revenue | | | |
| User charges and fees | 11 | 3,301,027 | 3,046,649 |
| Grants | | - | 30,000 |
| Other revenue | | 8,677 | 124,826 |
| Interest revenue | | 451,844 | 316,528 |
| Total Revenue | | <u>3,761,548</u> | <u>3,518,003</u> |
| Total income other than income from State Government | | <u>3,761,548</u> | <u>3,518,003</u> |
| NET COST OF SERVICES | | <u>(178,325)</u> | <u>(408,266)</u> |
| Income from State Government | | | |
| Resources received free of charge | 12 | 8,460 | 8,764 |
| Total income from State Government | | <u>8,460</u> | <u>8,764</u> |
| SURPLUS FOR THE PERIOD | | <u>186,785</u> | <u>417,030</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | <u>186,785</u> | <u>417,030</u> |

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

AGRICULTURAL PRODUCE COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

| | Note | 2011 | 2010 |
|--------------------------------------|-------------|------------------|------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 20 | 9,083,451 | 8,698,341 |
| Receivables | 13 | 358,216 | 307,355 |
| Other current assets | 14 | 117,513 | 100,310 |
| Total Current Assets | | <u>9,559,180</u> | <u>9,106,006</u> |
| Non-Current Assets | | | |
| Plant and equipment | 16 | 24,141 | - |
| Loans and Advances | 15 | - | - |
| Total Non-Current Assets | | <u>24,141</u> | <u>-</u> |
| TOTAL ASSETS | | <u>9,583,321</u> | <u>9,106,006</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 17 | 494,200 | 142,260 |
| Provisions | 18(a) | 20,160 | 9,837 |
| Total Current Liabilities | | <u>514,360</u> | <u>152,097</u> |
| Non-Current Liabilities | | | |
| Provisions | 18(b) | 21,796 | 14,117 |
| Other | 17 | - | 79,412 |
| Total Non-Current Liabilities | | <u>21,796</u> | <u>93,529</u> |
| TOTAL LIABILITIES | | <u>536,156</u> | <u>245,626</u> |
| NET ASSETS | | <u>9,047,165</u> | <u>8,860,380</u> |
| EQUITY | | | |
| Contributed Equity | 19(a) | 3,682,697 | 3,682,697 |
| Accumulated surplus | 19(a) | 5,364,468 | 5,177,683 |
| TOTAL EQUITY | | <u>9,047,165</u> | <u>8,860,380</u> |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

| | Note | Contributed equity \$ | Reserves \$ | Accumulated surplus \$ | Total equity \$ |
|----------------------------------------------------------|-------|-----------------------------|-----------------|------------------------------|-------------------------|
| Balance at 1 July 2009 | 19(a) | 3,682,697 | - | 4,760,653 | 8,443,350 |
| Total comprehensive income for the year | | - | - | 417,030 | 417,030 |
| Transactions with owners in their capacity as owners: | | | | | |
| Capital appropriations | | - | - | - | - |
| Other contributions by owners | | - | - | - | - |
| Distributions to owners | | - | - | - | - |
| Total | | - | - | 417,030 | 417,030 |
| Balance at 30 June 2010 | | <u>3,682,697</u> | <u>-</u> | <u>5,177,683</u> | <u>8,860,380</u> |
| Balance at 1 July 2010 | 19(a) | 3,682,697 | - | 5,177,683 | 8,860,380 |
| Total comprehensive income for the year | | - | - | 186,785 | 186,785 |
| Transactions with owners in their capacity as owners: | | | | | |
| Capital appropriations | | - | - | - | - |
| Other contributions by owners | | - | - | - | - |
| Distributions to owners | | - | - | - | - |
| Total | | - | - | 186,785 | 186,785 |
| Balance at 30 June 2011 | | <u>3,682,697</u> | <u>-</u> | <u>5,364,468</u> | <u>9,047,165</u> |

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

AGRICULTURAL PRODUCE COMMISSION

STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

| | Note | 2011 \$ | 2010 \$ |
|------------------------------------------------------------|-------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (113,004) | (75,579) |
| Supplies and services | | (3,169,856) | (2,744,662) |
| Receipts | | | |
| Receipts from Producers | | 3,250,166 | 2,977,770 |
| Receipts from others | | 8,677 | 154,828 |
| Interest received | | 434,641 | 283,321 |
| Net cash provided by/(used in) operating activities | 20(b) | <u>410,624</u> | <u>595,678</u> |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | |
| Payments | | | |
| Purchase of non-current physical assets | 16 | (25,514) | - |
| Receipts | | | |
| Proceeds from sale of non-current physical assets | | - | - |
| Net cash provided by (used in) investing activities | | <u>(25,514)</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 385,110 | 595,678 |
| Cash and cash equivalents at the beginning of period | | 8,698,341 | 8,102,663 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 20(a) | <u><u>9,083,451</u></u> | <u><u>8,698,341</u></u> |

