

# Grain Industry Research and Development Fund

2019-20 Annual Report

## Introduction

The *Primary Industry Funding Schemes Act 1998* was established to provide South Australian primary industries with a legislative based ability to raise funds within their sector to fund projects and services for the benefit of their sector.

Section 4 of the Act allows the Governor to make regulations establishing a fund for a particular sector of primary industry. All existing regulations are administered by the Minister for Primary Industries and Regional Development.

This is the Grain Industry Research and Development Fund Annual Report for the year ended 30 June 2020, prepared under section 11 of the Act.

## Overview

The Grain Industry Research and Development Fund is established by the *Primary Industries Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013*. The purpose is to allow funds to be raised for research and development activities that provide benefit to South Australian grain growers.

The contribution rate for this fund is prescribed in regulation 5 as follows:

Contribution rate	\$0.30 per tonne
-------------------	------------------

Contributors may seek a refund of their contributions as provided for in regulation 6.

The purposes for which the fund can be applied by the Minister are outlined in regulation 7, which names the Trustees of the South Australian Grain Industry Trust to which payments from the fund may be made.

## Operation of the fund

Primary Industries and Regions SA manages the operations of the fund on behalf of the Minister.

The five-year fund management plan current as at the year ended 30 June 2020 was prepared in accordance with section 9 of the Act. The plan was presented at a public meeting held on 22 May 2020 and was publicly available on the PIRSA website. It is attached to this report.

Payments from the fund were made to the trustees of the South Australian Grain Industry Trust Fund in accordance with regulation 7(a).

Where requested, refunds of contributions were paid in accordance with regulation 6.

In accordance with regulation 7(c), the fund was also applied to administration expenses.

The fund accounts for the year ended 30 June 2020 have been audited by the Auditor General's Department. The audited financial statements and audit report are attached.

A handwritten signature in black ink, appearing to read 'Michelle Edge', with a stylized, cursive script.

Michelle Edge  
**CHIEF EXECUTIVE**

26/2/2021

# Grain Industry Research and Development Fund

*Primary Industries Funding Schemes (Grain Industry Research and Development Fund)  
Regulations 2013*

**Management Plan 2019-20 to 2023-24**



## Enquiries

Dave Lewis Agriculture Food and Wine  
Primary Industries and Regions SA (PIRSA)  
Level 15, 25 Grenfell Street  
GPO Box 1671, Adelaide SA 5001  
T 08 8429 0472 M 0409 289 107

E [dave.lewis@sa.gov.au](mailto:dave.lewis@sa.gov.au)

### Further information:

[https://www.pir.sa.gov.au/primary\\_industry/crops\\_and\\_pastures/grain\\_industry\\_funds](https://www.pir.sa.gov.au/primary_industry/crops_and_pastures/grain_industry_funds)

### Document History

Version	Date
Revised plan released for consultation	10/2/2020
Approved	8/5/2020
Presented at public meeting	22/5/2020

Objective ID: A4307345

# Contents

- Introduction .....4
- Estimate of contributions to the fund .....5
- Investment of the fund .....5
- Purposes of the fund .....6
  - Eligible activities ..... 6
  - Ineligible activities ..... 6
- Funding guidelines .....7
  - Eligible organisations ..... 7
  - Payment terms..... 7
- Reporting requirements.....7
- Fund administration .....7
  - Changing the contribution rate ..... 7
  - Updating the management plan ..... 8

# Introduction

The [Primary Industry Funding Schemes Act 1998](#) (the Act) was established to provide South Australian primary industries with a legislative instrument to raise funds within their sector to undertake activities that support and develop the sector, to maximise strategic advantage and to meet new industry challenges.

Section 4 of the Act allows the Governor to make regulations to establish a fund for a particular primary industry sector. The Minister for Primary Industries and Regional Development (the Minister) administers all existing funds under the Act, ensuring appropriate accountability for the use of funds for various functions and activities for industry benefit. Primary Industries and Regions SA (PIRSA) administers the funds on behalf of the Minister.

