



WAFARMERS

2016

ANNUAL REPORT

INTRODUCTION

For more than a century, WAFarmers has represented the interests of the agricultural sector in Western Australia. It is the largest agricultural lobby group in the state and, as such, has a very powerful and influential voice.

The strength of the WAFarmers brand means the organisation can successfully lobby government for positive change, form alliances with businesses and organisations and, most importantly, communicate with the rural and metropolitan public on important issues.

The WAFarmers 2016 Annual Report details much of the important work and achievements accomplished by WAFarmers in the past 12 months. The publication is an opportunity for members to see what their support enables WAFarmers to achieve on their behalf. For non-members,

the information included in this report is intended to educate about the ongoing work, challenges and successes of the organisation. It is hoped this report will encourage non-members to consider joining or supporting WAFarmers as it continues to fight for the agricultural community.

As a not-for-profit organisation, WAFarmers relies on the support of current and new members to be able to continue working for positive change.

Thank you for your support.



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PRESIDENT'S REPORT



It is with great pleasure that I present the 2016 Annual Report on behalf of the Western Australian Farmers Federation (Inc) (WAFarmers). This has been an eventful and challenging year for me as your incoming President, but one that I have enjoyed immensely.

There have been numerous successes achieved throughout the year of which WAFarmers, its staff and the members we represent should be proud. Led by CEO Stephen Brown, the WAFarmers team has continued to work exceptionally hard in the policy and advocacy sphere over the past year, and has worked cooperatively with government, industry stakeholders and media to ensure that members' concerns are vocalised. State-based issues such as the repeal of the GM Bill, first and last-mile road arrangements, small and medium business taxation and the instability surrounding the leadership of the Agriculture and Food portfolio have been high priorities this year.

Alongside this leadership instability, a challenge for the agricultural sector this year focused on the dramatically reduced funding and staffing at the Department of Agricultural and Food WA (DAFWA) in recent years. DAFWA's capacity to perform the barest functions of regulation and biosecurity services have been challenged, resulting in industry being asked to fund an increasing level of the biosecurity function and forcing us to make some hard decisions on what can and should be funded. Given evidence to suggest that WA can double its agricultural output to \$20 billion by 2025, WAFarmers is hopeful that the State Government will recognise the limits of reduced funding and the overwhelming benefit that investment in agriculture can make to the state economy in the coming years.

In addition to state issues, the Federal Election in July also saw WAFarmers actively campaign on federal issues affecting

Western Australian agriculture, including the backpacker tax which was finally passed at a rate of 15 per cent on the last sitting day for Parliament of 2016, telecommunications and internet access, research and development, streamlining of legislation to increase efficiency and reduce red tape, and optimising trade opportunities. The State Election in March will offer another opportunity to highlight the issues most important to our members, and get the State Government to build on its commitment to agricultural funding.

Our 2016 Annual Conference was one of the most well-attended in our history with a number of significant milestones, including a panel discussion with Minderoo Group Chairman Andrew Forrest, an address from Assistant Minister for Agriculture and Water Resources Senator Anne Ruston, and the retirement of Dale Park as WAFarmers President after four fruitful years. The third annual Heart of WA Gala Dinner was also, once again, a huge success. It is always gratifying to demonstrate the vibrancy and enthusiasm of our industry.

Lastly, on a personal note, I visited the operating facility of Lifeland in the Chinese city of Dalian. Lifeland, under Managing Director Sha Yi, markets WAFarmersFirst Milk and Western Australian honey to the Dalian population under the WAFarmers brand. This was followed by a visit to Vietnam with the CBH Grower Tour, which opened my eyes to the opportunities for Western Australian products across Asia, and broadened my understanding of market growth potential.

I would like to thank the WAFarmers staff and elected representatives, all of whom continue to work tirelessly to better our industry. I also thank our members for their ongoing support – without you, WAFarmers could not carry out the exceptionally important work that it does.

Tony York
PRESIDENT



There have been numerous successes achieved throughout the year of which WAFarmers, its staff and the members we represent should be proud.

CEO'S REPORT



I welcome all members to the 2016 Annual Report, my third as your Chief Executive Officer. What an exciting year it has been. Working in line with Project Re-charge, Re-connect and other initiatives introduced throughout the year, I am extremely pleased to report that WAFarmers continues to grow.

One of our greatest achievements over the last 12 months has been the continuation of our plan to re-build our policy platform and re-connect with all levels of politics and politicians, from Local Government through to Federal Government. As a result of a new approach to the way we advocate and compete for media attention, we have re-opened doors at all levels of government and with all parties. I believe it is fair to say that when I commenced at WAFarmers two-and-a-half years ago, we had a poor relationship with government, so this is a very significant achievement for our policy and media teams.

The appointment of a dedicated Membership Coordinator at the beginning of 2016 to re-connect with members, drive membership and introduce a new level of 'exclusive' member benefits has been invaluable. We can now very confidently state what our membership numbers are, knowing they are active members, and can report growth in member numbers for the first time in a very long time.

Our financial performance during 2016 – our second surplus in a row – has also been extremely pleasing considering we added significant costs with the appointment of a third full time Policy Executive Officer and a Membership Coordinator. Our staff and Commodity Council representatives have travelled extensively throughout 2016, representing WAFarmers and our members and engaging with industry stakeholders, government and sponsors, both in Western Australia and in the eastern states. All this has resulted in a second year of significant growth in our profile in the

Australian agricultural industry and a large number of new sponsors joining us for a range of events.

At Board, Commodity Council, Zone and AgConnectWA level there is a level of interest in participation that has not been seen for many years. AgConnectWA had more nominations than vacancies for their committee this year, resulting in elections for all positions on the committee. I am also aware of increased interest in Board and Council positions, so the upcoming AGMs at Annual Conference will be very interesting.

We continue to have a very strong focus on the 'farmer of tomorrow' and AgConnectWA. WAFarmers sponsors a number of scholarships and events for students and young people studying towards a career in agriculture; these people are our members of tomorrow and without them WAFarmers will disappear. We have been down this track previously as an organisation and our focus must remain on sustainability, hence Project Re-charge, Re-connect. Halfway through the plan, it has recently had a major review to ensure it remains current and relevant as we head in to the future.

A large amount of work has been completed in 2016 to retain and add new sponsors, both for the organisation and for events. I am pleased to report that we have retained almost all our Corporate sponsors and added a large number of new event sponsors, Gallagher Electric Fencing, Zoetis, Elders, to name a few.

WAFarmers continues to work hard to 'steady the ship' and as a result, we are in the best position we have been for many years. That said, now is no time for complacency and in 2017, there will be an even greater focus to grow our sponsors and other forms of financial income to ensure we can deliver a stronger surplus next year as we start the road to long term financial stability. This is a huge challenge but one we can achieve with a focus and a plan.

To my team of staff at WAFarmers, thank you for another highly successful year in all areas. I look forward to working with you all in 2017 as we continue to implement our plans and ideas; 2017 will be our biggest and best year yet. To the Commodity Councils and Board of Directors, thank you for your ongoing support. To those Board Members continuing with us throughout 2017, I look forward to working with you again, and to those leaving the Board, thank you for your time and commitment during your tenures.

Stephen Brown
CHIEF EXECUTIVE OFFICER



Working in line with Project Re-charge, Re-connect and other initiatives introduced throughout the year, I am extremely pleased to report that WAFarmers continues to grow.



GRAIN REPORT

DUNCAN YOUNG & MADDISON MCNEIL

2016 was a big year for the grains industry, with cooperative versus corporate discussions, ports, storage and handling, genetically modified (GM) crops, biosecurity, chemical reviews, labelling changes, market studies, mergers and acquisitions, and receival standards being just a few issues the WAFarmers Grains Council has been involved with.

Our policy positions are only as good as the feedback we get. If there is an issue that you would like to discuss, WAFarmers is here to help you- but we can help only if we know about it!

COOPERATIVE BULK HANDLING

In March, WAFarmers Grains Council reiterated support for a cooperative model for storage and handling of grain, and a structure that is dynamic and delivers maximum value to growers. In an effort to allow farmers to determine their own opinions and positions for themselves, their businesses and their future, WAFarmers decided to remain out of the discussion.

This position was reached after hearing from all parties and was despite significant pressure to take a public stance. WAFarmers believed it would have been a disservice to our members and the organisation to take a position that did not reflect the views of the majority of our membership. WAFarmers as an organisation is not a voting member of CBH, and therefore our comment could potentially have corrupted any due diligence required to provide farmers with the best available information.

Earlier in the year, CBH received a conditional non-binding indicative proposal from Australian Grains Champion (AGC). Over the following months a number of developments occurred, resulting in CBH releasing their network strategy, commencing a structure and governance review, and finally with AGC withdrawing the proposal. WAFarmers encouraged, and continues to encourage, all farmers to educate themselves and engage with review processes that will change how your businesses run into the future.

At the time of writing, CBH was yet to release the results of their structure and governance review.

GM CROPS

In October the GM Free Areas Act 2003 was repealed, following nearly two years of deliberation. The repeal of this legislation removed a level of red tape and provided certainty that GM cultivars, as approved by the Office of Gene Technology Regulation (OGTR), were able to be grown in WA into the future.

The repeal was a result of joint industry advocacy from a number of organisations alongside WAFarmers including CropLife Australia, the Grains Industry Association of WA (GIWA), and the Pastoralists and Graziers Association (PGA).

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION

Asciano acquisition

Throughout 2015 and 2016, the acquisition of Asciano by a consortium led by Qube, Brookfield Rail and other consortium partners was an issue of importance to our members. In July, after four submissions, the ACCC did not oppose the acquisition.

E.I. Du Pont de Nemours and Company and the Dow Chemical Company merger

WAFarmers provided initial feedback to the ACCC's market inquiry letter in August. The ACCC has since released a statement of issues, outlining a number of concerns regarding the removal of competition from within an already small Australian agricultural market, specifically regarding innovation in new actives, insecticides, and canola seeds.

ChemChina proposes to acquire Syngenta

WAFarmers provided initial feedback to the market inquiry letter in August, with the ACCC having since received additional information on the acquisition. At the time of writing, the ACCC was yet to release a decision or statement of issues. The acquisition is currently being assessed in Europe, the US, and other countries that may have competition issues as a result of the proposed acquisition.

Informal review of the Port Terminal Access (Bulk Wheat) Code of Conduct

In November, the ACCC commenced an informal review on the Port Terminal Access Code that it administers. The aim was yet to review how the exemptions work, and identify potential hindrances to competition.

In WA, both CBH and Bunge have exemptions from certain Sections of the Code. WAFarmers provided feedback that the exemptions were working well, and that no changes were required. The differences in ports in WA versus corporate ports in eastern Australia was also clearly described, particularly the difference in cooperatives and competitive forces. WAFarmers considered that the exemptions in Western Australia function well, and should be maintained.

A formal review is expected to be initiated by the Department of Agriculture and Water Resources (DAWR) in October 2017.