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

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

| Subject | Policy Note | Disclosure Note | Title of the Policy note |
|------------------|-------------|-----------------|--------------------------------------------------------------------|
| General | 1 | | Australian Accounting Standards |
| General | 1 | | General |
| General | 1 | | Early adoption of standards |
| General | 2 | | <i>Summary of significant accounting policies</i> |
| General | 2(a) | | General statement |
| General | 2(b) | 2,3 | Basis of preparation |
| General | 2(c) | 26 | Reporting entity |
| General | 2(d) | 19 | Contributed equity |
| Income | 2(e) | | <i>Income</i> |
| Income | 2(e) | | Revenue recognition |
| Income | 2(e) | | Sale of Goods |
| Income | 2(e) | | Provision of services |
| Income | 2(e) | | Interest |
| Income | 2(e) | | Service appropriations |
| Income | 2(e) | | Grants, donations, gifts and other non-reciprocal contributions |
| Income | 2(e) | | Gains |
| Assets | 2(f) | | Plant and equipment |
| Assets | 2 | | Capitalisation/expensing of assets |
| Assets | 2 | | Initial recognition and management |
| Assets | 2 | | Subsequent measurement |
| Assets | 2 | | Depreciation |
| Assets/Liability | 2(g) | | Impairment of assets |
| Assets/Liability | 2(h) | 23 | Financial instruments |
| Assets | 2(i) | 20(a) | Cash and cash equivalents |
| Assets | 2(i) | | Accrued salaries |
| Assets | 2(k) | 13 | Receivables |
| Liability | 2(l) | 17 | Payables |
| Liability | 2(m) | 18 | <i>Provisions</i> |
| Liability | 2(m) | 18(b) | Provisions – Employee Benefits |
| Liability | 2(m) | 18(a),(b) | Annual Leave and Long Service Leave |
| Liability | 2(m) | 9 | Superannuation |
| Liability | 2(m) | 18(b) | Provisions – Other |
| Liability | 2(m) | 18(b) | Employee on-costs |
| Expense | 2(n) | 9 | Superannuation expense |
| Revenue/Asset | 2(o) | 12 | Resources received free of charge or for nominal cost |
| Expense | 2(p) | | Comparative figures |
| Expense | 2(q) | | Administration Expense |
| Expense | 2(r) | | Goods and Services Tax |
| General | 3 | | Judgements made by management in applying accounting policies |
| General | 4 | | Key sources of estimation uncertainty |
| Liability | 4 | 18(b) | Long service leave |
| General | 5 | | Disclosure of changes in accounting policy estimates |
| General | 5 | | Initial Application of an Australian Accounting Standard |
| General | 5 | | Future impact of Australian Accounting Standards not yet operative |

This index does not form part of the financial statements.

AGRICULTURAL PRODUCE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS 2011

For the year ending 30 June 2011

Note 1 Australian Accounting Standards

General

The Commission's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early adoption of standards

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended [but not operative] have been early adopted by the Commission for the annual reporting period ended 30 June 2011.

Note 2 Summary of Significant Accounting Policies

(a) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

(b) Basis of preparation

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

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

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

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

(c) Reporting Entity

The reporting entity comprises the Commission and entities listed at Note 27 "Related bodies".

(d) Contributed Equity

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

'Contributions by Owners made to Wholly-Owned Public Sector Entities' and have been credited directly to Contributed equity.

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

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable.

The following specific recognition criteria must also be met before revenue is recognised for the major business activities as follows:

Sale of Goods

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

Provision of Services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Interest is calculated on a daily balance and credited to the Commission quarterly. Committees are then credited with their interest on a quarterly basis.

Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

Gains

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

(f) Plant and equipment

Capitalisation/expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment 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 are significant in total).

Initial recognition and measurement

Plant and equipment are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset historical cost is used for all other plant and equipment. All other items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

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

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

| | |
|---------------------|----------------|
| Plant and equipment | 10 to 15 years |
| Office equipment | 5 years |
| Motor vehicles | 3 to 7 years |

(g) Impairment of assets

Plant and equipment are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation 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 asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

(h) Financial Instruments

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

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

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - Cash and cash equivalents
 - Receivables
- Financial Liabilities
 - Payables

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

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

(i) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three

months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

(j) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(k) Receivables

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

(l) Payables

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

(m) Provisions

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

Provisions – Employee Benefits

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

Annual Leave

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

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

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

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

Long Service Leave

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

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

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

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

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

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

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

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Commission makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Provisions – Other

Employment on-costs

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

(n) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

(o) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Commission would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(p) Comparative figures

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

(q) Administration Expense

Each Producer's Committee pays a percentage of the 'Fee for Service' collected to the administration account which is eliminated on consolidation for reporting purposes. The administration account bears all the administration expenses.

(r) Goods and Services Tax

In accordance with the grouping provisions the right to receive GST and the obligation to pay GST rests with the Agricultural Produce Commission with regard to all GST transactions incurred by members of the group.

The Commission is GST exempt, a determination issued by the Federal Treasurer in March 2000 listed the Agricultural Produce Commission GST free under Section 81-5 of the A New Tax System (Goods and Services) Act 1999.

Note 3 Judgements made by management in applying accounting policies

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

Note 4 Key sources of estimation uncertainty

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

Long Service Leave

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

Note 5 Disclosure of changes in accounting policy and estimates

Initial Application of an Australian Accounting Standard

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the Commission.

2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 117, 118, 136, & 139]

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land and buildings recognised in the financial statements have not been found to significantly expose the Commission to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the Financial Statements and Notes to the Financial Statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classifications as investing activities in the Statement of Cash Flows. All investing cashflows recognised in the Commission's Statement of Cash Flows relate to increases in recognised assets.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

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

| | | |
|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| AASB 2009-11 | <p>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].</p> <p>The amendment to AASB 7 Financial Instruments: Disclosure requires modification to the disclosure of categories of financial assets. The Commission does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.</p> | 1 Jan 2013 |
| AASB 2009-12 | <p>Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052].</p> <p>This standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised standard.</p> | 1 Jan 2011 |
| AASB 1053 | <p>Application of Tiers of Australian Accounting Standards.</p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.</p> <p>The Standard does not have any financial impact on the Commission. However it may affect disclosures in the financial statements of the Commission if the not yet reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.</p> | 1 Jul 2013 |
| AASB 2010-2 | <p>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</p> <p>This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.</p> <p>The Standard is not expected to have any financial impact on the Commission. However this Standard may reduce some note disclosures in the financial statements of the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p> | 1 Jul 2013 |
| AASB 2010-5 | <p>Amendments to Australian Accounting Standards [AASB 1,3,4,5,101,107,112,118,119,121, 132, 133, 134, 137, 139, 140, 1023, & 1038 and Interpretations 112, 115, 127, 132, & 1042] (October 2010)</p> <p>This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.</p> | 1 Jan 2011 |
| AASB | <p>Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 &</p> | 1 Jul 2011 |

| | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 2010-6 | AASB 7] | |
| | <p>This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.</p> <p>The Standard is not expected to have any financial impact on the Commission. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.</p> | |
| AASB 9 | <i>Financial Instruments</i> | 1 Jan 2013 |
| | <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p> | |
| AASB 2010-7 | Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] | 1 Jan 2013 |
| | <p>This Amending Standard makes consequential adjustments to other Standards as a result of issuing AASB 9 Financial Instruments in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.</p> | |
| AASB 1054 | Australian Additional Disclosures | 1 July 2011 |
| | <p>This standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p> | |
| AASB 2011-1 | Amendments to Australian Accounting arising from the Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132, & 134 and Interpretations 2, 112 & 113] | 1 July 2011 |
| | <p>This amending Standard, in conjunction with AASB 1054 Australian Additional Disclosures, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.</p> | |

Note 6 Department of Agriculture and Food Contracted Service Costs

Effective 1 July 2000 the Agricultural Produce Commission ("the Commission") entered into a Memorandum of Understanding with the Department of Agriculture and Food (the Department) which is reviewed annually. The objective of this arrangement is to establish the types and standards of services to be provided, the basis for determining the level and the costs of the services and the responsibilities of the Commission and the Department.

The costs of the above mentioned services are disclosed below:

| | 2011 | 2010 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Administration | | |
| Department of Agriculture and Food contracted services | 59,426 | 73,620 |
| Note 7 Producers' Committees operating costs | | |
| Compensation payments | 577,650 | - |
| Promotion, publicity and advertising | 54,203 | 90,136 |
| Research Grants | - | 614,231 |
| Grant funding | 2,105,943 | 1,547,431 |
| Committee sitting fees and allowances | 54,387 | 35,560 |
| Wages, salaries and mileage | 130,637 | 79,991 |
| Department of Agriculture and Food contracted services - apple scab | - | 252,413 |
| Other | 370,451 | 142,759 |
| | <u>3,293,271</u> | <u>2,762,521</u> |
| Note 8 Depreciation Expense | | |
| Vehicles | 1,373 | - |
| Total Depreciation | <u>1,373</u> | <u>-</u> |
| Note 9 Employee benefits expense | | |
| Wages and salaries ^(a) | 107,770 | 70,685 |
| Change in employee entitlement provision | 18,002 | 3,317 |
| Superannuation ^(b) | 4,311 | 4,168 |
| Annual Leave & Long Service Leave Expense ^(c) | 921 | 723 |
| Total employee expenses | <u>131,004</u> | <u>78,893</u> |
| (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component. | | |
| (b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid). | | |
| (c) Includes a superannuation contribution component. | | |
| Note 10 Other expenses | | |
| Audit fees | 12,000 | 13,000 |
| Employment on-costs ^(a) | 2,561 | 1,484 |
| Commissioner fees and related costs | 47,900 | 46,780 |
| Administration costs | 27,228 | 38,675 |
| Resources received free of charge | 8,460 | 8,764 |
| Change to provision for doubtful debts | - | 86,000 |
| | <u>98,149</u> | <u>194,703</u> |
| ^(a) Includes workers' compensation insurance and other employment on-costs. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs. | | |
| Note 11 User Charges and fees | | |
| Fee for Service | <u>3,301,027</u> | <u>3,046,649</u> |

| | | | |
|----------------|--------------------------------------------------------------------------|-------------|-------------|
| Note 12 | Income from State Government | 2011 | 2010 |
| | Resources received free of charge | \$ | \$ |
| | Determined on the basis of the following estimates provided by agencies: | | |
| | Department of Agriculture and Food | 8,460 | 8,764 |

Where assets or services have been received free of charge or for nominal cost, the Commission recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Commission makes an adjustment direct to equity.

| | | | |
|----------------|--------------------|----------------|----------------|
| Note 13 | Receivables | | |
| | Current | | |
| | Receivables | 358,216 | 303,757 |
| | Accrued revenue | - | 3,598 |
| | | <u>358,216</u> | <u>307,355</u> |

The Commission does not hold any collateral as security or other credit enhancements relating to receivables.

| | | | |
|----------------|-----------------------------|----------------|----------------|
| Note 14 | Other Current Assets | | |
| | Current | | |
| | Accrued Interest | 117,513 | 100,310 |
| | | <u>117,513</u> | <u>100,310</u> |

| | | | |
|----------------|---------------------------------------------------------------------|----------|----------|
| Note 15 | Non Current Assets | | |
| | Loans and advances | - | 86,000 |
| | Less allowances for impairment of loans and advances ^(a) | - | (86,000) |
| | | <u>-</u> | <u>-</u> |

In 1999/00 the Minister approved a loan of \$190,000 from Pig Industry Compensation Fund to WA Pig Skills Centre Pty Ltd. In 2004/5 the Pig Industry Compensation Act was repealed and transferred to APC. However the loan was not transferred. The balance of \$86,000 has now been recognised by APC as an outstanding loan. In October 2005 repayments from WA Pig Skills Centre Pty Ltd were suspended.

