



AGRICULTURAL PRODUCE COMMISSION

ANNUAL REPORT
FOR YEAR ENDED 30 JUNE 2013

Encouraging Producer Initiative

Agricultural Produce Commission

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AGRICULTURAL PRODUCE COMMISSION**STATEMENT OF COMPLIANCE****For year ended 30th June 2013**

Hon Kenneth Baston MLC
Minister for Agriculture and Food

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Agricultural Produce Commission for the financial year ended 30 June 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and any other relevant written law.



William Ryan
Chairman
Agricultural Produce Commission

Date: 30 August 2013



Graeme Robertson
Member
Agricultural Produce Commission

Date: 30 August 2013

OVERVIEW

EXECUTIVE SUMMARY/CHAIRMAN'S REPORT

There was very little change in the structure of the Commission this year, with only one new Commissioner, Sue Middleton, being appointed by the Minister. The number of Producers' Committees remained unchanged, with ten Committees providing services to their industries.

The Commission again held its annual meeting with all Producers' Committees, with the focus this year being on a review of the key effectiveness performance indicators for both the Commission and the Committees. New performance indicators, which will provide a more useful measurement of the effectiveness of both the Commission and its Producers' Committees were identified, with the Commission working towards introducing these for the 2013/14 financial year's reporting. In line with the adoption of new performance indicators the Commission also reviewed its strategic plan and implemented a risk management framework.

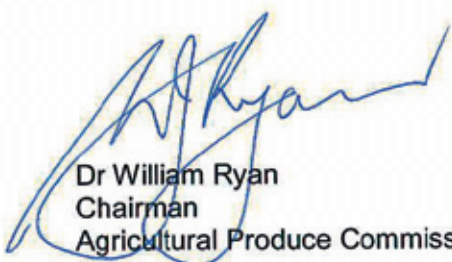
Changes to the APC Act continue to be progressed. The changes will improve the operation of the Act, and it is hoped, provide the opportunity for the abilities of the APC to be available to a larger section of the agricultural industry in Western Australia. The existing exclusion on some industries discriminates against these industries as it denies them the opportunity provided to other WA agricultural industries. The removal of the current exclusion will only provide the option for other industries to join the APC, any industry wishing to take advantage of the legislation would still have to complete the rigorous process set out in the legislation before a Producers' Committee could be formed.

Services provided to producers by APC Committees continued to provide measurable benefit to industries. Some services of the past year were: compensation paid to Carnarvon banana growers as a result of extreme heat which affected 25% of banana patches, funding for the pork CRC, funding to various industry associations which provided services to their industries on behalf of Committees and part funding of various industry development officers.

Bio-security remains a top priority for industries. The relaxing of import conditions on many commodities, including table grapes and apples, is seen by industries as increasing the risk of bio-security incursions and some industries are considering implementing formal bio-security funds. The availability of water, particularly for Carnarvon banana growers, also continues to cause concern.

On behalf of the Commission I would like to express appreciation/admiration to all the Chairpersons, members and support staff of the APC Producers' Committees – these individuals work tirelessly on behalf of their industries with a goal of achieving a better industry for all – and often when their personal work commitments are already overloaded. I would also like to thank all the staff of the Commission who have effectively and efficiently got the APC through another year. I also thank my fellow members on the Commission for their professionalism and ongoing contributions to the Commission.

In closing, we look forward to continuing, and improving on, the positive contributions of the Commission and its Producers' Committees to Western Australian agricultural industries in the coming year.



Dr William Ryan
Chairman
Agricultural Produce Commission

OPERATIONAL STRUCTURE

The Agricultural Produce Commission and the APC Producers' Committees provide services to industries via the following Functions, as provided for in Section 6.1 of the Act.

- 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.

ENABLING LEGISLATION

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 Agricultural Produce Commission is listed as a statutory authority on Schedule 1 of the *Financial Management Act 2006*.

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.

RESPONSIBLE MINISTER

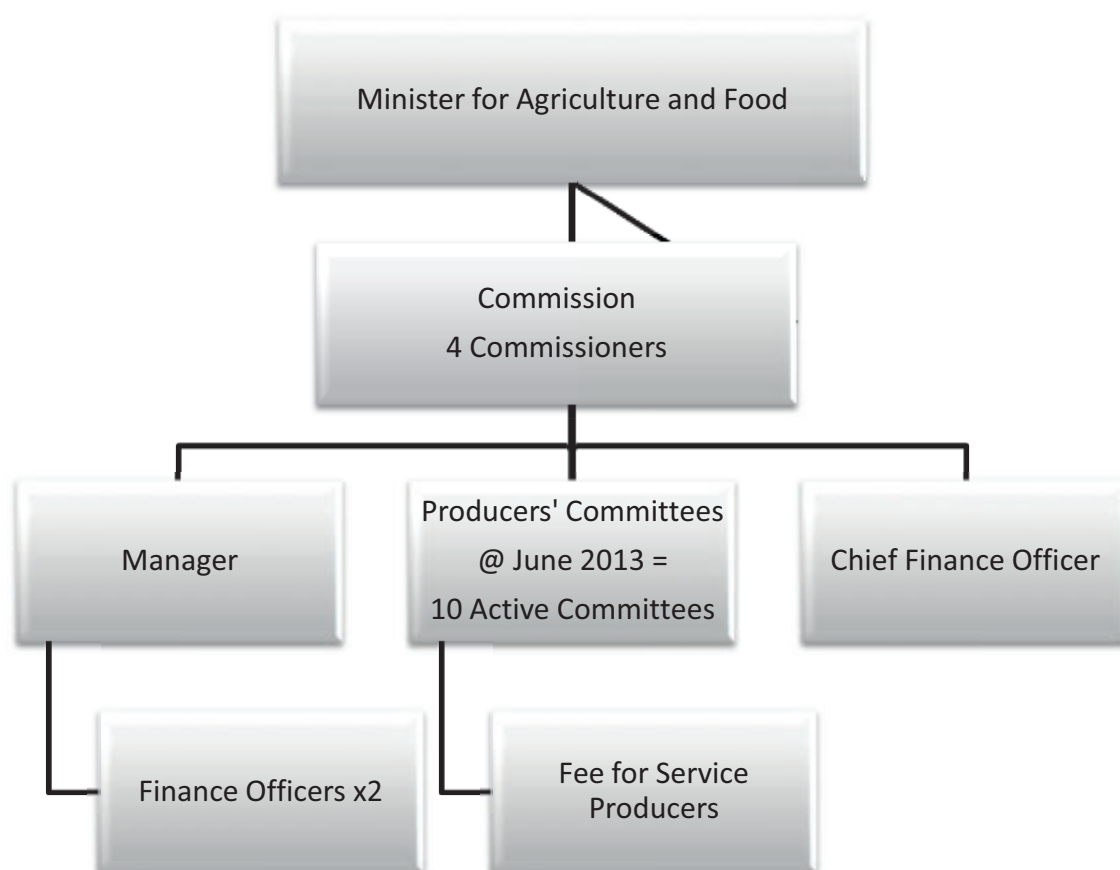
The Hon Kenneth Baston, MLC, Minister for Agriculture and Food.

ORGANISATIONAL STRUCTURE

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.

ORGANISATIONAL CHART**THE COMMISSION**

The Agricultural Produce Commission is comprised of four Commissioners appointed by the Minister for Agriculture and Food. 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
Dr Graeme Robertson	Member
Mr Steve Tilbrook	Member
Mr Ray Moir	Member – Jul 2012 to Jan 2013
Ms Sue Middleton	Member – from Jan 2013

Commissioners are remunerated at rates set by the Public Sector Commission, and approved by the Minister for Agriculture and Food.

The Commission's employs a Manager who is engaged under a secondment agreement with the Department of Agriculture and Food, and two finance officers at 1.6 full time equivalent.

LEGAL PROTECTION OF COMMISSIONERS

The APC 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.

ACTIVE APC PRODUCERS' COMMITTEES

As at 30 June 2013 the Commission had 10 active Producers' Committees and 4 Producers' Committees in recess.

Producers' Committee	Functions Adopted	Members
APC Avocado Producers' Committee (Established 1995)	(a) to (k)	Alan Blight (Chair) Ken Gwynne Neil Delroy
APC Beekeepers Producers' Committee (Established 2003)	(b), (c), (d), (h), (l), (la), (m)	Colin Fleay (Chair) Leilani Leyland Kim Fewster Rod Pavy Tiffane Bates Michael Summerfield
APC Carnarvon Banana Producers' Committee (Established 1999)	(a) to (m)	Bruce Munro (Chair) 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 Ned Taddei Harvey Giblett Terry Martella Shane Kay Mario Casotti Joseph Ling Mark Wilkinson
APC Potato Producers' Committee (Established 2001)	(a) to (m)	Sam Calameri (Chair) Dom Della Vedova Herbert Russell Terry Ackley Glen Ryan
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 Anthony Yewers Jamie Michael
APC Table Grape Producers' Committee (Established 1991)	(a) to (l) and (m)	Allan Price (Chair) Roger Fahl Trevor Carter Matt Katich Tony Lovreta Peter Nuich Kim Taylor
APC Vegetable Producers' Committee (Established 2005)	(a) to (m)	Maureen Dobra (Chair) Joyce Babun Michael Le James Wringe Dane Capogreco Lisa Tana Anthony Marinovich

PRODUCERS' COMMITTEE MEMBERSHIP

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

Each 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.

Remuneration and expenses for Committee Members are available at approved rates. Committees use their discretion on whether to claim remuneration or not. A number of Committees do not presently claim remuneration for their members.

PRODUCERS' 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 and administrative 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.

The Commission maintains separate accounts for each Producers' Committee and provides 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.

PRODUCERS' COMMITTEE DIRECTIONS

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

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 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.

