

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

ANNUAL REPORT

FOR THE YEAR ENDED, 30 JUNE 2004

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- B. List of research projects funded from 1976/77 to 2003/2004
- C. Copy of Trust Statement

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- (i) Performance Indicators
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- (iv) Income and Expenditure Estimates for fiscal year 2003/2004
- (v) Independent Audit Opinion

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

The Potato Growing Industry Trust Fund Advisory Committee was established by the Potato Growing Industry Trust Fund Act 1947, and is responsible to the Minister for Agriculture.

This report covers the year ended 30 June 2004 and has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

1. Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows

The Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows are attached (See **Attachments ii. & iii.**).

Total Income and Expenditure figures for the period 1992/1993 to 2003/2004 are given in **Appendix A.**

The Trust Fund net assets balance as at 30 June 2004 was \$25,937 which is \$526 less than the balance of \$26,463 at 30 June 2003.

2. Annual Estimates of Income and Expenditure

In accordance with Section 42 of the Financial Administration and Audit Act 1985, the annual estimates of the financial operations of the Trust Fund for the year ended 30 June 2004, were submitted by the Potato Growing Industry Trust Fund Advisory Committee to the Minister for Primary Industry; Fisheries (See **Attachment iv.**).

3. Income

Income for the period totalled \$1,360 consisting of:

Potato grower contributions	\$0
Interest on investment	\$1,360
Resources received free of charge	\$0

4. Potato Grower Contributions

The Potato growers contributions at the rate of 0.5 per cent of growers' gross proceeds from the sale of potatoes with the approval of the Minister was suspended on the 31 July 2001, therefore no contributions were received in the period under review.

5. Investments

The Treasury invests surplus Trust Fund money. The weighted average effective interest rate for the 2003/2004 financial year was 5.11%. The opening balance at Treasury on 1 July 2003 was \$27,851 and the closing balance at 30 June 2004 was \$26,821.

6. The Potato Growers' Association of Western Australia (Inc.)

In accordance with the motion approved at the meeting of the Trust held on 9 July 1998 the collection of levies to fund the Potato Growers' Association of Western Australia (Inc.) are now performed by Fee for Service collected by the Agricultural Produce Commission. The Potato Growing Industry Trust Fund Act is awaiting repeal.

7. Grant Allocations

During the year under review the Potato Growing Industry Trust Fund did not support any research projects. The Agricultural Produce Commission now provides all research project funds.

8. Progress Reports on Projects

No project reports were submitted to the Potato Growing Industry Trust Fund Committee.

9. Trust statement

The Trust Statement sets out the constraints applied by the Potato Growing Industry Trust Fund Act and the Financial Administration and Audit Act 1985 and the Acts Amendment (Financial Administration and Audit) Act 1985. A copy of the Trust Statement is at **Appendix C**.

10. Meetings

The Potato Growing Industry Trust Fund Advisory Committee meets as necessary or if appropriate a decision may be decided by Written Motion. Committee activity is now minimal as the Agricultural Produce Commission performs the functions previously carried out by the Trust. During the year under review members of the Trust met as follows:

No.	Meeting held on:	Attendance: Trust Members	Invited Visitors
1	20 August 2003	J.P. Gallagher (Trust Chairperson) H. H. Russell (Member) D.P. Della Vedova (Member)	Executive Officer PGA: J. Turley

The issues dealt with by Members of the Trust included budget estimates and necessary ongoing arrangements.

10.1 143rd meeting held on 20 August 2003

The meeting considered: **Annual Report and Financial Statements for fiscal year 2002/2003** – Annual Report incorporating unaudited Financial Statements were approved and forwarded to the Minister.

10.2 - Approval of Budget for fiscal year 2004/2005 – The Budget for 2004/2005 provided for ongoing Trust administration expenses, including estimated cost to repeal the Act. Budget was approved by Written Motion dated 24 June 2004 and forwarded to the Minister.