^(a) **Reconciliation of changes in the allowance for impairment of loans and advances**

| | | |
|-----------------------------------------------------------|----------|---------------|
| Balance at start of year | 86,000 | - |
| Doubtful debts expense recognised in the income statement | - | 86,000 |
| Amounts written off during the year | (86,000) | - |
| Balance at end of year | <u>-</u> | <u>86,000</u> |

| | | | |
|----------------|-------------------------------|---------------|----------|
| Note 16 | Plant and equipment | | |
| | Vehicles | | |
| | At cost | 25,514 | - |
| | Accumulated depreciation | (1,373) | - |
| | Accumulated impairment losses | - | - |
| | | <u>24,141</u> | <u>-</u> |

Reconciliation of the carrying amount of plant and equipment and vehicles at the beginning and end of the reporting period are set out in the table below.

| | | |
|-----------------------------------------------------|----------------------|--|
| | Vehicles | |
| Carrying amount at the start of the year | - | |
| Additions | 25,514 | |
| Depreciation | (1,373) | |
| Total Carrying amount at the end of the year | <u>24,141</u> | |

| Note 17 | Payables | <u>2011</u> | <u>2010</u> |
|----------------|------------------------------|--------------------|--------------------|
| | | \$ | \$ |
| | <u>Current</u> | | |
| | Trade payable | 494,200 | 142,260 |
| | | <u>494,200</u> | <u>142,260</u> |
| | <u>Non Current</u> | | |
| | Trade Payable ^(a) | - | 79,412 |
| | | <u>-</u> | <u>79,412</u> |

^(a) Includes payment of a debt due to the Department of Agriculture and Food for apple scab bio-security activities. This payable has been classified as current as it is due for payment in the next 12 months.

| | | | |
|----------------|------------------------------------|---------------|---------------|
| Note 18 | Provisions | | |
| (a) | <u>Current</u> | | |
| | <i>Employee benefits provision</i> | | |
| | Annual Leave | 20,160 | 9,837 |
| | | <u>20,160</u> | <u>9,837</u> |
| (b) | <u>Non-current</u> | | |
| | <i>Employee benefits provision</i> | | |
| | Long Service Leave | 19,235 | 12,633 |
| | <i>Other provisions</i> | | |
| | Employment on-costs | 2,561 | 1,484 |
| | | <u>21,796</u> | <u>14,117</u> |
| | Total employee provision | <u>41,956</u> | <u>23,954</u> |

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

| | | |
|--------------------------------------------------------|---------------|--------------|
| Within 12 months of the end of the reporting period | 11,978 | 5,994 |
| More than 12 months of the end of the reporting period | 8,182 | 3,843 |
| | <u>20,160</u> | <u>9,837</u> |

Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows

| | | |
|--------------------------------------------------------|---------------|---------------|
| More than 12 months of the end of the reporting period | 19,235 | 12,633 |
| | <u>19,235</u> | <u>12,633</u> |

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.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

| | | |
|------------------------------------------------|--------------|--------------|
| Carrying amount at start of year | 1,484 | 1,152 |
| Additional provisions recognised | 2,561 | 332 |
| Payments/other sacrifices of economic benefits | - | - |
| Unwinding of the discount | - | - |
| Carrying amount at the end of year | <u>4,045</u> | <u>1,484</u> |

| | | | |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Note 19 | Equity | 2011 | 2010 |
| | (a) Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community. | \$ | \$ |
| | Contributed equity | | |
| | Balance at start of period | 3,682,697 | 3,682,697 |
| | Correction of prior period errors ^(a) | - | - |
| | Total Contributed equity | <u>3,682,697</u> | <u>3,682,697</u> |
| | Total contributions by owners | <u>3,682,697</u> | <u>3,682,697</u> |
| | Balance at end of period | <u>3,682,697</u> | <u>3,682,697</u> |
| | Accumulated surplus | | |
| | Balance at start of year | 5,177,683 | 4,760,653 |
| | Result for the period | 186,785 | 417,030 |
| | Income and expense recognised directly in equity | - | - |
| | Balance at end of year | <u>5,364,468</u> | <u>5,117,683</u> |
| Note 20 | Notes to the Cash Flow Statement | | |
| | <u>(a) Reconciliation of cash</u> | | |
| | Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: | | |
| | Cash and cash equivalents | <u>9,083,451</u> | <u>8,698,341</u> |
| | <u>(b) Reconciliation of net cost of services to net cash flows provided by operating activities</u> | | |
| | Net cost of services | 178,325 | 408,266 |
| | Non-cash items: | | |
| | Resources received free of charge | 8,460 | 8,764 |
| | Depreciation and amortization expense | 1,373 | - |
| | Bad debt written off | 86,000 | - |
| | Provision for doubtful debts | (86,000) | 86,000 |
| | (Increase)/decrease in assets: | | |
| | Current receivables | | |
| | Receivables | (50,861) | (68,879) |
| | Other current assets | (17,203) | (33,206) |
| | Increase/(Decrease) in liabilities: | | |
| | Current payables | 272,529 | 112,006 |
| | Current Provisions | 10,323 | 152 |
| | Non Current Liabilities | - | 79,412 |
| | Non current provisions | 7,678 | 3,163 |
| | Net cash provided by/(used in) operating activities | <u>410,624</u> | <u>595,678</u> |

Note 21 Remuneration of Members of the Commission

The number of members of the Commission, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

| | Number of Members | |
|-----------------------------------------------------|-------------------|--------|
| | 2011 | 2010 |
| \$0 - \$10,000 | 3 | 6 |
| \$10,001 - \$20,000 | 1 | 1 |
| Total remuneration of the members of the Commission | 52,211 | 50,948 |

The superannuation included here represents the superannuation expense incurred in respect of members of the Commission.

No members of the Commission are members of the Pension Scheme.

Note 22 Commitments**(a) Capital expenditure commitments**

There are no known capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements.

(b) Other expenditure commitments

There are no known other expenditure commitments contracted for at the reporting date, not otherwise provided for in these financial statements.

(c) Guarantees and undertakings

There are no guarantees and undertakings at the reporting date, not otherwise provided for in these financial statements.

Note 23 Financial Instruments**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, borrowings, finance leases, Treasurer's advances, loans and receivables, and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as in the table at Note 24(c) 'Financial Instrument Disclosures' and Note 14 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 24 (c) 'Financial Instrument Disclosure'.

Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

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

The Commission's exposure to market risk for changes in interest rates relates primarily to the cash and the cash equivalent.

Other than as detailed in the interest rate sensitivity analysis table at Note 24 (c), the Commission is not exposed to interest rate risk because the Commission has no borrowings.

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the categories of financial assets and financial liabilities at balance sheet date are as follows:

| | <u>2011</u> | <u>2010</u> |
|--------------------------------------------------|-------------|-------------|
| <i>Financial Assets</i> | \$ | \$ |
| Cash and cash equivalents | 9,083,451 | 8,698,341 |
| Receivables | 475,729 | 407,665 |
| Loans | - | - |
| <i>Financial Liabilities</i> | | |
| Financial liabilities measured at amortised cost | 494,200 | 221,672 |

(c) Financial Instrument Disclosures

Credit risk and interest rate risk exposure

The following table discloses the Commission's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancements relating to the financial assets it holds. The Commission does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and aging analysis of financial assets

| | Weighted average effective interest rate | Carrying amount | Variable interest rate | Non- interest bearing | Up to 3 months | 3 - 12 months | Over 12 months | 1-2 years | 2-5 years | More than 5 years | Impaired financial assets |
|---------------------------|------------------------------------------------------|--------------------|------------------------------|-----------------------------|-------------------|------------------|-------------------|--------------|--------------|----------------------|---------------------------------|
| Financial Assets | % | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2011 | | | | | | | | | | | |
| Cash and cash equivalents | 5.03% | 9,083,451 | 9,083,451 | - | - | - | - | - | - | - | - |
| Receivables | | 475,729 | - | 475,729 | 475,729 | - | - | - | - | - | - |
| Loans | | - | - | - | - | - | - | - | - | - | - |
| | | 9,559,180 | 9,083,451 | 475,729 | 475,729 | - | - | - | - | - | - |
| 2010 | | | | | | | | | | | |
| Cash and cash equivalents | 4.00% | 8,698,341 | 8,698,341 | - | - | - | - | - | - | - | - |
| Receivables | | 407,665 | - | 407,665 | 30,000 | 1,573 | - | - | - | - | - |
| Loans | | - | - | 86,000 | - | - | - | - | 86,000 | - | 86,000 |
| | | 9,106,006 | 8,698,341 | 493,665 | 30,000 | 1,573 | - | - | 86,000 | - | 86,000 |

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposures and maturity analysis of financial liabilities

| | Interest rate exposure | | | | Maturity dates | | |
|------------------------------|------------------------------------------|-----------------|------------------------|----------------------|----------------|---------------|----------------|
| | Weighted average effective interest rate | Carrying amount | Variable interest rate | Non-interest bearing | Up to 3 months | 3 - 12 months | Over 12 months |
| Financial Liabilities | | | | | | | |
| 2011 | | | | | | | |
| Payables | 5.03% | 414,787 | - | 414,787 | 414,787 | - | - |
| Accrued salaries | | - | - | - | - | - | - |
| Current Liabilities | | 79,413 | - | 79,413 | - | - | 79,413 |
| | | 494,200 | - | 494,200 | 414,787 | - | 79,413 |
| 2010 | | | | | | | |
| Payables | 4.00% | 142,260 | - | 142,260 | 142,260 | - | - |
| Accrued salaries | | - | - | - | - | - | - |
| Non Current Liabilities | | 79,412 | - | 79,412 | - | - | 79,412 |
| | | 221,672 | - | 221,672 | 142,260 | - | 79,412 |

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Interest rate sensitivity analysis

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

| | Carrying amount | -100 basis point | | +100 basis point | |
|---------------------------|-----------------|------------------|----------|------------------|--------|
| | | Profit | Equity | Profit | Equity |
| 2011 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Financial Assets</i> | | | | | |
| Cash and cash equivalents | 9,083,451 | (90,835) | (90,835) | 90,835 | 90,835 |
| | 9,083,451 | (90,835) | (90,835) | 90,835 | 90,835 |
| 2010 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Financial Assets</i> | | | | | |
| Cash and cash equivalents | 8,698,341 | (86,983) | (86,983) | 86,983 | 86,983 |
| | 8,698,341 | (86,983) | (86,983) | 86,983 | 86,983 |

Fair value

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

Note 24 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets which would affect the Commission

Note 25 Events occurring after reporting date

There have been no events after reporting date which would cause the financial statements to be misleading.

Note 26 Related bodies

There are no related bodies with the Commission.

Note 27 Affiliated bodies

There are no affiliated bodies with the Commission

Note 28 Supplementary financial information

| | <u>2011</u> | <u>2010</u> |
|-------------------------------------------------------------------------|-------------|-------------|
| | \$ | \$ |
| Loan written-off by the accountable authority during the financial year | 86,000 | - |

Note 29 Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators

The expense is included at Note 8 'Other expenses'.

| | |
|--------|--------|
| 12,000 | 13,000 |
|--------|--------|

Note 30 Explanatory statement

Explanation of significant variations are considered to be those greater than 10% and greater than \$20,000.