ADMINISTERED LEGISLATION

SCOPE OF THE AGRICULTURAL PRODUCE COMMISSION 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.*

SERVICE FUNCTIONS OF SECTION 12.1 OF THE APC ACT

Subject to any direction given by the Commission and to this section a producers' committee may provide any one or more of the following services as are prescribed in relation to the agricultural produce in relation to which it is established —

- (a) advertise and promote the agricultural produce;
- (b) control or develop the means of controlling pests and diseases if there is a likelihood of those pests or diseases affecting the quality or volume of output of the agricultural produce;
- (c) conduct research in relation to any matter, if in the opinion of the producers' committee that research is of advantage to producers of the agricultural produce;
- (d) conduct educational or instructional programmes relating to the production of agricultural produce;
- (e) develop and expand markets for the agricultural produce in Western Australia and elsewhere;
- (f) establish a voluntary insurance scheme for the benefit of producers of the agricultural produce including insurance relating to crops;
- (g) undertake and provide market forecasting for the agricultural produce;
- (h) establish systems of inspection for the agricultural produce for the purpose of quality control or pest and disease control;
- (i) formulate schemes for declaring producers of the agricultural produce to be accredited producers;
- (j) establish systems to facilitate inspection of grading, packaging and storage of the agricultural produce including weight and uniformity (including uniformity of ripeness) within packages;

- (k) support, with or without grant of financial aid, and whether or not initiated by the committee or the Commission, any scheme or activity which in the committee's opinion is capable of assisting in the promotion or sale of the agricultural produce;
- (l) provide such other services for the agricultural produce as may be prescribed;
- (la) establish a compensation scheme for the benefit of producers whose agricultural produce is destroyed as a result of action taken to control a pest or disease of that produce;
- (m) arrange for the provision of all or any of the services or the exercise of any of the functions referred to in paragraphs (a) to (la) in whole or in part by another person or organization or in conjunction with the Commission or any other person or organization.

AGRICULTURAL INDUSTRIES PRESCRIBED UNDER THE ACT

- **pork production industry** - prescribed as an agricultural industry under section 3.1 of the Act with all section 12.1 services being 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 being 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 being services that a Producers' Committee may provide in relation to the egg production industry (Gazetted 17 May 2002).

DECLARED PESTS AND DISEASES

Section 19a of the Act allows for pests and diseases to be declared a pest or disease in relation to the control of certain pests or diseases, and applies to commercial and non-commercial producers.

- *Mediterranean fruit fly (Ceratitis capitata)* is a pest to which Section 19a of the Act is to apply. Notice gazetted on 19 September 2000.
- *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)*. Notice gazetted on 9 January 2004.
- *American foul brood and European foul brood*. Notice gazetted on 9 January 2004.

FEE FOR SERVICE REGULATIONS

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.

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*.

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.

Agricultural Produce (Egg Production Industry) Regulations 2006 provide for Fee for Service collection direct from egg producers. However, as at 30 June 2012, the industry had not instituted a Fee for Service charge for eggs.

Voluntary Fee for Service – Horticultural groups can institute a voluntary Fee for Service under Section 19 of the Act, however Section 14 of the Act and the *Agricultural Produce (Horticultural Industry) Regulations 2001* do not apply.

OTHER KEY LEGISLATION IMPACTING ON THE APC'S ACTIVITIES

- Auditor General Act 2006
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Freedom of Information Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- State Records Act 2000
- Workers Compensation and Injury Management Act 1981

PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOME BASED MANAGEMENT FRAMEWORK

Government Goal	Desired Outcome	Services	Effectiveness Indicators	Efficiency Indicators
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Facilitation of growth and prosperity of agricultural industries covered by the Agricultural Produce Commission.	Establishment of, and support for, Producers' Committees.	<ol style="list-style-type: none"> 1. APC Producers' Committee coverage of the horticultural industry. 2. APC Producers' Committees focus and impact on key areas that contribute to their industry's growth and prosperity 	<ol style="list-style-type: none"> 1. APC Administration Charge as % of fee for service Income. 2. Producers' Committee expenditure on industry operations as proportion of total Committee expenditure.

CHANGES TO OUTCOME BASED MANAGEMENT FRAMEWORK

The APC's Outcome Based Management Framework did not change during the 2012/13 year.

The Commission is reviewing the current Key Effectiveness Performance Indicators, and intends to introduce new effectiveness indicators for the 2013/14 reporting year.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The APC did not share any responsibilities with other agencies during the 2012/13 year.

AGENCY PERFORMANCE**REPORT ON OPERATIONS AND SIGNIFICANT EVENTS DURING THE YEAR****COMMISSION MEETINGS 2012/13**

The Commission meets as necessary during the year. 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:

Commissioner	Eligible to Attend	Attended	Leave of Absence
William Ryan	6	6	
Steve Tilbrook	6	5	1
Graeme Robertson	6	6	
Ray Moir	3	3	
Sue Middleton	3	2	1

During the 2012/13 year the Commission also attended meetings of Producers' Committees in order to maintain a close overview of Producers' Committees operations.

ANNUAL MEETING WITH COMMITTEE CHAIRPERSONS' & MEMBERS

Commissioners meet with Producers' Committees annually to review the previous year and discuss future needs. The 2013 annual meeting was held at Technology Park, Bentley on Friday 7 June 2013.

The meeting was open to all members of APC Committees, with all Committees but the Carnarvon Banana Producers Committee being represented by members at the meeting.

CHANGES TO THE APC ACT

The Commission continues to progress amendments to the APC Act and is hopeful that the amendments will be passed in the 2013 year.

ESTABLISHING PRODUCERS' COMMITTEES

During the 12/13 year the Commission continued dialogue with industries which might be interested in forming APC Producers' Committees.

HORTICULTURE WA

During the 12/13 year the Commission continued to provide assistance in the establishment of Horticulture WA. Horticulture WA has now been established with

a constitution and has two projects commencing in the second part of the 2013 year.

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.
- Bio-security initiatives.
- Marketing of produce.

FEE FOR SERVICE COMPLIANCE

To ensure producers and their respective industries can maximise 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 undertake and support initiatives identified as required by the industry.

During the year under review the Commission maintained its processes 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.

PRODUCERS' COMMITTEE REPORTS 2012/13

APC AVOCADO PRODUCERS' COMMITTEE

Chairperson: Alan Blight

The Committee continues not to collect FFS on avocados. The industry has major concerns about the way the national levies are managed but there is not agreement on if, or how, that should be dealt with at a state level. At present there seems to be a lack of enthusiasm for re-instating the APC fee for service on avocados. Avocado growers are fortunate enough to have a product that is in demand. Nonetheless, there are problems facing the industry. There is little consensus on how to tackle these issues.

2012/13 was a record year for West Australian avocado growers and packers. The largest crop of over 3 million trays was harvested with high values maintained. Marketing targeted replacing New Zealand fruit with our fruit in the chains. This was highly successful for both growers and retailers. Unfortunately yields for 2013/14 are well down. Inconsistent bearing remains the foremost problem for the industry.

APC BEEKEEPERS PRODUCERS' COMMITTEE

Chairperson: Colin Fleay

Secretary: Leilani Leyland

The 2013 year ended up being an above average season for most commercial beekeepers, despite a wetter than average late spring and an early finish to the season. The Jarrah and Red Gum produced the best flowering in years resulting in significant yields of both honey and pollen. This has enabled beekeepers to repay debts accrued in past seasons and most now have a surplus of product on hand.

Biosecurity is the major concern for beekeepers with numerous incursions of exotic bees reported throughout Australia this year with one testing positive for Varroa Mite. The Apis Cerana incident in Queensland highlights the enormity of an eradication attempt, which upon failing, has now been reduced to a containment effort.

Small Hive Beetle numbers continue to increase in the Ord River area and with current farming practices and the amount of produce and tourists heading south it's only a matter of time before it is detected in Perth. The Committee have funded the purchase of Small Hive Beetle traps which have been distributed among the willing members of West Australian Apiarists Society, the hobbyist section of WA beekeeping. They were installed in hives throughout metropolitan Perth and surrounding areas in February, and are now being analysed. We are all hoping for a negative result.

The Committee has established a re-imbursement scheme to compensate beekeepers for colonies destroyed in an eradication effort. A percentage of the FFS is being accumulated for this purpose.

The Committee again contributed funds to assist in the running of Honey Week. This is an Australia wide initiative designed to showcase the industry to the public. It proved to be an outstanding success and plans are already underway for a larger event next year.

Bee Informed, the industry newsletter, continues to promote news of events, research ideas and best practices for all beekeepers

The Committee negotiated the inclusion of articles relating to bees, pollination, pesticides etc, as well a list of beekeepers willing to provide pollination services, in both the fruit and vegetable industry magazines – these industries are thanked for their assistance in this objective. It is hoped that growers have the foresight to enter into financial arrangements with beekeepers now, in order to minimise the impact of the loss of free pollination which they are currently receiving from feral colonies.

The Committee also provides funds to DAFWA to assist with biosecurity but this may be reviewed in light of severely reduced assistance. Despite an independent review, *"More Than Honey"*, which recommended that \$50 million be invested in beekeeping Australia wide, services continue to be reduced.

The future of beekeeping does not look bright in the face of low commodity returns and escalating input costs, loss of production through climate shift, bush fires and urban encroachment, and an aging beekeeper population. How these points can be turned around remains to be seen.

APC CARNARVON BANANA PRODUCERS' COMMITTEE

Chairperson: Bruce Munro

Secretary: Alexandra Harper

Committee - The committee members for 2012/13 are Bruce Munro (Chairman), Darryl Hardman, Chris Collins, John Kearney and John Thomas. Tom Day and

Michael Andreoli both did not renew their positions in May 2013 due to time constraints.

Compensation - Compensation was paid to members of the compensation scheme for losses suffered from heat damage in January 2013. 25% of the banana patches were deemed to have suffered heat stress and compensation was paid to members accordingly.

Biosecurity Fund - Horticulture Australia Limited have approved a funding application to manage on farm biosecurity within the Carnarvon banana area. This has been approved for 3 years to the value of \$36,000. This will be funded from banana levies paid to the federal government.

Scheme review - The Committee took on board the recommendation by the Commission that a review of the Scheme Rules be undertaken to secure the future of the scheme. These have now been completed and the new Scheme Rules are in place. The review was comprehensive and all members of the Scheme participated in the review.

Industry issue - The top priority for the Carnarvon banana industry at the moment is water availability. The lack of available water is causing major issue with growers and their production.

APC EGG PRODUCERS' COMMITTEE

Chairperson: Ian Wilson

Secretary: Lucy Radzikowska

In response to industry wishes, the Fee for Service was set at \$0.00 for the financial year with the Committee utilising existing funds for project funding.