11. Committee

Appointment of Committee

The Potato Growing Industry Trust Fund Advisory Committee consists of three members.

One member is an officer of the Department of Agriculture and is nominated by the Minister and appointed to the Committee as per Section 6 of the Potato Growing Industry Trust Fund Act, holding office during the pleasure of the Governor.

There are two elective members who are commercial producers and who are elected by their peers for a three-year term. In accordance with the *Potato Growing Industry Trust Fund (Election of Elective Member) Regulations* Act the Western Australian Electoral Commission advertised for nominations on 23 July 2003 for the elective positions due to expire on 30 September 2003. At the close of nominations on 25 August 2003 two nominations were received for the two vacancies. Therefore the Returning Officer declared the nominees H.H. Russell and D.P. Della Vedova elected for three-year terms and their appointments by the Minister was Gazetted on 19 December 2003.

As allowed under Section 12 of the Act, the Minister appointed a Department of Agriculture officer to act as Committee Deputy Chairman. In the event of illness or absence of the Chairman, the Deputy has all his powers. The Deputy holds office during the pleasure of the Governor.

The present committee consists of:

Committee Member	Expiry Date
Mr. J.P. Gallagher Chairman and Departmental Representative	At the Governor's Pleasure.
Mr. D.R. Phillips Deputy Chairman and Departmental Representative	At the Governor's Pleasure.
Mr. D.P. Della Vedova Growers Representative (Appointment Gazetted 19 Dec. 2003)	30 September 2006
Mr. H.H. Russell Growers Representative (Appointment Gazetted 19 Dec. 2003)	30 September 2006

12. Administration

The Accountant, Department of Agriculture, was the Principal Accounting officer for the period under review.

13. 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 Potato Growing Industry Trust Fund Committee reports that during the 2003/2004 financial year, the Trust incurred expenditure was nil.

14. Events Occurring After Balance Date

There were no other events that affected the Potato Growing Industry Trust Fund after the balance date.

Appendix:

- A. Table of Income & Expenditure figures for 1992/93 to 2003/04
- B. List of Research Projects funded from 1976/77 to 2003/2004
- C. Copy of Trust Statement

APPENDIX "A"

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
INCOME/EXPENDITURE FOR THE PERIOD 1992/93 TO 2003/04

	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
INCOME	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Levies	165,651	156,328	148,772	177,063	155,644	171,687	150,150	127,950	143,102	38,503	0	0
Interest	13,825	6,514	9,213	12,132	10,967	19,140	17,104	16,353	12,772	4,082	2,448	1,360
Research Grant Allocation												
Research Grant Refund												
General revenue							2,898	2,409	2,768	867	306	0
Other												
TOTAL INCOME	179,476	162,842	157,985	189,195	166,611	190,827	170,152	146,712	158,642	43,452	2,754	1,360
EXPENDITURE												
Administration	7,985	7,196	8,653	9,196	6,775	16,396	15,015	16,926	6,187	2,058	427	886
Board fees	432	432	108				356	362				
Meeting expenses	1,058	1,464	310				1,507	1,755	596			
Research	139,061	143,452	74,011	2,200	10,189	41,893	71,359	82,750	77,000			
Potato Growers' Assoc.	79,221	88,820	89,512	90,169	90,564	91,256	100,187	105,406	138,060			
Appointment of Trust grower members									1,156			
Transferred to APC**									100,000	110,000	50,000	0
Audit fees	1,700	1,700	1,600	1,700	1,700	1,800 *	*		2,250	3,000	1,500	1,000
TOTAL EXPENDITURE	229,457	243,064	174,194	103,265	109,228	151,345	188,424	207,199	325,249	115,058	51,927	1,886
SURPLUS/(DEFICIT)	-49,981	-80,222	-16,209	85,930	57,383	39,482	-21,170	-60,488	-166,607	-71,606	-49,173	-526
BALANCE IN FUND	307,651	228,929	212,721	298,651	356,034	395,516	374,346	313,858	147,242	75,636	26,463	25,937