CHEMICALS

Glyphosate on barley – NuFarm APVMA permit GPA

In November, the Australian Pesticides and Veterinary Medicines Authority (APVMA) granted a minor use permit for late season use of glyphosate in feed grade barley. It was a significant win for farmers and industry, as it provided certainty for late season control of weeds in feed barley crops. WAFarmers strongly supported the application by Grain Producers Australia (GPA), and was pleased that the minor use permit was made available for the 2016/17 season.

Global harmonisation system for chemical labelling

In May, DAWR released a review of duplication in AgVet chemicals and work health and safety legislation, and outlined a number of alternative options. WAFarmers advocated for full exemptions from proposed laws, as we considered the current regulatory framework administered by the APVMA to be adequate to protect worker health and safety.

In November, an exemption was provided to veterinary chemicals, with compliance to be enforced from 1 January 2017. WAFarmers, in conjunction with a number of industry groups, are urging Safe Work Australia, the regulatory authority on the issue, to grant exemptions to agricultural chemicals.

Omethoate

In May, the APVMA released a proposed regulatory decision on the reconsideration of omethoate. A key finding in the decision was that omethoate registration did not have adequate residue information available, and recommended that omethoate be maintained for barrier spraying for redlegged earth mite only.

In our submission, WAFarmers maintained that omethoate was an essential chemical for farmers for efficacy, efficiency and cost. Deregistration of the active would be a significant detriment to all farmers that utilise omethoate as part of their integrated pest management program.

Work is ongoing to ensure adequate residue information is available to maintain the registration. At the time of writing, the APVMA were expected to release the final regulatory decision in December 2016.

Dimethoate

In October, the APVMA released a proposed regulatory decision on the reconsideration of dimethoate. Additional data was provided to support the continued registration for cereals and pulses. However, the use on oilseeds and pastures was to be used for redlegged earth mite at crop emergence only.

WAFarmers' submission to the proposed decision outlined why restriction to crop emergence only was inadequate for current usage patterns.

Nationally consistent chemical recording

In November, the AgVet Chemicals Task Group released a proposal for nationally consistent record keeping for agricultural chemicals, aimed at providing a minimum standard for record keeping. In WA, chemical use and record keeping is legislated, and generally exceeds the proposed minimum standard. However, WAFarmers was concerned about developing another level of compliance, as well as the purpose that developing the minimum standard would serve.

2016/17 receival standards

In March, Grain Trade Australia (GTA) asked for feedback on proposed changes to the 2016/17 receival standards for wheat, which included a protein maximum of 11 per cent for APW2, and a protein minimum of 9 per cent for ASW1.

WAFarmers opposed the changes on the grounds that there was insufficient market and economic information available to assess how the changes would benefit or harm the industry. In May, GTA announced that the changes would not proceed.

Railways

The current certification of the Railway (Access) Code 2000, as governed by the Economic Regulation Authority, lapsed on 11 February 2016, and is yet to be renewed. An interim agreement is in place until 31 December 2017. CBH and Brookfield Rail continue to negotiate for a long term agreement under the Code, as it is likely to yield a result sooner than the certification process under the National Competition Council and the ACCC.

Levy payer database

In April, WAFarmers provided comment to the Primary Industries Levies and Charges Collection Amendment Bill 2016, encouraging the government to implement the legislation, allowing the development of the levy payer database.

WAFarmers attended a consultation meeting and provided feedback on key considerations on the development and implementation of the database. The key considerations were security, grower access, accountability to growers, and improving transparency between levy payers, collection authorities and levy bodies.

Biosecurity

WAFarmers engaged with a number of biosecurity consultations, including the reviews of the industry funding schemes, intergovernmental agreement on biosecurity, and declared species, and the implementation of the Federal Biosecurity Act 2015.

Declared species

WAFarmers was engaged to assist DAFWA with reviewing the declared species list, and potentially reclassifying any declared species that no longer satisfied criteria, or that industry no longer considered relevant.

WAFarmers was concerned that the removal of declared species would lead to withdrawal of funding and control obligations around biosecurity activities from government, and increasing cost and obligation on land owners.

Biosecurity Act 2015

In May, the agricultural industry of WA was advised of the implementation of the Biosecurity Act 2015 on 16 June 2016, and a number of potential threats to WA's current biosecurity status and area freedoms. There were potential issues regarding authority, and the ability for WA to impose additional import restrictions than those implemented under the Federal biosecurity system.

Prior to implementation, DAWR acknowledged that certain area freedoms must be respected, and changes were made to the Australian Biosecurity Import Conditions (BICON) database to ensure industry would not be adversely exposed to any threats as a result of the new legislation.

GRAIN PRODUCERS AUSTRALIA

Over the past 12 months GPA has worked on a number of issues affecting industry including competition and transparency, infrastructure within the supply chain, and biosecurity.

GPA is gaining considerable recognition for its ongoing role as the leading policy forum for grain producers. GPA membership continues to grow, with almost 5,000 financial members. GPA is continually looking at ways to communicate with members on their membership details and preferred communication methods.

As the grains industry signatory to the Emergency Plant Pest Response Deed, GPA was involved in a number of significant biosecurity incursions, including Red Witch Weed control in Queensland, Khapra beetle in South Australia, and Russian Wheat Aphid in eastern and South Australia.

GPA continues to develop strategies with government around solutions for registration of agricultural chemicals. New registrations of grain protectants and re-registration of currently used chemicals are being addressed by GPA, with over a dozen submissions for agricultural chemical application and registration.

Over the next 12 months, GPA will continue to work towards improving the trading environment within the grains industry.



The grains industry is the state’s largest agricultural sector, currently earning approximately \$5 billion per year.



DAIRY REPORT

MICHAEL PARTRIDGE & KIM HAYWOOD

There were a number of unprecedented events throughout 2016, particularly in the latter half of the year, which have had huge consequences for some dairy farmers in WA.

The devastating Waroona bushfires in January affected many farmers and saw the dumping of milk as tankers were unable to collect from restricted fire areas. The fire appeal set up by WAFarmers and the enormous efforts made by Phil Depiazzi ensured funds were distributed quickly to the affected farmers, to help re-build fences and deal with other related issues. Recognition must also go to the milk processors who paid farmers for the milk lost through the fires.

Then mid-year, two milk processors chose not to renew supplier agreements – the contracts for four farmers were to end in September 2016, while another five were to end in January 2017. These actions by the processors forced some of the industry's most long standing dairy farmers to dump milk as new supply contracts were not forthcoming.

Since these announcements were made, WAFarmers has worked tirelessly with industry, government and other stakeholders to try to find a solution that would ensure the milk from the affected farmers would be picked up. Many avenues were explored and while short term arrangements were put in place after the

30 September contract deadline, three of the four farmers have since left the industry while the fourth managed to negotiate a contract with a retiring dairy farmer. At the time of writing, WAFarmers continues to work closely with the State and Federal Governments and other industry stakeholders to ensure the five other dairy farmers remain in contract.

Given WA has a shortage of manufacturing capacity, with over 90 per cent of milk produced in the state being sold as milk rather than products like butter and cheese, WAFarmers will continue to advocate for investment in this space to foster growth, incentives and further export opportunities to balance seasonal milk supply.

BUSINESS ACTIVITIES

WAFarmers successfully applied to Australian Dairy Farmers (ADF) for funding to help increase its dairy membership. As part of the project, a number of dairy farmer meetings were held in dairying areas in February and July to hear first-hand the challenges facing dairy farmers. These meetings were held in collaboration with representatives from ADF, Zoetis, Lion, and Bell Pasture Seeds.

In April, WAFarmers teamed up with Western Dairy, taking a stand at the Dairy Innovation Day and then hosting a dinner which included the Brownes Dairy Young Dairy Farmer of the Year Awards.

The annual Dairy Conference returned to Busselton in July with over 120 people attending- our biggest conference yet. Themed Profit from Science, speakers presented on the latest innovations as the sector was keen to advocate for continued research into gene editing technologies, especially for ryegrasses. A significant part of the conference was the panel discussion with representatives from Lion, Brownes and Harvey Fresh, all of whom answered questions from the floor concerning issues such as sustainable pricing, competition, and agreements between producers and processors.

The WAFarmers Dairy Council AGM was held at the end of the conference, which saw Michael Partridge accept the nomination of President from Phil Depiazzi. Phil was recognised for his outstanding dedication to the industry over his term as Council President. Ian Noakes accepted the position of Vice President and Paul Ieraci accepted the nomination for Junior Vice President. Mike Norton, Tony Pratico, and Carolyn and Neville Lindberg joined the Dairy Council as new regional representatives.

Finally, the Dairy Industry Fund supported the reinvigoration of the Dairy Pavilion at the 2016 Perth Royal Show. For more information, see the report on WAFarmersFirst Milk.

POLICY

Key policy priorities for the Dairy Council this year focused on animal welfare protocols, particularly for calf wellbeing, and programs to assist on-farm biosecurity especially to protect dairy herds from Bovine Johnes disease (BJD). Other priorities included changes to employment laws, business anti-competitive protection laws and the Dairy Levy Poll process.

The Dairy Council has two main priorities: the first is on supply chain relations particularly aimed at improving supplier contract terms and conditions to manage supply issues, and the second is to pursue investment opportunities that will encourage new processing and manufacturing capacity, which in the long term will capitalise on export opportunities. To support these efforts, the WAFarmers Dairy Council developed and contributed to a range of industry documents.

• Code of Best Practice on contractual agreements between dairy farmers and processors

The aim of the Code is to address the issues in a way that works for both farmers and processors, and was developed as part of an initiative by the Federal Minister for Agriculture and Water Resources, Hon. Barnaby Joyce, following the Dairy Symposium he convened of dairy industry parties on 25 August 2016, which WAFarmers representatives attended. A follow up workshop with state farming organisations and the ADF agreed the terms and conditions to improve contractual practices and balance risk along the supply chain.

• ACCC review into the Australian dairy industry

The ACCC's inquiry into the dairy industry was requested in August by the Treasurer, Hon. Scott Morrison. The inquiry will explore supply chain issues and contracting practices including the lack of clarity and certainty around price within supplier agreements and contracts, the lack of price signalling that is communicated across the industry, and the contracting practices not being openly negotiated and lacking flexibility and transparency.

• The importance of a world dairy commodity pricing index and educational program for farmers to better understand the impacts of the world market price and impact on the domestic market.

NATIONAL PEAK INDUSTRY REPRESENTATION

The WA dairy industry continues to be well represented on a national platform, with many members continuing to hold positions on the ADF's Policy Advisory Groups (PAGs). Michael Partridge is the WAFarmers representative on the Markets, trade and value chain PAG, which is committed to improving dairy farm profitability and ensuring sustainable growth for Australian dairy production; Phil Depiazzi is the WAFarmers representative on the Animal health and welfare PAG which aims to maintain and improve Australia's animal health and welfare system, as well as the industry's emergency response capability and provides guidance on current issues and regulations; and Tammy Negus is our representative on the People and human capacity PAG which drives policy development and advocacy in the crucial area of people and workforce capacity.

Michael Partridge also maintained his position on the ADF's National Council, which is responsible for developing policy for the ADF Board's consideration and advising the Board of opportunities to improve the implementation of the ADF Strategic Plan. The National Council also oversees the PAGs, providing valuable insight and support on new and emerging issues amongst the five PAG areas.