The Grain Industry Research and Development Fund (the fund) established by the [Primary Industry Funding Schemes \(Grain Industry Research and Development Fund\) Regulations 2013](#) (the regulations) came into effect on 8 August 2013.

Contributions are payable at the rate prescribed in the regulations, the initial rate being 30 cents per tonne of grain. All South Australian grain growers are required to contribute to the fund.

Collection agents for this fund are the first purchasers of grain who are required by the regulations to deduct the contributions from the payment to the grower and forward them to the Minister for payment into the fund account.

Grain grower contributors may seek a refund of their contributions. If a refund is paid to a contributor, they are deemed to be “in default of the regulations” and not entitled to receive benefits or services funded by payments from the fund.

Payments are made from the fund for purposes defined in regulation 7 and in this management plan.

In accordance with section 9 of the Act, this management plan has been developed in consultation with the South Australian grain industry. It covers a five-year period and must be updated annually, but may be updated at any time. This management plan should be read in conjunction with the Act and the regulations, which are available at [www.legislation.sa.gov.au](http://www.legislation.sa.gov.au).

This management plan guides the operation of the fund and helps contributors understand how their contributions are used. Section 9 of the Act describes the requirements of a management plan.

## Estimate of contributions to the fund

The regulations require grain growers to contribute to the fund. The contribution rate for this fund is prescribed by regulation 5 to be \$0.30 per tonne of South Australian grown grain sold. Regulation 5 also permits rate changes to some other amount specified by a ministerial notice in the South Australian Government Gazette.

The estimated contribution income for the most recent and next five financial years is provided in Table 1.

The estimated grain sales have been derived from total crop production estimates published in the PIRSA Crop and Pasture Report. This estimate of contributions to the fund is based on grain sold rather than total grain produced. The estimated purchases for 2018-19 is based on a portion of the total grain production estimate for the 2018-19 production season. While production estimates may provide a reasonable degree of accuracy for the current season, average production estimates are used in forward years. The actual amount of income to the fund will vary according to seasonal conditions that cannot be predicted.

**Table 1 – Contribution rates and estimated income**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Contribution rate	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Estimated sales	4,900,000	4,900,000	7,100,000	7,100,000	7,100,000	7,100,000
Estimated income	\$1,470,000	\$1,470,000	\$2,130,000	\$2,130,000	\$2,130,000	\$2,130,000

The regulations require the purchaser to remit contributions to PIRSA within 28 days following the month in which the grain was purchased.

Grain purchasers that only deal in small quantities of grain may make application to the Minister to remit quarterly or annually instead of monthly.

A contribution rate change is not anticipated to occur in 2019-20 financial year.

## Investment of the fund

PIRSA administers the financial operations of the fund on behalf of the Minister for Primary Industries and Regional Development and in accordance with the regulations and the [Public Finance and Audit Act 1987](#).

Contributions are invested in a separate interest bearing account at the Department of Treasury and Finance. Interest is paid quarterly on monies held, and is treated as income to the fund in accordance with the Act section 4(6)(b) and regulation 4(3)(b).

Any balance not immediately required for the purposes of the fund will be retained in the fund and interest earned deemed as an investment in accordance with the Act section 4(7).

# Purposes of the fund

Payments from the fund must be made in accordance with the regulation 7:

## 7—Application of the Fund

The Fund may be applied by the Minister for any of the following purposes:

- (a) payments to the trustees of the South Australian Grains Industry Trust Fund for 1 or more of the following purposes:
  - (i) the reasonable operating and management expenses of the Trust;
  - (ii) funding research and development into the growing, harvesting, storage, processing and marketing of grain;
  - (iii) dissemination of technical information to persons associated with the grains industry;
  - (iv) collection and dissemination to grain growers of information relevant to research and development into grains;
  - (v) other purposes of the Trust;
- (b) payments for other purposes related to the funding of research and development into grains;
- (c) payment of the expenses of administering the Fund;
- (d) repayment of contributions to the Fund under regulation 6. The Fund may be applied by the Minister for any of the following purposes:

## Eligible activities

This management plan further defines the scope of eligible activities to include those identified by grain growers in the consultations for this management plan. The following eligible activities comply with the legislated applications of the fund (regulation 7 prescribed activities) and project outcomes which deliver the eligible functions and activities that may be included in the Trust's business plan and funded by the fund include:

- Reasonable operating expenses associated with the approved and funded activities.
- The collection and dissemination of information relevant to the grain industry to the fund contributors including the publication or dissemination of project outcomes to the fund contributors.