The Commercial Egg Producers Association Inc. (CEPA) was successful in obtaining funds to provide services for the egg industry in the area of promotion, policy formulation and industry development. CEPA has been able to continue gaining benefits of its good work with State and Federal Government, RSPCA and Australian Egg Corporation Ltd (AECL). Areas of work have been on stamping of individual eggs, free range hen stocking densities, marketing of eggs, research and development priorities for WA.

The Committee also successfully attracted Nuffield Scholar funding for the egg industry via the AECL.

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

Chairperson: Ben Darbyshire

Fruit West's fee for service collection was within a few percent of our budgeted projections for the 2012/13 year.

The Committee continued to direct its attention to its key focus areas –increasing consumer demand for Western Australian fruit, empowering growers through skills and information, enhancing grower competitiveness nationally and internationally and providing leadership and purpose through relationship maintenance and development.

A further theme through these areas was biosecurity, with our growers increasingly challenged during the past year with the importation of apples, pears, stone fruit and citrus. All growers hold grave concerns about the potential introduction of exotic pests and diseases.

Fruit Fly control has become a significant issue for successful orchard management for members with loss of OP cover sprays. Fruit fly continues as the most important pest species of economic significance internationally. We expect to expand our

involvement in this area by supporting wider initiatives with the Department of Agriculture and Food, Western Australia. It will be essential for other horticultural industries to participate to have a common front on this challenge. Fruit West continues its involvement in community engagement which has become an essential component of area wide management in all jurisdictions where fruit fly is managed.

Fruit West supported the development of the Fruit West Co-operative Ltd (FWCL), which will held its first annual general meeting in July 2013. Included in the activities of the FWCL is seeking to manage new fruit varieties.

Fruit West was successful in securing funds, collected through federal levies, back to Western Australia by achieving funding from APAL for apple promotion through the “Aussie Apple” program, achieving funding for the Future Orchard programme which is facilitated locally, and securing matching funding from Horticulture Australia Limited (HAL) for a citrus industry development officer and assistance for the medfly program.

Fruit West intends to continue to focus on fruit quality by reducing unacceptable variation to consumers and providing assistance to extend the citrus maturity/sensory testing to a national basis. This initiative is intended to be rolled out to pome and stone fruits as well.

APC PORK PRODUCERS’ COMMITTEE

Chairperson: Neil Ferguson

Fee-for-Service Funded Activities – The APC Pork Producers’ Committee is charged with the responsibility of ensuring funds generated from the industry on a fee-for-service basis support activities or programs that directly benefit Western Australian Fee for Service paying producers. As has been the case in recent years, the Committee’s support is geared towards: Technology Transfer; Industry Training and Education; Research and Development; as well as Industry Administration.

Research and Development – The core projected spend in this area is the \$75,000 per annum commitment the APC Pork Producers’ Committee makes to the Pork CRC, thus qualifying the WA Industry as an essential partner of the new Pork CRC. This commitment was made for the life of the new Pork CRC and follows on from our support for the original CRC.

Please refer to the Pork CRC website (www.porkcrc.com.au) for a full list of projects and activities that the Pork CRC supports.

Industry Administration – The West Australian Pork Producers’ Association (WAPPA) is the peak industry body representing the industry in WA.

Over recent years WAPPA, along with the support of producers, has played a leading role in ensuring the industry has a suitably qualified workforce. The industry now has three labour agreements in place enabling these companies to recruit skilled workers over the next three years. The maintenance and continued development of a skilled workforce at the primary production phase of the industry plays an important role in protecting employments in other key sectors of the supply chain, being:

- Grain Production
- Feed Mills
- Transport
- Veterinary Services
- Processing and Manufacturing

WAPPA's role in advocacy and service is ever evolving as it continues to work cohesively with various government agencies in the areas of:

- Animal Welfare/Livestock Compliance Unit (DAFWA)
- Animal Welfare/Pig Industry Regulations (DAFWA)
- Environmental Regulations
- Research & Development (DAFWA)
- Land Transport of Pigs/WA Regulations
- DAFWA/Strategic Planning and Industry Development
- Department of Immigration & Citizenship/Workforce Planning & Development.

Through its advocacy WAPPA aims to develop supply chain efficiencies that enable producers to compete effectively by - utilising the available technologies in production, allowing the industry to exploit current and potential markets for pork products.

The APC Pork Producers' Committee/WAPPA continues to financially support the extremely popular pig display at the Perth Royal Show. This display has proven to be the most popular at the show in recent years.

Technology Transfer – The Department of Agriculture and Food WA (DAFWA) facilitates extension to all WA pork producers. DAFWA plays a key role in providing research within the state and has recently assisted several producers with feasibility studies into Bio-gas systems. Each year DAFWA conducts a number of producer seminars, 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 Industry Training (WA) continues to facilitate training courses designed around Certificate III in Pork Production. Under the Industry's Model Code, all pork producers are required to have competent people caring for their pigs, with competency being assessed at Certificate III level. Producers or industry groups interested in enrolling someone in the Certificate III in Pork Production should contact Iris at Portec.

Industry Training and Education – Traditional projects have been geared around familiarising welfare inspectors with different production systems. This year the Committee extended the training area to include a joint sponsorship with Linley Valley Pork of the Young Butchers Competition, allowing pork to be show-cased at the event.

Financial Position – The fee-for-service has remained stable since the inception of the APC. The current fee stands at 0.08c/kg dressed weight. In terms of overall collection, the current practice is for the buyer to submit the growers' returns to the APC. It is pleasing to report the level of collection within the industry is almost 100%.

The Committee maintains a minimum reserve policy of \$1.2m. On the basis that the Committee continues to run modest deficits, it believes the fee-for-service will need to be increased sometime in the next two to four years.

With Gratitude – The APC Pork Producers' Committee is funded by the Fee for Service paid by every producer in Western Australia. The Committee wishes to thank each and every producer for their ongoing support of the APC, which enables us to carry out services on behalf of Fee for Service paying producers.

APC POTATO PRODUCERS' COMMITTEE*Chairperson: Sam Calameri**Executive Officer: Jim Turley*

Promotion – For the 2012/2013 the Committee again awarded the Marketing and Promotion of Fresh Potatoes in Western Australia to Western Potatoes PTY LTD. This year there was far more time spent on face to face contact and interaction with consumers i.e. Events, in store demonstrations, improving the website, more advertising in the food section of the West Australian newspaper and more interaction with schools including educating on how to grow seed potatoes.

Consumer Research - Over 1,000 consumers were interviewed across the state, this was a comprehensive study of the potato consumer's and consumption in WA. Some interesting facts to emerge were; the average monthly consumption of potatoes in WA is 7.1 times per month. This is 1.6 times per week. As a result of this study there will be a comprehensive consumption campaign launch in 2013/2014 to increase consumption to twice a week which will increase sales by 10,000 tonnes over the next three years.

The food service project proved to be very popular with the chefs in Western Australia. The project aims to educate chefs about the local potato industry and the wonderful varieties and diversity of our locally grown products.

Six leading ambassadors (named the Potatodors) from the food service community were chosen to represent the potato industry to their peer group and different parts of the food industry in general.

Other activities included the Royal show where Western Potatoes stand was awarded an IGA Fresh from WA Pavilion commercial exhibitors certificate for, "Best Design and Presentation" – one of only two stands to receive this award.

General - The Committee continued its support for WA Fee for Service paying producers by funding the, "Seed Certification and Virus Testing" program and funding the West Australia Seed Potato Producers (WASSP) Association.

Quality improvement for the domestic market was supported with the funding of the Manjimup/Pemberton potato group. Other projects funded were virus Y testing, the Potato Growers Association and improving production in the Mid West.

APC STRAWBERRY PRODUCERS' COMMITTEE*Chairperson: Gerry Verheyen*

The Committee has participated in initiatives as follows for 2013.

WA Strawberry Improvement Program - This project is in its second assessment season. This year germination was good and the expected 7,000 seedlings were planted out in mid April. This year plants were left uncovered and the incidence of *Botrytis* and rain damage is currently quite high. Plants have started to fruit but only in very small numbers. A limited number of lines from last year were also planted out for further assessment and these are more advanced in fruiting however shape is poor.

A focus on Irrigation and fertiliser practices to improve production efficiency for language other than English (LOTE) strawberry growers - This is a new three year project funded jointly by APC and HAL. Project participants include research officers from DAFWA and Gerry Verheyen (SGAWA). The project commenced in July and is going very well. Three growers have been selected for detailed monitoring and another nine growers this year will have irrigation assessments at a minimum. Moisture monitoring equipment is installed at the three

growers and has been operating now for about 3-4 weeks. Each grower has had one follow-up visit to review their irrigation to date. Each of the three growers has three 100 plant plots marked out to benchmark crop yield and quality and those plots are also being intensively monitored for diseases. Unfortunately we have already had to cease the yield assessments at one grower as the plots have been repeatedly picked. We have discussed ways to avoid this problem and we should be able to put something in place for next season but this year we have already lost too much yield and the data would be highly compromised.

We have only one grower so far for whom we need an interpreter. Vo The Truyen who is the Vietnamese industry development officer for VegetablesWA has been able to help us in that regard.

Fruit fly trapping program - A two year program to trap for fruit flies and sample fruit is now in its second year. Properties were selected for monitoring and sampling on the basis of fly density and access to the site. Traps were installed in August 2012 on six properties in the Perth Metropolitan area and on two properties in September 2012 in the Mount Barker/Albany region.

Male-targeted traps were used to monitor Medfly. The trap used was a modified version of a Lynfield trap. This is the standard trap used to monitor Medfly in Western Australia by the Department of Agriculture and Food.

Strawberry fruit were collected over a three month period. Collections were only made in the Perth area, and a sample from each property consisted of 600 individual fruits.

A total of 110 male *C. capitata* were collected from farms in the Perth metropolitan area. Most of these were located in the Carabooda/Wanneroo areas where fruit fly hosts such as citrus are often located in private residences adjacent to the farm. Trapping ceased once the spring/summer production season finished.

No *C. capitata* were recorded from the 25,200 individual fruits collected from commercial farms in the Perth area.

APC TABLE GRAPE PRODUCERS' COMMITTEE

Chairperson: Allan Price

Committee- All members were re-appointed for the 2012-13 year. Allan Price was elected Chair to replace Roger Fahl.

Industry Overview- Consumption of table grapes continues to grow with strong market prices and increasing population. Good quality fruit sold well with heavy discounting for poorer quality lines.