* Audit fees are included in the Administration costs

** Agricultural Produce Commission

APPENDIX B

**THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
LIST OF RESEARCH PROJECTS FUNDED FROM 1976/77 TO 2003/04**

Year	Research Project	Amount	Yearly Total
		\$	\$
1976/77	Feasibility study into the marketing and processing of potatoes in WA by PA Management Consultants P/L West Perth	15,572	15,572
1977/78	Potato Marketing Board-Promotion	5,000	5,000
1978/79	Feasibility of a local french fry potato processing plant for the Potato Marketing Board.	1,534	1,534
1979/80	Pathogen tested seed - Potato propagation	8,000	8,000
1980/81	Pathogen tested seed - Potato propagation, Eastern States visit by Dr. K Sivasithanparamparam.	8,000 1,187	9,187
1981/82	Pathogen tested seed - Potato propagation	8,000	8,000
1982/83	Plant pathology congress - E. Carter Potato propagation research - casual labour to assist the Agency's technical & professional staff during 1982/83 trials. Dept. Agriculture - Propagation trials 1982/83 Deficit for growers' workshop - Manjimup	900 4,169 1,608 1,000	7,677
1983/84	Half cost of frozen french fry pre-feasibility study Dept. Agriculture - Potato Propagation trial 1983/84 Potato storage trial Proposed overseas trip by Miss Savage of the UWA on Erwinia research White fringed weevil research Black beetle research	7,605 15,221 1,995 3,332 2,600 3,000	33,753
1984/85	Control of blackleg disease of potatoes White fringed weevil research Black beetle research ANPIC – Traveling Potato rapid propagation	5,697 2,600 3,000 825 1,088	13,210
1985/86	White fringed weevil research Black beetle research Potato cultivars for export Potatoes for processing	3,253 2,619 5,404 3,669	14,945

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
		\$	\$
1986/87	Control of black beetle in potatoes	163	
	White fringed weevil research	2,286	
	Control of Rhizoctonia damage in potatoes	1,118	
	Potatoes for processing	8,084	
	Potato rapid propagation	1,500	
	Potato cultivars for export	7,633	20,784
1987/88	Control of important potato virus diseases	7,717	
	White fringed weevil research	1,649	
	Protection stored tubers	1,850	
	Control of black beetle in potatoes	266	
	White fringed weevil trials	920	
	Potato cultivars for export	5,140	
	Soil insect pests of potatoes	19,483	
	Potatoes for processing	12,549	
	Control Rhizoctonia damage in potatoes	2,386	51,960
1988/89	Control of important potato virus disease	9,675	
	Potato cultivars for export	5,084	
	Potatoes for processing	12,711	
	Control Rhizoctonia damage in potatoes	3,303	
	Soil insect pests of potatoes	51,900	
	Travel grant - P. Regal	1,299	83,972
1989/90	Control of important potato virus diseases	7,810	
	Yield and quality effects of post-planting effect of N & P	2,400	
	to potatoes		
	Potato irrigation	25,000	
	Potato variety evaluation for local, export and processing markets in WA	15,597	
	Seed potato industry (Aphid Monitoring)	6,960	
	Soil insect pests of potatoes	50,896	
	Evaluation of blight control chemicals	972	109,635
1990/91	Control of important potato virus diseases	12,763	
	Yield and quality effects of post-planting effect of N & P	3,685	
	to potatoes		
	Potato irrigation	20,877	
	Potato variety evaluation for local, export and processing markets in WA	16,886	
	Seed potato industry (Aphid Monitoring)	8,305	
	Soil insect pests of potatoes	48,054	
	Rapid multiplication of PCN resistant varieties of pots.	4,826	115,396

