



# AUSTRALIAN HONEY BEE INDUSTRY COUNCIL INC

Annual General Meeting and Conference  
to be held at

Rydges Parramatta, 116 James Ruse Drive, Rosehill NSW  
commencing Sunday 12 July 2009 at 1.30pm  
reconvening at 7.45am Monday 13 July 2009

## AGENDA AND NOTICE OF MEETING

1. Opening
2. Industry Reports
3. Chairman's Report
4. Confirmation of Previous Minutes
5. Financial Report
6. Consideration of AHBIC Review and Constitutional Changes

In accordance with Section 19 of the AHBIC Constitution the meeting will consider the AHBIC internal review and consider the changes to the AHBIC Constitution. These proposed changes have been circularised to member bodies

7. Sector Reports
8. General Business
9. Election of Office Bearers
10. Meeting Close

# 2008/2009 ANNUAL REPORT

May 2009



## AUSTRALIAN HONEY BEE INDUSTRY COUNCIL INC

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18 May 2009

### ANNUAL REPORT

Dear Reader and Apiary Industry Supporter

It is with pleasure I submit to you the Sector and Financial Reports for the 2008-2009 financial year.

It has been a difficult year not only for beekeepers but your industry association.

The Secretariat Report outlines in detail the activities for the year - in addition the Review of AHBIC provides us guidance for the future.

This year's Annual General Meeting faces up to be one of critical importance. I would urge all members of industry to participate in the ongoing debate on the future of your peak industry body.

I would put on record my thanks to industry for the honour of representing them as AHBIC Chair and of course family who have made it possible to spend the time as a full-time beekeeper whilst also representing industry.

**LINDSAY BOURKE**  
**CHAIRMAN**

Also Included are the following documents:

**Appendix 1** The AHBIC Financial Report in PDF format

**Appendix 2** The Financial Report from the Honey Bee Disease Contingency Fund Trust

# FCAAA REPORT - May 2009

The past year has again brought interrupted production with droughts (Queensland, South Australia, parts of New South Wales) and flooding rains (Queensland, Northern New South Wales).

Victoria has suffered horrendous bushfires which have destroyed many thousands of hectares of forest resources. The heat wave which promoted the bushfires damaged many hundreds of hives in Southern New South Wales, Victoria and South Australia. Some conditions and even honey flows were cut short by the extreme heat wave (up to 48 degrees C) with most hives losing their field force and stressing brood. Some hives were burnt, but at this stage I have not received numbers, but I believe some hundreds of hives were lost.

## **Imported Honey:**

The past year has seen substantial imports of honey: 1,000 tonnes from China, 1,684 tonnes from Argentina, 120 tonnes from Europe.

It is concerning to the beekeepers of Australia, that this honey may contain residues of hive treatments and exotic diseases (Nosema Ceranae, AFB). It is hard to imagine that Quality Assurance and traceback could be achieved on this imported honey, as Australian beekeepers are being expected to demonstrate.

## **Export Enquiries:**

Over the past few months a number of overseas packers have expressed interest in purchasing honey from Australian beekeepers or co-operatives of beekeepers. This may demonstrate the shortage of honey Worldwide and may even demonstrate the buyers' reluctance to deal with Australian packers.

## **Pollination:**

Many crop growers are expressing concern that their crops will require managed honeybees due to shortage of natural and feral pollinators. Lack of pollination has not been experienced before by these growers.

Beekeepers have had numerous enquiries for bees for pollination from growers who have not used managed honeybees previously.

Hives required for Almond pollination is growing yearly with some 82,000 hives required for the major grower, plus many more hives required for the other growers. The number of hives required as trees mature is expected to reach 250,000 - 300,000 hives in the next few years.

Apple, Pear and Stone Fruit growers are becoming very aware that they must have managed honeybees to adequately pollinate their orchards to achieve maximum yield and fruit quality.

## **Queen Bee & Package Exports:**

Efforts are being made to try to satisfy Japan's requirements for Queen Bees. They require freedom from Nosemaeosis.

Canada has ceased imports of packages from the Eastern States of Australia. Western Australia has begun exports of packages to Canada due to their Small Hive Beetle freedom.

Packages and Queens to USA are under threat from some operators in America who are lobbying America's government to cease imports from Australia. Part of their argument is the *Apis Ceranae* incursion in Far North Queensland.

It is essential both for the Australian honeybee Industry within Australia and for exports that this incursion be eliminated.

