

CMIC: Chicken Meat Industry Committee

ABN 26 604 740 628

*c/ Dan Galligan, Secretary
PO Box 13556, Brisbane Qld 4003
Telephone 07 3837 4747, Fax 07 3236 4100
Email: dan@qff.org.au*

25 September 2013

The Hon. John McVeigh MP
Minister for Agriculture, Fisheries and Forestry
GPO Box 46
Brisbane Qld 4000

Dear Minister

I am pleased to present the Annual Report 2012-2013 and financial statements of the Chicken Meat Industry Committee for the financial year ending 30 June 2013.

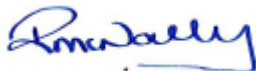
I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 13 of this annual report.

Both I and your Committee look forward to working with you over the coming year.

Yours sincerely



Rowena McNally
Chairperson
Chicken Meat Industry Committee

CHICKEN MEAT INDUSTRY

COMMITTEE

ANNUAL REPORT

2012-2013

Chicken Meat Industry Committee

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This document is produced in accordance with the *Financial Administration Act 2009* (FAA) which requires that all statutory bodies prepare annual reports and table them in the Legislative Assembly each financial year and the *Financial and Performance Management Standard 2009* (FMS) which provides specific requirements for information that is to be disclosed in annual reports, and other legislative requirements.

A checklist outlining the Annual Reporting Requirements for Queensland Government Agencies can be found at page 14 of this annual report.

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This document has been prepared for the Minister to submit to Queensland Parliament.

PUBLIC AVAILABILITY

For enquiries regarding 2012 – 2013 Annual Report or to obtain a copy of the 2012 – 2013 Annual Report you can contact The Secretary by telephoning (07) 3837 4747 or by facsimile (07) 3236 4100 or email to dan@gff.org.au or by written request to the Secretary at PO Box 13556, Brisbane Qld 4003. Please note that a photocopying charge may be applicable.

INTERPRETER SERVICE STATEMENT



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the 2012 – 2013 Annual Report, you can contact the Secretary. A free 24-hour instant online translation service for text and web pages is available on www.translate.google.com. A general government Translating and Interpreting Service is also available in Australia 24 hours a day, 7 days a week for the cost of a local call on 131 450.

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INTRODUCTORY INFORMATION

The Chicken Meat Industry Committee fulfilled the activities associated with the following in the 2012-2013 financial year:

- Dispute resolution mechanisms
- Registration of contracts
- Facilitation of collective negotiations for agreements
- Industry advice
- Industry representation
- Other matters as required

The following sections detail the relevant associated activities.

THE CHICKEN MEAT INDUSTRY COMMITTEE

The Chicken Meat Industry Committee Act 1976 as amended establishes the Chicken Meat Industry Committee.

The functions of the Committee are set out in Section 13(1) of the Act, as follows:

- a) to facilitate collective negotiations for agreements, including for example, by:-
 - (i) convening a group comprising representatives of growers and processors to negotiate agreements; and
 - (ii) recommending procedures for the group in the negotiations; and
- b) to refer disputes between growers and processors to mediation; and to refer disputes under agreements between growers and processors to arbitration; and
- c) to make recommendations to growers and processors about minimum conditions of agreements and other issues affecting the chicken meat industry; and
- d) to represent growers and processors on issues affecting the industry; and
- e) to give information to growers and processors about issues affecting the industry.

NEGOTIATING GROUPS

The CMIC has convened three negotiating groups – one for each of the processors.

There are now 94 registered growers as at 30 June 2013, compared to 88 in 2012 and 87 in 2011.

DISPUTES

No issues were referred to the Committee during the year.

REGISTRATION OF CONTRACTS

The CMIC continues to register new contracts and the industry continues to grow in size. Contracts change to reflect this growth, changes in ownership, operational changes in shed technology and changing requirements such as free-range production. Gross value of production at farm gate for the chicken meat industry is forecast to rise to \$438 in 2012/13 up 11% from the \$ 395 Million 2011/12 and is therefore a 21% change from the last 5 year average (DAFFQ AgTrends). Forecasts for continued growth in the industry remain strong.

FACILITATION OF COLLECTIVE NEGOTIATIONS FOR AGREEMENTS

The Act provides that the Committee can facilitate the collective negotiations of agreements by, for example

- (i) convening a group comprising representatives of growers and processors to negotiate agreements; and
- (ii) recommending procedures for the group in the negotiations.