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
1991/92	Control of important potato virus diseases	\$ 4,590	\$ 130,852
	Potato irrigation	21,558	
	Potato variety evaluation for local, export and processing markets in WA	16,282	
	Seed potato industry (Aphid Monitoring)	9,288	
	Soil insect pests of potatoes	59,357	
	Management of cadmium levels in potatoes & other vegetables	14,400	
	Travel grant - J Matthiessen. Attendance at international conference on potato pest management, USA	1,167	
	Rapid multiplication of PCN resistant varieties of pots.	3,560	
	Evaluation of blight control chemicals	650	
1992/93	Soil insect pests of potatoes	53,521	139,061
	Travel grants - Soil Insect Pests of potatoes	1,761	
	Management of cadmium levels in potatoes & other vegetables	14,304	
	Phosphate, nitrogen & irrigation management in pots.	55,682	
	Potato variety evaluation for local, export and processing markets in WA	10,893	
	Rapid multiplication of PCN resistant varieties of pots.	2,900	
1993/94	Soil insect pests of potatoes	56,075	143,452
	Management of cadmium levels in potatoes & other vegetables	14,929	
	Phosphate, nitrogen & irrigation management in pots.	57,348	
	Potato variety evaluation.	10,193	
	Rapid multiplication of PCN resistant varieties of pots.	404	
	Seed Certification workshop	4,503	
1994/95	Improvement of potato cv Delaware by genetic engineering for resistance to PVX and PVS	9,561	74,011
	Phosphate, nitrogen and irrigation management in potato	64,450	
1995/96	Travel grant - J Matthiessen. Attendance at international conference on potato pest management, USA	2,200	2,200
1996/97	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	8,189	10,189
	Potato Seminar - D Phillips	2,000	
1997/98	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	11,453	41,893
	Aphid monitoring and potato leaf roll research.	7,500	
	Potato variety development in WA	12,000	
	Testing potato virus in certified crops	9,940	
	Visit by South African researcher	1,000	

Continued over

APPENDIX B

Year	Research Project	Amount	Yearly Total
1998/99	Aphid monitoring in the Scott River potato seed growing area of south west Western Australia	\$ 11,859	\$
	Potato variety development	42,000	
	Testing potato virus in certified crops	10,000	
	Develop IPM strategy (HEDC) (include video development?)	7,500	71,359
1999/2000	Early generation export seed varieties	12,500	
	Seed potato virus testing in certified crops	20,000	
	Commercial impact of early new varieties	42,000	
	Aphid monitoring video development	6,150	
	Travel Grant – Australian Potato Research Conference	2,100	82,750
2000/2001	Potato variety development	42,000	
	See potato virus monitoring	22,500	
	Aphid monitoring video	10,000	
	Travel grant British Crop Protection Conference	2,500	77,000
2001/2002	<i>Trust research funding ceased – Expenditure for industry research now provided by Agricultural Produce Commission</i>		0.00
2002/2003	<i>No Trust research funding – Expenditure for industry research provided by Agricultural Produce Commission</i>		0.00
2003/2004	<i>No Trust research funding – Expenditure for industry research provided by Agricultural Produce Commission</i>		0.00
Total Research Funding for the Period 1976/1977 to 2003/2004:			\$1,271,392

APPENDIX C

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

TRUST STATEMENT NO.45/87

NAME	An account called The Potato Growing Industry Trust Fund Account shall be maintained as a Governmental Operating and-Trust Account at the Treasury.
PURPOSE	To hold funds in accordance with section 19(2) of the Potato Growing Industry Trust Fund Act (the Act), for the purposes of administering the Fund in accordance with section 22 of the Act.
RECEIPTS	<p>The funds credited to the Account shall comprise such moneys received for the purpose of the Account as are:</p> <ul style="list-style-type: none">(i) provided in accordance with section 19(3) of the. Act; and(ii) interest earned on the investment of funds in the Account in accordance with section 20 of the Act.
PAYMENTS	The funds in the Account shall be applied in accordance with section 22 of the Act.
ADHINISTRATION OF ACCOUNT	<p>The Account shall be administered by the Potato Growing Industry Trust Fund Advisory Committee (the Committee) in accordance with:</p> <ul style="list-style-type: none">(i) the Potato Growing Industry Trust Fund Act; and(ii) the Financial Administration and Audit Act, Financial Administration Regulations and Treasurer's Instructions.