**Pests – Disease:**

The Small Hive Beetle is continuing to cause increasing damage to hives in New South Wales Coastal and nearby Tablelands and much of South East Queensland. The enclosed traps developed by Garry Levot are looking closer to release with work being done between APVMA and RIRDC.

*Nosema Ceranae:*

A survey is being carried out by Michael Hornitzky for RIRDC on the prevalence and spread of *Nosema Ceranae*. This pathogen may prove to be a very serious threat to honeybees in future years.

*AFB:*

AFB is causing some States to change the way AFB control is managed. South Australia Industry is providing funding for a part time inspector. That is, Industry is taking a role in managing AFB. The New South Wales State Executive is looking at a range of measures including Industry involvement at management level.

**AHBIC Review:**

The Review Committee has finalized its report and will be handing down the recommendations to AHBIC. These are to be published to allow beekeepers time to consider their views prior to the round of State Conferences where the issue of the future structure of AHBIC will be voted on.

The present structure of AHBIC does not seem to be able to attract enough funding for it to operate with a voluntary funding mechanism.

A proposal of a hive levy to replace the existing levies on production should be considered as a more equitable way to fund research, testing and Biosecurity Animal Health levies.

**AQBGG:**

The Queen Bee breeding group has met, and on advice from Peter Oxley, has decided to have open mated queens for assessment and only AI 5 queens of each line to be held for propagation. This will allow for adequate assessment without the loss of large numbers of valuable AI queens during assessment.

**Bill Weiss - President**

# HPMAA President Report - May 2009

Last year one of the introductory lines to the Packers report stated *“talking to a number of packers over the last weeks certainly raises questions as to the longer term viability of main stream honey packers in their current format. Radical change continues to occur in Australian and in overseas markets for all...”*. This statement is today more true than ever!

We ask ourselves WHY?

Margins have been eroded further for most packers, as supermarkets up the ante worldwide. Packer's brands are under enormous pressure to house branded/generic labels, particularly as the worldwide recession takes hold and consumers move to cheaper and higher in value products. The erosion of margins and move to generic products is coupled with increased trading term demands, promotional support demands, Quality Assurance requirements, to name just a few. While beekeepers are enjoying higher values for their raw product this had not meant that retailers have necessarily accepted equivalent price rises to offset the extra cost of the honey from packers. The situation is the same here as it is in Asia, the Middle East, Europe and the Americas. In fact there is even increased pressure for price decreases from packers as retailers use the recession to leverage a commercial competitive advantage and keep consumers loyal with low prices.

Disappointingly beekeeper loyalty to their main packer has been reported as poor by packers in general. Competition for supply as beekeepers play off the shorter supply card has therefore been firm. There is still good honey about however beekeepers are holding back in the hope of lifting prices. What producers need to be mindful of is, that both sides need to live and certainly it should be understood that we need to work together to have long term future.

**Beekeeper sellers:** observations in the marketplace show beekeepers going direct are still selling honey cheaper than mainstream supermarkets in many cases. A normal price of between \$5.99 - \$7.99, for a 1 kilo tub can be found around Australia compared to just under \$10.00 for mainstream packers branded product in supermarket stores, shows that all it does is hold price down overall! That's crazy and beekeepers need to both lift their game and stop selling themselves short.

**World Market:** overall in the world market honey remains in shorter supply for the time being. As the new northern hemisphere season commences the longer term picture will emerge so northern hemisphere packers are holding off buying, hoping values may come down. This may be unlikely as the Argentinean crop was the worst on record for a number of years (so no carry over) and Mexico had also had bad crop (both countries are important and major players in the international market). The world bulk price remains firm yet flat on the current high compared to last year. Large volume world buyers and industrial users wish for prices to soften but this may not be the case short term.

**Honey Orders:** the Export Control (Honey and Bee Products) Orders have been agreed to by the HPMAA in conjunction with AHBIC based on the legal advice from AQIS. Honey therefore will become a prescribed good for export. The orders will now be put in place by AQIS and AUSQUAL is working to keep costs for exporters to a minimum. Exporters will need to be registered and have premises HACCP certified by a third party audit, plus the goods will become subject to inspection. For small exports of less than 15kg an exemption will be given.

**Readiness Plan:** Packers provided input to the AHBIC Readiness plan over the last 12 months. Issues such as GMO's, residues, safety etc are vital core components that can seriously affect packer's viability and the survival of the whole Australian honey industry.