The Committee has set aside in its budget funds for assistance to negotiating groups. This will involve support for the groups, and if sought, negotiation and mediation skills training will be provided.

INDUSTRY ADVICE

The CMIC provides new participants in the growing of chickens with details outlining the Act, the role and membership of the Committee and its role in dispute resolution.

INDUSTRY REPRESENTATION

The Committee prepares briefs setting out information about the industry and its importance to the regional economy. These help with informed discussion of planning, environmental and industry issues and help to develop an understanding of the economic benefits flowing from industry development.

The Committee has continued its role of periodically and on an as needs basis arranging for senior staff from the Queensland Department of Employment Economic Development and Innovation (DEEDI) and now the Department of Agriculture Fisheries and Forestry Queensland (DAFFQ) to visit growing and processing facilities in the industry or to partake in discussion with the committee. These activities promote a better appreciation of the importance of the industry to the economy of Queensland.

The Committee also meets on a periodic basis with the Minister for Agriculture, and his Director General along with other senior departmental officers to discuss issues of importance to the Queensland Chicken Meat Industry.

Issues discussed have previously included:

- Urban encroachment
- Expansion of the industry and constraints to this growth
- Environmental regulation and planning
- The economic scale of the industry
- Review of the CMIC Act

OTHER MATTERS

The Committee provides a forum for industry to discuss a range of issues affecting the growth of the industry and the relations between growers and processors.

MEETINGS OF THE COMMITTEE

The Committee met twice during the 2012 / 2013 financial year.

MEETING 1: HELD ON 1 AUGUST 2012

Eligible to attend	Attended
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CHAIRPERSON

Rowena McNally	Yes
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SECRETARY

Dan Galligan (Secretary)	Yes
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OTHER COMMITTEE MEMBERS

Mark Taylor (Proxy for Michael Leahy)	Yes
Jodie Redcliffe	Yes
Gary Sansom	No
Steve Teitzel	Yes
Brett Richter (Proxy for Mike Rozen)	Yes
Mike Rozen	No
Patrick McCaffrey	No

MEETING 2: HELD ON 07 MAY 2013

CHAIRPERSON

Rowena McNally	Yes
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SECRETARY

Dan Galligan	Yes
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OTHER COMMITTEE MEMBERS

Mark Taylor (proxy for Michael Leahy)	Yes
Jodie Redcliffe	Yes
Steve Teitzel	No
Mike Rozen	Yes
Patrick McCaffrey	No
Gary Sansom	Yes
Brett Richter	Yes

FUTURE OF THE COMMITTEE

During 2009, the Committee was advised that the Minister had approved the commencement of the review of the *Chicken Meat Industry Committee Act 1976* (CMIC Act). The Minister for Agriculture advised at the time that the review would also seek to identify the most appropriate options (in relation to corporate structure) to implement the Government's response to the Independent Review of Queensland Government Boards, Committees and Statutory Bodies (the "Weller Review"), which recommended the dissolution of various committees including the CMIC. The work of the review concluded during the 2011-2012 financial year and a bill to make amendment to the CMIC Act was tabled in the Queensland Parliament. This bill was never debated or voted on by the parliament.

When the 2012 Queensland State election was called the bill was still within the jurisdiction of the parliament but it was deemed to have lapsed and referred back to the relevant State agency for consideration. Since the formation of the new Parliament on the 15th of May 2012 the Government has moved to maintain the existing CMIC Act. Affectively this has meant that the status quo arrangements remain pending further consideration. During the course of this reporting period Minister for Agriculture Fisheries and Forestry, John McVeigh has notified the CMIC of his Governments intention to support the ongoing reform of the legislation.

The industry still supports a mechanism to provide a unified whole of industry voice and opportunity to facilitate trade practices approval for collective negotiations where appropriate. Pending further discussions with the Government the Queensland Chicken Growers Association has on the basis of support from their members obtained authorization to collectively bargain from the Australian Competition and Consumer Commission ready should further legislative amendment be proposed in Queensland. The CMIC has been advised that this authorization will remain in place until it is needed, following the repeal of the CMIC Act (Qld).

FINANCE AND ADMINISTRATION

During the course of the last financial year (12/13), the Committee received all required payments for contract registration fees and the CMIC financial statements have been audited by the Queensland Audit Office. The Audit has been returned without qualification. However the QAO has noted that there remain aged receivable associated with the failed collection of contract registration fees dating back to the 2009/10 financial year. It has been pointed out in the past that these fees were not sought by the CMIC as at that time it was believed the regulation associated with their requirement was about to be repealed. It remains the view of the CMIC that there is no justification for these registration fees to be claimed in arrears. The Committee is very cognizant of the treatment of this matter and the QAO advice and will be writing to the Minister for Agriculture to determine an appropriate mechanism for this issue to be resolved.