LIVESTOCK REPORT

JOHN WALLACE & KIM HAYWOOD

Key areas of livestock policy this year focused on a number of challenges: improving biosecurity structures and funding mechanisms; supply chain operations and pricing policies; disease surveillance and market access; best practice guidelines for animal welfare; promotion of integrated pest management across public and private land; expanding farmers’ access to cutting edge research and development; wool marketing and research, shearer and wool handling issues; and trade related activities such as the wool bale barcode trials completed by AWEX.

There was also significant work achieved through our state and national representation on peak industry body boards and committees, in addition to attendance at training opportunities, such as the Sheepmeat Council of Australia’s (SCA) building leadership capacity initiative, which will deliver long term benefits for the industry. WAFarmers Livestock Council extends its thanks to the office holders and Livestock Executive Officer Kim Haywood, and to Professor David Lindsay whose efforts and valued guidance throughout the year was immeasurable. Thanks also to the following Livestock Council representatives for their participation on state and national committees: Geoff Pearson, David Slade, Mike Norton, John Wallace, Scott Pickering, Lyn Slade, Jeff Murray, Ed Rogister, John Moyes, Guy Bowen, Steve McGuire, John Nankivell, Max Watts, and Kim Haywood.

BIOSECURITY AND DISEASE

Livestock Council representatives have been heavily involved in a number of activities including biosecurity roundtables and

forums, state and national consultations and submissions. A key focus area included agreement on the BJD program for WA, given national deregulation of the program has put responsibility of management and costs back to individual producers. Ovine Johnes disease (OJD) and Ovine Brucellosis are on the increase across flocks in WA, and WAFarmers has taken the lead by bringing vets and industry together at a series of highly successful Sheep Health Workshops aimed at helping farmers deal efficiently with these diseases and others. Many countries we export livestock to require proof of disease freedom from BJD and OJD, so we must make every effort to keep disease occurrence and spread to a minimum.

The WA Footrot Program is funded by voluntary contributions collected and managed by the Sheep and Goat Industry Funding Scheme (IFS) Management Committee, with its purpose being to prevent the spread of infection rather than eradicate the disease. New strain-specific vaccines currently being trialled provide another valuable tool for the management

of virulent and benign footrot on properties. Further, WAFarmers encouraged the Sheep and Goat IFS Management Committee to request that Animal Health Australia (AHA) use unallocated levy funds to manage the surveillance of footrot at abattoirs in WA. As a result, they have funded the placement of an inspector in the Fletchers abattoir in Narrikup to collect information on OJD, and WAFarmers commends this action.

A number of Livestock Council representatives were involved in Exercise Apollo in May to road-test responses during an outbreak of Foot and Mouth Disease. Representatives also completed the Industry Liaison Training for emergency disease management, hosted by AHA.

WAFarmers has made it clear that biosecurity is a shared responsibility and that there is concern that government intends to place more responsibility and cost back onto the industry. We will continue to oppose this. Concerns have also been raised that funding for biosecurity appears to be funded through multiple levies for the same risk.

TRADE, EXPORT AND MARKET ACCESS

Given the importance of the export market to the WA livestock industry, the continued development of numerous trade deals was high on the agenda for the Livestock Council this year. WAFarmers attended numerous trade related forums to enhance trade deal negotiations, particularly with China and Indonesia in light of the latter’s shift to focus on breeder cattle. Discussions are also ongoing with government on the resumption of sheep exports into the Saudi market. WAFarmers also remains at the centre of discussions on the development of an outer livestock harbour at Fremantle.

Access to markets is reliant on robust reporting mechanisms. WAFarmers has encouraged all wool and livestock producers to complete National Vendor Declarations (NVDs) and National Wool Declarations (NWDs) correctly. Only 45 per cent of WA growers complete NWDs correctly, the lowest percentage in Australia. In addition, we have also encouraged sheep producers to use pain relief as this could become compulsory in the future.

WAFarmers does not support the mandatory introduction of electronic identification (tagging) for individual sheep. Rather, we encourage producers to consider using

electronic tags for managerial benefits on a voluntary basis. The Victorian Government chose to ignore industry requests and placed mandatory electronic identification of individual sheep into legislation, effective 1 January 2017. This means that WA sheep producers exporting sheep to Victoria from next year may have to individually tag sheep with an electronic tag. At the time of writing, WAFarmers continues to wait for clarity on this issue.

Other work in this space included:

- A call for investigations into sheep price discounting in WA as prices being paid for lambs, sheep and skins are substantially lower when compared to prices being paid in the east.
- Participation in the ACCC inquiry into the beef and red meat supply chain, complemented by the appointment of WAFarmers Immediate Past President Dale Park to the ACCC’s newly established Agricultural Unit.
- Auditing and application of Meat Standards Australia (MSA) and the AusMeat Language for beef grading, including the rationalisation of MSA pathways, trimming specifications and payments to producers.
- The establishment of objective measures for sheep grading.

ANIMAL HEALTH AND WELFARE

Animal health and welfare programs have dominated discussions, with representatives having significant input into policy outcomes at state and national levels through our membership to peak industry councils, including the Cattle Council of Australia (CCA), SCA, WoolProducers Australia (WPA) and the National Farmers’ Federation (NFF).

One issue of importance was the push by the RSPCA and others to establish an Independent Office for Animal Welfare in Canberra. WAFarmers opposed this for a number of reasons, including the fact that the agreed animal welfare standards and guidelines are still to be incorporated into legislation.

WAFarmers also led policy discussions on the use of antibiotics in livestock to avoid implications of antibiotic resistance in human medicine, and was very involved in the reviews of AgVet chemical labelling, training, recording and national harmonisation. WAFarmers continues to work with AHA and DAFWA to set up feedback mechanisms so that livestock owners can receive disease information back with slaughter data.





Ongoing support is also being given to the WA Livestock Exporters Association (WALEA), Australian Livestock Exporters' Council (ALEC) and LiveCorp on animal welfare protocols and the development of the Livestock Global Assurance Program and its funding.

PEST CONTROL

The Livestock Council has continued to support initiatives aimed at the control of wild pests, especially wild dogs, throughout WA. Council members have had considerable input into the consultation on the WA Wild Dog Action Plan and funding, and we welcomed the announcement in November approving the funding for this important initiative. WAFarmers, in partnership with the CCA and the Invasive Animals CRC, also worked on developing new project applications for funding to protect the cattle herd against increasing prevalence of wild dog attacks.

The Livestock Council strongly objected to the introduction of a bait licence charge by the government and questioned the logic of this charge, given the large effort being made to eradicate wild dogs across the state. WAFarmers applauds WPA and Australian Wool Innovation for their

continued funding to help resolve this important issue. Given the sheep flock in WA continues to decrease we must do what we can to reverse this trend, and prioritising this area as an issue of importance will help in this goal.

Detailed consultation was held on the review of the declared pests and weeds within legislation, as any changes to the declared pest and weed lists will have implications for the three IFS committees: Sheep and Goats, Cattle, and Grain, Seeds and Hay. Responses were also submitted to the IFS reviews, reviews on regional biosecurity group functions and structures, and other related pest rate contributions collected for pest and weed control management programs.

RESEARCH AND DEVELOPMENT

WAFarmers took the lead by presenting a new partnership framework to the Sheep Industry Leadership Council which resulted in the formation of the WA Sheep Alliance, whose main responsibility is the management of the Sheep Industry Business Initiative projects funded by Royalties for Regions. A massive thank you goes to Ed Rogister who put in an extraordinary effort to achieve the adoption of the WA Sheep

Alliance and its new constitution.

Complementary to the WA Sheep Alliance's objectives, WAFarmers is exploring opportunities to establish a new Livestock Research Institute. When established, it will provide a centre for sheep research commissions by the WA Sheep Alliance or through the Meat and Livestock Australia (MLA) WA Livestock Research Council. WAFarmers thanks Professor David Lindsay who orchestrated the development of this project.

SHEARER AND WOOL HANDLING ISSUES

The Shearer Industry Award rates changed in June and now require producers to provide a learner shearer stand during shearing. The Award also requires learner log books and pay rates to be put together by the contractor.

The Fair Work Commission agreed to reintroduce 'the learner logbook' or equivalent to show future employers the cumulative number of sheep a learner shearer has shorn to date. At each shearing a learner will be required to complete a certificate detailing the total number of sheep shorn.

Throughout the year, WAFarmers supported the WA Shearing Industry Association (WASIA) and WPA with efforts to improve shearing shed safety protocols. WAFarmers also encouraged, and continues to encourage, the use of the new 'Rambuster' shearing table to prevent shearer injuries and associated insurance claims, as a result of shearing a growing number of heavier sheep.

AUSTRALIAN WOOL INNOVATION

The Wool Exchange Portal (WEP) Working Group voted unanimously to support the development of a portal at the AWI AGM in November, with approximately \$1.2 million already spent on this activity to date. The AWI Board requested costings, timings and a business case model be presented for funding approval by April 2017. WAFarmers Livestock Council has said a decision on whether to support the development of a portal can only be made if they have sight of the business case options.

OTHER ACHIEVEMENTS AND BUSINESS ACTIVITIES

- The Livestock and Pasture Update (formerly the Beef Conference), which included a guided walk at the DAFWA/ PGG Wrightson Seeds pasture trial site, and a range of high profile speakers from the state's universities, CSIRO and industry, including MLA, who provided thought provoking presentations on livestock nutrition and pasture management to improve productivity. The event was well attended by many people who had not attended a WAFarmers event before.
- WAFarmers' sponsorship of the Murdoch University Intercollegiate Meat Judging team for three years, which allowed students to compete in the competition in Wagga Wagga in July. The team placed third overall, and many individual accolades were awarded to team members.
- WAFarmers, in partnership with the country's working dog associations have been pushing to maintain existing codes of welfare for working dogs, as opposed to the welfare standards being set for companion animals and dog breeders (puppy farms).
- Continued pressure on the government to continue to fund the INF2 nucleus flock and the Sheep and Invasive Animals CRCs.
- Supported the Primary Industries Levy and Charges Amendment Bill and recommended the development of a national database to identify levy payers and who has access to this information.
- Graziers Investment Company- there are still two legacy issues to be resolved before income can be returned to wool growers. These are the settlement of the Paris Tax Refund capital gains tax amount of \$1.6 million, and dissolution of international wool secretariat entities in India and France. It is estimated, depending on the above scenarios, returns could be \$18.7 million or in the best case scenario, \$22 million.
- Established a working group to develop a business case for a new livestock business precinct to replace the Boyanup saleyards in the future.
- Coordination of the MLA AgLive supply chain trials to road test the new electronic NVDs in WA.





BEEKEEPERS REPORT

LEILANI LEYLAND &
MADDISON MCNEIL

In May, prior to the implementation of the Biosecurity Act 2015 in June, the apiary industry was consulted on potential ramifications of the new legislation. The legislation, while it does not affect WA quarantine standards, may result in our international import restrictions no longer applying.

Honey entering Australia must declare freedom from extraneous matter and may require import permits from DAWR. Honey entering into WA must be heat treated and comply with biosecurity measures.