| | | Budget 2011 | Actual 2011 | Variance Between 2010 Budget & 2010 Actual | Note | Actual 2010 | Variance Between 2010 Actual & 2011 Actual | Note |
|-------------------------------------|--------------------------------------------------|------------------|------------------|--------------------------------------------------------|-------|------------------|-----------------------------------------------------------|------|
| | | \$ | \$ | \$ | | \$ | \$ | |
| COST OF SERVICES | | | | | | | | |
| Expenses | | | | | | | | |
| | Dept of Agriculture and Food contracted services | | | | | | | |
| | - Administration | 87,532 | 59,426 | (28,106) | 30.7 | 73,620 | 14,194 | |
| | Producers committees' operating costs | 3,211,612 | 3,293,271 | 81,659 | 30.8 | 2,762,521 | (530,750) | 30.1 |
| | Employee benefits | 78,653 | 131,004 | 52,351 | 30.9 | 78,893 | (52,111) | |
| | Doubtful debts | - | - | - | | - | - | |
| | Depreciation and amortisation expense | - | 1,373 | 1,373 | | | (1,373) | |
| | Other expenses | 123,150 | 98,149 | (25,001) | 30.10 | 194,703 | 96,554 | 30.2 |
| | Total cost of services | 3,500,947 | 3,583,223 | 82,276 | | 3,109,737 | (473,486) | |
| Income | | | | | | | | |
| | User charges and fees | 3,180,250 | 3,301,027 | 120,777 | | 3,046,649 | (254,378) | 30.3 |
| | Grants | 42,000 | - | (42,000) | 30.11 | 30,000 | 30,000 | 30.4 |
| | Polling deposit | - | - | - | | - | - | |
| | Interest | 416,060 | 451,844 | 35,784 | | 316,528 | (135,316) | 30.5 |
| | Other revenue | 12,500 | 8,677 | (3,823) | | 124,826 | 116,149 | 30.6 |
| | Total revenue | 3,650,810 | 3,761,548 | 110,738 | | 3,518,003 | (243,545) | |
| | NET COST OF SERVICES | 149,863 | 178,325 | 28,462 | | 408,266 | 229,941 | |
| INCOME FROM STATE GOVERNMENT | | | | | | | | |
| | Resources received free of charge | 8,200 | 8,460 | 260 | | 8,764 | 304 | |
| | Total Income from State Government | 8,200 | 8,460 | 260 | | 8,764 | 304 | |
| | SURPLUS FOR THE PERIOD | 158,063 | 186,785 | 28,722 | | 417,030 | 230,245 | |

(i) Significant variations between actual revenues and expenditures for the financial year and revenues and expenditures for the immediately preceding financial year.**30.1 Producers' Committee Operating costs**

Producers' Committee operating costs increased as a result of a compensation payment to members of the Carnarvon Banana Producers' Compensation Scheme for damage during the 2011 year.

30.2 Other Expenses

Other expenses declined as a result of the resolution of the Pig Skills debt reported in the 2010 statements.

30.3 User Fees and Charges

User fees and charges increased as a result of a full year of FFS collection for the Fruit Committee at the new rate of FFS which was instituted in November 2009.

30.4 Grants

Grants declined as a result of a Table Grape project, which was funded through APC, via a grant from HAL, being no longer funded through APC in 2010/11.

30.5 Interest

Interest received increased due to an increase in the interest rate compared to the 2010 year.

30.6 Other Revenue

Other revenue decreased as:

- (a) During the 2010 year the Fruit Committee received a payment in respect of the apple scab debt and no such payment was due to the Fruit Committee in the 2011 year.
- (b) The Banana Committee did not receive funding from the Federal banana bio-security levy for the 2011 year.

(ii) Significant variations between 2011 estimates and 2011 actual results for the financial year.

30.7 Department of Agriculture and Food Contracted Services - Administration

The under budget result for Department of Agriculture and Food Contracted Services, Administration is due to the Commission commencing direct employment of one staff member, in March 2011 and this cost now being recorded under 'Employee Benefits'.

30.8 Producers' committees operating costs

The over budget result for producers' committees operating costs is due to a compensation payment to members of the Carnarvon Banana Producers' Compensation Scheme for damage during the 2011 year.

30.9 Employee Benefits

The over budget result for Employee Benefits is due to the Commission commencing direct employment of one staff member, in March 2011 and this cost no longer being recorded under 'Department of Agriculture and Food Contracted Services, Administration'.

30.10 Other Expenses

The under budget result is due to the Commission including a provision in the budget for the transition to shared services, but this was not required to be expended in the year under review.

30.11 Grants

The under budget result for grants is as a result of a Table Grape project, which was funded through APC, via a grant from HAL, being no longer funded through APC in 2010/11.

AGRICULTURAL PRODUCE COMMISSION

KEY PERFORMANCE INDICATORS 2011

GOVERNMENT GOAL

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

DESIRED OUTCOME

Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission Act.

SERVICES

Establishment of, and support for, Producer Committees.

EFFECTIVENESS INDICATORS

KPI 1 - Commission Effectiveness

APC Producers' Committees coverage of the horticultural industry

| Industry/Sector | Gross value of production (\$m) | Percentage |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------|
| Member Industries Coverage | | |
| Avocado* | 20.90 | 2.68 |
| Carnarvon Banana | 11.00 | 1.41 |
| Fruit | 178.70 | 22.91 |
| Potatoes | 56.90 | 7.29 |
| Strawberries | 19.30 | 2.47 |
| Table Grapes | 34.65 | 4.44 |
| Vegetables (excluding potato, mushrooms, herbs) | 206.76 | 26.51 |
| TOTAL | 528.21 | 67.72 |
| Potential Industry Coverage | | |
| Olives* | 13.00 | 1.67 |
| Wine Grapes | 77.85 | 9.98 |
| Nurseries (inc Floriculture)/Turf | 144.20 | 18.49 |
| Fruit/Nuts - Other (including Kiwi and other tropical fruits other than that grown in Kununurra and Carnarvon Bananas) | 7.90 | 1.01 |
| Vegetables - Other (herbs, mushrooms) | 8.84 | 1.13 |
| TOTAL | 251.79 | 32.28 |
| | | |
| GRAND TOTAL | 780.00 | 100.00 |

| The % of horticultural industry serviced by the APC based on production value. | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 41.5 | 43 | 46.5 | 64.0 | 63.1 | 61.6 | 66 | 64.6 | 65.34 | 67.72 |

*In the main, statistics for the above are based on Australian Bureau of Statistics (ABS) statistics for 2009/10. The 2009/10 Agricultural Resource Management Survey (ARMS), which provides the basis for the ABS report, resulted in a reduction in the agricultural commodity content compared to previous agricultural surveys. therefore some ABS data for 09/10 is an estimation. * 2009/10 figure from APC audited KPI's as data was not available for the current year.*

The APC's coverage of the Western Australian horticultural industry demonstrates the 'market share' held by the APC in the overall horticultural industry in Western Australia.

