

# ANNUAL REPORT 2020

*Representing Australia's grain growers*



# GPA

Grain Producers Australia

Grain Producers Australia is a not-for-profit company limited by guarantee. It is governed by a Board, elected by its members. The GPA Board is directly accountable to grain producers in the same way a corporate Board is accountable to its shareholders. The charter of the GPA Board is to provide representation for Australia grain producers and to foster a culture of service within GPA.

GPA fulfils its role as a national Representative Organisation (RO) for the grains industry in accordance with the Primary Industries and Energy Research Development Act 1989 (PIRD), with responsibilities under the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs Charges) Act 1999.

GPA is supported by Grain Levy Payers in Australia, direct grower membership, State Farming Organisations and affiliates.

Grain Producers Australia Limited  
ABN: 63 111 059 995

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## CHAIRMAN'S MESSAGE

On behalf of the Board of Grain Producers Australia, I present the 2019-2020 annual report.

Each year when I sit to reflect on the year that has been I often find myself comparing the issues that as an industry we have seen movement on; the issues that have been exacerbated by climate or other things out of the control of grain producers; and, the inevitable changes that occur during political cycles.

As I provide a formal record of 2019-2020, it is important to acknowledge the significant change and adaptation that has happened over the year. The end of 2019 into 2020 saw agriculture and the broader community face widespread devastating bushfires across many parts of NSW and Victoria. Drought continued in many parts of the country, with devastating effects for some grain producers while others only 100km away may have had an average to good season. These things seemed to come one on top of the other, challenging the resilience of farmers and impacting grain producers' ability to supply food and feed to our domestic industries and reducing our ability to export.

However, nothing compares to the world changing impact the covid-19 will have had right across the worlds' economy. By the end of the GPA financial year on 31 March, restaurants, bars and social gatherings had been banned activities for a fortnight; businesses had sent staff home to work; thousands had lost their jobs; schools in many States had shut face-to-face learning for the foreseeable future; and, the population was asked to stay home and isolate themselves from friends and family. Regional areas were not immune from the impact, with the complexity of managing farms, employment and employees while being active in small communities becoming more difficult.

Whilst I believe farming families and businesses have the advantage of experience and mental strategies when coping with isolation and dealing with supply scarcity, seeing the impact of job losses and enforced isolation on our local communities has challenged us all. Agriculture is well placed to be a mainstay of Australia's economic recovery, provided we can present clearly articulated priorities and plans.

The GPA vision for a stronger more collaborative and focused Australian grains industry has been the focus of much of our work during the past twelve months. GPA has maintained its strong position that the grains industry needs to change if it is to thrive into the future. With regulation more than a decade ago, industry did not protect or set up industry good functions to meet industry needs away from vested interests. Since 2012, GPA has pushed for this to be implemented through independent sources. By the end of 2020, Grains Australia will likely be established and ready to take on the functions in classification, trade and market access issues, such as those currently being experienced in the China barley tariff issue.

It is disappointing there is still such resistance from areas of the post farm gate sector to the GPA call for greater transparency, coordination and cooperation across the supply chain. Our current system encourages the success of some areas of our supply chain at the expense of others without focusing on growing the profitability of all participants. The need for clear market signals continues to be a focus for GPA as they are needed to inform plant breeding and research development.

GPA capacity grew over the past twelve months with the employment of a full time Executive Officer. I'd like to congratulate Maddison McNeil on her first year with GPA, she has gotten stuck into leading the team to ensure we are on top of the immense work load and has also been able to update and streamline many of our processes and documents.

Tanya Pittard continues in her role as Policy Manager, Rohan Rainbow as our Pesticides and Data expert, Neil White as Company Secretary and Larissa Mullot as communication and membership liaison. I thank the team for their ongoing support and passion for their industry. I would like to acknowledge and thank Peter Ellis for his work redesigning the GPA brand and website. This was a significant step for GPA and I hope you all agree the updated branding reflects the professionalism of our organisation.