ACCOUNTING
RECORDS

There shall be maintained by the Committee a detailed record of transactions processed through the Account, together with such other accounting records and procedures as are prescribed in the accounting manual.

FINANCIAL
STATEMENT

The Committee shall cause to be prepared such financial statements together with supplementary information, as are required to be prepared by statutory authorities in accordance with the requirements of the Financial Administration and Audit Act and Treasurer's Instructions.

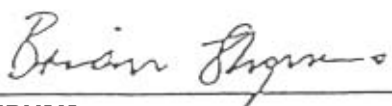
INVESTMENT
OF FUNDS

Moneys standing to the credit of the Account may be invested in accordance with:

- (i) section 20 of the Potato Growing Industry Trust Fund Act; and
- (ii) section 40(a) of the Financial Administration and Audit Act.

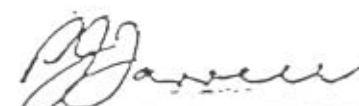
We have examined and agree
to the provisions of this
Trust Statement.

Approved




CHAIRMAN
THE POTATO GROWING INDUSTRY
TRUST FOND ADVISORY CCOMMITTEE

DATE 7/9/97



Assistant Under Treasurer

DATE 2 NOV 1997



MEMBER
DATE 1-8-98

Attachments:

- (i.) Performance Indicators
- (ii.) Statement of Compliance
- (iii.) Financial Statements
- (iv.) Income and Expenditure
Estimates for fiscal year
2003/2004
- (v.) Auditor-General Opinion

Attachment (i)

**THE POTATO GROWING INDUSTRY TRUST FUND
ADVISORY COMMITTEE**

PERFORMANCE INDICATORS

For the year ended 30 June 2004

Following a review of the Potato Growing Industry Trust Fund Act 1947 it was decided to transfer the functions of the Act to the Agricultural Produce Commission. The collection of levies ceased on 31 July 2001 and no funding was provided to Potato Growers' Association nor for research projects.

A Bill to repeal the Act has been drafted and will be presented to Parliament at a date to be determined.

Given that the functions of the Act are suspended and the legislation is waiting to be repealed the Committee resolved at the meeting of the Trust held on 27 May 2002 that it was inappropriate to complete Performance Indicators for the fiscal year ended 30 June 2002 and this was re-confirmed for the fiscal years ended 30 June 2003 and 30 June 2004.

J.P. Gallagher
CHAIRMAN

J. Gallagher

Date: 29/08/04

H.H. Russell
COMMITTEE MEMBER

H.H. Russell

Date: 29/08/04

Attachment (ii)

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

STATEMENT OF COMPLIANCE

For the year ended 30th June 2004

Hon Kim Chance MLC

Minister for Agriculture, Forestry and Fisheries.

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament, the Annual Report of The Potato Growing Industry Trust Fund Advisory Committee for the financial year ended 30 June 2004.

The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985 and;

Enabling Legislation

The Potato Growing Industry Trust Fund Advisory Committee is established under the Potato Growing Industry Trust Fund Act 1947 and;

Legislation impacting on the Board's activities

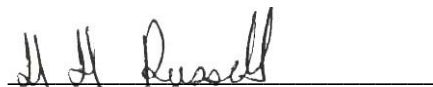
- Anti-Corruption Commission Act 1988
- Disability Services Act 1993
- Equal Opportunity Act 1984
- Freedom of Information Act 1992
- Government Employees Superannuation Act 1987
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Occupational Safety and Health Act 1984
-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



J. P. Gallagher

Chairman of Accountable Authority

Date: 29/08/04



H. H. Russell

Member of Accountable Authority

Date: 29/08/04

Attachment (iii)

**THE POTATO GROWING INDUSTRY TRUST FUND
ADVISORY COMMITTEE**

CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2004

The accompanying financial statements of The Potato Growing Industry Trust Fund Advisory Committee have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2004 and the financial position as at 30 June 2004.