By maintaining, and aiming to increase, its coverage of the horticultural industry the APC affirms its value to the greater industry through enabling growth and prosperity of the industry via the investment of producer funds.

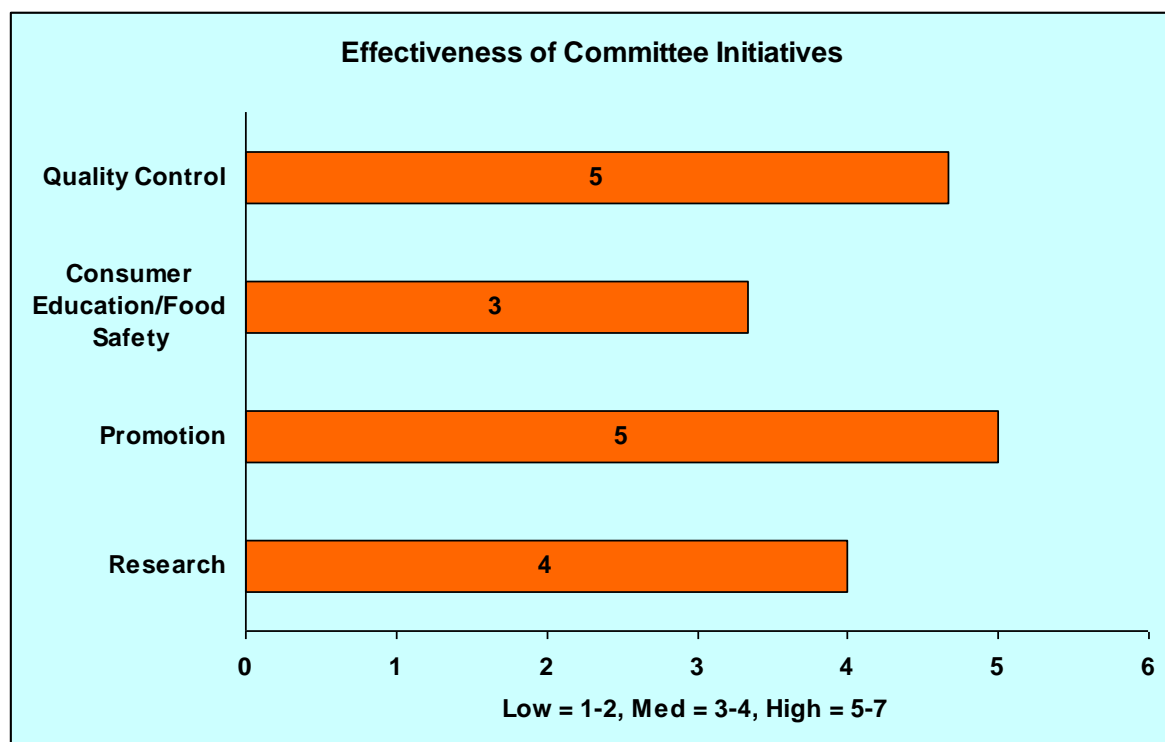
Prescribed industries for the purposes of the APC are not included in the data set. Prescribed industries are eggs, pork and beekeeping.

Horticultural industries that have APC Committees include apple, avocado, Carnarvon banana, pear, citrus, stone fruit, strawberry, table grapes and most vegetable commodities.

Target: Maintain current and further increase percentage of industry serviced by APC Producers' Committees to 66 - 70%.

KPI 2 - Committee Effectiveness

APC Producers' Committees focus and impact on key areas that contribute to their industry's growth and prosperity



Results based on aggregated responses to survey of Committee activities for the 10/11 financial year, conducted with APC Committee members.

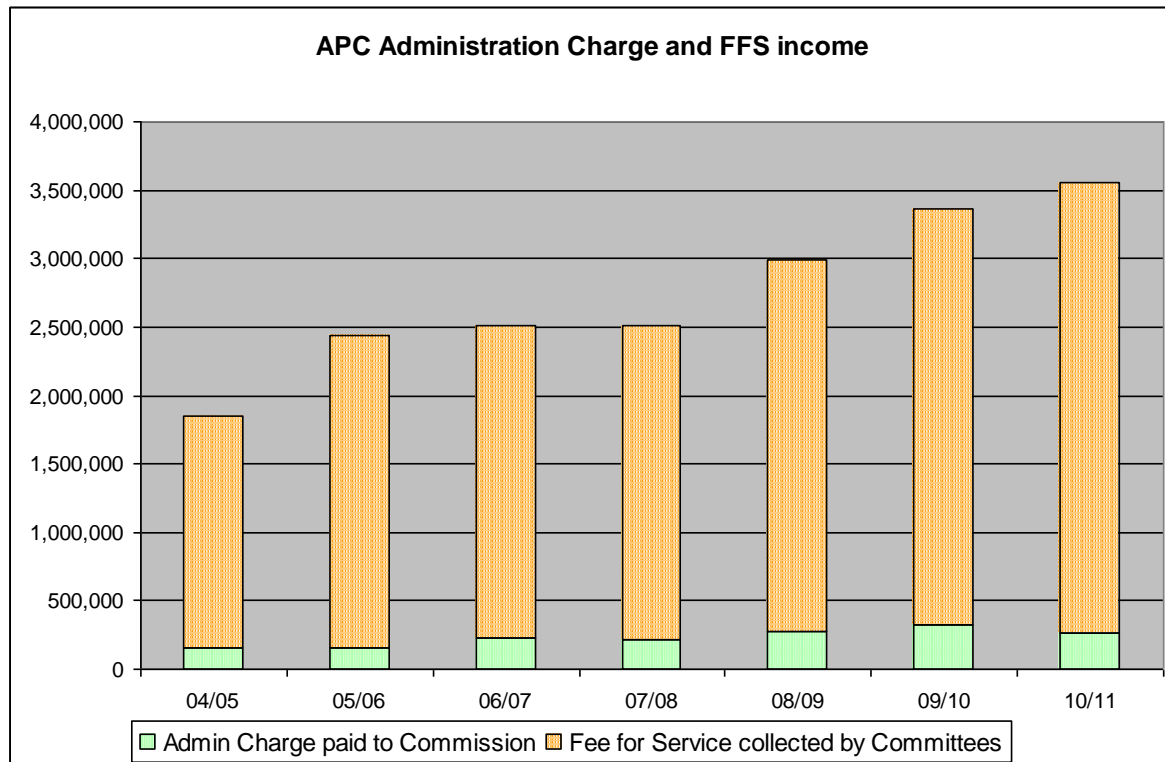
Results are based on a 'yes' response to surveys, where Committees have responded that they are undertaking the process being measured.