I acknowledge and thank the Board of Directors. They are a supportive and engaged group of grain producers who have recognised the importance of GPA being a strong voice for grain producers across Australia. I thank them for their continuing contribution to our industry.

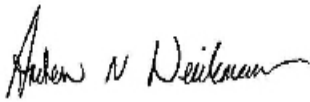
The Board thanks you, the state farming organisations, their members and the direct members of GPA, for their continued support and engagement in the work we do. As the 2020 year progresses, we face considerable challenges and the world is changing week to week. Together we can maintain a focus on the needs of our grain producers, ensuring that Government recognises the steps that need to be taken to allow our industry to support the economy and thrive.



This report continues the GPA tradition of mixing the traditional elements of an Annual Report with an update on the sheer volume of issues our organisation is involved in. This report reflects GPA's commitment to ensuring the grower voice is heard, respected and acknowledged in the decisions government and industry make which affect your businesses.

Your continued support is vital, we are only as strong as our membership and representative structure and we look forward to facing the challenges of the new world we are facing and another busy year ahead.

Yours faithfully



Andrew Weidemann AM

Chairman  
Grain Producers Australia





## EXECUTIVE OFFICER'S REPORT

### Maddison McNeil

My first year as GPA's Executive Officer has been busy - working with the talented GPA team and Board, the State Farming Organisation members and the industry that GPA work with.

I have thoroughly enjoyed my first year and it wouldn't have been possible without the leadership of Andrew, Barry, Tanya and the GPA Board. I would also like to thank the State Farming Organisations - without their commitment, dedication and support, GPA would not be able to do the work we do.

In addition to the large volume of policy advocacy and general issues work required, one of the challenges for the first twelve months in the role was to streamline the many administrative tasks which sit in the background but have a big impact on the operations of GPA.

The rebrand and redesign of GPA communications and website, although basic, updates GPA and increases functionality for the future. Better communication and engagement has been a key task for 2019. Generally improving communications and being a resource to keep on top of the sheer volume of issues impacting our members has been an undertaking.

Coming into GPA, I have been able to proactively engage with our members and industry, travel to attend workshops, biosecurity training and consult with government departments, industry bodies and farmers around Australia. GPA has a reputation for being a voice for growers, led by growers, and I am fortunate to be part of this.



## POLICY MANAGER'S REPORT

### Tanya Pittard

Grain Producers Australia continues to undertake advocacy activities across a broad policy space. During the past twelve months we have prioritised our policy work around five key areas. These priorities were set by the Policy Council in the lead up to the 2019 Federal election with a focus on issues benefiting from a coordinated national perspective and those issues with the greatest potential to have an impact on the profitability or productivity of grain producers.

However, there always has to be flexibility as the best planning possible cannot foresee all situations and sometimes there is no choice but to drop everything and focus on an entirely unprecedented issue. There will also be times when GPA makes the decision not to engage publicly on an issue, these decisions are made collaboratively within the Policy Council, taking on board the views of all members.

It is an absolute delight to have a team to be part of. Maddison coming on board full time as Executive Officer is a true asset to GPA, as is Rohan's pesticides knowledge, Neil's diligence, Larissa's communications flair and Paula's wisdom. We have a supportive and thoughtful Board and a Policy Council made up of professional staff and grain producers who are able to provide considered and articulate feedback on policy issues.

This year marks my 21st year working in agricultural policy, with most of it spent working within the grain industry as an advocate for grain producers. I truly appreciate and value the opportunity to work with a group of grain producers and policy staffers who are extraordinarily decent people as well as engaged, passionate and hardworking grain production experts.



# BIOSECURITY

## Importation of grain

Dry conditions across the eastern states reduced the amount of wheat produced during the 2018-19 season and the importation of wheat became an issue for serious consideration and discussion. The Commonwealth Department of Agriculture received a number of inquiries and requests for permits to import bulk wheat into Australia, with the first permit issued in May 2019 for Canadian wheat.