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.

J. P. Gallagher

Chairman of Accountable Authority

Date:

29/08/04

H.H. Russell

Member of Accountable Authority

Date:

29/08/04

Ron Lucas

Principal Accounting Officer

Date:

29/08/04



THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Statement of Financial Performance

for the year ended 30 June 2004

	Notes	2004 \$	2003 \$
COST OF SERVICES			
Expenses from ordinary activities			
Administration Expenses	2	1,886	1,927
Total cost of services		<u>1,886</u>	<u>1,927</u>
Revenues from ordinary activities			
<i>Revenue from non-operating activities</i>			
Interest revenue	3	<u>1,360</u>	<u>2,448</u>
Total revenues from ordinary activities		<u>1,360</u>	<u>2,448</u>
NET COST OF SERVICES		<u>(526)</u>	<u>521</u>
REVENUES FROM STATE GOVERNMENT	5		
Resources received free of charge		-	306
Assets assumed/(transferred)		<u>-</u>	<u>(50,000)</u>
Total revenues from State Government		<u>-</u>	<u>(49,694)</u>
CHANGE IN NET ASSETS		<u>(526)</u>	<u>(49,173)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		<u>(526)</u>	<u>(49,173)</u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
STATEMENT OF FINANCIAL POSITION
as at 30 June 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4(a)	26,821	27,851
Accrued interest		116	112
Total current assets		<u>26,937</u>	<u>27,963</u>
Total Assets		<u>26,937</u>	<u>27,963</u>
CURRENT LIABILITIES			
Payables		1,000	1,500
Total current liabilities		<u>1,000</u>	<u>1,500</u>
Total liabilities		<u>1,000</u>	<u>1,500</u>
NET ASSETS		<u>25,937</u>	<u>26,463</u>
EQUITY			
Accumulated surplus	12	25,937	26,463
TOTAL EQUITY		<u>25,937</u>	<u>26,463</u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE
STATEMENT OF CASH FLOWS
for the year ended 30 June 2004

	Notes	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to creditors		(2,386)	(3,121)
Receipts			
Interest received		1,356	2,621
Net cash provided by/(used in) operating activities	4(b)	<u>(1,030)</u>	<u>(500)</u>
Net increase/(decrease) in cash held		(1,030)	(500)
Cash assets at the beginning of the financial year		27,851	78,351
Cash transferred to other source		-	(50,000)
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	4(a)	<u><u>26,821</u></u>	<u><u>27,851</u></u>

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

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2004

1 Statement of accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary the application, disclosure format and wording. The Financial Administration and Audit Act and Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

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

(a) Revenue

On the 1st August 2001 contributions by potato producers under Section 21 of the Potato Growing Industry Trust Fund Act, 1947-1973 was suspended. Funds are now being collected from potato producers by the Agricultural Produce Commission.

(b) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubts as to collection exists and in any event where the debt is more than 60 days overdue.

(c) Payables

Payables, including accruals not yet billed, are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

(d) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

(e) Resources received free of charge or for nominal value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(f) Goods and Services Tax

In accordance with the GST grouping provisions the right to receive GST and the obligation to pay GST rests with the Department of Agriculture in regard to all GST transactions incurred by members of the group. As a result separate GST transactions are not recognised within the individual authority's financial statements as they are all brought to account in the Department of Agriculture's financial statements.

(g) Comparative Figures

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

(h) Rounding

Amounts in the financial statements have been rounded to the nearest dollar.