## Ineligible activities

Activities that will not be funded include:

- Commercial activities such as grain trading or speculative investments with a speculative investment defined as the act of trading in an asset or conducting a financial transaction that has a significant risk of losing most or all of the initial outlay in expectation of a substantial gain.



# Funding guidelines

## Eligible organisations

The trustees of the South Australian Grain Industry Trust Fund (trustees) are named in regulation 7(a) as the body to which the Minister may make payments from the fund.

## Payment terms

Payments to the trustees may be made monthly. The amount of any payment will not exceed the available balance of the fund at the time, less an amount not less than \$30,000, which is considered sufficient to cover audit and administrative costs plus an allowance for any refunds to contributors in accordance with regulation 7(d). A monthly payment will not be paid if the fund balance is insufficient.

## Reporting requirements

The trustees are to provide a report within one month of the end of the financial year, which shows the projects supported with monies from the fund and including a statement of acquittal of funds to inform the Minister that all monies are expended for appropriate purposes.

The trust may be required to provide the following information (regulation 9):

- A copy of the financial statements of the Trust and
- A copy of the annual report of the Trust and
- A copy of the business plan of the Trust
- Any other information reasonably required for the purposes of the fund.

## Fund administration

### Changing the contribution rate

The contribution rate is established by regulation 5 at 30 cents per tonne of grain. The Minister may vary the contribution rate by publishing a ministerial notice in the South Australian Government Gazette.

A change to the contribution rate may be initiated by the Minister or by industry, but can only be made following consultation with the grain grower contributors. Grain Producers SA Ltd in conjunction with the trustees may write to the Minister recommending the contribution rate be varied. Consultation is expected to be coordinated through Grain Producers SA Ltd as the current recognised grain grower representative body in South Australia or any successor organisation to Grain Producers SA Ltd that in the opinion of the Minister represents grain growers.

Acceptable evidence of support for a variation to the contribution rate is to include results of any contributor survey held for the purpose and may include outcomes of any other consultation with industry. The evidence must demonstrate a genuine attempt to engage with the majority of contributors.

The new contribution rate will be implemented at the start of the financial year with sufficient notice provided to the industry so that grain purchasers can implement the new rate prior to commencement of grain harvest.

## Updating the management plan

Section 9 of the Act requires that this management plan is updated annually. Table 2 is a guide to the expected timing and process.

PIRSA will ordinarily commence the review of the management plan around January each year, posting the draft management plan on the PIRSA website providing an opportunity to the industry for comment. Feedback will be considered and the management plan finalised and provided to the Minister.

PIRSA will aim to present the management plan at a public meeting no later than April, enabling applications for funding to be prepared based on the newly revised management plan.

The management plan will be posted on the PIRSA website to meet the requirements of section 9 (7) of the Act, in a manner permitted by section 51 of the [Acts Interpretation Act 1915](#), which provides for 'production of records kept by computer or other process.'

The management plan may also be updated at any time.

Table 2 – Revising the management plan	
Timing	Activity
March	Initial Comments sought on the Current Management plan, Draft prepared
April	Consultation on revised draft management plan
June	Minister approves management plan Advertise public meeting
July	Public meeting to present management plan





Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund

### Qualified opinion

I have audited the financial report of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund (the fund) for the financial year ended 30 June 2020.

In my opinion, except for the effects of the possible matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive, Department of Primary Industries and Regions (the Chief Executive), signed for and on behalf of the Minister for Primary Industries and Regional Development (the Minister) and the Acting Chief Financial Officer, Department of Primary Industries and Regions.

### Basis for qualified opinion

As referred to in note 2.1 to the financial statements, pursuant to regulation 5 of the Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the fund for each tonne of grain produced and sold by a grain grower. While there are adequate internal controls over contributions actually received, there are no procedures in





place to ensure contributions received represent the actual tonnage of grain produced and sold. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$1 631 088 (\$1 462 565) is complete.

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Minister and the Department of Primary Industries and Regions which administers the fund on the Minister's behalf. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the Minister and the Chief Executive for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Minister is responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and the Minister about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

18 January 2021





**Minister for Primary Industries and Regional  
Development**

**Grain Industry Research and Development Fund**

**Financial Statements**

For the year ended 30 June 2020



**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Certification of Financial Statements**  
*for the year ended 30 June 2020*

---

We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Grain Industry Research and Development Fund
- present a true and fair view of the financial position of the Grain Industry Research and Development Fund as at 30 June 2020 and the results of its operation and cash flows for the financial year

We certify that the internal controls employed by the Minister for Primary Industries and Regional Development - Grain Industry Research and Development Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Michelle Edge  
Chief Executive  
Department of Primary Industries and Regions  
For and on behalf of the Minister for Primary  
Industries and Regional Development  
Per authorisation dated 17 November 2020  
13 January 2021



Mark Williams  
Acting Chief Financial Officer  
Department of Primary Industries and Regions  
13 January 2021



**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

---

	Note	2020 \$	2019 \$
<b>Income</b>			
Contributions from industry	2.1	1 631 088	1 462 565
Interest		995	2 922
<b>Total income</b>		<b>1 632 083</b>	<b>1 465 487</b>
<b>Expenses</b>			
Transfers to industry	4.1	1 631 360	1 507 061
Refund of contributions		418	701
Supplies and services	4.5	13 307	13 339
Auditor's remuneration		7 300	7 100
<b>Total expenses</b>		<b>1 652 385</b>	<b>1 528 201</b>
<b>Net result</b>		<b>(20 302)</b>	<b>(62 714)</b>
<b>Total comprehensive result</b>		<b>(20 302)</b>	<b>(62 714)</b>

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Financial Position  
as at 30 June 2020**

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	6.1	72 338	88 423
Receivables	6.2	48 821	118
<b>Total current assets</b>		<b>121 159</b>	<b>88 541</b>
<b>Total assets</b>		<b>121 159</b>	<b>88 541</b>
<b>Current liabilities</b>			
Payables	7.1	32 274	35 383
<b>Total current liabilities</b>		<b>32 274</b>	<b>35 383</b>
<b>Total liabilities</b>		<b>32 274</b>	<b>35 383</b>
<b>Net assets</b>		<b>88 885</b>	<b>53 158</b>
<b>Equity</b>			
Retained earnings		88 885	53 158
<b>Total equity</b>		<b>88 885</b>	<b>53 158</b>
Contingent liabilities	8.1		

The accompanying notes form part of these financial statements.

Total equity is attributable to the SA Government as owner.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Changes in Equity  
for the year ended 30 June 2020**

---

	Retained earnings	Total equity
	\$	\$
<b>Balance at 30 June 2018</b>	<b>115 872</b>	<b>115 872</b>
Net result for 2018-19	(62 714)	(62 714)
<b>Total comprehensive result for 2018-19</b>	<b>(62 714)</b>	<b>(62 714)</b>
<b>Balance at 30 June 2019</b>	<b>53 158</b>	<b>53 158</b>
Changes in accounting policy on adoption of AASB1058	56 029	56 029
<b>Adjusted balance at 1 July 2019</b>	<b>109 187</b>	<b>109 187</b>
Net result for 2019-20	(20 302)	(20 302)
<b>Total comprehensive result for 2019-20</b>	<b>(20 302)</b>	<b>(20 302)</b>
<b>Balance at 30 June 2020</b>	<b>88 885</b>	<b>88 885</b>

The accompanying notes form part of these financial statements.

All changes in equity are attributable to the SA Government as owner.



**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Cash Flows  
for the year ended 30 June 2020**

---

	2020 Inflows (Outflows) \$	2019 Inflows (Outflows) \$
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Contributions from industry	1 638 312	1 462 565
Interest received	1 097	3 144
<b>Cash generated from operations</b>	<b>1 639 409</b>	<b>1 465 709</b>
<b>Cash outflows</b>		
Transfers to industry	(1 634 679)	(1 479 318)
Refund of contributions	( 418)	(701)
Payments for supplies and services	(13 297)	(13 329)
Auditor's remuneration	(7 100)	(7 000)
<b>Cash used in operations</b>	<b>(1 655 494)</b>	<b>(1 500 348)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(16 085)</b>	<b>(34 639)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(16 085)</b>	<b>(34 639)</b>
Cash and cash equivalents at the beginning of the reporting period	88 423	123 062
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>72 338</b>	<b>88 423</b>

The accompanying notes form part of these financial statements.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**1. About the Grain Industry Research and Development Fund**

The Grain Industry Research and Development Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013* (Regulations), administered by the Minister for Primary Industries and Regional Development and is controlled by the Crown. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

**1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements

For the 2019-20 financial statements the Fund adopted AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 7.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

The Fund is not subject to Income Tax. The Fund is liable for Goods and Services Tax (GST). GST collections and payments are carried out by PIRSA on behalf of the Fund. GST in relation to the Fund is reported in the PIRSA Controlled Financial Statements.

**1.2. Objectives of the Fund**

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2013.

The primary purposes of the Fund are to make:

- payments to the trustees of the South Australian Grains Industry Trust Fund for one or more of the following purposes:
  - (a) reasonable operating and management expenses of the Trust
  - (b) funding research and development into the growing, harvesting, storage, processing and marketing of grain
  - (c) disseminating of technical information to persons associated with the grain industry
  - (d) collecting and disseminating to grain growers information relevant to research and development into grains
- payments for other purposes related to the funding of research and development into grains
- payment of the expenses of administering the Fund
- repayment of contributions to the Fund

**1.3. Impact of COVID-19 pandemic on the Fund**

The COVID-19 pandemic has not had a material impact on the operations of the Fund in 2019-20.



**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020**

---

**2. Income**

**2.1. Contributions from industry**

Contributions payable to the Minister for payment into the Fund are made pursuant to Regulation 5.

Contributions are recognised as an asset and income when the Fund obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is, the amount can be reliably measured and the flow of resources is probable).

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the Fund includes the Minister for Primary Industries and Regional Development who has responsibility for the strategic direction and management of the Fund.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

**Transactions with key management personnel and other related parties**

There were no transactions with key management personnel and other related parties entered into by the Fund.

**4. Expenses**

**4.1. Transfers to industry**

	2020	2019
	\$	\$
South Australian Grains Industry Trust Fund	1 631 360	1 507 061
<b>Total transfers to industry</b>	<b>1 631 360</b>	<b>1 507 061</b>

Regulations provide that the Fund may be applied for a number of specific purposes and that payments from the Fund may be made to the trustees of the South Australian Grain Industry Fund. The amounts transferred enable projects and activities to be delivered by the industry to meet its management plan.

For transfers payable, the payments will be recognised as a liability and expense when the Fund has a present obligation to pay the transfer and the expense recognition criteria are met.

All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

**4.2. Supplies and services**

	2020	2019
	\$	\$
Administrative and operating costs <sup>(1)</sup>	13 307	13 339
<b>Total supplies and services</b>	<b>13 307</b>	<b>13 339</b>

<sup>(1)</sup> Includes fees for administration and preparation of the financial statements.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**5. Financial assets**

**5.1. Cash and cash equivalents**

Cash in the Statement of Financial Position comprises deposits at call with the Department of Treasury and Finance.

**5.2. Receivables**

	2020	2019
	\$	\$
Accrued interest - Department of Treasury and Finance	16	118
Receivables – Contributions from Industry	48 805	-
<b>Total receivables</b>	<b>48 821</b>	<b>118</b>

**6. Liabilities**

**6.1. Payables**

	2020	2019
	\$	\$
Audit fee payable to the Auditor-General's Department	7 300	7 100
South Australian Grains Industry Trust Fund	24 424	27 743
Other payables	550	540
<b>Total payables</b>	<b>32 274</b>	<b>35 383</b>

Goods and services provided and unpaid at the end of the reporting period are recognised as other payables.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Notes to and forming part of the financial statements  
for the year ended 30 June 2020**

---

**7. Changes in accounting policy**

**7.1. AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

AASB 15 *Revenue from Contracts with Customers* requirements are effective for annual reporting periods beginning on or after 1 January 2019.

**Impact on retained earnings**

The Fund does not have any contract with customers to be recognised under AASB 15, therefore there is no impact on retained earnings.

**7.2. AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

By adopting AASB 1058, the Fund recognises contributions as revenue when information becomes available to the Fund regarding contributions due for the prescribed period. The corresponding asset is a statutory receivable under AASB 9.

Previously the fund recognised revenue when contributions were received.

**Impact on retained earnings**

The total impact on the Fund's retained earnings as at 1 July 2019 is as follows:

	\$
<b>Closing retained earnings 30 June 2019</b>	<b>53 158</b>
<b><u>Assets</u></b>	
Receivables – Contributions from Industry	56 029
<b>Opening retained earnings 1 July 2019</b>	<b>109 187</b>

**Accounting policies on transition**

The Fund has adopted AASB 1058 on 1 July 2019. The *Treasurer's Instructions (Accounting Policy Statements)* require certain choices in those transitional provisions to be taken. The Fund has on transition recognised the cumulative effect of initially applying AASB 1058 as an adjustment to the opening balance of retained earnings as at 1 July 2019. As a result, comparative information has not been restated.



**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**7.3. Effects on financial statements from AASB 15 and AASB 1058**

The following tables show the effects of adopting AASB 15 and AASB 1058 on the Fund's financial statements for the year ending 30 June 2020.

**Statement of Comprehensive Income**

For the year ended 30 June 2020

		As reported	Adjustments AASB 15	Adjustments AASB 1058	Balances without adoption of AASB 15 & 1058
	Note	\$	\$	\$	\$
Contributions from Industry	2.1	1 631 088	-	(7 224)	1 638 312
<b>Total income</b>		<b>1 631 088</b>	<b>-</b>	<b>(7 224)</b>	<b>1 638 312</b>

**Statement of Financial Position**

As at 30 June 2020

		As reported	Adjustments AASB 15	Adjustments AASB 1058	Balances without adoption of AASB 15 & 1058
	Note	\$	\$	\$	\$
Receivables – Contributions from Industry	5.2	48 805	-	48 805	-
<b>Total assets</b>		<b>48 805</b>	<b>-</b>	<b>48 805</b>	<b>-</b>

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2020*

---

**8. Outlook**

**8.1. Contingent liabilities**

*Refunds of contributions*

Under Regulation 6(1) a grain grower may, by notice in writing to the Minister, within the 12 months following a financial year in respect of which contributions have been paid on behalf of the grain grower, make a claim for a refund in respect of those contributions.

At the reporting date the possible emergence of valid refund requests within the 12 month period is present. However, as uncertainty exists as to the number of refund requests that will be received, and their timing and amount, these potential obligations cannot be reliably estimated and therefore represent a contingent liability for the Fund.

Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the Fund.

**8.2. COVID-19 pandemic outlook for the Fund**

The COVID-19 pandemic is not expected to have a material impact on the operations of the Fund in 2020-21.

**8.3. Events after the reporting period**

No events have occurred after balance date that would affect the financial statements of the Fund as at 30 June 2020.

**9. Measurement and risk**

**9.1. Financial instruments**

**Liquidity risk**

The Fund's revenue comes from contributions received from industry members at rates prescribed in the Regulations for the Fund. All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

The continued existence of the Fund in its present form, and with its present programs, is dependent on State Government policy and the industry's on-going support for the Fund.