

APIARY INDUSTRY FUND

2017-18 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 so they can favourably position themselves in the national and international marketplace.

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.

Primary Industries and Regions SA (PIRSA) acts as the Minister's agent for the administration of these funds.

This is the Apiary Industry Fund Annual Report for the year ended 30 June 2018, prepared under section 11 of the Act.

APIARY INDUSTRY FUND OVERVIEW

The Apiary Industry Fund is established by the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016*.

The contribution rate for this fund is outlined in regulation 5 and is \$1.00 per hive and is payable by persons keeping 5 or more hives.

Contributors may seek a refund of their contributions as provided for in regulation 5 (3).

The purposes for which the fund can be applied by the Minister are outlined in regulation 6.

OPERATION OF THE FUND

As the Minister's agent, PIRSA carried out the operations of the Apiary Industry Fund for the year ended 30 June 2018.

The fund management plan current for the year ended 30 June 2018 was prepared in accordance with section 9 of the Act. This plan was formally endorsed by the Apiaries Alliance SA (AASA), a committee comprising of members from South Australia's two peak industry bodies. This plan was made publically available on the PIRSA website and is attached to this report.

The Minister approved funding for one program under regulation 6(a); the implementation of the national Bee Biosecurity Program in South Australia. This program met the requirements of the Act and regulations and was also endorsed by AASA.

No refund requests were received for the year ended 30 June 2018.

In accordance with regulation 6(b), the fund was applied to administration expenses.

The fund accounts for the year ended 30 June 2018 have been audited by the Auditor General's Department. The audited financial statements and independent auditor's report are attached.



Scott Ashby
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND REGIONS SA

5 / 3 / 2019

Apiary Industry Fund

PRIMARY INDUSTRY FUNDING SCHEME (APIARY INDUSTRY
FUND) REGULATIONS 2016

MANAGEMENT PLAN 2017/18 TO 2021/22



Enquiries

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Objective ID: A3222922



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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 so they can favourably position themselves in the national and international marketplace.

Section 4 of the *Primary Industry Funding Schemes Act 1998* allows the Governor to make regulations establishing a fund for a particular sector of primary industry. All existing Regulations under the Act are administered by the Minister for Agriculture, Food and Fisheries.

Primary Industries and Regions SA (PIRSA) acts as the Minister's agent for the administration of these funds.

The Apiary Industry Fund (AIF) is established by the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016*.

Contributors pay the levy at the rate set in the Regulations. Contributors to the AIF are defined in regulation 5 as persons keeping 5 or more hives at the time of registration¹.

Collection agents are the bodies authorised by Regulation to collect levies from contributors and forward them to the Minister to be paid into the fund account. The collection agency for the AIF is Primary Industries and Regions SA.

Contributors may seek a refund of their levy payments. If a refund is paid to a contributor, they are not entitled to receive benefits or services from the fund.

The fund may be applied to make payments for purposes as defined by regulation 6. These purposes ensure that the fund is used for the benefit of contributors to the fund.

This management plan aligns with the Act and the Regulations, which are available at www.legislation.sa.gov.au. The management plan helps the fund contributors to understand how their contributions are to be used for their benefit. Section 9 of the Act describes the requirements of a management plan.

This management plan has been developed in consultation with the apiary industry in accordance with the *Primary Industry Funding Schemes Act 1998*. It covers a five-year period and must be updated annually, but may be updated at any time by the administrator of the fund.

¹ Registration as a beekeeper as defined under section 17 of the *Livestock Act 1997*.

Estimate of Contributions to the Fund

The contribution rate for this fund is outlined in regulation 5 as \$1.00 for each hive kept by the person at the prescribed date.

Industry contribution estimates have been derived from the number of registered hives in SA belonging to persons keeping 5 or more hives at the time of registration.

The estimated contribution income for the coming five financial years is provided in Table 1.