To ensure WA can maintain border integrity, the BICON database must state specific import requirements, to ensure that Federal biosecurity inspectors can enforce the standards. In July, information regarding import requirements for honey into WA was added to the BICON database. This re-established the status quo and prevented any biosecurity threats to the apiary industry.

WAFarmers thanks the apiary industry for responding rapidly to this issue. The influence of industry standing with DAFWA ensured that WA's concerns were considered and addressed.

DEPARTMENT OF PARKS AND WILDLIFE

Throughout the year, WAFarmers Beekeepers Council had a number of opportunities to meet with Department of Parks and Wildlife (DPaW) staff, including the Director General Jim Sharp. The meetings resulted in a proposal sent to DPaW, outlining the key issues that affect industry and potential solutions. A key request was the development of an online portal for beekeepers and DPaW. Once established, the portal would allow apiarists to look at any DPaW activities in the vicinity of their sites, potential fire threats, indicate activity or availability of a site, and streamline the application and re-application for sites. The online portal has the potential to significantly improve relations between apiarists and DPaW district officers. There are also potential applications in the event of biosecurity threats. The online portal will be taken to the March State Election as a policy priority.

LOGGING AND JARRAH SITES

2016 was a Jarrah production year, with the trees only flowering every two years.

However, a number of activities including logging, wildfires, and prescribed burns are likely to have impacted on the volume of Jarrah honey produced. WAFarmers has remained engaged with DPaW to ensure that future protocols can be implemented to ensure that forest management activities do not occur during flowering, or that activities affecting apiary practices are conducted with consultation and consideration for the industry.

WA HONEY RESEARCH DEVELOPMENT GROUP

The WA Honey Research Development Group (WAHRDG) research project at ChemCentre is now well underway with the various components of the project making good progress. Field sampling has begun under the direction of Rob Manning at several Jarrah sites, and will continue through the Jarrah season. Marri sampling and testing will also occur in February and March 2017.

In addition to the current Jarrah and Marri certification project already underway, WAHRDG recently held an active honey distributor function at ChemCentre. The project would create a certified distributor that would connect beekeeping farm production through to the end consumers. This was very well received by industry, distributors and DAFWA alike, and the research proposal is moving ahead.

IMPORTATION OF HONEY BEE SEMEN

In 2015, WAFarmers provided comment to the DAWR consultation and policy review of the importation of honey bee semen, stating that we did not support importation, as a number of pathogens can be transmitted through semen, which could be introduced into WA and Australia.

While genetic resistance to pathogens is the best opportunity to manage the threat, importing genetic material that will provide resistance, while also potentially importing the pathogen, is counterproductive and potentially devastating for the apiary industry.

WAFarmers proposed that thorough genetic analysis of existing WA and Australian honey bees should be conducted, and, following deficits in current genetic stock, consideration could then be given to importing semen.

In June 2016, the final determination of import conditions for honey bee semen was released. A number of conditions were applied to both approved and non-approved countries, as classified under queen bee import requirements. The specific conditions are described on the BICON database.

IMPLEMENTATION OF NATIONAL BEE BIOSECURITY PROGRAM

Throughout 2016, WAFarmers Beekeepers Council President Leilani Leyland and Colin Fleay, Chairman of Bee Industry Council of WA (BICWA), have engaged with DAFWA biosecurity staff at a number of meetings regarding implementation of the National Bee Biosecurity Program, and the appointment of the Bee Biosecurity Officer (BBO). The BBO role is likely to be implemented from early 2017, with funding currently available for one-and-a-half days per fortnight. Funding for the role is likely to increase, should BICWA's funding applications be successful.

BEE INDUSTRY COUNCIL OF WA

BICWA was formed one year ago to provide a united group of all beekeeping groups in WA, and has been well received by government since formation. Founding members of BICWA include the WA Apiarist Society, WAFarmers Beekeepers Council, WA Beekeeping Association and APC Beekeepers. The aim is to double the output of the industry through projects via a strategic plan, supported by training and BICWA's biosecurity priorities. BICWA did not receive funding through the Royalties for Regions Going for Growth program, so is currently looking for alternative funding options.

AUSTRALIAN HONEY BEE INDUSTRY COUNCIL

The Australian Honey Bee Industry Council (AHBIC) is the national body for the apiary industry, and WAFarmers remains the representative body for WA on AHBIC.

A significant milestone for AHBIC this year was the adoption of the Bee Biosecurity Code of Practice and National Bee Biosecurity Program. The program and Code of Practice have already been implemented in a number of states, with WA to soon have the BBO role filled.

Other achievements include the response to the drone semen importation protocol, introducing the national eradication program for Varroa jacobsoni, and a number of industry consultation roles with pollination industries, Plant Health Australia, and State and Federal Government departments.





With Australia's political, social and natural landscapes ever-changing, the NFF is committed to ensuring modern farming is viable and sustainable.



NATIONAL FARMERS' FEDERATION REPORT TONY YORK

As the only Western Australian member organisation, WAFarmers is fully engaged with the NFF as our national representative and advocate in Canberra for Federal Government issues.

Tony York (President), Lyn Slade (Senior Vice President) and Stephen Brown (CEO) have attended numerous council and CEO meetings throughout the year, as have WAFarmers representatives on various NFF committees. 2016 included the NFF Congress, an event held biennially in October as a showcase for agriculture to politicians and administrators. This was particularly well attended and allowed delegates to listen to presentations and have discussions with many politicians and government representatives.

Advocacy has become all the more important and challenging with the NFF having to negotiate directly with a wider variety of parties and Parliamentarians, following an interesting Federal Election. Positions based on rational and logical argument will continue to be essential for NFF advocacy moving forward, and WAFarmers will continue to work alongside the organisation to communicate on issues affecting WA and our members and support these positions, where appropriate.

The Federal Budget in May offered some taxation benefits for farmers, particularly through an increase in the small business

turnover threshold from \$2 million to \$10 million, and promises of company tax reductions, but at the time of writing these had not passed through Parliament. The Coalition Government's election commitments are similarly struggling to be passed in the new Parliament.

In keeping with their redevelopment plans, the NFF are committed to developing and uniting our new national agricultural identity. A significant milestone in this plan came with the launch of the Australian Farmers online platform in July. Given WAFarmers regularly contributes articles to populate the online platform, WAFarmers encourages all members to sign up to Australian Farmers and take advantage of this free service, which is personalised to each user.

Through the NFF, WAFarmers has also engaged with the shared services initiative on a trial basis, with membership data being administered with the Victorian Farmers' Federation and accounting services through the NSW Farmers. These both offer financial savings and a more comprehensive membership data platform to service

members. The trial will continue throughout 2017.

As the Australian Farmers identity, online platform and shared services become embedded, a decision to rename and merge into a national structure under Australian Farmers will need to be considered and, potentially, adopted. The NFF has a target of 2018 for Australian Farmers to be fully integrated. WAFarmers will have to work with this rebranding to appropriately maintain our state profile and ensure state-based issues are adequately resourced and highlighted.

Finally, the November council meeting saw the retirement of Brent Finlay as the NFF President and election of Fiona Simson to the position, the NFF's first female President. Brent was actively engaged in the establishment of the three successful Free Trade Agreements with Japan, Korea and China during his term, and continually highlighted the importance of trade to our agricultural sector. We sincerely thank him for his tireless efforts in representing the voice of Australia's farmers and wish him all the very best for what lies ahead. We look forward to working alongside Fiona as we continue to advocate for the interests of our members on a national platform.



WAFarmers has worked collaboratively on issues affecting roads, rail and ports.



TRANSPORT REPORT

LYN SLADE & GRADY POWELL

Transport has been a very active portfolio over the course of 2016. WAFarmers has worked collaboratively with Main Roads WA, the Department of Transport and a range of other stakeholders on issues affecting roads, rail and ports.

PORTS

The proposed privatisation of Fremantle Port was a dominating feature of the transport portfolio. WAFarmers engaged in a lengthy process of working with a range of stakeholders including Local Government authorities, industry councils, agricultural organisations as well as State and Federal politicians. After considering the detail presented on the issue, WAFarmers opposed the sale of the Fremantle Port unless there was a clear advantage for the agricultural industry.

The membership recognised the value of removing live export from the Fremantle harbour precinct, while the government’s announcement to quarantine a portion of the funds that derived from the privatisation to create a live export facility in Kwinana was identified as an advantage for agriculture. Further to this, WAFarmers wanted the live export facility to be treated as stage one of a broader project that would eventually see an outer harbour established in Kwinana, leaving Fremantle as a passenger terminal and tourist destination.

The proposed sale of Fremantle Port has been put aside until after the March

2017 State Election. After this time the government of the day may revisit the proposal. WAFarmers will continue to ensure necessary protections are put in place to protect farmers’ access and pricing when utilising port facilities.

ROADS

Over the course of the year WAFarmers has worked closely with the Department of Transport and Main Roads WA. These two government departments have recognised that heavy vehicles play a pivotal role in Western Australian agricultural businesses. In the latter half of 2016, WAFarmers pursued increased access for Restricted Access Vehicles (RAV), as this would not only reduce red tape incurred by individual businesses but would see substantial productivity gains across the industry.

Main Roads WA is now placing all RAV 2 and 3 roads onto the RAV 4 network. An RAV 4 heavy vehicle is up to 27.5 metres in length, carrying up to 84 tonne of mass over five axles. As many farmers’ trucks fall within the scope of the RAV 4 network, this will facilitate greater access across Western Australia. In addition, Main Roads WA is

always assessing the viability for new roads to be placed in the network, with hundreds being assessed per month. In 2016, with upgraded roads and new roads, the RAV 4 network has seen over 700 routes assessed and added.

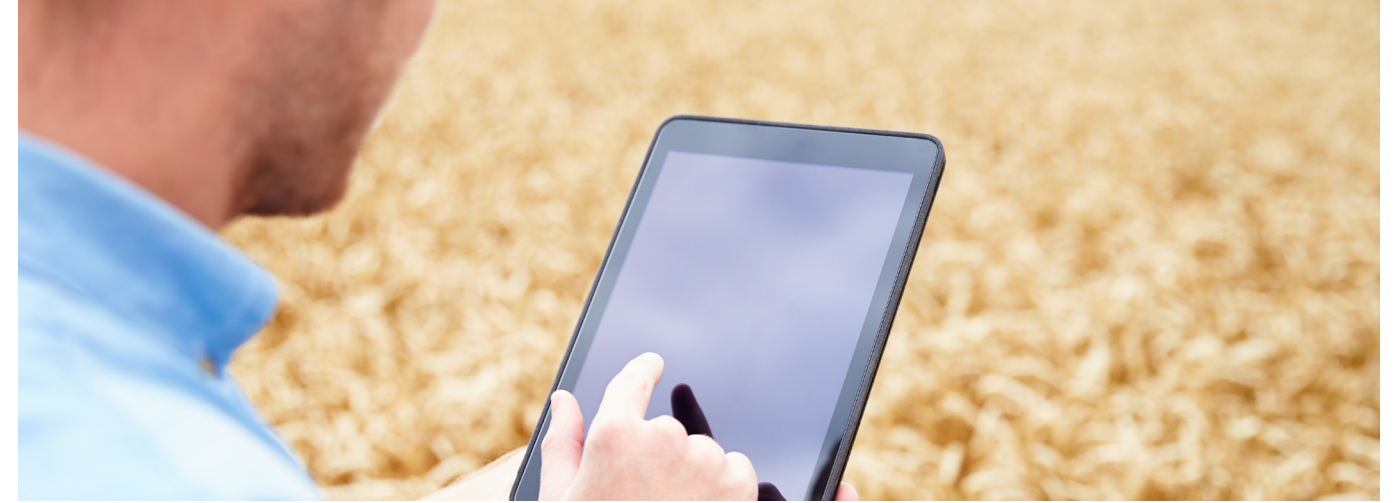
WAFarmers has managed to complete what many other like-minded organisations started, and made moves to alleviate issues caused by first and last mile access issues. Working in conjunction with Main Roads WA, WAFarmers also made amendments to the Harvest Mass Management Scheme. These changes will allow permit holders to cart grain from paddock to bin without the concerns of travelling off the RAV network. The permits are available for \$25 and are valid from October to February.