Activities- Once again the main activity of the committee was to administer the Table Grape minimum maturity standards at wholesale and retail.

Some issues arose at the beginning of the season with concerned legal opinion on the validity of the regulations under which inspections and removal of fruit from sale was handled. After some delay, the regulation was gazetted to ensure validity.

Some early lines of fruit were borderline for maturity but our employed inspectors were able to handle this on a consultative basis. Very few rejections were made during the season.

Our main expenditure is for compliance inspections with in-store purchases making a sizable portion of the samples tested, thus checking on those by-passing the central market system.

Funds are supplied to the Department of Agriculture and Food, Western Australia (DAFWA) to do sugar: acid testing for growers to assist in maturity determination at Carnarvon, Forrestfield and Bunbury. This service has reduced the number of immature lines being detected in the marketplace.

Funding was also provided for a DAFWA survey and life cycle study on Mealy Bugs in Table Grapes. A second species of Mealy Bug with a different life cycle to Long Tailed Mealy Bug was found and will require further examination.

The Western Australian industry joined with the National grape promotional program through HAL (Federal Levy funded) due to the pressure from The Australian Table Grape Association (ATGA). Generally the exposure for WA was poor and the committee felt that little was gained from the national program, and this was conveyed to ATGA. It is yet to be determined whether we put together a project to regain the previous funding from HAL, or we continue with the national program. It was obvious that our Minimum Maturity Program is the best “advertising” with repeat sales when consumers are confident in the eating qualities of the product

Future Activities-

1. Continue minimum maturity compliance inspections
2. Continue funding for DAFWA maturity testing.
3. Funding for on-going mealy bug project (if applied)
4. With the application to import Californian Table Grapes into WA and the allowance by DAFF Biosecurity to issue permits, this committee may need to provide funds for pest/ disease surveys or mitigation control measures. A project to survey Californian grape imports for suitability for the WA industry has been developed and put to the committee for approval.
5. A bio-security fund may be required to cover point 4 above if a pest or disease outbreak becomes a reality.

General- It has been confirmed that imported product must meet any mandated regulation of the importing jurisdiction provided the exporter has been provided such information. As such, DAFWA provided DAFF with a copy of the minimum maturity standards for WA, which are to be provided to exporters as part of the permit system.

The normal period for the maturity standards is from September to 30 June. This will need to be applicable for twelve months due to the imports.

The timing of imports has also caught us out on the validity of our inspectors. With the introduction of the BAM act, table grape inspections were inadvertently deleted. The act requires that inspectors are conversant with the complete act and when they sat to do their upgrades to the Act, large tracts of non-applicable material was identified. Consequentially, the inspection requirements are to be re-assessed. Meanwhile we are not able to inspect the imported fruit as would ordinarily be done for local production.

Given the imports are generally above our maturity levels, this is not causing any “damage” apart from general growers asking what is being done. Hopefully this situation is resolved in the near future, particularly before Carnarvon production begins for the 2013 season.

APC VEGETABLE PRODUCERS' COMMITTEE

Chairperson: Maureen Dobra

Executive Officer: Jim Turley

Once again the Committee supported the tomato industry with funding for disinfestations of tomatoes and Mediterranean fruit fly for interstate market access.

Other projects that were funded included control of aphid-borne cucurbit virus, managing stable fly in vegetable crop residues, marketing and promotion of vegetables grown in WA and continuing farm improvements through good practice demonstrations and the vegetable growers association.

Analyses on the horticulture precincts of Manjimup/Pemberton and Gingin were also funded.

For the first time the Committee, along with the Department of Agriculture and Food WA and Royalty for Regions worked together to provide funding to employ a Vietnamese Field Extension Officer.

This appointment has been highly successful in that other stakeholders i.e. our state government, local government and other service industry are using this officer to support the 227 Vietnamese vegetable growers in Western Australia.

Also once again our vegetablesWA Field Extension Officer was funded and her work has certainly been appreciated by the growers.

There were other smaller funding assistance to growers i.e attending conferences and learning new technological practices. A lot of work is ongoing when it comes to marketing for export and handling methods in the supply chain.

DISCLOSURES AND LEGAL COMPLIANCE

ACTUAL RESULTS VS BUDGET ESTIMATES 2012/13 AND BUDGET ESTIMATES 2013/14

In accordance with the Financial Management Act 2006, the Agricultural Produce Commission hereby provides its budget estimates for the 2013/14 financial year. Further explanations for variations are available in the financial statements at Note 30 – Explanatory Statements.

Expenditure	2012/13 Budget	2012/13 Actual	2013/14 Budget
DAFWA Contracted Services – Commission Administration	130,467	145,508	140,802
Employee Benefits	72,450	95,539	96,530
Other Expenses	149,800	149,390	167,050
Producers' Committee Operating Costs	3,530,594	4,303,466	3,050,792
TOTAL EXPENDITURE	3,883,311	4,693,905	3,455,174
Revenue			
Fee for Service	2,956,000	3,105,422	2,516,360
Grants	179,475	126,775	233,355
Other Revenue	12,500	306,086	38,990
Contributions	23,515	23,703	25,379
Interest	402,279	302,547	230,875
TOTAL REVENUE	3,573,765	3,864,533	3,044,959
Net Cost of Services	-309,546	-829,372	-410,214
INCOME FROM STATE GOVERNMENT			
Resources Received Free of Charge	50,000	62,934	60,000
SURPLUS/(DEFICIT) FOR THE PERIOD	-259,546	-766,438	-350,214

COMMISSION ADMINISTRATION CHARGE

The Commission is principally funded through an administration charge to its Producers' Committees. This charge is reviewed annually and is based on a full cost recovery methodology.

As part of its prudent budget management the Commission has a policy to maintain reserves of between 25 – 35% of annual expenditure.

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. 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.

Committee	Admin Charge 12/13	Change from 11/12
Avocado	\$5,000	No change
Banana	10%	Decreased 1%
Bees	13%	No Change
Eggs	\$5,000	No Change
Fruit	8%	Decreased 2%
Pork	8%	No Change
Potato	8%	No Change

Potato Promo	3%	No Change
Strawberry	14%	No Change
Table Grapes	14%	No Change
Vegetables	8%	Decreased 1%

FEE FOR SERVICE RATES FOR 2012/13

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 (Fruit West) can monitor apple production by variety.

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

The following table provides rates for 12/13

APC Industry Committee	Rate
Avocado	\$0.00 per kilogram
Beekeepers	\$15.00 per beekeeper per annum (calendar year 2013) plus \$1.10 per hive per annum (calendar year 2013)
Carnarvon bananas	\$0.0154 per kilogram
Citrus Citrus (processing)	\$0.02 per kilogram \$0.01 per kilogram
Pome Fruit Pome Fruit (processing)	\$0.015 per kilogram \$0.005 per kilogram
Pork	\$0.008 per kilogram carcass weight
Potatoes Processing and seed Ware export Domestic ware	\$5.00 per tonne \$6.00 per tonne \$21.00 per tonne
Strawberries	\$0.01 per kilogram
Stone Fruit Stone Fruit (processing)	\$0.015 per kilogram \$0.006 per kilogram
Table Grapes	\$0.007 per kilogram
Vegetables and Tomatoes	\$0.04 per individual package of 100kg or less \$0.40 per individual package of 101kg to 1,000kg \$0.50 per tonne contained within trailers/trucks
Vegetables applies to all vegetables sold by producers except herb, potato, mushroom, and Kununurra vegetables	

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

During the 2012/13 year no compliance issues arose in relation to public sector standards, the WA Code of Ethics or the Commission's Code of Conduct.

In order to maintain good governance, a review of policies and procedures was undertaken during 2012/13.

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 and is incorporated into the APC Code of Conduct and Committee Manual.

The APC manual aims to assist Producers' Committee members in the effective operation of their Committee. It details the responsibilities of Committees and provides guidance and instruction on the most efficient and ethical ways for Committees to conduct their business.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile	2012/13 FTE	2011/12 FTE
Seconded to APC or an APC Committee from Department of Agriculture and Food	2.6	3.6
Full time contract employed by APC	1	1
Full time contract employed by APC and seconded to an APC Committee	3.4	1

STAFF DEVELOPMENT

The Commission is committed to the professional and personal development of its staff. During the year under review employees undertook training in relation to finance and IT software.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Performance against Government Targets

Indicator	Government Target 2012/13	APC Actual	Target Achieved
Number of fatalities	0	0	Y
Lost time injury/disease (LTI/D) incidence rate	0 or 10% improvement on the previous 3 years	0	Y
Percentage of injured workers returned to work within (1) 13 Weeks (2) 26 Weeks	Greater than or equal to 80% return to work within 26 weeks	N/A	Y
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	Greater than or equal to 80%	100%	Y

The Commission, under its MOU arrangement with the Department of Agriculture and Food (the Department), utilizes and applies the occupational safety, health and injury management training, policies and procedures of the Department. The Department reviews its occupational safety and health policies at least every three years.

The Department has an injury management system and return to work program which are documented in an injury management policy. The Department's early intervention injury management program exceeds the requirements of the *Workers Compensation and Injury Management Act 1981*.

The Commission is committed to the education of its officers in occupational safety health and injury management and mandatory training is provided through the Department.

The consultation process for Commission staff is through the Commission's manager, who then accesses the Department's system for OSH management and consultation.

WORKERS COMPENSATION

No compensation claims were recorded during the year under review.

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 2011/12 financial year, the Commission and its Producers' Committees incurred expenditure in the following areas.

Commission	Expenditure 2012/13
Advertising agencies	\$ Nil
Media advertising organizations	\$Nil
Total Expenditure	\$Nil

APC Producers' Committees are entirely externally funded, receiving no income from the state government. Where advertising is undertaken it is in relation to services provided to industry.

Producers' Committees	Expenditure 2012/13
Advertising agencies	\$ Nil
Media advertising organizations (Fresh Finesse)	\$60,056
Total Expenditure	\$60,056

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year under review.

GOVERNANCE DISCLOSURES

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interest in existing or proposed contracts with the Agricultural Produce Commission other than normal contracts of employment of service.

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF FINANCIAL STATEMENTS

For year ended 30 June 2013

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 2013 and the financial position as at 30 June 2013.