Target: To have Committees undertake initiatives in all targeted areas where their industry would benefit from the APC Producers' Committee activities, and to have the impact for each initiative undertaken deliver a success rate of at least 4-6 (moderate to high success).

EFFICIENCY INDICATORS

KPI 3 – Commission Efficiency

APC Administration Charge as % of Fee for Service (FFS) Income



| Year | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|----------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Admin Charge as % of Fee for Service Income | 9.21 | 6.66 | 10.05 | 9.29 | 10.35 | 10.49 | 7.82 |

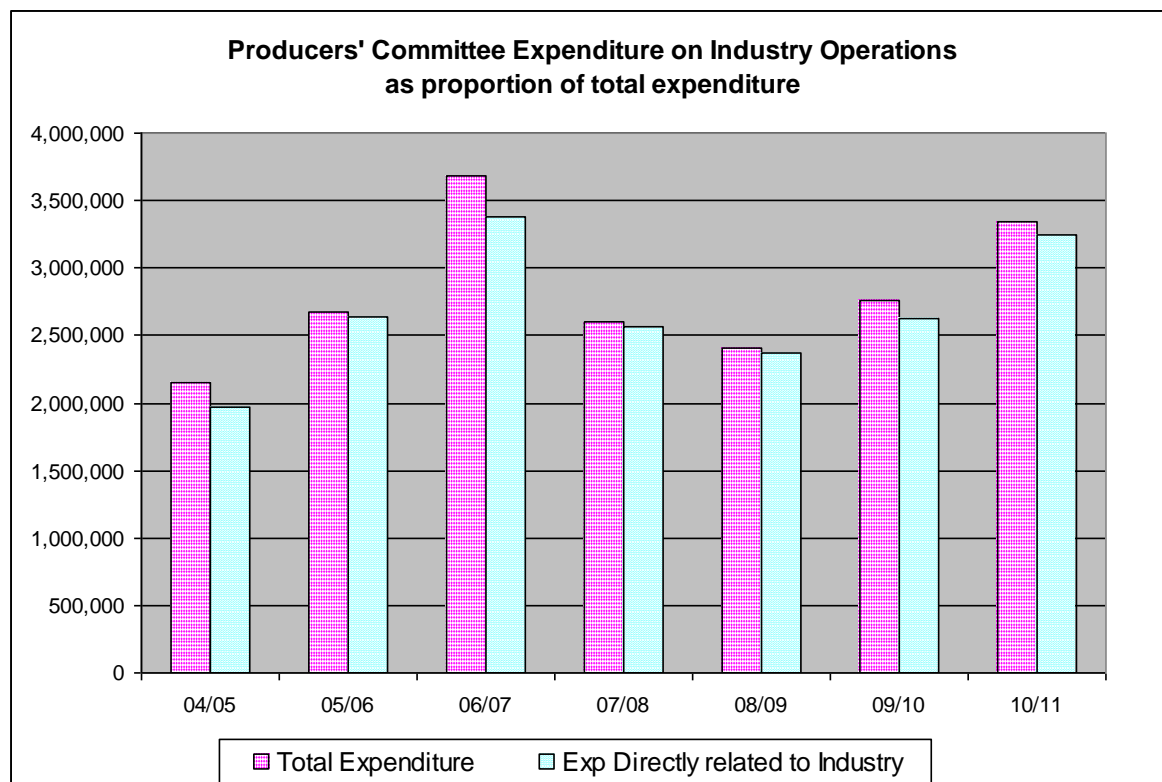
This indicator measures the administration charge paid to the Commission by Committees as a proportion of their total income. To ensure that funds received by the Commission from Committees do not exceed Commission requirements, the Commission reviews its administration charge to Committees on a yearly basis.

A table showing the comparison between administration charge for 10/11 and 11/12 can be found on page 3 of this annual report.

Target – Commission operating costs kept within the 10 - 15% expenditure range in relation to overall FFS income.

KPI 4 - Committee Efficiency

Producer Committee expenditure on industry operations as proportion of total Committee expenditure.



| Year | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| Producers' Committee Expenditure on Industry Operations as proportion of total expenditure | 91% | 99% | 92% | 99% | 99% | 95% | 97% |

Cash outflow directly related to industry operations includes research, compensation, support for industry associations, promotion activities, bio-security operations.

Expenditure not considered directly related to industry operations are funds expended on Committee meetings, sitting fees, travel to/from meetings or expenditure directly related to the administrative operations of the Committee.

The APC Administration charge is excluded from these data.

Target – Committees are able to return 85 to 90% of collected FFS to industry