RAIL

WAFarmers toured the Tier 3 lines with Brookfield Rail in July. This not only allowed the organisation to gain a better understanding of the relationship between Brookfield Rail and CBH, but also ascertain how the rail system in Western Australia operates. The arbitration process between CBH and Brookfield Rail will continue, and WAFarmers respects this process and wishes for it to run smoothly. WAFarmers will endeavour to ensure any outcome will provide the best possible result for our members as well as the state’s agricultural industry.



Agriculture will benefit greatly should the TPP come into place.



ECONOMICS AND FARM BUSINESS

TONY YORK & GRADY POWELL

TRADE

2016 has seen an Australian dollar that has remained competitive with other major currencies, partly as a result of Brexit in the United Kingdom, and the Presidential election in the United States. Domestically, Australia has enjoyed record low interest rates and little movement in the Consumer Price Index.

Commodity prices across the agricultural sector have been varied; grain pricing fell when compared to the 2015 harvest and the dairy industry felt the impact of global market pressures, but meat prices have rallied strongly with beef still seeing high returns.

The 2016 growing season started strongly with early rains seeing cereal crops being planted earlier than usual. These crops were sustained over the season with regular rains occurring across the South West Land Division. Unfortunately, frost impacted vast areas of the state at the end of the growing season, which saw the predicted harvest fall from an estimated 17 million tonne to a more realistic 13 million tonne. Early indicators have shown that some properties that were affected by frost have still been able to receive a small yield, while others have been left with empty wheat heads. The full impact of the frosts will not be realised until the conclusion of the 2016 harvest.

The events of this season have spurred the organisation to continue its advocacy for Multi Peril Crop Insurance (MPCI). There has been a huge shift in the eastern state governments to encourage the uptake of MPCI policies. In light of this, WAFarmers will try and stimulate interest in the risk management tool over the course of the 2017 State Election.

The previous Abbott-led Federal Government flagged changes to the Farm Management Deposits (FMDs) through the Tax and Agricultural Competitiveness White Papers. These measures were accepted and announced in the Federal Budget resulting in the cap being increased from \$400,000 to \$800,000, with an early trigger being available during droughts or exceptional circumstances. Furthermore, the changes also removed legislation that prevented FMDs being used as an offset account against primary production debt.

Western Australian agriculture is export-focused, so trade deals are worthwhile incentives for the sector. The China-Australia Free Trade Agreement (ChAFTA), which came into effect on 20 December 2015, improves Australia's access to our largest trading partner. Australia is one of only a handful of developed countries to conclude a Free Trade Agreement with China, giving our businesses a competitive advantage.

Tariffs, or customs duties, are taxes imposed by governments on goods arriving from overseas. From the date of entry into force, ChAFTA set China's tariffs at zero for more than 85 per cent (by 2015 value) of Australian exports that will enter China duty free or at preferential tariff rates. This proportion will rise to 93 per cent coverage by 1 January 2019 and 98 per cent once ChAFTA is fully implemented. ChAFTA has set Australian import tariffs at zero on 82 per cent of China's exports to Australia from day one, and will rise to 100 per cent tariff elimination by 1 January 2019.

The other trade deal that remains ongoing is the Trans-Pacific Partnership Agreement (TPP). The TPP will comprise of 12 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. These countries account for approximately 40 per cent of the global economy and a quarter of global trade. Australia's exports of goods and services to these countries were worth around \$105 billion in 2015 – a third of Australia's total exports. In 2015, Australian investment in TPP countries was 44 per cent exported goods.

Agriculture will benefit greatly should the TPP come into place, with tariffs removed from more than \$4.3 billion worth of exported agricultural goods. A further \$2.1 billion of Australia's dutiable exports will

receive preference access via new quotas and tariff reductions with partner countries. Australia exported approximately \$16.7 billion worth of agricultural products to TPP countries in 2015, representing 34 per cent of Australia’s total exports for these products.

The TPP is the most ambitious trade agreement the globe has seen, due to the sheer size of the agreement, the volume of trade and the varied political persuasions it encompasses. As a result of these factors, the TPP has not yet been adopted by all participating countries. The United States will play a critical role in deciding the TPP’s future with a new President coming into office in January 2017. It is hoped the incoming President can instil strong leadership and ensure this trade agreement is ratified in all participating states.

OCCUPATIONAL HEALTH AND SAFETY

WAFarmers has been engaged with the ongoing issue surrounding the use of quad bikes on agricultural properties. It is recognised that quad bikes have a role to play in some businesses, particularly when agricultural work sees staff spread across some of the remote areas of our state.

There has been research into the use of roll-bars on quad bikes to keep the riders safe in the event of an accident. In conjunction with this research, the use of helmets has come under the microscope. Traditionally, farmers had complained that helmets restricted vision and the ability to manoeuvre the head and neck, or simply the helmet was too hot to wear all day. There have been significant efforts undertaken to find or

manufacture a helmet that fits the safety guidelines, but is also comfortable and fit for agricultural purpose.

WAFarmers continues to have two representatives on the Farmsafe WA Alliance Board, Mike Norton and Stephen Brown, who represent the interests of our members on farm safety issues. Given farming is still the second highest rated industry in Australia for workplace incidents, accidents and deaths, it is more important than ever that there is active and influential representation in this space. To this end, WAFarmers will continue to work alongside other safety-focused agencies.



LAND AND ENVIRONMENT TONY YORK & GRADY POWELL

In 2016, WAFarmers Members’ interest in Environmentally Sensitive Areas (ESAs) and how they impact individual farming properties has continued. These sensitive areas are seen across the South West and often take shape via wetlands, bush forever sites, bushland with endangered species or areas with high biodiversity.

ESAs were gazetted by the State Government in April 2005. ESAs are seen by the state as areas of high natural value which need to be protected where possible. This protection is undertaken by government agencies as well as private land owners who, in this case, are farming

communities. In some instances, ESAs can detract farming businesses’ ability to carry out broad acre cropping and livestock grazing. Representatives from the Department of Environmental Regulation attended a General Section Council meeting in 2016 to address how ESAs came into

existence and explore a range of actions that could be put in place to minimise the impact on the normal farming enterprise.

Additionally, clearing of natural vegetation on farm land has been a strong theme throughout the year. The State Government recognised the need to balance clearing and the impacts it has on top-soils and the water table, against the retention of biodiversity and fostering growth across the agricultural industry. WAFarmers received a briefing on an offset metric that calculated

the rate of land needed to be retained in order to permit clearing. The metric takes into account the areas where land may be cleared and its biodiversity value, and balances that against the land being retained, put under a caveat as well as any conservation practices undertaken by the landholder.

This is a move towards the ‘one stop shop’ both the Federal and State Governments are considering to further streamline the process of applying for and receiving a clearing permit, as well as a range of other services provided by the Department of Environment and associated agencies. WAFarmers sees this process as a method that will go some way in reducing red tape incurred by the sector, but also one that places a monetary value on land owned by farmers which could be traded for someone seeking to offset clearing.

PROPERTY RIGHTS

A cross organisation committee that looks at property rights for farmers has traditionally been held by the PGA, however in 2016 this committee found a new home at WAFarmers. The committee looks to find pathways that encourage a balance between third parties and a farmer’s right to cultivate the land.

A focus for the committee is resource companies trying to access productive land to undertake exploration for gas and other natural resources. WAFarmers recognises a farmer’s right to farm and how this works with existing legislations.

Over the course of 2015 the organisation worked with PGA, VegetablesWA and APPEA to put together an alternative land access agreement that would be suitable to both farming businesses and third party companies wanting to enter the land. In 2016, the Legislative Council of Western Australia undertook an inquiry into hydraulic fracturing and the future of the practice in the state. Unfortunately, the alternate land access agreement was not accepted by the committee, however WAFarmers was included in a reference group to assist in shaping the future of

fracking. WAFarmers will continue to advocate for the farmer’s right to farm and protect their land, homes and businesses as best as possible.

WATER

WAFarmers is a member of a working group designed by the Department of Water. The working group consists of agricultural bodies, Local Governments, Chambers of Commerce and other government agencies to shape the way water is governed into the future. The aim is to ensure that water is available and can satisfy the needs of the public and all other sectors within the business community. The group has looked at suggestions such as water licencing and trading, on-farm desalination, water harvesting and other techniques used to ensure a sustainable future. This process is still ongoing, but it is hoped new legislation will start being drafted over the course of 2017.

The Department of Water has also released a series of reports that show the history of water use, as well as snap shots of today’s requirements and projected demands until 2050. The Water for Growth: Agriculture report was released in late 2016, which will assist government, the department and industry to manage water use and act as a guide for policy makers across all agricultural sectors. It is hoped that the report will go a long way in ensuring agriculture remains a strong and viable industry well beyond 2050.

TELECOMMUNICATIONS

The State Government has undertaken a Mobile Blackspot Programme to provide better mobile and internet coverage across regional and rural WA. The initiative has been funded by Royalties for Regions and implemented through the Department of Commerce.

Over the term of the project a total of 266 towers will be delivered through the Regional Mobile Communications Project, which has now concluded. The Regional Telecommunications Project

will conclude at the end of 2019. This project is also being supplemented by the Federal Government’s roll out of their own Black Spot Programme, which will see \$160 million directed to 499 new base stations or towards upgrade on existing facilities across Australia, with more to be announced through a second round in 2017.

It is pleasing that the both the State and Federal Governments recognise the integral role communications plays in running agricultural businesses. With new innovations and technology entering the market at such a pace, those living in rural communities can now implement this on-farm to increase productivity and profitability.

WAFarmers also contributed towards the ACCC’s inquiry into the domestic mobile roaming declaration, which sought to determine whether access to a roaming service would enable service providers to provide coverage for their customers in areas where they do not have their own network.

WAFarmers’ major concern was reliable access to telecommunications with extended roll out of technology across rural and regional areas. While competition and choice is good for consumers and the market, WAFarmers could not accept the risk this could bring in terms of jeopardising future investment.