MEMBERSHIP OF THE COMMITTEE

The membership of the Committee during the year was:

CHAIRPERSON

Rowena McNally LLB MAICD

Rowena McNally was appointed Chairperson of the Committee in May 2003. She has a wealth of experience in rural industry matters. She is the chairperson of the Institute of Arbitrators & Mediators Australia and Mount Isa Water Board, and a director of Ergon Energy. During the year she was also the chair of Catholic Health Australia and a director of North West Hospital and health Service. She was a lawyer with a large Queensland law firm and subsequently a Queensland bank and commodity-marketing corporation. She is a member of various legal and other committees and is a member of the Australian Institute of Company Directors and the Law Council of Australia.

MEMBERS

Patrick McCaffrey

Patrick relocated to Queensland in February 2009 to take up the position of Chief Executive Officer of Golden Cockerel Pty. Ltd. Which is a fully integrated poultry processor based at Mt Cotton. Prior to that Patrick had spent 25 years in the poultry industry with the Steggle's and Bartter companies. He was the Director - Southern Region where he was responsible for all aspects of Bartter's operations in Victoria, South Australia and Tasmania. He served for 6 years as an industry representative on the Victorian Broiler Industry Negotiation Committee and was a member and treasurer of the Victorian

Chicken Meat Council for 10 years. He was also a Government appointment to the Board of PrimeSafe (formerly known as the Victorian Meat Authority) for 6 years where he was also Chairman of the Audit and Risk Committee. Patrick has also held a number of senior positions in the manufacturing industry and was Chairman of the Geelong Manufacturing Council for 5 years. He holds a Bachelor of Commerce and has been a member of the Australian Society of Accountants for 30 years.

Michael Leahy

Michael is currently the National Livestock Manager for Baiada Poultry. He has a rural science qualification from the University of New England and has 20 years experience with Steggles in various roles from agricultural, to sales and General Management. Prior to this, Michael was the group general manager for Windsor Farm Foods (canned vegetables, baker's fillings and dry goods) for seven years. Michael is currently sitting his third term as a member of the NSW CMIC and he is the agricultural rep on the Australian "Anti-dumping Task Force".

Mike Rozen

Michael Rozen started his career in poultry after obtaining a Diploma in Agriculture from Lincoln University Canterbury. He has 34 years of experience in the Chicken Industry predominantly in the Processing areas as Plant and Operational Manager for both Tegel and Ingham's Enterprises in NZ. The last 10 years in NZ was as the General Manager of Ingham's operations which included a large feed division. Mike has been Chairman of the NZ Poultry Industry Association through a large proportion of his time as NZ General Manager and on the board of PIANZ for the entire period. In the last twelve months Mike has been Group Executive General Manager for Ingham's operations in Queensland, New South Wales, and the Turkey Operations in Australia.

Jodie Redcliffe

Jodie is an owner manager of a contract chicken growing farm at Wamuran, Queensland. Jodie is the President of the Queensland Chicken Growers Association, which represents 90% of the contract chicken meat industry in Queensland. Jodie has held that position since 2010.

Gary Sansom AM

Gary is an owner manager of a contract chicken growing farm at Jimboomba, Queensland. He was President of the Australian Chicken Growers Council Ltd from 1998 -2002, President of the Queensland Chicken Growers Association from 1992 to 2002 and he is presently Vice President of the Association. He has served on the Council of the Queensland Farmers' Federation since its inception in 1992 and he is currently a Director of the Federation. He is a board member of the Poultry

Research and Development Centre Queensland and Vice President of the Australian Chicken Meat Federation. In 2008, Gary received a Queensland Poultry industry Life Time Achievement award and in 2009, he received recognition in the Australia Day Awards for services to Sustainable Agriculture.

Steven Teitzel

Steve is the Vice President of the Queensland Chicken Growers Association, which represents 90% of the contract chicken meat industry in Queensland. Steve has held that position since 2003. Steve was previously engaged in the civil construction business and is a qualified Diesel and Heavy Earthmoving Equipment Mechanic.

SECRETARY

Dan Galligan

Mr Galligan is the Chief Executive Officer of the Queensland Farmers' Federation, and holds a degree in Applied Science, Graduate Certificate in Rural Systems Management and is a qualified Environmental Management Systems (EMS) auditor.