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

Joseph Murgia

Chief Finance Officer
Agricultural Produce Commission



Date: 30 August 2013

William Ryan

Chairman
Agricultural Produce Commission



Date: 30 August 2013

Graeme Robertson

Member
Agricultural Produce Commission



Date: 30 August 2013

AGRICULTURAL PRODUCE COMMISSION

CERTIFICATION OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2013

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 2013.

William Ryan

Chairman

Agricultural Produce Commission

Date: 30 August 2013

Graeme Robertson

Member

Agricultural Produce Commission

Date: 30 August 2013



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

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 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Agricultural Produce Commission during the year ended 30 June 2013.

Controls exercised by the Agricultural Produce Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Commission's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the 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 during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2013.

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

Commission's Responsibility for the Key Performance Indicators

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 and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

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

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

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

Opinion

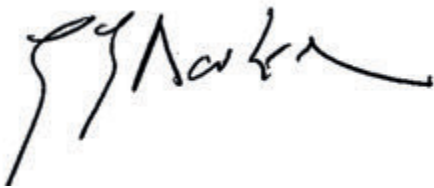
In my opinion, the key performance indicators of the Agricultural Produce Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Agricultural Produce Commission for the year ended 30 June 2013 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
30 August 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
COST OF SERVICES			
Expenses-Commission			
Department of Agriculture and Food contracted services			
-Administration	7	145,508	134,879
Employee benefits expense	10	95,539	34,030
Other expenses	11	149,390	122,316
Expenses-Producer's Committees (10 in total)			
Compensation Payments	8	842,375	30,380
Promotion, publicity and advertising	8	8,051	27,917
Professional Services	8	111,642	264,127
Research and development	8	1,080,114	851,447
Grant funding	8	1,530,500	1,647,998
Board fees	8	45,294	34,850
Wages, salaries and mileage	8	420,755	238,949
Management Consulting	8	65,046	184,740
Other	8	199,690	220,062
Depreciation and amortisation expense	9	-	1,620
Loss on disposal of non-current assets	13	-	7,974
Total cost of services		4,693,905	3,801,289
Income			
<i>Revenue</i>			
User charges and fees	12	3,105,422	3,170,696
Grants		126,775	102,775
Other revenue		306,086	52,479
Contributions		23,703	23,000
Interest revenue		302,547	408,431
Total Revenue		3,864,533	3,757,381
Total income other than income from State Government		3,864,533	3,757,381
NET COST OF SERVICES		829,372	43,908
Income from State Government			
Services received free of charge	14	62,934	46,254
Total income from State Government		62,934	46,254
SURPLUS/(DEFICIT) FOR THE PERIOD		(766,438)	2,346
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(766,438)	2,346

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

Statement of Financial Position

As at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	21	8,098,686	8,813,276
Receivables	15	453,225	416,419
Other current assets	16	67,457	94,155
Total Current Assets		8,619,368	9,323,850
Non-Current Assets			
Plant and equipment	17	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		8,619,368	9,323,850
LIABILITIES			
Current Liabilities			
Payables	18	295,824	259,405
Provisions	19	28,574	7,321
Total Current Liabilities		324,398	266,726
Non-Current Liabilities			
Provisions	19	11,897	7,613
Total Non-Current Liabilities		11,897	7,613
TOTAL LIABILITIES		336,295	274,339
NET ASSETS		8,283,073	9,049,511
EQUITY			
Contributed Equity	20	3,682,697	3,682,697
Accumulated surplus		4,600,376	5,366,814
TOTAL EQUITY		8,283,073	9,049,511

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

Statement of Changes in Equity

For the year ended 30 June 2013

	Note	Contributed equity	Reserves	Accumulated surplus	Total equity
		\$	\$	\$	\$
Balance at 1 July 2011	20	3,682,697	-	5,364,468	9,047,165
Surplus/ (deficit)				2,346	2,346
Total comprehensive income for the year		-	-	2,346	2,346
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2012		3,682,697	-	5,366,814	9,049,511
Balance at 1 July 2012	20	3,682,697	-	5,366,814	9,049,511
Surplus/ (deficit)				(766,438)	(766,438)
Total comprehensive income for the year		-	-	(766,438)	(766,438)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2013		3,682,697	-	4,600,376	8,283,073

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

Statement of Cash Flows

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(70,003)	(61,052)
Supplies and services		(4,499,011)	(3,948,734)
Receipts			
Receipts from Producers		3,068,616	3,115,022
Receipts from others		456,564	178,254
Interest received		329,245	431,789
Net cash provided by/(used in) operating activities	21	<u>(714,590)</u>	<u>(284,721)</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets	17	-	-
Receipts			
Proceeds from sale of non-current physical assets	13	-	14,546
Net cash provided by (used in) investing activities		<u>-</u>	<u>14,546</u>
Net increase/(decrease) in cash and cash equivalents		(714,590)	(270,175)
Cash and cash equivalents at the beginning of period		8,813,276	9,083,451
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	21	<u><u>8,098,686</u></u>	<u><u>8,813,276</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 2013

Subject	Policy Note	Disclosure Note	Title of the Policy note
General	1		<i>Australian Accounting Standards</i>
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)	4,5	Basis of preparation
General	2(c)	28	Reporting entity
General	2(d)		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)		Grants, donations, gifts and other non reciprocal contributions
Assets	2(f)		<i>Plant and equipment</i>
Assets	2(f)		Capitalisation/expensing of assets
Assets	2(f)		Initial recognition and management
Assets	2(f)		Subsequent measurement
Assets	2(f)		Depreciation
Assets/Liability	2(g)		<i>Impairment of assets</i>
Assets/Liability	2(h)	24	<i>Financial instruments</i>
Assets	2(i)		<i>Cash and cash equivalents</i>
Assets	2(i)	18	<i>Accrued salaries</i>
Assets	2(k)	15	<i>Receivables</i>
Liability	2(l)	18	<i>Payables</i>
Liability	2(m)	19	<i>Provisions</i>
Liability	2(m)	19	Provisions – Employee Benefits
Liability	2(m)	19(a),(b)	Annual Leave and Long Service Leave
Liability	2(m)	10(b)	Superannuation
Liability	2(m)		Provisions – Other – Employee On-costs
Expense	2(n)	10(b)	<i>Superannuation expense</i>
Revenue/Asset	2(o)	14	<i>Assets and services received free of charge or for nominal cost</i>
Expense	2(p)		<i>Comparative figures</i>
Expense	3		<i>Other accounting policies not included in this model</i>
Expense	3(a)		Administration Expense

Expense	3(b)		Goods and Services Tax
General	4		<i>Judgements made by mgmt in applying accounting policies</i>
General	5		<i>Key sources of estimation uncertainty</i>
Liability	5	19(b)	Long service leave
General	6		<i>Disclosure of changes in accounting policy estimates</i>
General	6		Initial Application of an Australian Accounting Standard
General	6		Future impact of AASs not yet operative

This index does not form part of the financial statements.

Note 1. Australian Accounting Standards

General

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

The 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*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2013.

Note 2. Summary of Significant Accounting Policies

(a) General statement

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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.

Note 4 - '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.

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

(c) Reporting entity

The reporting entity comprises the Commission and bodies included 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 recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed equity.

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

(e) Income

Revenue recognition

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

Revenue is recognised for the major business activities as follows:

Sale of Goods

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

Provision of Services

Revenue is recognised by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

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

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.

(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 which 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 or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition of an asset, historical cost is used for the measurement of

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 is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation reflects the level of consumption or expiration of the 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, the Commission has one category of financial instrument:

- Loans and receivables

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - o Cash and cash equivalents
 - o Receivables
- Financial Liabilities
 - o 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 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.

(j) Accrued salaries

Accrued salaries (see Note 18 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of accrued salaries to be equivalent to its 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 fair value as it is due for settlement within 30 days.

(l) Payables

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

(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 end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

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

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

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

Long service leave

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

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

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

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the 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) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

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

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

The GSS is a defined benefit scheme for the purposes of employees 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.

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, the GESBS, and other superannuation funds.

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

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that can be reliably measured and the Commission would otherwise pay for. A corresponding expense is recognised for services received. 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.

Note 3. Other accounting policies not included in this model

(a) 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.

(b) 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 4. Judgements made by management in applying accounting policies

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

Note 5. Key sources of estimation uncertainty

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

Long Service Leave

Several estimations and assumptions used in calculating the 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 6. 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 2012 that impacted on the Commission.

AASB 2011-9	<i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i>
	This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *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 9	<i>Financial Instruments</i> This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.	1 Jan 2015
AASB 10	<i>Consolidated Financial Statements</i> This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i> and Int 112 <i>Consolidation – Special Purpose Entities</i> , introducing a number of changes to accounting treatments. Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10 <i>Amendments to Australian</i>	1 Jan 2014

Accounting Standards – Transition Guidance and Other Amendments.

The Commission has not yet determined the application or the potential impact of the Standard.

AASB 11	<p><i>Joint Arrangements</i></p> <p>This Standard supersedes AASB 131 <i>Interests in Joint Ventures</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10.</p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 12	<p><i>Disclosure of Interests in Other Entities</i></p> <p>This Standard supersedes disclosure requirements under AASB 127 <i>Consolidated and Separate Financial Statements</i> and AASB 131 <i>Interests in Joint Ventures</i>.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10.</p> <p>The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 13	<p><i>Fair Value Measurement</i></p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p><i>Employee Benefits</i></p> <p>This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements.</p> <p>The Commission does not have any defined benefit plans, and therefore the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.</p>	1 Jan 2013
AASB 127	<p><i>Separate Financial Statements</i></p> <p>This Standard supersedes AASB 127 <i>Consolidated and Separate Financial Statements</i>, introducing a number of changes to accounting treatments.</p>	1 Jan 2014

Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 128	<p><i>Investments in Associates and Joint Ventures</i></p> <p>This Standard supersedes AASB 128 <i>Investments in Associates</i>, introducing a number of changes to accounting treatments.</p> <p>Mandatory application of this Standard was deferred by one year for not-for-profit entities by AASB 2012-10. The Commission has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014
AASB 1053	<p><i>Application of Tiers of Australian Accounting Standards</i></p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 1055	<p><i>Budgetary Reporting</i></p> <p>This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
AASB 2010-2	<p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
AASB 2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p>	1 Jan 2015

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]* 1 Jul 2013

This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.

AASB 2011-6 *Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]* 1 Jul 2013

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.

AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]* 1 Jan 2013

This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*. For not-for-profit entities it applies to annual reporting period beginning on or after 1 January 2014. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2011-8	<i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i>	1 Jan 2013
	This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	
AASB 2011-10	<i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i>	1 Jan 2013
	This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.	
AASB 2011-11	<i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements.</i>	1 Jul 2013
	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	
AASB 2012-1	<i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i>	1 Jul 2013
	This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	
AASB 2012-2	<i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i>	1 Jan 2013
	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.	
AASB 2012-3	<i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	1 Jan 2014

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]* 1 Jan 2013

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]* 1 Jan 2013

This Standard amends the mandatory effective date of AASB 9 *Financial Instruments* to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.

AASB 2012-7 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 & 127]* 1 Jul 2013

This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.

AASB 2012-10 *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]* 1 Jan 2013

This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

The Standard was issued in December 2012. The Commission has not yet determined the application or the potential impact of the Standard.

AASB 2012-11

Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 & 2011-4] 1 Jul 2013

This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.

This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.



Note 7 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). 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:

	<u>2013</u>	<u>2012</u>
	\$	\$
Administration		
Department of Agriculture and Food contracted services	145,508	134,879

Note 8 APC - Producers' Committees operating costs

	Avocado	Beekopers	Camaron	Egg	Fruit West	Pork	Potato	Strawberry	Table Grape	Vegetable	Total
	2013	2013	Banana	2013	2013	2013	2013	2013	2013	2013	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compensation payments	-	-	842,375	-	-	-	-	-	-	-	842,375
Promotion, publicity & advertising	-	2,500	-	-	1,507	1,027	1,437	-	-	1,580	8,051
Professional Services	-	76	-	-	77,335	-	-	9,231	-	25,000	111,642
Research and development	-	956	24,350	-	393,670	119,450	274,166	25,480	48,588	193,454	1,080,114
Grant Funding	-	8,000	-	50,000	-	255,000	899,500	-	-	318,000	1,530,500
Board Fees	-	1,470	4,100	-	31,484	1,440	4,040	-	-	2,760	45,294
Wages, salaries and mileage	-	-	1,350	-	416,118	444	1,599	-	-	1,244	420,755
Management Consulting	-	-	-	-	64,350	-	-	696	-	-	65,046
Other	187	19,980	195	-	166,348	93	4,542	5,616	83	2,810	199,689
Total	187	32,982	872,371	50,000	1,150,812	377,454	1,185,284	41,023	48,505	544,848	4,303,466

	Avocado	Beekopers	Camaron	Egg	Fruit West	Pork	Potato	Strawberry	Table Grape	Vegetable	Total
	2012	2012	Banana	2012	2012	2012	2012	2012	2012	2012	2012
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compensation payments	-	-	30,380	-	-	-	-	-	-	-	30,380
Promotion, publicity & advertising	-	16,844	68	-	10,469	536	-	-	-	-	27,917
Professional Services	-	109	20,161	-	42,873	12,800	-	6,551	-	181,633	264,127
Research and development	-	8,533	7,467	3,000	363,885	132,068	133,957	4,156	7,808	190,573	851,447
Grant Funding	-	-	-	50,000	-	247,800	1,057,498	1,000	-	291,700	1,647,998
Board Fees	-	1,050	3,120	-	20,400	580	4,230	-	-	5,470	34,850
Wages, salaries and mileage	-	57	-	-	234,554	165	1,965	-	-	2,208	238,949
Management Consulting	-	813	16,800	-	131,256	-	-	22,064	13,807	-	184,740
Other	1,543	7,135	484	15,000	181,334	-	4,111	7,345	-	3,110	220,062
Total	1,543	34,541	78,480	68,000	984,771	393,949	1,201,761	41,116	21,615	674,694	3,500,470

Note 9 Depreciation ExpenseDepreciation

Vehicles	-	1,620
Total Depreciation	-	1,620

Note 10 Employee benefits expense - Commission

Wages and salaries ^(a)	59,657	51,768
Change in employee entitlement provision	25,538	(27,021)
Superannuation ^(b)	10,344	9,283
Total employee expenses	95,539	34,030

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

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

Employment on-costs expenses such as worker's compensation insurance, are included in **Note 11** 'Other expenses - Commission'.

Employment on-costs liability is included in **Note 19** 'Provisions'.

Note 11	Other expenses - Commission	2013	2012
		\$	\$
	Audit fees	15,280	12,800
	Employment on-costs ^(a)	725	2,132
	Commissioner fees and related costs	56,790	47,373
	Professional Services	-	-
	Management Consultancy Fees	-	-
	Travel Expenses	1,118	2,392
	Resources received free of charge	62,934	46,255
	Public Notice Fees	4,601	5,106
	Other Expenses	7,942	6,258
		<u>149,390</u>	<u>122,316</u>

^(a)Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at **Note 19** 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Note 12	User Charges and fees		
	Fee for Service	<u>3,105,422</u>	<u>3,170,696</u>

Note 13	Net gain/(loss) on disposal of non current assets		
	<u>Proceeds from disposal of non-current assets</u>		
	Vehicle	-	14,546
	<u>Cost of disposal of non-current assets</u>		
	Vehicle	-	(22,520)
	Net gain(loss)	<u>-</u>	<u>(7,974)</u>

Note 14	Income from State Government		
	Resources received free of charge ^(a)		
	From other State government agencies during the period.		
	Determined on the basis of the following estimates provided by agencies:		
	Department of Agriculture and Food	<u>62,934</u>	<u>46,254</u>

^(a) Assets or services received free of charge or for nominal cost are recognized as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

Note 15	Receivables	2013	2012
	<u>Current</u>	\$	\$
	Receivables	58,871	875
	Accrued revenue	374,889	403,619
	GST receivable	18,488	9,395
	Other debtor	977	2,529
	Total Current	<u>453,225</u>	<u>416,419</u>

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

Note 16 Other Current Assets

Accrued Interest	67,457	94,155
	<u>67,457</u>	<u>94,155</u>

Note 17 Plant and equipment

Vehicles		
At cost	-	-
Accumulated depreciation	-	-
	<u>-</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.

2013	Vehicles
Carrying amount at the start of the year	-
Additions	
Disposals	-
Depreciation	-
Carrying amount at the end of the period	-
2012	
Carrying amount at the start of the year	24,141
Additions	-
Disposals	(22,520)
Depreciations	(1,621)
Carrying amount at the end of the period	-

Note 18 PayablesCurrent

Trade Payable	113,638	25,144
Other Payables	4	7,593
Accrued Expenses	167,845	214,467
Accrued Salaries	14,337	12,201
	<u>295,824</u>	<u>259,405</u>

Note 19 ProvisionsCurrent*Employee benefits provision*

Annual Leave ^(a)	24,197	7,321
Long Service Leave ^(b)	4,377	-
	<u>28,574</u>	<u>7,321</u>

Non-current*Employee benefits provision*

Long Service Leave ^(b)	11,897	7,613
	<u>11,897</u>	<u>7,613</u>
Total employee provision	40,471	14,933

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

Within 12 months of the end of the reporting period	24,197	7,321
More than 12 months after the reporting period	-	-
	<u>24,197</u>	<u>7,321</u>

^(b)Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after end of reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows

Within 12 months of the end of the reporting period	-	-
More than 12 months of the end of the reporting period	16,274	7,613
	<u>16,274</u>	<u>7,613</u>

Note 20 Equity

The Government holds the equity interest in the Commission on behalf of the community. Equity represents the residual interest in the net assets of the Commission.

Contributed equity

Balance at start of period	3,682,697	3,682,697
Total contributed by owners	3,682,697	3,682,697

Accumulated surplus/(deficit)

Balance at start of year	5,366,814	5,364,468
Result for the period	(766,438)	2,346
Income and expense recognised directly in equity	-	-

Balance at end of period	4,600,376	5,366,814
Total Equity at end of period	8,283,073	9,049,511

Note 21 Notes to the Statement of Cash Flow

Reconciliation of cash

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:

	<u>2013</u>	<u>2012</u>
	\$	\$
Cash and cash equivalents	<u>8,098,686</u>	<u>8,813,276</u>

Reconciliation of net cost of services to net cash flows provided by (used in) operating activities

Net cost of services	(829,372)	(43,908)
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Non-cash items:

Services received free of charge (Note 14 'Income from state government')	62,934	46,254
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Depreciation and amortization expense (Note 9 'Depreciation expense')	-	1,620
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Net (gain)/loss on disposal of non-current asset (Note 13 'Net (gain)/loss on disposal of non-current asset')	-	7,974
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(Increase)/decrease in assets:

Current receivables ^(a)	(36,805)	(55,673)
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Other current assets	26,698	23,358
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Increase/(decrease) in liabilities:

Current payables	36,419	(237,324)
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Current Provisions	21,253	(12,839)
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Non current provisions	4,284	(14,183)
Net cash provided by/(used in) operating activities	(714,590)	(284,721)

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

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

Note 22 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:

	2013	2012
\$0 - \$10,000	2	2
\$10,001 - \$20,000	2	1
\$20,001 - \$30,000	1	1
Base remuneration and superannuation	61,901	51,196
Annual leave and long service leave accruals	-	-
Other benefits	-	-
Total remuneration of the members of the Commission	61,901	51,196

The total remuneration includes the superannuation expense incurred by the Commission in respect of members of the Commission.

Note 23 Commitments

Capital expenditure commitments

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

Other expenditure commitments

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

Note 24 Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Commission are cash and cash equivalents 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 allowance for impairment as shown in the table at Note 24(c) 'Financial Instrument Disclosures' and Note 15 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government the Commission trades only with recognized, 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.

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.

(b) Categories of Financial Instruments

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

Financial Assets

Cash and cash equivalents	8,098,686	8,813,276
Receivables ^(a)	502,194	501,179

Financial Liabilities

Financial liabilities measured at amortised cost	295,824	259,405
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^(a)The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial Instrument Disclosures

Credit risk

The following table discloses the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period 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.