Furthermore, with technology becoming so entwined with businesses and social aspects of everyday living, maintenance of this infrastructure is critical, as is the responsibility and ownership of telecommunication infrastructure. Any scope for ambiguity has the potential to lead to confusion and loss of service for consumers.

Should the ACCC wish to investigate further, WAFarmers implores them to ensure that the market settings are correct, that it also offers protections of access, pricing and reliability to rural customers.

SUBMISSIONS

- ▶ **AgVet Chemicals Task Group** – Nationally Consistent Agricultural Chemical Record Keeping Proposal
- ▶ **ACCC** – Brookfield consortium – proposed acquisition of Asciano Limited and proposed WA Undertaking
- ▶ **ACCC** – Cattle and beef market study
- ▶ **ACCC** – Consortium comprising Brookfield, Qube & others – proposed acquisition of Asciano Limited
- ▶ **ACCC** – ChemChina’s proposed acquisition of Syngenta
- ▶ **ACCC** – Proposed merger of Dow Chemical Company and E.I. Du Pont de Nemours and Company
- ▶ **ACCC** – Review Inquiry into Domestic Mobile Roaming Declaration Inquiry
- ▶ **APVMA** – Dimethoate: proposed regulatory decision
- ▶ **APVMA** – Omethoate: proposed regulatory decision
- ▶ **APVMA** – Proposal not to place glyphosate under formal reconsideration
- ▶ **APVMA** – Proposed changes to the draft revised AUSVETPLAN Operations manual: Valuation and compensation
- ▶ **APVMA** – Trade Advice Notice: Glyphosate in Nufarm Weedmaster DST and Nufarm Weedmaster Argo for use under permit on barley (except malting barley)
- ▶ **Australian Treasury** – Options to strengthen the misuse of market power law
- ▶ **Australian Wool Exchange** – National Wool Declaration Review
- ▶ **AWI** – Strategic Plan Development 2016-17 to 2018-19
- ▶ **DAFWA** – Review of biosecurity funding mechanisms
- ▶ **DAFWA** – Review of the declared pest list
- ▶ **DAFWA** – Transforming Regional Biosecurity Group Models
- ▶ **DAFWA** – Western Australian Draft Wild Dog Action 2016-2021
- ▶ **DAWR** – Biosecurity Act 2015
- ▶ **DAWR** – Intergovernmental Agreement on Biosecurity (IGAB) Response to the IGAB Review Panel’s Discussion Paper
- ▶ **DAWR** – Proposals for an Independent Office of Animal Welfare
- ▶ **DAWR** – Review of duplication between agricultural and veterinary chemical and work health and safety legislation
- ▶ **DAWR** – Victorian sheep tagging legislation
- ▶ **DPaW** – Proposal to Department of Parks and Wildlife
- ▶ **Federal Government** – Western Australian Industry Response to Working Holiday Makers in Australia
- ▶ **GTA** – Review of 2016/17 APW2 and ASW1 receival standards
- ▶ **GIWA** – 2016 review of barley receival standards
- ▶ **Law Reform Commission of WA** – Review of the Firearms Act 1973 (WA)
- ▶ **MLA** – Beef Industry Sustainability Framework
- ▶ **Senate Standing Committees on Rural and Regional Affairs and Transport** – Primary Industries Levies and Charges Collection Amendment Bill 2016
- ▶ **National Biosecurity Committee** – Intergovernmental Agreement on Biosecurity: Response to the IGAB Review Panel’s Discussion Paper
- ▶ **Productivity Commission** – Regulation of Australian Agriculture: Draft Report
- ▶ **Public Sector Commission** – Public Inquiry into January 2016 Waroona Fire

MARKETING, COMMUNICATIONS AND EVENTS

MEGAN MACNEILL & MELANIE DUNN

2016 was another very successful year for the WAFarmers team. Two years have passed since we launched the current WAFarmers branding and it has gained the organisation more awareness and reverence in the corporate world, which has opened many doors. This year, WAFarmers has worked closely with our long-standing sponsors and welcomed a few new ones that we hope will become long term also.

In 2016, we also marked two years since the launch of the WAFarmersFirst brand which has been a fantastic way to open conversations with metro areas. As a not-for-profit organisation with a limited marketing budget, we have had to be creative to promote WAFarmersFirst Milk, and we have had a lot of fun working with Felicity the Friendly Friesian. There is more information in this Annual Report on how we kept momentum up once the initial hype settled. Finally, we also continued to work very closely with the AgConnectWA Committee on ways to integrate the social youth group into WAFarmers.

COMMUNICATIONS

WAFarmers’ communications focus on three main audiences – our members, the agricultural industry as a whole, and the general public. We have a specific message that we want to communicate to each audience, which is done via a multitude of channels including print media, social media, events and publications.

Our primary focus is always our members, ensuring that we communicate effectively to them what the organisation is doing and how they can influence our actions and become involved with either policies or events. We communicate directly to our membership through a weekly email newsletter, and encourage all members to keep us updated with their contact details to ensure they are getting up to date information. We also utilise social media, using platforms such as Twitter, Facebook and Instagram. Furthermore, we have a weekly segment on Rural Focus Radio West and a page in the Countryman newspaper.

Following the success of the first half-yearly publication for members in 2015, WAFarmers once again produced a booklet highlighting the work done on behalf of our members in the first half of 2016.

In the lead up to the 2016 Federal Election, WAFarmers undertook an eight-week communications campaign, the goal of which was to ensure political parties and the wider community became aware of issues affecting the state’s farmers, and the actions

that could be taken by the nation’s politicians through policy to rectify the situation. This campaign was highly commended in the Best Communications Campaign category at the 2016 Rural Media Association of WA Awards Night for its scale, scope of activity, and clearly-defined strategy.

WAFarmers maintained a productive relationship with a host of media outlets, both rural and mainstream, throughout the year. The organisation is routinely contacted by journalists seeking authoritative comment on agricultural matters, particularly in relation to the commodities which WAFarmers represents. The coverage was largely positive and extended across radio, television, print and online mediums, and WAFarmers is proud of the coverage we earned.

SCHOLARSHIPS AND AWARDS

This year saw WAFarmers hand out a record number of scholarships and awards to young people involved in agriculture. Through the WAFarmersFirst fund several young people interested or working in the dairy sector undertook a trip to New Zealand to extend their knowledge and learn how some of the best dairy farms in New Zealand came to hold their respected positions.

Scholarships were also awarded to Year 11 students at the state’s five agricultural colleges- Morawa, Harvey, Cunderdin, Denmark and Narrogin- as well as to one student from the Muresk Institute.

WAFarmers has been a supporter of the Rural Media Association for many years, and this year we sponsored the Best New Entrant category which was picked up by Nathan Morris from ABC Goldfields/Esperance.

Finally, in 2017 we have committed to supporting the Western Australian Young Achiever Awards and, alongside Rural Bank, we have introduced the Agriculture Award into the categories.

EVENTS

2016 saw WAFarmers involved in more events than previous years, as we increased our own

events calendar and collaborated with several other organisations.

Events have proved to be an important revenue income stream for the organisation as well as an excellent way to promote the work we do and raise awareness of WAFarmers. We have experienced increased numbers at our signature events, the WAFarmers Annual Conference and Heart of WA, which is a significant achievement, and more information on these events can be found on the next pages.

The dairy industry featured heavily in events throughout the year, with numerous Dairy Industry Updates, a Dairy Innovation Day, the WAFarmers Dairy Industry Dinner and the annual WAFarmers Dairy Conference, the latter of which recorded its highest-ever attendance rate. WAFarmers also participated in the 2016 Perth Royal Show by having a WAFarmersFirst Milk stall in the Dairy Pavilion and funding the Milking Station through our Dairy Industry Fund, all of which aimed to give visitors an understanding about the importance of the WA dairy industry.

Further events throughout the year included a series of Sheep Health Workshops, the 2016 Beekeepers Conference, and the 2016 Livestock and Pasture Update, all of which offered attendees the opportunity to hear from a variety of guest speakers and leaders in their field.

For the past couple of years we have also attended the state’s main field days – Wagin Woolorama, Dowerin, Newdegate and Mingenew – with our corporate sponsor 4Farmers. Other supporters that joined us in the marquee this year included RSM, Prime Super, PSC Insurance Brokers (formerly Australian Reliance) and Isuzu UTE, with Westpac having sponsored the sundowners. We have found it far more effective sharing a space with our supporters than being out on our own as it has increased footfall through our area as well as brought in a wide range of visitors that we might otherwise have missed.

The WAFarmers marketing team also assist AgConnectWA with their events. This year’s events included their successful River Cruise, Rural Roots to City Suits with Richard Goyder, Innovation Generation in conjunction with Grain Growers, AgTiki #4 and the start of their Regional Sundowners, which will be expanded into a series in 2017.

WAFarmers intends to build on our already full calendar for 2017 and improve and expand these events, and we look forward to welcoming you at these events.



ANNUAL CONFERENCE

The 2016 WAFarmers Annual Conference: AgVersity – Information | Innovation | Inspiration was a huge success, with a change of leadership, gala dinner, panel discussions, a bread workshop and a fashion show among the highlights of the event.

Held at the Pan Pacific Hotel, the Conference saw over 280 people in attendance across the two-day event, with presentations from Royal Australian Air Force CEO John Murray, Troy Simmonds from the Australian SAS, Wes Lefroy from Precision SoilTech, Phillip Clark from Focus Fisheries, 2015 Youth Ag-Summit Delegate Laura Grubb, Chairman of Minderoo Group Andrew Forrest, Mareterram Managing Director David Lock, and Beechworth Bakery's Tom O'Toole leaving attendees inspired.

During the formalities on Thursday 18 February, Tony York was appointed as the new WAFarmers President, with Dale Park having served the maximum number of terms in the position, while Lyn Slade was elected to the position of Senior Vice President. Additionally, the two remaining positions for regional Board members were filled by Kallum Blake and Rhys Turton.

The newly-formed Livestock Council, an amalgamation of the Meat and Wool Sections, saw John Wallace, David Slade and Steve McGuire elected to the positions of President, Senior Vice President and Vice President, respectively. Within the Grains Section, Duncan Young, Mic Fels and Kallum Blake retained their positions of President, Senior Vice President and Vice President, respectively.

At the gala dinner on the night of Friday 19 February, eight individuals were recognised for their outstanding dedication and service towards WAFarmers, and we would like this opportunity to publicly congratulate them on their achievements and thank them for their commitment: Bob Iffla (Life Membership), Kim Simpson (Distinguished Service Award), Ed Rogister (Distinguished Service Award), Kelly Manton-Pearce (Young Farmers Award), Joe Candeloro (Certificate of Merit), Laurie Bush (Certificate of Merit), Phil Surtees (Certificate of Merit), and Ian Barden Brown (President's Award).

A special fashion show by WA designer Azulant Akora was another highlight of the evening, during which she debuted her 'The Dawn of Dusk' Merino wool garment collection.

Given the dynamic and exciting state of the WA agricultural sector as it responds to ever-increasing demand for quality products and services on state, national and international levels, the theme of AgVersity – Information | Innovation | Inspiration was a fantastic way to celebrate the industry and acknowledge the changes yet to come within the agricultural sector.