### Import / Export information

The Australian Bureau of Statistics data shows honey coming into Australia and out of Australia for the AHBIC reporting period was as follows:

Period	Combined Imports Tonnes	Combined Exports Tonnes	Packed	Bulk	Packed	Packed	Bulk	Bulk
			Exports Tonnes	Exports Tonnes	Exports Tonnes	Exports %	Exports Tonnes	Exports %
Mar-09	522	2,143	1,055	1,000				
Dec-08	661	2,103	1,088	1,015				
Sep-08	1,480	1,755	1,066	689				
Jun-08	1,748	1,799	1,020	779	4,229	54%	3,483	45%
<b>Total</b>	<b>4,411</b>	<b>7,800</b>						

Bulk exports are down on last year by 8% but value added exports rose 68%. On the import figure, the volume rose compared to last year but is clearly dropping off in the last two quarters. The rise is accounted for by two variables being:

- More product imported due to the shorter local supply and
- Canadian honey being imported then re-exported back again as value added product.

Knowing the sensitivity industry sees in imports it is important to get the right perspective on things. Here is the reality based on March 2009 ABS data for year to-date:

- Canadian honey accounted for 33% of imports (and was re-exported to Canada)
- New Zealand honey accounted for 21.6% of imports (and was partly re-exported)
- Argentinean honey accounted for 20.2% of imports (and was mostly re-exported)
- Asian origin honey accounted for 20.1% of imports (and is reported to be used in manufacturing, export blends and other sales). This means 95% of imports came from 4 origins with Asian origin product being the least of the four. Clearly the wild paranoia reports being spread around of several thousands of tons of Chinese origin product coming into the country are VERY incorrect as it does not stack up to the Australian government's official data.

**The Honey Packers Association:** contrary to incorrect rumours circulating in industry, the HPMAA is not in disarray and is an active organisation working in the best interests of its membership and the Australian industry. HPMAA delegates to AHBIC, the FSPRC, B-Qual and other bodies have contributed strongly over the last year on a range of issues for the whole of industry. HPMAA members, that have full status in the association, have supported AHBIC's funding over the year via voluntary contributions. So why did the rest of industry fail to do the same (excludes beekeepers whose contribution was paid by a major packer)! Beekeepers sellers would do well to follow the example of the big packers and contribute voluntary levies in proportion to the turnover just the same. The HPMAA remains committed to having a strong peak industry body. To quash another error – packers never have had the power to control AHBIC. Producers always have had the power of the vote both at an executive level and at a full council level.

**Eduard Planken – President HPMAA**

# Food Safety & Prevention of Residues Committee (FSPRC) Chairman's Report to AHBIC - May 2009

## **AQIS Imported Food Program**

The AQIS Imported Food Program continues to test imported honey on arrival for the presence of residues and no issues with imported honey have been reported to the Committee over the last year.

## **AHBIC Readiness Plan**

The Victorian Department of Primary Industries (Russell Goodman – Apicultural Officer) has assisted in the update of the Readiness Plan for the FSPRC. The Plan update will address issues such as National and State Readiness and Response Teams, quality assurance (including residues), food safety, bee stings, biosecurity, communication, public relations and industry/govt contacts. Russell Goodman has completed a Draft Readiness Plan, which the Committee has been delighted with. It provides a detailed update to key issues facing the honey industry and will provide an excellent framework for crisis management should a future need occur. The Committee has reviewed the Plan, making some minor adjustments, with a final version being completed. It should be noted that the Plan is a live document and will be amended from time to time and re-issued.

## **AQIS Export Control Act Changes**

FSPRC has continued to work with AQIS to assist them develop a separate Honey Order under the Export Control Act, which will provide greater regulation of exports. The progress of this project has been delayed somewhat due to resource allocation and staffing changes in AQIS.

Following further discussion and some legal hurdles it was agreed to fully prescribe all honey for export. This will improve the regulatory capabilities of AQIS to ensure the quality of Australian exports and facilitate increasing country requirements not covered by the specific Order previously planned. Part of this requirement will include premise registration, inspection of goods capability and that exports meet the domestic honey standard.

The legislation is currently being prepared by AQIS.

## **Domestic Residue Status**

The National Residue Survey (NRS) of Australian honey continues with 273 tests undertaken in 2008-09 and 277 planned for 2009-10. The survey was widened to include PDB and more pesticides in 2008-09, with some low level detections of PDB confirmed. The Extraneous Residue Limit (ERL) for PDB implemented by the FSPRC, AHBIC and FSANZ ensured that the detections were within the legal limits, and further justified the need for this ERL to be established. The Committee expects the on-going depletion of PDB levels in honey as use has stopped and further degradation from wax is occurring. Beekeepers who have a history of prior usage of PDB are encouraged to implement a comb replacement program to further limit detections.