Aging analysis of financial assets

		Past due but not impaired					Impaired financial assets
Carrying amount	Not past due and not impaired	Up to 1 months	1 - 3 months	3 months to 1 year	1-5 years	More than 5 years	
\$	\$	\$	\$	\$	\$	\$	\$
2013							
Cash and cash equivalents	8,098,686	8,098,686	-	-	-	-	-
Receivables ^(a)	502,194	-	502,194	-	-	-	-
	8,600,880	8,098,686	502,194	-	-	-	-
2012							
Cash and cash equivalents	8,813,276	8,813,276	-	-	-	-	-
Receivables ^(a)	501,179	-	501,179	-	-	-	-
	9,314,455	8,813,276	501,179	-	-	-	-

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

Liquidity risk and interest rate exposure

The following table details the Commission's interest rate exposure and the contractual maturity of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

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

	Interest rate exposure				Nominal Amount \$	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying amount \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 months \$	1 - 3 months s\$	3 months to 1 year \$	1 - 5 years rs \$	More than 5 years \$
2013										
<u>Financial Assets</u>										
Cash and cash equivalents	3.40%	8,098,686	8,098,686	-	8,098,686	8,098,686	-	-	-	-
Receivables ^(a)		502,194	-	502,194	502,194	502,194	-	-	-	-
		8,600,880	8,098,686	502,194	8,600,880	8,600,880	-	-	-	-
2013										
<u>Financial Liabilities</u>										
Payables		295,824	-	295,824	295,824	295,824	-	-	-	-
		295,824	-	295,824	295,824	295,824	-	-	-	-

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

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

	Interest rate exposure				Nominal Amount \$	Maturity dates				
	Weighted Average Effective Interest Rate %	Carrying amount \$	Variable interest rate \$	Non-interest bearing \$		Up to 1 months \$	1 - 3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$
2012										
<u>Financial Assets</u>										
Cash and cash equivalents	4.74%	8,813,276	8,813,276	-	8,813,276	8,813,276	-	-	-	-
Receivables ^(a)		501,179	-	501,179	501,179	501,179	-	-	-	-
		9,314,455	8,813,276	501,179	9,314,455	9,314,455	-	-	-	-
2012										
<u>Financial Liabilities</u>										
Payables		259,405	-	259,405	259,405	259,405	-	-	-	-
		259,405	-	259,405	259,405	259,405	-	-	-	-

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

Interest rate sensitivity analysis

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

		-100 basis point		+100 basis point	
	Carrying amount	Surplus	Equity	Surplus	Equity
2013	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	8,098,686	(80,987)	(80,987)	80,987	80,987
	8,098,686	(80,987)	(80,987)	80,987	80,987
	Carrying amount	Surplus	Equity	Surplus	Equity
2012	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	8,813,276	(88,133)	(88,133)	88,133	88,133
	8,813,276	(88,133)	(88,133)	88,133	88,133

Fair value

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

Note 25 Contingent liabilities and contingent assets

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

Note 26 Events occurring after the end of the reporting period

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

Note 27 Related bodies

There are no related bodies with the Commission.

Note 28 Affiliated bodies

There are no affiliated bodies with the Commission.

Note 29 Remuneration of auditor

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

Auditing the accounts, financial statements and performance indicators	14,000	12,800
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Note 30 Explanatory statement

Significant variations between estimates and actual results for 2013 and between actual results for 2012 and 2013 are shown below. Significant variations are considered to be those greater than 10% and greater than \$20,000.

Significant variances between estimated and actual results for 2013

	2013 Estimate \$	2013 Actual \$	Variation \$
Producers committees' operating costs	3,530,594	4,303,468	772,874
Administration expense	36,409	145,508	109,099
Employee benefits expense	166,508	95,539	(70,969)
Grants	179,475	126,775	(52,700)
Interest	402,279	302,547	(99,731)
Other revenue	36,015	306,086	270,071
Contribution	-	23,703	23,703

Producers' Committee Operating Costs

The over budget result for the producers' committee operating costs is due to compensation paid by the APC Carnarvon Banana Producers' Committee for damage suffered to banana crops in 2013.

Administration Expense

The over budget result for employee benefits expense is partly due to a reclassification, which took place after approval of the budget, between employee benefits expense and administration expense, as well as due to an increase in annual and long service leave expense for staff employed by the Commission but seconded to Fruit West

Employee Benefits Expense

The under budget result for employee benefits expense is due to a reclassification, which took place after approval of the budget, between employee benefits expense and administration expense.

Grants

The under budget result for grants is due to a reduction in funding received for apple promotion.

Interest

The under budget result for interest is due to the reduction in the interest rate in the 2012/13 year over the 2011/12 year.

Other Revenue

The over budget result for other revenue is mainly due to funding received for a major water use efficiency project. Funds were also returned to Fruit West from the West Australian Fruit Growers Association on wind up of the association's accounts. The income generated from advertisements in the Fruit West magazine also increased substantially in the year under review.

Contribution

The over budget result for contribution is due to a reclassification, which took place after approval of the budget, which shifted the contribution from the 'Other Revenue' category to a new category.

Significant variances between actual results for 2013 and 2012

	2013 \$	2012 \$	Variation \$
<u>Income</u>			
Other revenue	306,086	52,479	253,607
Grants	126,775	102,775	24,000
Interest	302,547	408,431	(105,884)
<u>Expenses</u>			
Producers committees' operating costs	4,303,468	3,500,470	802,998
Employee benefits	95,539	34,030	61,509
Other expenses	149,390	122,316	27,074

Other Revenue

Other revenue increased is mainly due to funding received for a major water use efficiency project. Funds were also returned to Fruit West from the West Australian Fruit Growers Association on wind up of the association's accounts. The income generated from advertisements in the Fruit West magazine also increased substantially in the year under review.

Grants

Grants increased due to an increase in a grant for Carnarvon banana biosecurity.

Interest

Interest decreased due to the reduction in the interest rate in the 2012/13 year over the 2011/12 year.

Producers' Committee Operating Costs

Producers' Committee operating costs increased due to compensation paid by the APC Carnarvon Banana Producers' Committee for damage suffered to banana crops in 2013.

Employee Benefits Expense

Employee benefits increased partly due to a reclassification, which took place after approval of the budget, between employee benefits expense and administration expense, as well as an increase in annual and long service leave expense for staff employed by the Commission but seconded to Fruit West.

Other Expenses

Other expenses increased due to an increase in Commissioners sitting fees as well as an increase in Resources received free of charge from the Department of Agriculture and Food, Western Australia.

AGRICULTURAL PRODUCE COMMISSION

KEY PERFORMANCE INDICATORS 2013

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, Producers' Committees.

EFFECTIVENESS INDICATORS

Key Performance Indicator 1 - Commission Effectiveness

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.

APC Producers' Committees coverage of the horticultural industry

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.

Industry/Sector	Gross value of production (\$m)	Percentage
Member Industries Coverage		
Avocado	23.00	2.92
Carnarvon Banana	17.50	2.22
Fruit (pome, citrus, stone)	87.80	11.14
Potatoes	50.30	6.38
Strawberries	29.80	3.78
Table Grapes	21.05	2.67
Vegetables (excluding potato, mushrooms, herbs)	314.80	39.95
TOTAL	544.25	69.07
Potential Industry Coverage		
Olives*	8.40	1.07
Wine Grapes	106.55	13.52
Nurseries (inc Floriculture)/Turf	112.20	14.24
Fruit/Nuts - Other (including Kiwi and other tropical fruits other than that grown in Kununurra and Carnarvon Bananas)	15.90	2.02
Vegetables - Other (herbs, mushrooms)*	0.70	0.09
TOTAL	243.75	30.93
GRAND TOTAL	788.00	100.00

* not identified in 11/12 (most recent) census - figures from previous year used.

Figures used are primarily from the 11/12 agricultural census carried out by the Australian Bureau of Statistics. Some figures carry disclaimers of caution due to relative standard errors, varying between 10 to 50%.

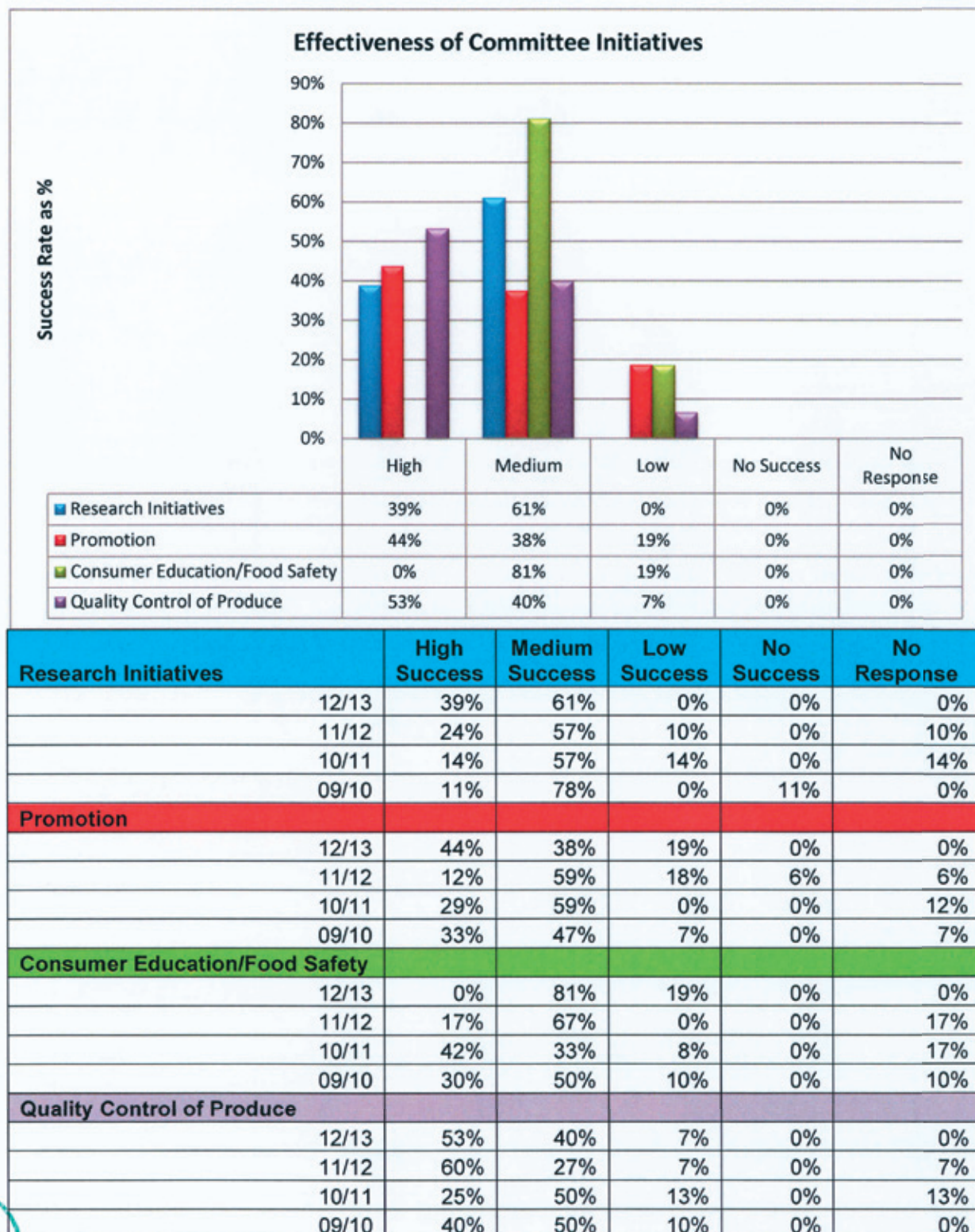


The % of horticultural industry serviced by the APC based on production value.	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
	63.1	61.6	66	64.6	65.34	67.72	66.51	69.07

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

Key Performance Indicator 2 - Committee Effectiveness

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



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 an average success rate of at least medium to high success.