Table 1 Estimated Contribution Income to the Apiary Industry Fund (2017-2018 to 2021-2022)

Financial year	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Contribution rate \$1.00/ hive	\$1.00/ hive	\$1.00/ hive	\$1.00/ hive	\$1.00/ hive	\$1.00/ hive
Estimated No. hives kept by apiarists with ≥ 5 hives	61,600	61,600	61,600	61,600	61,600
Estimated income	\$61,600	\$61,600	\$61,600	\$61,600	\$61,600

Investment of the Fund

Prudential management of the Fund is carried out by Primary Industries and Regions SA (PIRSA) on behalf of the Minister for Agriculture, Food and Fisheries.

Contributions are held 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).

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

Application of the fund

The fund is to be applied according to regulation 6 of the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016*.

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

- (a) the undertaking of programs relating to the apiary industry or apiary products or any other aspect of the apiary industry that the Minister considers will benefit the apiary industry;
- (b) payment of the expenses of administering the Fund;
- (c) repayment of contributions to the Fund under regulation 5.

Applying for funding

Application process

The Minister for Agriculture, Food and Fisheries as the administrator of the Fund, has recognised the Apiaries Alliance SA (AASA) as the industry body to provide advice on the use of the Fund. Applications may be made through the AASA or directly to the Minister.

Application specifications

Applications must:

1. Include a covering letter to the Minister for Agriculture, Food and Fisheries seeking funding and attaching the application
2. Provide the following details for each activity proposed for funding:
 - a. name of the activity
 - b. a brief description of the activity
 - c. reference to the purpose (as defined by Application of Fund, regulation 6 to which the activity aligns
 - d. Budgeted cost

Application assessment and approval

The funding application is approved by the Minister for Agriculture, Food and Fisheries, in consideration of advice provided by the AASA.





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To the Minister for Primary Industries and Regional Development – South Australian Apiary Industry 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 – South Australian Apiary Industry Fund (the fund) for the financial year ended 30 June 2018.

Qualified opinion

In my opinion, except for the 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 – South Australian Apiary Industry Fund as at 30 June 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- 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 Chief Financial Officer, Department of Primary Industries and Regions.

Basis for qualified opinion

As referred to in note 5 to the financial statements, pursuant to regulation 5 of the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016*, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid to the fund based on the number of hives kept. While there are adequate internal controls over contributions actually received, there are no procedures in place to ensure that the contributions received represent all hives kept. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$56 939 (\$56 886) 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 fund'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.

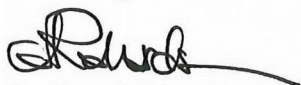
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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
- 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, Department of Primary Industries and Regions 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

5 February 2019

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Certification of Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – South Australian Apiary Industry 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 South Australian Apiary Industry Fund
- present a true and fair view of the financial position of the South Australian Apiary Industry Fund as at 30 June 2018 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 – South Australian Apiary Industry 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
30 January 2019

Jane Burton
Chief Financial Officer
Department of Primary Industries and Regions
30 January 2019

**Minister for Primary Industries and Regional
Development**

South Australian Apiary Industry Fund

Financial Statements

For the year ended 30 June 2018

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Expenses			
Projects	3	20 100	-
Supplies and services	4	4 739	8 104
Auditor's remuneration		5 100	5 000
Total expenses		29 939	13 104
Income			
Contributions from industry	5	56 939	56 886
Interest revenues		3 985	3 443
Total income		60 924	60 329
Net result		30 985	47 225
Total comprehensive result		30 985	47 225

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

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	6	318 821	287 629
Receivables	7	349	446
Total current assets		<u>319 170</u>	<u>288 075</u>
Total assets		<u>319 170</u>	<u>288 075</u>
Current liabilities			
Payables	8	5 630	5 520
Total current liabilities		<u>5 630</u>	<u>5 520</u>
Total liabilities		<u>5 630</u>	<u>5 520</u>
Net assets		<u>313 540</u>	<u>282 555</u>
Equity			
Retained earnings		313 540	282 555
Total equity		<u>313 540</u>	<u>282 555</u>

Total equity is attributable to the SA Government as owner.