It has been many years since the preliminary research on OTC was conducted in the 1990's (by Goodman *et al.*) that ultimately resulted in the MRL for OTC being established at 300 ppb. The Committee recognises vast changes in analytical science over the last 10 years and are going to undertake testing to better understand current residue levels following application of OTC to hives. Please be advised that there is no plan to change or remove the current MRL and usage of

OTC, despite some reports, and that we are primarily illustrating a responsibility to better understand residue levels, if any, resulting from treatment. The nil detections of OTC as part of the National Residue Survey illustrate a high degree of compliance and limited residue activity in Australian honey.

### **Small Hive Beetle (SHB)**

The Committee recognises the on-going issues faced by beekeepers with regard to SHB infestation in apiaries and noted this as a considerable concern to producers. We are also very concerned that beekeepers require a feasible control mechanism for SHB and want to discourage any illegal application of chemical controls. The issue of adequate control mechanisms for SHB was raised with the HBRDC Chairman and subsequently we have been advised that money has been allocated by HBRDC to commercialise the trap designed by Garry Levot.

I wish to thank the members of the Committee for their ongoing work and support.

**Ben McKee**  
FSPRC Chair

## **AHBIC WOULD LIKE TO PUT ON RECORD ITS THANKS TO OUR VOLUNTARY CONTRIBUTORS:**

AB's Honey  
Australian Honey Products  
Beechworth Honey  
Bees Neez Apiaries  
Capilano Honey Limited  
Dewar Apiaries  
Honey DownUnder  
H L & H M Hoskinson  
I N & JE Mills  
Pollination Association of WA  
Saxonbee Enterprises  
Spring Gully Foods Pty Ltd  
Stephens, R  
Tasmanian Crop Pollination Association  
Tasmanian Honey Company  
Walkabout Apiaries  
T & M Weatherhead  
Weerona Apiaries  
Wescobee Limited

AHBIC acknowledges the **beekeeper suppliers** who contribute via their packer and queen bee supplier to AHBIC. We also urge beekeepers to support those packers/queen bee breeders who contribute to AHBIC.



# B-QUAL Australia Pty Limited

ABN: 37 096 945 694

## Report to the Australian Honey Bee Industry Council

11 May 2009

B-Qual has 419 participants, of which 196 beekeepers are categorised as accredited, 15 are applied and progressing certification; a further 185 members are not accredited of which 43 have a status of withdrawn. Program activity is slow.

33 accredited beekeepers have not had an audit for >2 years. This is due in part to environmental difficulties in the industry over the past three years.

As the industry's own quality assurance program, B-Qual remains the program of choice for the honey bee industry. Commercial drivers for the program are lacking to redress the decreasing participation rate.

### **Export Honey Orders**

AUS-QUAL as the National Service Provider (NSP) for B-Qual has assisted where possible the efforts of AHBIC and the Honey Packers and Marketers in progressing the Orders and the potential integration with B-Qual. Avoiding duplication of administration means a more efficient means of administering the conditions within the Orders. Following is an extract from a scoping paper provided to AQIS by AUS-QUAL:

As part of the proposed new regulatory framework for honey exports, each export enterprise would maintain an AQIS Approved Arrangement, which may include a third party audited food safety program. An external Management Company is required to collect information in relation to the Approved Arrangements and the auditing outcomes and report to AQIS.

The Australian Honey Bee Industry Council (AHBIC) has indicated to AQIS that they wish to utilise the services of AUS-QUAL for this purpose. AUS-QUAL is the National Service Provider (NSP) for the industry food safety program B-Qual. B-Qual is a wholly owned subsidiary of AHBIC.

Following is a discussion to outline the information that would be required to be collated and the mechanisms for disseminating audit results to AQIS for export certification purposes.

## **AQIS Requirements**

AUS-QUAL would be responsible for maintaining a database of honey exporters detailing the quality assurance arrangements that are in place and the auditing status of these arrangements. Information will need to be passed to AQIS in a timely manner to ensure that certification is undertaken based on the most recent audit outcomes.

Information to be maintained on the database will include:

- A current list of all AQIS approved arrangements;
- A current list of all AQIS approved quality assurance programs;
- A list of Honey Exporters (e.g. Enterprise Name, Contact, address details, Approved Arrangement identification, etc for each exporter;
- The date of the Exporters last audit;
- Result of last audit (Pass, minor non-conformity, major non-conformity);
- Details of the non-conformity;
- Planned corrective action;
- Confirmation of corrective action; and
- Expected Date of next audit

The onus of responsibility for providing this information to AUS-QUAL would be on the relevant Exporter in line with the AQIS Approved Arrangement.