ANNUAL REPORT COMPLIANCE CHECKLIST

FA ACT *Financial Accountability Act 2009*
 FPMS *Financial and Performance Management Standard 2009*
 ARRs *Annual Report Requirements for Queensland Government Agencies*

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister 	ARRs – section 8	Refer to cover letter of this report
Accessibility	<ul style="list-style-type: none"> Table of contents 	ARRs – section 10.1	4
	<ul style="list-style-type: none"> Glossary 		N/A
	<ul style="list-style-type: none"> Public availability 	ARRs – section 10.2	3
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 10.3	3
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 10.4	2
	<ul style="list-style-type: none"> Information licensing 	<i>Queensland Government Enterprise Architecture – Information licensing</i> ARRs – section 10.5	2
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 11.1	5
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 11.2	5
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 11.3	N/A to CMIC
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 11.4	N/A to CMIC
Non-financial performance	<ul style="list-style-type: none"> Government objectives for the community 	ARRs – section 12.1	N/A to CMIC
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 12.2	N/A to CMIC
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 12.3	N/A to CMIC
	<ul style="list-style-type: none"> Agency service areas, service standards and other measures 	ARRs – section 12.4	N/A to CMIC
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 13.1	10
	<ul style="list-style-type: none"> Chief Finance Officer (CFO) statement 	ARRs – section 13.2	N/A to CMIC
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 14.1	N/A to CMIC
	<ul style="list-style-type: none"> Executive management 	ARRs – section 14.2	N/A to CMIC
	<ul style="list-style-type: none"> Related entities 	ARRs – section 14.3	N/A to CMIC

Summary of requirement	Basis for requirement	Annual report reference
<ul style="list-style-type: none"> • Boards and committees 	ARRs – section 14.4	N/A to CMIC
	<ul style="list-style-type: none"> • Public Sector Ethics Act 1994 <i>Public Sector Ethics Act 1994</i> (section 23 and Schedule) ARRs – section 14.5	N/A to CMIC
Governance – risk management and accountability <ul style="list-style-type: none"> • Risk management • External Scrutiny • Audit committee • Internal Audit • Public Sector Renewal Program • Information systems and recordkeeping 	ARRs – section 15.1	N/A to CMIC
	ARRs – section 15.2	N/A to CMIC
	ARRs – section 15.3	N/A to CMIC
	ARRs – section 15.4	N/A to CMIC
	ARRs – section 15.5	N/A to CMIC
	ARRs – section 15.7	-
Governance – human resources <ul style="list-style-type: none"> • Workforce planning, attraction and retention and performance • Early retirement, redundancy and retrenchment • Voluntary Separation Program 	ARRs – section 16.1	N/A to CMIC
	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 16.2	N/A to CMIC
	ARRs – section 16.3	N/A to CMIC
Open Data <ul style="list-style-type: none"> • Open Data 	ARRs – section 17	N/A to CMIC
Financial statements <ul style="list-style-type: none"> • Certification of financial statements • Independent Auditors Report • Remuneration disclosures 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	Refer to attached
	FAA – section 62 FPMS – section 50 ARRs – section 18.2	Refer to attached
	<i>Financial Reporting Requirements for Queensland Government Agencies</i> ARRs – section 18.3	N/A to CMIC

FINANCIAL STATEMENTS

The financial statements of the Committee are audited annually by the Queensland Audit Office. They are attached.

Your ref:
Our ref: 2013-5904
Carolyn Dougherty 3149 6124



10 September 2013

Ms R McNally
Chair
Chicken Meat Industry Committee
PO Box 12009
GEORGE STREET BRISBANE QLD 4003

Dear Ms McNally

**General Purpose Financial Statements 2012-13
Chicken Meat Industry Committee**

I enclose for your information a copy of the certified general purpose financial statements.
The original certified statements were returned to the Secretary.

I have issued an unmodified opinion.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Carolyn Dougherty'.