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2004

	2004 \$	2003 \$
2 Administration Expenses		
Auditor's remuneration	1,000	1,500
Resources received free of charge	-	306
Administration expenses	886	121
	<u>1,886</u>	<u>1,927</u>

3 Interest

Funds held in trust accounts at the Commonwealth Bank are invested by the bank on the short term money market. Interest earned on these funds is credited by the bank to the Trusts account.

	<u>1,360</u>	<u>2,448</u>
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4 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

Cash assets	<u>26,821</u>	<u>27,851</u>
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(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities.

Net cost of services	(526)	521
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Non-cash items:

Resources received free of charge	-	306
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(increase)/decrease in assets

Accrued interest	(4)	173
------------------	-----	-----

Increase / (decrease) in liabilities

Payables	(500)	(1,500)
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Net cash provided by/(used in) operating activities	<u>(1,030)</u>	<u>(500)</u>
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5 Revenues (to) / from State Government

Resources received free of charge has been determined on the basis of the following estimates provided by agencies.

Department of Agriculture
- corporate support

	<u>-</u>	<u>306</u>
--	----------	------------

The following assets have been assumed / (transferred) to the Agricultural Produce Commission.

- cash at bank

	<u>-</u>	<u>50,000</u>
--	----------	---------------

Where assets or services have been received free of charge or for nominal consideration, the Authority recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Authority shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

6 Remuneration of members of the accountable authority

The number of Members of the Accountable Authority whose total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year, fall within the following bands:

\$	2004	2003
0- \$10,000	2	2

The total remuneration of the members of the accountable Authority is:

No members of the Accountable Authority are members of the pension scheme.

	<u>-</u>	<u>-</u>
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THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2004

	2004 \$	2003 \$
7 Contingent liabilities		
There were no contingent liabilities that would affect The Potato Growing Industry Trust Fund Advisory Committee.		
8 Events occurring after reporting date		
There were no significant events that occurred after reporting date.		
9 Related bodies		
There are no related bodies with The Potato Growing Industry Trust Fund Advisory Committee.		
10 Affiliated bodies		
There are no affiliated bodies with The Potato Growing Industry Trust Advisory Committee.		
11 Supplementary financial information		
There were no write-offs, losses or gifts during the financial year 2003/2004.		
12 Equity		
Accumulated surplus/(deficiency)		
Opening Balance	26,463	75,636
Change in net assets	(526)	(49,173)
Closing Balance	<u>25,937</u>	<u>26,463</u>

13 Commitments for expenditure

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

14 Financial Instruments

(a) Interest Rate Risk Exposure

The following table details the Trusts exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate	Variable interest rate	Non interest bearing	Total
2004	%	\$	\$	\$
Financial Assets				
Cash assets	5.11%	26,821	-	26,821
Receivables		-	116	116
Total financial assets		26,821	116	26,937
Financial Liabilities				
Payables		-	1,000	1,000
Total financial liabilities		-	1,000	1,000
2003				
Financial Assets	4.78%	27,851	112	27,963
Financial Liabilities		-	1,500	1,500

Net Fair Values

- (b) The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2004

15 Explanatory Statements

2004 Budget Versus 2004 Actual and 2004 Actual Versus 2003 Actual

	Budget 2004	Actual 2004	Variance Between 2004 Budget & 2004 Actual	Note	Actual 2003	Variance Between 2003 Actual & 2004 Actual	Note
	\$	\$	\$		\$	\$	
COST OF SERVICES							
Expenses from ordinary activities							
Administration	15,795	1,886	(13,909)	1	1,927	(41)	
Total expenses from ordinary activities	<u>15,795</u>	<u>1,886</u>	<u>(13,909)</u>		<u>1,927</u>	<u>(41)</u>	
Revenues from ordinary activities							
Interest received	1,134	1,360	226		2,448	(1,088)	4
Total revenues from ordinary activities	<u>1,134</u>	<u>1,360</u>	<u>226</u>		<u>2,448</u>	<u>(1,088)</u>	
Net Costs of Services	<u>(14,661)</u>	<u>(526)</u>	<u>14,135</u>		<u>521</u>	<u>(1,047)</u>	
Revenue from State Government							
Resources received free of charge	-		0	2	306 -	306.0	
Assets assumed/(transferred)	(13,190)	-	13,190.0	3	(50,000)	50,000	5
Total revenues from State Government	<u>(13,190)</u>	<u>0</u>	<u>13,190</u>		<u>(49,694)</u>	<u>49,694</u>	
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	<u>(27,851)</u>	<u>(526)</u>	<u>27,325</u>		<u>(49,173)</u>	<u>48,647</u>	