WAFarmers would like to thank the event sponsors: Meat & Livestock Australia, Coles, CBH Group, AWTA Limited, Monsanto, GrainGrowers, GRDC and CropLife Australia (event sponsors), Prime Super, Bailiwick Legal, Australian Reliance, 4Farmers and RSM (WAFarmers sponsors), and Rural Focus Radio West and Countryman (media sponsors).



HEART OF WA

The finger was on the pulse of the Western Australian agriculture sector at the 2016 Heart of WA gala, with locally produced food and drink the star attraction of the evening.

The third annual event, which brought together a diverse and interesting group of people for an evening of entertainment, fine dining and networking at HBF Stadium, was bigger, brighter and tastier than ever before, and highlighted the best that the state has to offer.

An interactive entrée experience kicked off proceedings, where guests could enjoy up to four entrées and local drinks including a signature Heart of WA cocktail, while meeting the people behind the produce and watch chefs prepare their entrée. International Year of the Pulse was also celebrated, with a pulse-based entrée available to guests.

Guests then moved into the main area where the fun continued, and they sampled some of the best produce grown here on our own doorstep in the form of a mouth-watering beef or chicken main, and a delectable Eaton mess dessert.

‘Circus’ was the theme of the evening, which featured performances from local musicians Mallemo, aerial silk acrobatics, a mind-blowing contortionist, and a roaming magician who delighted guests with tricks for all ages.

Guests were treated to instruction in latte art by Darkstar Coffee during the proceedings, which supported the announcement of a partnership between WAFarmers and the 2017 De Lish Dessert, Coffee and Gourmet Food Expo. The partnership will see WAFarmersFirst Milk used in barista challenges and for general coffee distribution.



The importance of rural mental health was acknowledged throughout the evening, with guests able to participate in a game of Heads or Tails by making a donation to Lifeline. The closely-battled contest saw \$1975 raised for Lifeline, which will help to provide 24/7 crisis support and suicide prevention services.

Once again, guests could take home mementos from the night, including photographs from the ever-popular photo booth and goodie bags laden with fresh produce that us Western Australians know and love. Each guest also received a complimentary ticket to the 2017 De Lish Dessert, Coffee and Gourmet Food Expo.

The 2016 Heart of WA gala was a fabulous night of celebration and entertainment, and was the perfect was to say thank you to the state’s farmers who work incredibly hard to provide Western Australians with the delicious products that people can so often take for granted. As the only event of its kind in our state that celebrates local produce, Heart of WA once again proved that WA has the best farmers and produce in Australia, and we look forward to celebrating this amazing industry again later this year.

Special thanks to our event sponsors Coles, CBH Group and Bailiwick Legal; our VIP tables Harvey Beef, Fins Seafood, Bresland Insurance Group, AgConnectWA, Telstra, and WAFarmersFirst Milk; and our wonderful Master of Ceremonies Chayce Creedy.

Heart
of WA

WAFARMERSFIRST MILK



DAIRY INDUSTRY FUND

A royalty from each sale of WAFarmersFirst Milk comes back to WAFarmers, with a portion of the profits allocated to the WAFarmers Dairy Industry Fund which can be accessed by anyone who has an idea or project that will benefit the WA dairy industry. This provides consumers a tangible way to support the WA dairy industry. Project applications for round two opened in June 2016, with nine applications received.

So far the fund has been accessed to support the Dairy Pavilion at the Perth Royal Show, an interactive Milking Station at the show, contributed to sending several young dairy farmers to New Zealand to experience their dairy industry, offered scholarships to several young people interested in becoming dairy farmers, and a couple of smaller projects.

2016 PERTH ROYAL SHOW

Through the Dairy Industry Fund, WAFarmers played a key role in the development of the Dairy Pavilion at the 2016 Perth Royal Show. We aimed to use the opportunity to not only promote WAFarmersFirst Milk as being one of the best in the market, but

WAFarmersFirst Milk continues to be a profitable venture and important industry support tool, which has seen over one million litres sold since it was launched in September 2014.

also to give visitors an understanding about the importance of the WA dairy industry, the issues facing the industry and farmers, and how purchasing locally produced and branded milk, such as WAFarmersFirst Milk, works towards the betterment of the industry.

A portion of the Dairy Industry Funds raised by the sale of the milk went into running the Dairy Pavilion. WAFarmersFirst Milk had a stall in the pavilion and supported the establishment of the interactive Milking Station, which saw live milking demonstrations multiple times per day from Luke and Jess. This not only gave visitors a chance to see the difference between hand and machine milking, make butter, and see how cream is separated from milk to create hilo milk, but gave the show's young visitors an understanding that milk actually comes from a cow, not from a bottle in the fridge.

Reception towards WAFarmersFirst Milk at the show was very positive. There were three posters around the Dairy Pavilion which promoted our milk, so by the time people got to our stall they were at least aware of the milk, if they were not already familiar with the brand. We were very encouraged by the number of people who said they bought WAFarmersFirst Milk regularly, or who said they went out of their way to visit a retailer to specifically buy our milk.

RETAIL EXPANSION

In the latter half of the year, we were thrilled to expand the retail of WAFarmersFirst Milk into IGA Supermarkets to complement sales through Coles Supermarkets. This was an avenue that many people – both members and non members – had regularly called for since the launch of the milk in 2014, as some regional towns only have an IGA Supermarket.

As each IGA is independently owned, we wrote to every store in the state to outline the benefits of retailing and purchasing our milk, and the uptake was very encouraging. A list of stockists is available on the WAFarmers and WAFarmersFirst Milk websites.

Staff also undertook two 'milk drops' around Perth, to make cafés, restaurants and coffee shops aware of the milk. Along with a 'thank moo' card outlining how using WAFarmersFirst Milk can support the state's dairy industry, the outlets received a complimentary bottle of milk.

PUBLIC SENTIMENT AND PROMOTION

Public support towards the product has continued to be very positive. Given difficulties within the dairy industry throughout 2016 consumers have rallied behind local brands including WAFarmersFirst Milk as they want to support the industry.

The milk has been promoted wherever possible, which has included a series of 'milk drops' for local cafés and supermarkets along with a 'thank moo' card outlining the benefits of choosing

WAFarmersFirst Milk. It has also gained significant attention since the announcement at Heart of WA 2016 that it would be used at the 2017 De Lish Dessert, Coffee and Gourmet Food Expo for barista challenges.

Finally, this public sentiment has been reflected on the milk's social media platforms (Facebook, Instagram and Twitter), all of which have continued to grow in followers.

 @WAFarmersFirst

 WAFarmersFirst

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www.wafarmersfirst.com.au



thank you
for supporting
Western Australian
farmers by drinking
WAFARMERSFIRST



thank moo



AGCONNECTWA WES LEFROY & MEGAN MACNEILL

Throughout 2016, AgConnectWA continued to break into new ground, cementing itself as the largest network of young farmers and agri-professionals in Western Australia. This year, we built on the strong foundations of previous years by consolidating the networking aspect of the group, while also shifting our focus into promoting leadership, education and advocacy within our industry.

The year started off with a bang for AgConnectWA, with over 150 attendees at our annual River Cruise in January. AgConnectWA Members and non-members were treated to a night of drinks, canapés, dancing and terrific views on board the Crystal Swan as it made its way around the Swan River.

As agriculture in our state diversifies, a greater emphasis is being placed on the relationships we hold with other industries and in particular the consumers of our produce. To this end, we teamed up with Perth Young Professionals Group in March to host 'Rural Roots to City Suits', an event aimed at bridging the gap between agriculture and business in the city. The keynote speaker was Richard Goyder, Managing Director of Wesfarmers, who highlighted the importance of a successful agriculture sector for big business to over 200 attendees.

In July, we were honoured to co-host Innovation Generation with Grain Growers at the Rendezvous Hotel in Scarborough. The conference saw over 150 delegates from around Australia listen to a wide variety of topics, under the theme of The eXport factor: Australia on the world stage.

We also held our AGM where some new committee members were elected. Wes Lefroy, Maddison McNeil and Mari Takla were elected as President, Vice President and Secretary, respectively, while Henry Gratte, Hayley Goad and Georgia Reid were all elected onto the committee for their first term. The new committee would like to thank Kallum Blake, Katie Pole and Nick Hardie for their significant contributions and dedication to AgConnectWA over the past few years. They all demonstrated outstanding commitment to the betterment of AgConnectWA during their tenures and played key roles in the development of the organisation.

Heart of WA was once again the marquee formal event in the AgConnectWA calendar. Many of our members attended and looked the part in their gowns and bow ties, while sharing in the successes of the state's diverse agricultural industry throughout the year. During the formalities, Wes Lefroy also took part in couch-side chat with WAFarmers President Tony York and MC Chayce Creedy, and highlighted the successes of AgConnectWA throughout the year.

As always, AgTiki was a highlight of the AgConnectWA social calendar and, for the first time, the event ventured into the Perth Hills, where local wines and ciders were enjoyed. The major highlight was the Core Cider House which put on a fantastic lunch and outstanding tasting pallets featuring their products. The night concluded with a sundowner back in Perth.

Once again, AgConnectWA has enjoyed the wonderful support of WAFarmers throughout 2016. Without the support from WAFarmers staff including Megan MacNeill and Melanie Dunn, our group would not have made the progression it did in 2016. We also appreciate the exposure and training provided by WAFarmers to our group.

Ultimately, the role of AgConnectWA is to invest in the development of young people in agriculture to create a sustainable future for the industry. We are of the strong belief that by empowering young people in agriculture, our members will play an important role in shaping the future of our sector as a part of organisations such as WAFarmers. This is already starting to happen, with AgConnectWA Members playing a role in the WAFarmers General Section and Zone Councils. In the past our members have also presented at the WAFarmers Annual Conference and other key WAFarmers events. We look forward to working closer with WAFarmers and its members in 2017 and beyond.



AgCONNECTWA



MEMBERSHIP SARA ANDACIC

In 2015, WAFarmers experienced a high membership retention rate and recognised the need to expand upon existing member benefits, and this has been the focus of Sara Andacic, our Membership Coordinator, since she commenced in the role in January 2016.

During this time, Sara has spoken and met with hundreds of members at various industry events and through correspondence, and gained a good understanding of what members want most from their membership. She has also worked to re-connect with members, drive membership and introduce a new level of exclusive member benefits.

To support this understanding, membership recruitment activities have continued throughout the year, with increased visibility in the regions by attending and hosting regular events. The core purpose

of these events was to attract the next generation of farmers and educate them on why advocacy is important.

After six years of declining membership numbers, there has been no fall in the number of members at the end of the 2016 financial year. This is a very significant achievement for two reasons. Historically, WAFarmers loses around 60 members per year through retirement from farming and members who pass away. In addition, as part of our plan to move towards a new member database, WAFarmers heavily audited our member numbers at June

2016 and moved any we could not contact or who had not renewed their 2016 membership to 'inactive', resulting in a further reduction of member numbers.

In terms of our exclusive member benefits, there have been two significant discounts made available to members during 2016 through new partnerships; these are the HBF Corporate Plan and PUMA Fuel Card offer.

In 2017, WAFarmers aims to significantly increase the exclusive benefits for our members which will support in the maintaining and recruitment process of our membership program, and continue to increase our exposure at industry events across Western Australia.



1275
ENTERPRISES

83 new enterprises have become members, creating a total of 1,275 enterprises.



3000+
MEMBERS

WAFarmers has over 3,000 individual members. There was a 4.17% growth in membership numbers, and a 97.39% retention rate.



8.3%
AGCONNECT

AgConnectWA Members represent 8.31% of the combined total membership of WAFarmers and AgConnectWA.



43%
INCREASE

There was a 43.24% increase in AgConnectWA membership.

FINANCIAL REPORT

TONY YORK

FOR THE YEAR ENDED 30 NOVEMBER 2016

The 2016 Financial Report has been completed on a financial basis with WAFarmers recording an Audited operating surplus of \$12,949 for the year ended 30 November 2016. This sees a second year in a row where WAFarmers has recorded an operating surplus, after continuing to re-charge their finances and re-connect with members over the past 12 months.

The surplus is a significant achievement and has been built on the success of the previous financial year. The surplus was achieved by a focused commitment to secure additional revenue over the last 12 months to cover the expenses associated with additional staff recruitment.

The surplus was complemented by membership growth for the financial year. This is the first year for many years where a growth in membership has been achieved. Of particular significance was the continued growth of AgConnectWA, which recorded a 43 per cent increase in membership.

INCOME

Membership dollar income was consistent with 2015 at an amount of \$980,429. Although the dollar value was almost identical to 2015 we did record a small growth in membership numbers. For the calendar year 2016, WAFarmers will have signed up 82 new members significantly offsetting numbers lost through sale of farm, passing away or financial hardship. We are focused on a larger growth in this number in 2017 with our Membership Coordinator now established in the role.

Sponsorship and events income increased by 34 per cent to \$403,593 and was \$5,000 less than budget. A heavy focus was applied to events income as an alternate source of revenue for WAFarmers. Events were managed strategically to ensure costs were controlled, resulting in a surplus of \$174,585 in this area for 2016.

WAFarmersFirst Milk once again resulted in significant income derived from this initiative and, more importantly, an amount of \$49,809 for 2016 was added to the Dairy Project Milk Fund resulting in a total accrual on the Balance Sheet of \$66,516 as at 30 November 2016. The accrual allows for two projects approved for the 2016 round of funding for a total amount of \$15,000, for which we are still to be invoiced.

EXPENSES

The Board and CEO have worked hard to ensure expenses have been well managed. Expenses increased in 2016 by 9 per cent to \$1,721,291 but came in under the budgeted amount of \$1,755,269.

A significant amount of the increase was apportioned to the addition of two additional full time staff members, with a new Policy Executive Officer and a Membership Coordinator having joined WAFarmers in January 2016. These additions complemented an already professional and focused team at WAFarmers. We are confident that the 2016 results will be improved on again in 2017, further cementing WAFarmers' position as Western Australia's number one membership based, agricultural advocacy group.

BALANCE SHEET AND CASH POSITION

The Board and CEO have also been extremely focused on increasing reserves where possible and ensuring the 'Re-charge' aspect of the five year Business Plan is achieved. To this end, we note:

- Members' funds increased by 4.5 per cent or \$12,949 between November 2015 and November 2016.
- Cash on Hand and Trade Debtors decreased by just over 20 per cent to \$386,724 at 30 November 2016, a significant portion of the recognition of carry over subscription and income received in advance.
- The total liabilities of the Federation are \$285,656 resulting in a decrease of \$55,559 from \$345,938 at November 2015.

In summary, 2016 has been a very successful year for WAFarmers. The 2016 result is in line with our five year Re-charge, Re-connect Business Plan. There have been numerous successes achieved throughout the year and there is no doubt that WAFarmers is focused and working on achieving its goal of being Western Australia's largest member based agricultural advocacy group. The Board, the CEO and staff are committed to ensuring the long term financial strength of your organisation.

INCOME & EXPENDITURE STATEMENT

for the year ended 30 November 2016

	2016	2016	2015
	ACTUAL \$	BUDGET \$	ACTUAL \$
COMMUNICATIONS			
Beyond the Farmgate	784	1,000	665
Farm Weekly	-1,100	10,000	6,118
News Research	5,334	8,500	4,861
Sub Total	5,018	19,500	11,644
MARKETING & PROMOTION			
Membership Promotion	14,650	29,000	14,844
Marketing Promotion	12,612	15,000	13,354
Sponsorship/Awards	10,622	2,000	500
Field Days & Shows	5,607	6,000	2,777
Website Development	1,237	6,000	1,128
Database Upgrade	0	10,000	0
Sub Total	44,728	68,000	32,603
PERSONNEL			
Salaries & Wages	677,419	698,853	605,547
Superannuation	64,917	69,000	58,075
Zone Coordinators Wages	16,361	20,000	32,955
Zone Coordinators Expenses	1,323	2,000	1,472
Payroll Tax	0	5,000	0
Fringe Benefits Tax	413	1,000	0
Recruitment & Training	13,714	10,000	12,497
Workers Compensation	3,292	4,500	4,356
Staff Travel	31,561	20,000	18,042
Sub Total	809,000	830,353	732,944
OFFICE SERVICES			
Rent & Variables	87,691	90,000	86,523
Office Renovations	6,730	7,000	0
Electricity	5,569	9,000	7,355
Office Operating Expenses	50,080	60,680	64,236
Repairs & Maintenance	1,850	3,000	2,093
General Expenses	12,147	10,500	11,740
Minor Assets	0	1,000	0
Periodicals & Publications	10,054	9,000	8,347
Sub Total	174,121	190,180	180,294
FINANCIAL SERVICES			
Bank Fees & Borrowing Costs	2,793	3,800	3,117
Insurance	7,373	12,000	11,907
Audit Fees	15,066	14,000	10,160
Accounting Fees	1,804	5,000	9,563
Legal Expenses	28,000	40,000	56,141
Debts Expense	-4,038	0	6,160
Depreciation	7,108	4,000	4,827
Sub Total	58,106	78,800	101,875
TOTAL ADMIN. EXPENSES	1,090,973	1,186,833	1,059,360

	2016	2016	2015
	ACTUAL \$	BUDGET \$	ACTUAL \$
INCOME			
Members subscriptions	980,429	1,060,344	981,480
Commission	17,985	16,000	20,091
WAFarmers First Milk Royalty	215,108	180,000	221,075
Sponsorship/Events Income	403,593	408,000	301,214
AgConnectWA Income	49,234	14,500	5,241
Interest-Main A/C & Term Deposits	6,408	7,000	7,245
Commodity Sections Income	49,648	80,513	52,195
Zone Income	1,243	0	0
Rental Income	0	1,191	5,082
Sundry Income	5,499	6,000	1,298
Datamars Income	5,093	6,500	6,882
Grain Donation	0	0	0
TOTAL INCOME	1,734,240	1,780,048	1,601,803
LESS EXPENDITURE			
Affiliation Fees			
National Farmers Federation	40,000	40,000	40,000
Cattle Council of Australia	22,727	23,000	20,833
Sheepmeat Council of Australia	15,278	15,000	13,832
Grains Expense Account	5,000	0	1,139
WoolProducers Australia	16,367	16,366	15,821
Australian Honey Bee	182	2,300	182
Australian Dairy Farmers	19,635	19,000	17,092
Sub Total	119,189	115,666	108,899
General Section Executive Expenses	4,855	3,500	3,207
Board Expenses	994	5,000	2,987
President's Allowance inc Super	55,771	63,430	58,002
President's Expenses	10,958	16,000	13,452
Events Expense	229,008	174,000	176,262
AgConnectWA Expense	36,605	18,500	11,271
WAFarmersFirst Milk	17,693	10,000	27,999
Dairy Industry Milk Trust	49,809	45,000	42,264
General Council	11,662	12,000	11,005
Commodity expenses	54,049	73,290	40,375
Commodity Pres/Portfolio Allowance	9,511	12,000	15,125
Datamars Expense	4,229	5,050	5,798
Zone Expenses	13,489	3,000	1,415
Zone Bank A/C Closures	10,496		
Sundry Expense	2,000	2,000	2,000
Contingency Expense		10,000	0
Sub Total	511,129	452,770	411,162
OTHER EXPENSES	630,318	568,436	520,061
ADMINISTRATION EXPENSES	1,090,973	1,186,833	1,059,360
TOTAL EXPENSES	1,721,291	1,755,269	1,579,421
SURPLUS/(DEFICIT)	12,949	24,779	22,382

BALANCE SHEET

for the year ended 30 November 2016

	2016	2015
BALANCE SHEET-NOVEMBER 2016	NOVEMBER	NOVEMBER
Bank- Operating Account	64,629	61,045
Westpac Bank-Term Deposits	0	0
Westpac Cash Reserve	135,119	251,195
Petty Cash	250	250
Accounts Receivable	97,320	86,504
Zone Bank Accounts	117,937	140,888
Donations Account	68,788	45,338
Prepayments	34,711	14,759
Sundry Debtors	0	0
Total Current Assets	518,754	599,979
Non-Current Assets		
Furniture & Fittings	9,628	10,558
Motor Vehicles	22,574	0
Lease Hold Improvements	0	0
Plant & Machinery	1,212	1,470
Telephone System	319	398
Computer Hardware	15,004	1,693
Computer- Software	466	1,192
Investment-Westralian Farmers	2,734	2,734
Investment- Trust Fund WAFF	10	10
Investment- Farmwide	1,334	1,334
Total Non-Current Assets	53,281	19,389
Total Assets	572,035	619,368

	2016	2015
BALANCE SHEET-NOVEMBER 2016	NOVEMBER	NOVEMBER
LIABILITIES		
Current Liabilities		
Accounts Payable	1,434	13,324
Motor Vehicle Finance	22,497	0
Esperance Fire Appeal	62,749	45,338
Waroona Fire Appeal	5,820	
Payroll Liabilities-Group Tax/Super	7,651	16,000
Provision for Holiday Pay	40,376	28,735
Accruals	38,159	50,303
Subs in Advance 2017	22,867	8,982
Subs in Advance 2018	6,200	63,627
Income Received in Advance	17,500	62,648
Provision for Dairy Trust Projects	66,516	42,264
Sundry Creditors	0	4,038
GST Collected	13,340	13,787
GST Paid	-30,028	-14,627
Total Current Liabilities	275,081	334,419
Non-Current Liabilities		
Prov for Employee Long Service Leave	10,575	11,519
National Affiliation Fees	0	0
Total Non Current Liabilities	10,575	11,519
Total Liabilities	285,656	345,938

NET ASSETS	286,379	273,430
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EQUITY		
Retained Surplus	273,431	251,049
Current Surplus	12,949	22,382

TOTAL EQUITY	286,380	273,431
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WAFARMERS CORPORATE SPONSORS



WAFARMERS 2016 ANNUAL CONFERENCE SUPPORTERS



WAFARMERS SUPPORTERS



HEART OF WA SUPPORTERS



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WAFARMERS

Watching your back