Results are based on responses to survey of Committee activities for the 12/13 financial year, conducted with APC Committee members. As not all Committees utilize the full functions of the Act, some Committees do not undertake activities in all areas surveyed – for example the Carnarvon Banana Producers' Committee only undertakes compensation and bio-security initiatives.

Results are based on a 'yes' response to surveys, where Committees have responded that they are undertaking the process being measured. The following table provides a breakdown of total responses:

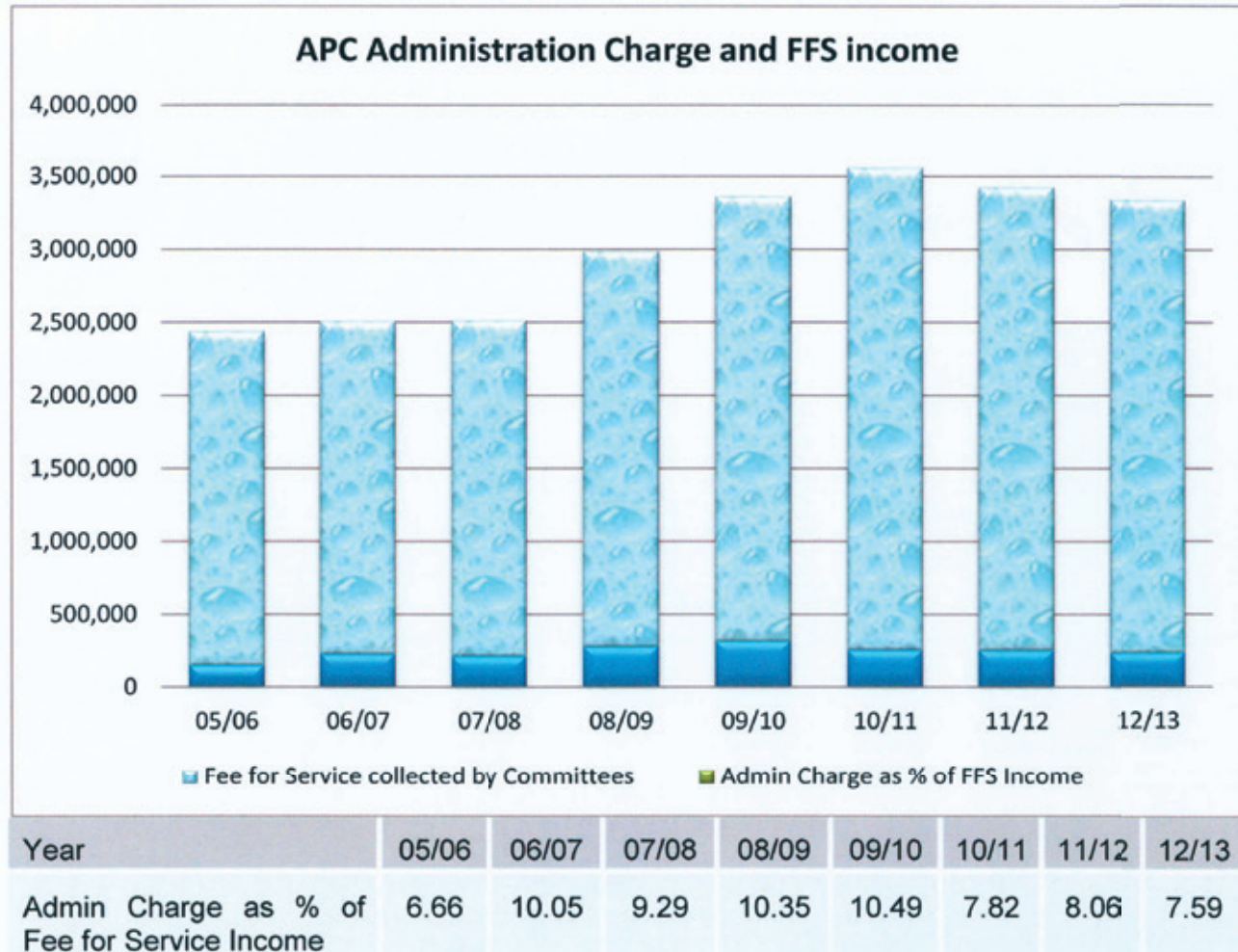
Total Members Surveyed	58
Total Responses Received	27
Percentage Response Rate	47%

EFFICIENCY INDICATORS

Key Performance Indicator 3 – Commission Efficiency

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

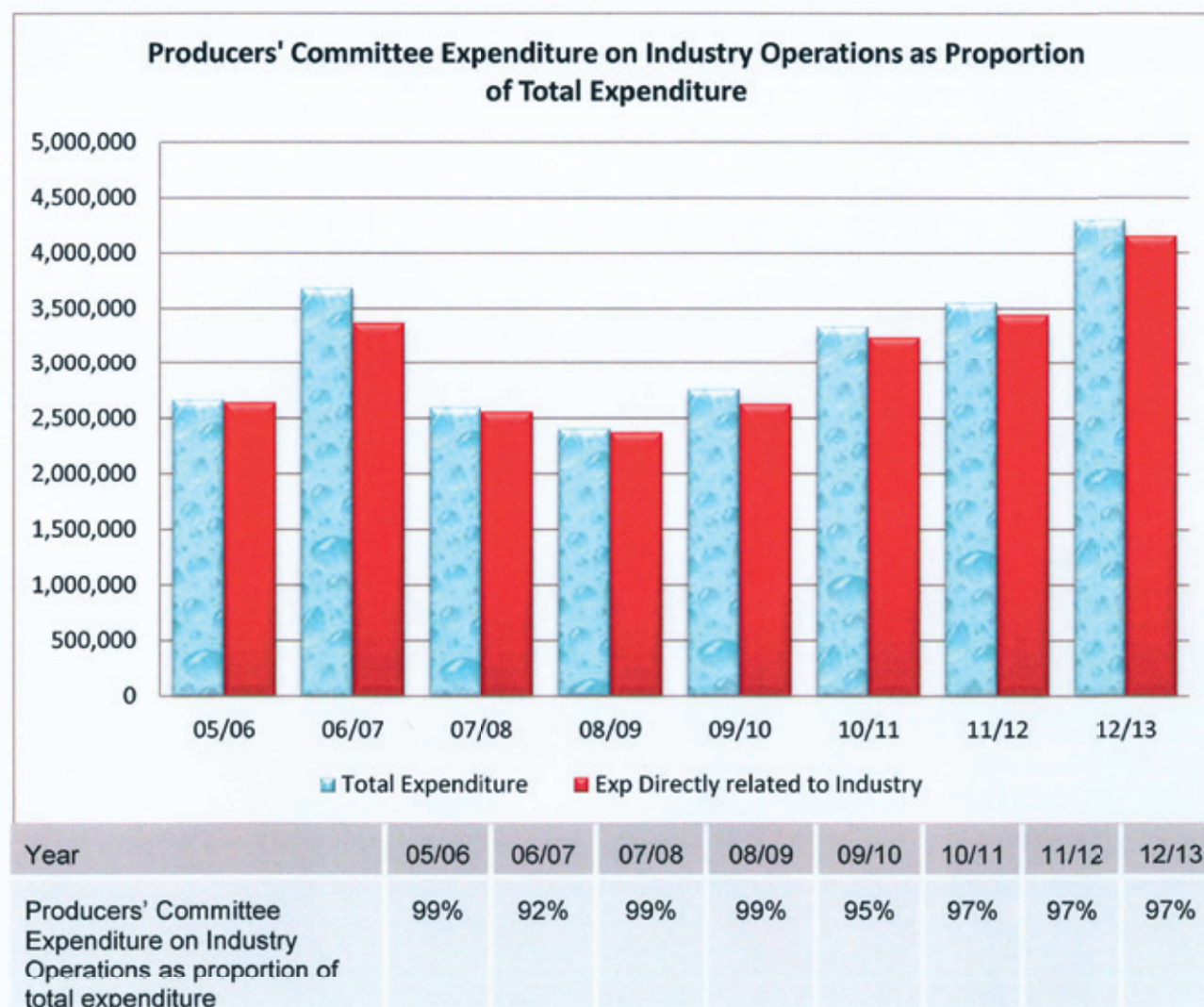
This indicator measures the administration charge paid to the Commission by Committees as a proportion of their total income. To ensure that funds received by the Commission from Committees do not exceed Commission requirements, the Commission reviews its administration charge to Committees on a yearly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



Target – Commission operating costs kept within the 10 - 15% expenditure range in relation to overall FFS income. The Commission exceeded this target by keeping costs at 7.59% in the year under review, which is a decrease over the previous year. This Commission achieved this by applying sound administrative practices which are reviewed throughout the year to ensure efficiency and effectiveness in Commission operations.

Key Performance Indicator 4 - Committee Efficiency

Producers' Committee expenditure on industry operations as proportion of total Committee expenditure.



Target – Committees are able to return 85 to 90% of collected FFS to industry. This target was exceeded in the year under review with Committees focusing on provision of services to industries and some Committees electing not to claim sitting or travel fees, thereby reducing Committee costs.

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.