AUS-QUAL reports directly to AQIS on matters as directed. Reporting would be against a routine schedule; or as required to address specific incidents.

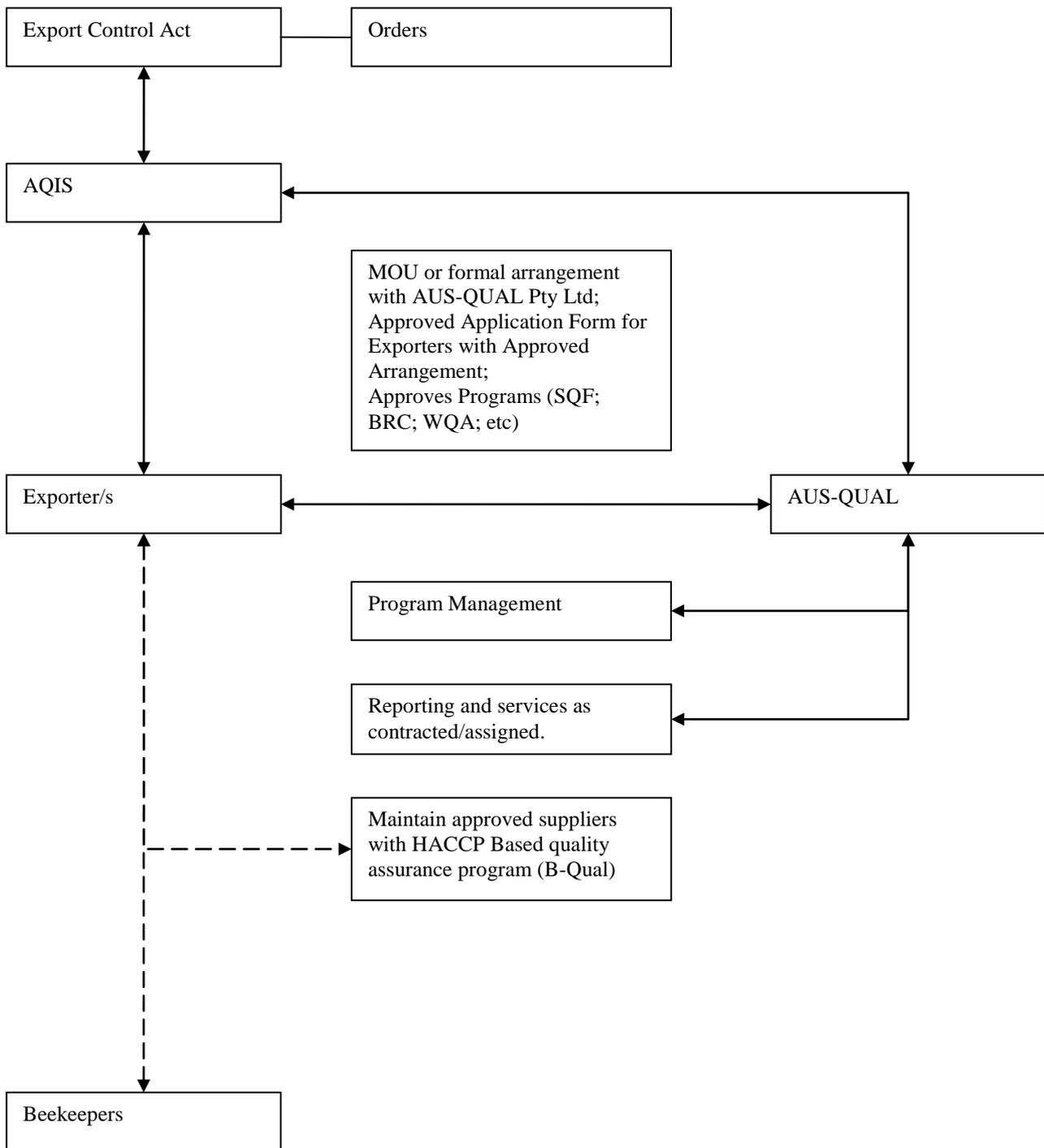
## **Cost Estimate**

### Assumptions

- 50 Participants;
- AQIS Provide applications to AUS-QUAL after Approved Arrangements are approved;
- Management database does not require systems amendment (B-Qual database is used as the reporting tool to address AQIS reporting requirements of AUS-QUAL);
- Exporters are required to report to AUS-QUAL;
- AUS-QUAL Senior Management [time is charged to the Exporter];
- A single annual audit is undertaken, the exporter would be charged for report amendment such as CAR closure. Additional audits charged at full audit handling cost.