Carolyn Dougherty
Director

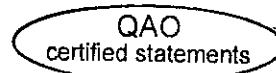
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Chicken Meat Industry Committee

Statement of Comprehensive Income for the year ended 30 June 2013

	2013	2012
	\$	\$
Income from continuing operations		
Revenue		
Registration and annual fees	33,600	30,800
Total Income from continuing operations	33,600	30,800
Expenses from continuing operations		
Members fees and allowances	2,875	2,148
Secretarial fees	17,000	17,000
Audit and accounting fees	6,000	8,373
Postage, printing and stationery	522	151
Other expenses	626	1,594
Total Expenses from continuing operations	27,023	29,266
Total Comprehensive Income	6,577	1,534

The accompanying notes form part of these financial statements



Chicken Meat Industry Committee
Statement of Financial Position as at 30 June 2013

		2013	2012
	Notes	\$	\$
Current assets			
Cash and cash equivalents	2	17,843	32,056
Receivables	3	63,707	42,617
Total current assets		81,550	74,673
Total assets		81,550	74,673
Current liabilities			
Payables	4	4,900	4,600
Total current liabilities		4,900	4,600
Total liabilities		4,900	4,600
Net assets		76,650	70,073
Equity			
Accumulated surpluses		76,650	70,073
Total Equity		76,650	70,073

The accompanying notes form part of these financial statements

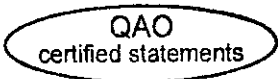
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Chicken Meat Industry Committee

Statement of Changes in Equity for the year ended 30 June 2013

	Accumulated surplus		Total	
	2013	2012	2013	2012
	\$	\$	\$	\$
Balance at 1 July	70,073	68,539	70,073	68,539
Operating Result from Continuing Operations	6,577	1,534	6,577	1,534
Adjustment to Prior Year Revenue	-	-	-	-
Balance at 30 June	76,650	70,073	76,650	70,073

The accompanying notes form part of the financial statements

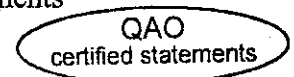


Chicken Meat Industry Committee

Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Cash receipts in the course of operations		13,366	60,200
Cash payments in the course of operations		(29,835)	(28,678)
GST input tax credits received		2,256	1,894
Net cash provided by/(used in) operating activities	5	(14,213)	33,416
Net increase (decrease) in cash and cash equivalents		(14,213)	33,416
Cash and cash equivalents at beginning of financial year		32,056	(1,360)
Cash and cash equivalents at end of financial year	6	17,843	32,056

The accompanying notes form part of these financial statements



Chicken Meat Industry Committee

Notes to and forming part of the accounts

1. Summary of Significant Accounting Policies

Committee Functions

The *Chicken Meat Industry Committee Act 1976* states that the Committee's functions are –

- (a) *To facilitate collective negotiations for agreements, including, for example, by-*
 - (i) *Convening a group comprising representatives of growers and processors to negotiate agreements; and*
 - (ii) *recommending procedures for the group in the negotiations; and*
- (b) *to refer disputes between growers and processors to administration; and*
- (c) *to refer disputes under agreements between growers and processors to arbitration; and*
- (d) *to make recommendations to growers and processors about minimum conditions of agreements and other issues affecting the chicken meat industry; and*
- (e) *to represent growers and processors on issues affecting the industry; and*
- (f) *to give information to growers and processors about issues affecting the industry.*

a. **Statement of Compliance**

These financial statements are general purpose financial statements prepared in order to satisfy the financial reporting requirements of the Board as prescribed by Section 18 of the *Chicken Meat Industry Committee Act 1976*.

These financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standard Board and the *Chicken Meat Industry Committee Act 1976*.

With respect to compliance with Australian Accounting Standards and Interpretations, the Chicken Meat industry Committee has applied those requirements applicable to not-for-profit entities. Except where otherwise stated, the financial statements have been prepared on an accrual basis, using the historical cost convention.

b. **Funding of the Committee's operations**

The principal source of funding for the Committee is by way of registration and annual fees received from processors in the Queensland chicken meat industry.

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Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

c. Cash and cash equivalents

For the purpose of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June, as well as deposits at call with financial institutions.

d. Receivables

Receivables are recognised at the nominal amount due at the time of the transaction. The collectability of receivables is assessed periodically, with allowance being made for impairment as considered necessary.

e. Taxation

The Committee is a state body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the Australian Taxation Office are recognised and accrued.

f. Contingent Assets or Liabilities

There were no known contingent assets or liabilities of a significant nature at 30 June 2013.

g. Comparative Amounts

Comparative information has been restated, where necessary, to be consistent with disclosures in the current reporting period.

h. Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.

i. Payables

Trade creditors and other accounts payable are recognised upon receipt of the goods or services ordered and are measured at the nominal amount. Amounts owing are unsecured and are generally settled on 30 day terms.

Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

j. Accounting Estimates and Judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the Committee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Committee has made no judgements or assumptions which may cause a material adjustment to the carrying amount of assets and liabilities presented in the Statement of Financial Position.

k. New and Revised Accounting Standards

The Committee has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Committee applies Standards and Interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

- a) *2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (June 2010)*

Effective for annual reporting periods beginning on or after 1st July 2013

- b) *AASB 9 Financial Instruments (December 2010) and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*

Effective for annual reporting periods beginning on or after 1st January 2013

Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

	2013 \$	2012 \$
2. Cash and cash equivalents		
Cash at bank	17,843	32,056
Total Cash and cash equivalents	<u>17,843</u>	<u>32,056</u>
3. Receivables		
GST receivable	1,057	967
Registration and annual fees	62,650	41,650
Total Receivables	<u>63,707</u>	<u>42,617</u>
4. Payables		
Accrued accounting and audit fees	4,900	4,600
Total Payables	<u>4,900</u>	<u>4,600</u>
5. Reconciliation of operating surplus to net cash from operating activities		
Operating result from operations	6,577	1,534
Prior year equity adjustment for revenue	-	-
Changes in asset/liabilities		
(Increase)/decrease in receivables	(21,090)	28,882
Increase/(decrease) in accounts payable	300	3,000
Cash (used in)/provided by operating activities	<u>(14,213)</u>	<u>33,416</u>

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Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

6. Financial instruments

(a) Financial risk management

The Committee's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable. The overall risk management strategy seeks to assist the Committee in meeting its financial targets, whilst minimising the potential adverse effects on financial performance. The Committee does not have any derivative instruments at 30 June 2013. The main risks the Committee is exposed to through its financial instruments are market risk (interest rate risk), liquidity risk and credit risk.

(b) Market - Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate bank accounts and deposits. The Committee has no interest bearing bank accounts.

There has been no change to the Committee's exposure to interest rate risk or the manner in which it manages and measures the risk from the previous year.

The Committee's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Rate	Floating Interest Rate	Non- Interest Bearing	Total
	%	\$	\$	\$
2013				
Financial Assets				
Cash & cash equivalents	0.00%	-	17,843	17,843
TOTAL		-	17,843	17,843
	%	\$	\$	\$
2012				
Financial Assets				
Cash & cash equivalents	0.00%	-	32,056	32,056
		-	32,056	32,056

Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

(c) Sensitivity analysis

The following interest rate sensitivity analysis is depicting the outcome to Statement of Comprehensive Income should there be a 100 basis points movement in interest rates. It assumes that the rate would be held constant over the financial period, with the change occurring at the beginning of the financial period.

At reporting date if the interest rate had been 100 basis points lower or higher on cash and cash equivalent the impact to the profit and equity is nil. (2012: nil).

(d) Liquidity risk

The Committee manages liquidity risk by monitoring forecast cash flows and actual cash flows.

The Committee is not exposed to any significant liquidity risk.

(e) Credit risk

Past due but not impaired receivables:

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts indicated.

The following table represents an analysis of the age of the Committee's financial assets as at 30 June 2013:

	2013		2012	
	Gross \$	Impairment \$	Gross \$	Impairment \$
Not past due	32,257	-	13,567	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 121 to one year	-	-	-	-
More than one year	30,450	-	29,050	-
	63,707	-	42,617	-

It is the intention of the Committee to write to the Minister and seek Ministerial approval to write off and waive processing fees of \$29,050 relating to the 2009 financial year.

QAO
certified statements

Chicken Meat Industry Committee

Notes to and forming part of the accounts (cont.)

7. Commitments

The Committee had no commitments as at 30 June 2013.

8. Auditor's remuneration

	2013	2012
	\$	\$
Queensland Audit Office	2,500	1,600
	<u>2,500</u>	<u>1,600</u>

9. Principal Office and Place of Business

The Committee's principal place of business and offices are

Level 6
183 North Quay
BRISBANE QLD 4003

Certificate of the Chicken Meat Industry Committee

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Chicken Meat Industry Committee for the financial year ended 30 June 2013 and of the financial position of the Committee at the end of that year.



R McNally
Chair



D Galligan
Secretary

Date. 29.8.2013

INDEPENDENT AUDITOR'S REPORT

To the Chicken Meat Industry Committee

I have audited the accompanying financial report of the Chicken Meat Industry Committee which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chair and the Secretary.

The Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in *the Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Chicken Meat Industry Committee for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.



C F Dougherty CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane