

Grain Industry Research and Development Fund

2018-19 Annual Report

Introduction

The *Primary Industry Funding Schemes Act 1998* was established to provide South Australian primary industries with a legislatively 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 2019, prepared under section 11 of the Act.

Overview

The Grain Industry 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
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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.

Operation of the fund

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

The fund management plan current for the year ended 30 June 2019 was prepared in accordance with section 9 of the Act. The plan was presented at a public meeting held on 3 May 2018 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 2019 have been audited by the Auditor-General's Department. The audited financial statements and audit report are attached.



Scott Ashby
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND REGIONS SA

24 / 1 / 2020

Grain Industry Research and Development Fund

*Primary Industry Funding Schemes
(Grain Industry Research and Development Fund) Regulations 2012*

Management plan 2018-19 to 2022-23



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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.

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 Estimated contribution income to the fund

Financial year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Contribution rate per tonne	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Estimated grain sales (tonnes)	7,300,000	4,000,000	5,800,000	5,800,000	5,800,000	5,800,000
Estimated income	\$2,190,000	\$1,200,000	\$1,740,000	\$1,740,000	\$1,740,000	\$1,740,000

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 which is treated as fund income 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 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.

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:

1. Reasonable operating expenses associated with the approved and funded activities.
2. 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:

1. 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):

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

Fund administration

Process for changing 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 4 is a guide to the expected timing and process.

PIRSA will ordinarily commence the review of the management plan around February each year, posting the draft management plan on the PIRSA website providing an opportunity to the industry for comment.

Table 4 – timeframe for review of management plan

Timing	Activity
February	Initial Comments sought on the Current Management plan, Draft prepared
March	Draft updated Management Plan consulted with industry
April	Draft Management Plan changes finalised, endorsement of the Plan sought from the Minister.
April	Advertising of Public Meeting within the prescribed period
May	Public Meeting held for the release of the Management Plan

Feedback will be considered and the management plan finalised and provided to the Minister.

The updated management plan will be presented at a public meeting in May or June to present the plan with this meeting being advertised and facilitated by PIRSA, and can be attended by all fund contributors. The management plan will then be posted on the PIRSA website <http://www.pir.sa.gov.au> at the time of the public meeting 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 Act section 9(6) allows the Minister as administrator of the fund to cause a revision and update of the management plan at any time. An extraordinary amendment of the management plan will be drafted and consulted similarly to the annual revision and update of the management plan.



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

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 (the fund) for the financial year ended 30 June 2019.

Qualified opinion

In my opinion, except for the possible effects of the 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 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- 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 4.1 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 the contributions received represent the actual tonnage produced and sold.

Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$1 462 565 (\$2 262 554) 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* have been met.

I believe that the audit evidence 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 the 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

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

19 December 2019

**Minister for Primary Industries and Regional
Development**

Grain Industry Research and Development Fund

Financial Statements

For the year ended 30 June 2019

**Minister for Primary Industries and Regional Development – Grain Industry
Research and Development Fund
Certification of Financial Statements
for the year ended 30 June 2019**

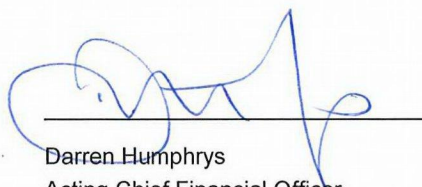
We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund:

- 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 2019 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.



Scott Ashby
Chief Executive
Department of Primary Industries and Regions
For and on behalf of the Minister for Primary
Industries and Regional Development
Per authorisation dated 9 May 2018
18 December 2019



Darren Humphrys
Acting Chief Financial Officer
Department of Primary Industries and Regions
18 December 2019

**Minister for Primary Industries and Regional Development – Grain Industry
Research and Development Fund
Statement of Comprehensive Income
for the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Expenses			
Transfers to industry	3.1	1 507 061	2 614 409
Refund of contributions		701	1 054
Supplies and services	3.2	13 339	12 727
Auditor's remuneration		7 100	7 000
Total expenses		1 528 201	2 635 190
Income			
Contributions from industry	4.1	1 462 565	2 262 554
Interest		2 922	6 199
Total income		1 465 487	2 268 753
Net result		(62 714)	(366 437)
Total comprehensive result		(62 714)	(366 437)

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 2019**

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	5.1	88 423	123 062
Receivables	5.2	118	340
Total current assets		88 541	123 402
Total assets		88 541	123 402
Current liabilities			
Payables	6.1	35 383	7 530
Total current liabilities		35 383	7 530
Total liabilities		35 383	7 530
Net assets		53 158	115 872
Equity			
Retained earnings		53 158	115 872
Total equity		53 158	115 872
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 2019**

	Retained earnings	Total equity
	\$	\$
Balance at 30 June 2017	482 309	482 309
Net result for 2017-18	(366 437)	(366 437)
Total comprehensive result for 2017-18	(366 437)	(366 437)
Balance at 30 June 2018	115 872	115 872
Net result for 2018-19	(62 714)	(62 714)
Total comprehensive result for 2018-19	(62 714)	(62 714)
Balance at 30 June 2019	53 158	53 158

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 2019

	2019 (Outflows) Inflows \$	2018 (Outflows) Inflows \$
Cash flows from operating activities		
Cash outflows		
Transfers to industry	(1 479 318)	(2 664 833)
Refund of contributions	(701)	(1 054)
Payments for supplies and services	(13 329)	(12 717)
Auditor's remuneration	(7 000)	(6 800)
Cash used in operations	(1 500 348)	(2 685 404)
Cash inflows		
Contributions from industry	1 462 565	2 262 554
Interest received	3 144	6 796
Cash generated from operations	1 465 709	2 269 350
Net cash provided by / (used in) operating activities	(34 639)	(416 054)
Net increase / (decrease) in cash and cash equivalents	(34 639)	(416 054)
Cash and cash equivalents at the beginning of the reporting period	123 062	539 116
Cash and cash equivalents at the end of the reporting period	88 423	123 062

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 2019

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**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 2019

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 2018-19 financial statements the Fund adopted AASB9 – Financial Instrument and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. 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

**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 2019**

2. Board, committees and employees

2.1. 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

3. Expenses

3.1. Transfers to industry

	2019	2018
	\$	\$
South Australian Grains Industry Trust Fund	1 507 061	2 614 409
Total transfers to industry	1 507 061	2 614 409

Regulations provide that the Fund may be applied for a number of specific purposes and that payments from the Fund may be made to an industry body established to represent its membership. 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.

3.2. Supplies and services

	2019	2018
	\$	\$
Administrative and operating costs ⁽¹⁾	13 339	12 727
Total supplies and services	13 339	12 727

⁽¹⁾ 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 2019**

4. Income

4.1. 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).

Contributions from industry have been recognised as revenue when received.

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 (DTF).

5.2. Receivables

	2019	2018
	\$	\$
Accrued interest - Department of Treasury and Finance	118	340
Total receivables	118	340

6. Liabilities

6.1. Payables

	2019	2018
	\$	\$
Audit fee payable to the Auditor-General's Department	7 100	7 000
South Australian Grains Industry Trust Fund	27 743	-
Other payables	540	530
Total payables	35 383	7 530

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 2019**

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. There were no changes that impact on these financial statements.

7.2. AASB 9 Financial instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 did not have a material impact on these financial statements.

Receivables that were classified as loans and receivables under AASB139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

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.

**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 2019

8.2. 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 2019.

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.