This regime means that Exporters would continue to manage the AQIS Approved Arrangements using the existing approved quality assurance programs.

Export Honey Orders – administration diagram



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 PO Box 3403, Tingalpa DC QLD 4173  
 Phone: 07 3361 9233 Fax: 07 3361 9222

# Education Report 2008-09

There has been little happening in the Education Department this year. The Beekeeping Competencies are endorsed. Some states have not endorsed them as a standalone Certificate. Some states require that an Agricultural Certificate be achieved to gain financial support for workers. This Agricultural Certificate can contain all the beekeeping modules.

The AHBIC Website is up and running and now lists the competencies / modules. Training Providers can access the modules that the AHBIC Education Committee received funding to write worksheets and assessment aids.

**Paula Dewar**

Education Committee Chairman

## Australian Queen Bee Breeders' Association (AQBBA) Report 2008-2009

The queen bee breeders have experienced good conditions and have been rewarded with good orders for the season.

Exports:

Canada was unable to be supplied this year due to the distribution of small hive beetle within the main breeding areas of Eastern Australia.

We are still unable to export to Japan however a great deal of work has been done to improve this situation. The Australian Government together with the Japanese Government are working on a research proposal regarding the distribution of Nosema in Japan.

The USA required an increase in the number of queens this year. A number of breeders were able to access this market. AHBIC did quite a deal of work with Biosecurity to have the protocol amended so that orders could be filled. The previous protocol called for Australian freedom of Apis cerana. With cerana in Cairns this required changing. As there was no queen breeders or exporters within 900 km of Cairns this was achieved.

**Paula Dewar**

National Secretary

**REPORT OF THE AUSTRALIAN QUEEN BEE BREEDING GROUP  
TO THE AUSTRALIAN HONEY BEE INDUSTRY COUNCIL AGM 2009  
11 May 2009**

The Australian Queen Bee Breeding Program (AQBBP), run by the Australian Queen Bee Breeding Group (AQBBG), is at a crossroads. When set up there was a high expectation that the industry would embrace it by purchasing breeder queens from the program. Sales have not met that expectation.

There is no question that the stock is of good quality and will do the job expected of it by beekeepers. However, the cost of maintaining that core of breeding stock, carrying out evaluations and replication is not cheap. This means that the sale price of breeder queens has to be higher than queen breeders and beekeepers have been used to paying in the past.

Currently the program has the next round of queen bees instrumentally inseminated. The evaluation process has been amended on the advice of Peter Oxley who has been to Europe studying evaluation schemes. This replication of evaluation stock will take place in spring this year.

One of the problems in the past has been that when the evaluated queen bees come up for sale they are around 12 months or more old. This means that queen breeders and beekeepers buying them for use in raising queen bees have a limited time in which to raise stock from them. The AQBBP is addressing this issue by now offering for sale queen bees from the evaluated lines, but not evaluated, inseminated from the evaluated line of choice. This will mean that a young queen bee is available that will last longer as a breeder queen from which to raise stock than the previously evaluated stock.

The evaluated stock will still be available for purchase but recent sales show that there will not be a big demand for these because of the expectation and way the breeder queen bees are used.

So the Executive of the AQBBG would urge queen breeders and beekeepers to look seriously at sourcing some of their breeder queens from the program so that it can remain viable. Branches of Associations should also consider buying queens and making progeny available to their members. This could be a way of increasing Branch membership. Failure to sell queens will mean that the AQBBP will fold. This would be a serious blow for the beekeeping industry having in mind the amount of effort that has gone into bringing this stock together and the efforts that have been put into evaluating and maintaining the stock.

The AQBBP continues to enjoy a good relationship with Dr. Ben Oldroyd and Peter Oxley from the University of Sydney. Their input into the program is a valuable part of the success of the reproduction of the stock in the program.

The income and expenditure report for the financial year, 2008-09, is not available at this time as the financial year does not end until 30 June. That report will be available at the AHBIC AGM. The AGM of the AQBBG is scheduled for 8 July.

**Trevor Weatherhead**  
Secretary - AQBBG

*NATIONAL COUNCIL*



*POLLINATION ASSOCIATIONS  
INCORPORATED*

The past year has been extraordinarily quiet for the Pollination Sector with no communication from delegates other than to settle on some AHBIC AGM administration issues.

Tasmanian activity remains positive despite varying weather that have had an adverse effect on growing conditions in some regions, income levels and per hive returns have remained relatively stable. With the advent of adequate widespread rain at the right time there is a planned significant increase in plantings of broad acre crops requiring managed pollination services. The executive will do its utmost to ensure that all members benefit from the flush of business.

The Tasmanian Crop Pollination Association AGM will no doubt have reached a decision of the preferred model for the restructure of AHBIC. My personal hope is that the Industry can be mature enough to pursue the interests of the whole production sector, including Queen Breeders and Pollinators focusing on the future and casting off the old parochial ways of the past.

The challenge for all is to exercise better leadership and communication and to continue to pursue the bureaucracy to obtain the best possible bio-security outcomes. I wish you all the very best in your future endeavours.

**Des Willmott**

President

National Council of Pollination Associations Inc

11May 2009

**HONEY BEE DISEASE CONTINGENCY FUND TRUST**

**FINANCIAL REPORT**

**30 JUNE 2008**

**HONEY BEE DISEASE CONTINGENCY FUND TRUST**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Levies Revenue		108,377	115,230
Interest		25,570	8,791
<b>TOTAL REVENUE</b>		<b>133,947</b>	<b>124,021</b>
Audit Fees	5	(2,930)	(2,500)
Administrative Costs		(3,401)	(5,992)
ASIC Fees		(212)	(212)
Bank Fees		(261)	(217)
Consultancy Services		(6,000)	-
Meeting Costs		(92)	-
Publications & Printing		(1,996)	-
Stamp Duty		-	(200)
Subscriptions		(5,918)	(4,329)
Workshops/Training		-	(15,742)
<b>TOTAL EXPENDITURE</b>		<b>(20,810)</b>	<b>(29,192)</b>
		<b>113,137</b>	<b>94,829</b>
<b>NET PROFIT</b>			

**HONEY BEE DISEASE CONTINGENCY FUND TRUST**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

	<b>Note</b>	<b>2008</b> <b>\$</b>	<b>2007</b> <b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4(a)	434,094	356,309
Receivables		<u>27,007</u>	<u>-</u>
		<b>461,101</b>	<b>356,309</b>
<b>TOTAL CURRENT ASSETS</b>		<u>461,101</u>	<u>356,309</u>
<b>TOTAL ASSETS</b>		<u>461,101</u>	<u>356,309</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2	<u>7,905</u>	<u>16,250</u>
		<b>7,905</b>	<b>16,250</b>
<b>TOTAL CURRENT LIABILITIES</b>		<u>7,905</u>	<u>16,250</u>
<b>TOTAL LIABILITIES</b>		<u>7,905</u>	<u>16,250</u>
<b>NET ASSETS</b>		<u>453,196</u>	<u>340,059</u>
<b>TRUST FUNDS</b>			
Settled sum		20	20
Accumulated profits	3	<u>453,176</u>	<u>340,039</u>
		<b>453,196</b>	<b>340,059</b>
<b>TRUST FUNDS</b>		<u>453,196</u>	<u>340,059</u>

**HONEY BEE DISEASE CONTINGENCY FUND TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts		81,370	115,230
Cash payments		(29,155)	(19,425)
Interest received		<u>25,570</u>	<u>8,791</u>
<b>Net cash flow from operating activities</b>	4(b)	<u><b>77,785</b></u>	<u><b>104,596</b></u>
<b>Net increase in cash held</b>		<b>77,785</b>	<b>104,596</b>
<b>Cash at the beginning of the year</b>		<u><b>356,309</b></u>	<u><b>251,713</b></u>
<b>Cash at the end of the year</b>	4(a)	<u><u><b>434,094</b></u></u>	<u><u><b>356,309</b></u></u>

# **HONEY BEE DISEASE CONTINGENCY FUND TRUST**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2008**

### **NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Financial reporting framework**

This financial report is a special purpose financial report. The Trust is not a reporting entity because in the opinion of the trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

#### **(b) Basis of preparation**

The financial report is prepared in accordance with the requirements of the following Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB"):

AASB 1031 Materiality

AASB 110 Events after balance date

AASB107 Cash flow statements

AASB 118 Revenue

AASB 124 Related party disclosures

#### **(c) Basis of measurement**

The financial report is presented in Australian dollars. The financial report is prepared on an accrual basis and is based on historical costs and does not take into consideration the time value of money.

#### **(d) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### **(e) Revenue recognition**

Revenues from Operating Activities (Levy funding) represent amounts transferred to Animal Health Australia from the Commonwealth under the *Australian Animal Health Council (Live-stock) Industries Funding Act 1996*, and then subsequently placed with the Trust. Revenues are recognised at fair value of the consideration received, net of the amount of goods and services tax (GST) payable to the taxation authority.

Interest revenue is recognised as it accrues.

#### **(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(g) Receivables**

Receivables are to be settled within 60 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

# HONEY BEE DISEASE CONTINGENCY FUND TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

(h) **Payables**

- (i) Liabilities are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 45 days.

	2008	2007
	\$	\$
<b>NOTE 2 PAYABLES</b>		
<b>Current</b>		
Payables	7,905	16,250
	<u>7,905</u>	<u>16,250</u>
<b>NOTE 3 ACCUMULATED PROFITS</b>		
Balance at the beginning of the year	340,039	245,210
Net profit for the year	113,137	94,829
Balance at the end of the year	<u>453,176</u>	<u>340,039</u>

NOTE 4 NOTES TO THE STATEMENT OF CASH FLOWS

(a) **Reconciliation of cash**

For the purposes of the statement of cashflows, cash includes cash on hand, at call deposits with banks or financial institutions, net of bank overdrafts. Cash at the end of the year is shown in the balance sheet as:

Cash at bank	434,074	356,289
Cash on hand	20	20
	<u>434,094</u>	<u>356,309</u>

(b) **Reconciliation of profit after income tax to net cash provided by operating activities**

Net Profit	113,137	94,829
<i>Changes in operating assets and liabilities:</i>		
Increase/(decrease) in trade and other payables	(8,345)	9,767
Decrease/(increase) in receivables	(27,007)	-
Net cash provided by operating activities	<u>77,785</u>	<u>104,596</u>

NOTE 5 AUDITOR'S REMUNERATION

Amounts paid or due and payable to the auditors for:

**Audit of financial statements**

Current year services	2,930	2,500
	<u>2,930</u>	<u>2,500</u>

***HONEY BEE DISEASE CONTINGENCY FUND TRUST***  
***NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 30 JUNE 2008***

**NOTE 6    SEGMENT INFORMATION**

The Trust operates to provide benefits to beneficiaries within Australia.

**NOTE 7    LOCATION OF OPERATIONS**

The registered office of the company is Suite 15, 26-28 Napier Close, DEAKIN ACT 2600

The principal place of business is Suite 15, 26-28 Napier Close, DEAKIN ACT 2600

***HONEY BEE DISEASE CONTINGENCY FUND TRUST***

**DECLARATION BY DIRECTORS OF THE TRUSTEE COMPANY**

The directors of the Trustee Company, Honey Bee Disease Contingency Fund Pty Limited, and in accordance with a resolution of the Trustee, declare that the accompanying financial statements as set out on pages 1 to 6 are drawn up in accordance with Accounting Standards and other mandatory professional reporting requirements so as to give a true and fair view of the state of affairs of the trust as at 30 June 2008 and of the results for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they fall due.

*This declaration is made in accordance with a resolution of directors dated this day of September 2008.*

.....  
Stephen Fewster  
Director  
Honey Bee Disease Contingency Fund Pty Limited

.....  
Michael Bond  
Director  
Honey Bee Disease Contingency Fund Pty Limited

Independent audit report to the beneficiaries of Honey Bee Disease Contingency Fund Trust

*Report on the financial report*

We have audited the accompanying financial report, being a special purpose financial report, of Honey Bee Disease Contingency Fund Trust (the trust), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on page 9.

*Trustees' Responsibility for the Financial Report*

The directors of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Notes 1 (a) to (h) to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the needs of the beneficiaries. The trustees' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Notes 1 (a) to (h), are appropriate to meet the needs of beneficiaries. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Notes 1 (a) and (c) to the financial statements so as to present a view which is consistent with our understanding of the trust's financial position, and of its performance.

The financial report has been prepared for distribution to beneficiaries for the purpose of fulfilling the trustees' financial reporting obligations of the trust. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the beneficiaries, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***HONEY BEE DISEASE CONTINGENCY FUND TRUST***

### *Independence*

In conducting our audit, we have complied with the independence requirements of the independence requirements of the Australian professional accounting bodies.

### *Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Honey Bee Disease Contingency Fund Trust as of 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Notes 1 (a) and (h) to the financial statements.

KPMG

C Ingram

*Partner*

Place: Canberra, ACT

Date: September 2008