Explanation of significant variances between 2004 budget versus 2004 actual and 2004 actual versus 2003 actual

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$10,000

Budget 2004 versus Actual 2004

- 1 As the Act has not yet been repealed the anticipated expenditure for this process was not incurred. This is now expected to occur in the 2004/05 financial year.
- 2 No free of charge resources received as Act is in the process of being wound up.
- 3 As the Act has not yet been repealed the anticipated transfer of funds did not occur. This is now expected to occur in the 2004/05 financial year.

Actual 2004 versus Actual 2003

- 4 Reduced cash balances held in The Trusts bank account has resulted in a reduction in interest earned.
- 5 Represents transfer of funds to the Agricultural Produce Commission, as approved by Minister in 2003 pending the repeal of the Act.

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE

Notes to the financial statements

for the year ended 30 June 2004

16 The Impact of Adopting International Accounting Standards

The Potato Industry Trust Fund Advisory Committee is adopting international accounting standards in compliance with AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of financial statements for the reporting period to June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards requires financial reports to disclose:

Transition Management

The Department of Agriculture which covers the Potato Industry Trust Fund Advisory Committee has established a project team chaired by the Director Finance and reports quarterly to the audit committee. The Department, which includes the Potato Industry Trust Fund Advisory Committee has engaged the consulting services of Pricewaterhousecoopers to provide technical advice.

The Project Team:

- has identified the key differences in accounting policies, disclosures and presentation and the consequential impacts and risks to the Potato Industry Trust Fund Advisory Committee;
- will assess the changes required to financial management information systems and processes;
- will identify the necessary staff skills and training requirements
- will prepare a plan to convert accounting policies, financial management information systems and processes so that the Potato Industry Trust Fund Advisory Committee can account and report on the IFRS basis.

To date the project team has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. Some of these choices are still being analysed to determine the most appropriate accounting policy for the Potato Industry Trust Fund Advisory Committee.

Key differences in accounting policies

Currently no major changes have been identified that will impact on the Potato Industry Trust Fund Advisory Committee's annual financial statements after the adoption of International Financial Reporting Standards as from 1 July 2004.

Attachment (iv)

**POTATO GROWING INDUSTRY TRUST FUND
COMMITTEE**

**REVENUE AND EXPENDITURE ESTIMATES FOR THE PERIOD
1 JULY 2003 to 30 JUNE 2004**

	<u>Sub total</u>	<u>Total</u>
Estimated Balance as at 30 June 2003		\$ 27,851
<u>Add</u>		
Estimated income:		
- Interest on investments	1,134	1,134
<hr/>		
<u>Less</u>		
Administration	15,795	
Transfer to APC Potato Producers' Committee	13,190	28,985
<hr/>		
Total estimated funds as at 30 June 2004 **		0
<hr/>		

Budget approved by Minister 19th August 2003

** Assumption made that the *Potato Growing Industry Trust Fund Act 1947* would be repealed at this date.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE POTATO GROWING INDUSTRY TRUST FUND ADVISORY COMMITTEE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion,

- (i) the controls exercised by The Potato Growing Industry Trust Fund Advisory Committee provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Committee at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

Scope

The Committee's Role

The Committee is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
September 17, 2004