Contingent liabilities 9

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained earnings	Total equity
	\$	\$
Balance at 30 June 2016	235 330	235 330
Net result for 2016-17	47 225	47 225
Total comprehensive result for 2016-17	47 225	47 225
Balance at 30 June 2017	282 555	282 555
Net result for 2017-18	30 985	30 985
Total comprehensive result for 2017-18	30 985	30 985
Balance at 30 June 2018	313 540	313 540

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Statement of Cash Flows
for the year ended 30 June 2018

	2018 (Outflows) Inflows \$	2017 (Outflows) Inflows \$
Cash flows from operating activities		
Cash outflows		
Payments for projects	(20 100)	-
Payments for supplies and services	(4 729)	(8 089)
Auditor's remuneration	(5 000)	(4 300)
Cash used in operations	(29 829)	(12 389)
Cash inflows		
Contributions from industry	57 061	56 764
Interest received	3 960	3 444
Cash generated from operations	61 021	60 208
Net cash provided by / (used in) operating activities	31 192	47 819
Net increase / (decrease) in cash and cash equivalents	31 192	47 819
Cash and cash equivalents at the beginning of the reporting period	287 629	239 810
Cash and cash equivalents at the end of the reporting period	318 821	287 629

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The South Australian Apiary Industry Fund (Fund) is established pursuant to the *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016* (Regulations), administered by the Minister for Primary Industries and Regional Development. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

1.2 Statement of compliance

The financial statements of the Fund have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Fund for the period ending 30 June 2018.

1.3 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*.

The financial statements have been prepared based on a 12 month period and are 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest dollar (\$).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within 12 months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund

Notes to and forming part of the financial statements for the year ended 30 June 2018

1 Basis of financial statements (continued)

1.4 Taxation

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 PIRSA controlled financial statements.

2 Objectives of the Fund

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 31 January 2001. These Regulations were revoked on 1 September 2016. New Regulations; *Primary Industry Funding Schemes (Apiary Industry Fund) Regulations 2016* were issued on 1 September 2016 with minimal changes made.

The primary purposes of the Fund are to:

- undertake programs relating to the apiary industry or apiary products or any other aspect of the apiary industry
- pay the expenses of administering the Fund.

3 Projects

	2018	2017
	\$	\$
SA Bee Biosecurity Officer	20 100	-
Total projects	20 100	-

Regulations provide that the Fund may be applied to undertake programs that the Minister considers will benefit the apiary industry.

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

All project funding paid by the Fund has been funding with conditional stipulations attached

4 Supplies and services

	2018	2017
	\$	\$
Administrative and operating costs ⁽¹⁾	4 739	8 104
Total supplies and services	4 739	8 104

⁽¹⁾ Includes fees for administration and preparation of the financial statements.

Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund

Notes to and forming part of the financial statements for the year ended 30 June 2018

5 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).

6 Cash

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

Cash is measured at nominal value.

7 Receivables

	2018	2017
	\$	\$
Accrued interest - Department of Treasury and Finance	349	324
Other trade debtors	-	122
Total receivables	349	446

8 Payables

	2018	2017
	\$	\$
Audit fee payable to the Auditor-General's Department	5 100	5 000
Other payables ⁽¹⁾	530	520
Total payables	5 630	5 520

⁽¹⁾ Includes fees payable to Shared Services SA.

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.

9 Contingent liabilities

Refunds of contributions

Under Regulations 5(3) a person may, by notice in writing to the Minister, within the 12 months following a registration period in respect of which the person has paid contributions, 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 months following the prescribed registration 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 – South Australian Apiary Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2018

10 Related party transactions

The Fund is established pursuant to the Regulations, administered by the Minister for Primary Industries and Regional Development and is a wholly owned and controlled entity of the Crown.

Key management personnel

Key management personnel of the Fund includes the Minister 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 DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

11 Financial risk management/financial instruments

Liquidity / funding 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.

12 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

No events have occurred after balance date that would affect the financial statements of the Fund as at 30 June 2018.