During discussions on Departmental criteria and protocols, GPA maintained that there needs to be robust consideration for all potential impacts of importing grain into Australia, with specific concerns for ensuring adequate biosecurity controls and preventative mechanisms to protect Australian farmers. While disappointed at the need to import wheat, GPA consider that adequate measures were implemented to protect Australian biosecurity interests and the consultative approach from the Department and Manildra presents a new benchmark for industry.

The situation highlighted two issues of core importance to GPA and its members:

- Biosecurity - GPA and other industry groups were engaged with the Department throughout the permit determination to ensure that the processes and biosecurity protocols implemented for this import were science-based and minimised risk to Australian grain production. GPA considers that the engagement and consultation from the Department has developed the best possible approach that will meet industry expectations.
- Stocks information – GPA felt the lack of transparency, due to a lack of eastern states stocks reporting may have contributed to the need to import grain into Australia. The inability to determine the availability of suitable quality grain contributed to the information deficiency between growers, traders and end users of grain. GPA has maintained the need for greater transparency in the supply chain to assist with market decisions.

As outlined further in this Annual Report, GPA believes a complete review of the Australian grains supply chain is necessary to ensure the most appropriate systems and processes are in place to reduce costs, facilitate efficiencies and support grain producers and supply chain participants for the future of the industry.

## Plant Health Australia

GPA are the grains industry representatives to Plant Health Australia with regards to all biosecurity interests for grains across Australia. GPA are signatories to the Emergency Plant Pest Response Deed (EPPRD). This means that should a declared pest under the legislation enter a post-border detection, the deed enters into cost sharing arrangements with the government and affected industries.

GPA's commitment to biosecurity includes:

- Biosecurity planning and implementation at both a national and on-farm level;
- Liaison with federal and state governments on trade issues associated with biosecurity or phytosanitary concerns;
- Funding and supporting biosecurity initiatives and projects; and
- Participating in national committees and response efforts in an emergency.

Over the past year there has been a number of pest incursions and formal responses under the EPPRD, including fall armyworm, Brown Marmorated Stink Bug, Khapra Beetle, and Red Witch Weed ongoing surveillance and management in Queensland.

Each incursion has been managed according to the procedures laid out in the EPPRD. GPA also participated in a number workshops and preparedness activities. These activities allow real world analysis of processes to be used during potential outbreaks and can quickly identify research requirements and potential weaknesses.

## Imported Flowers and Foliage

Following the 2018 release of the Pest Risk Analysis for the import of cut flowers and foliage, it highlighted the significant threat to broadacre agriculture, particularly the grain sector, biosecurity status and activities. Grain Producers Australia has since been included on the Imported Flowers and Foliage Regulation Working Group (IFFRWG), representing the interests of grain producers to maintain biosecurity. With a number of recent biosecurity incidences and responses linked to imported flowers and foliage, it is essential that Australian maintains strict import protocols to protect agricultural interests.

Grain Producers Australia has supported the Department's actions to impose tougher permit conditions on imported cut flowers and foliage. GPA also advocates for the imposition of permit fees and a biosecurity levy that reflects the biosecurity threat and contributes to future management activities. These levies would be remitted to Plant Health Australia.

Grain Producers Australia will continue to participate in the IFFRWG to ensure the needs and interests of the grains industry is given due consideration when the Department of Agriculture Water and Environment (DAWE) is making decisions with regards the permit conditions for the importation of cut flowers and foliage.

### **Biosecurity levy**

Biosecurity funding via the imposition of compulsory levies is key to the strength of Australia's biosecurity systems. Broadening the funding base by applying a consistent biosecurity levy to all imports is the next step in improving the equity of a risk-based funding model.

Containers have been the vectors by which a number of recent incursions have entered Australia. GPA will continue to lobby for the implementation of the biosecurity levy to protect Australia's biosecurity interests.

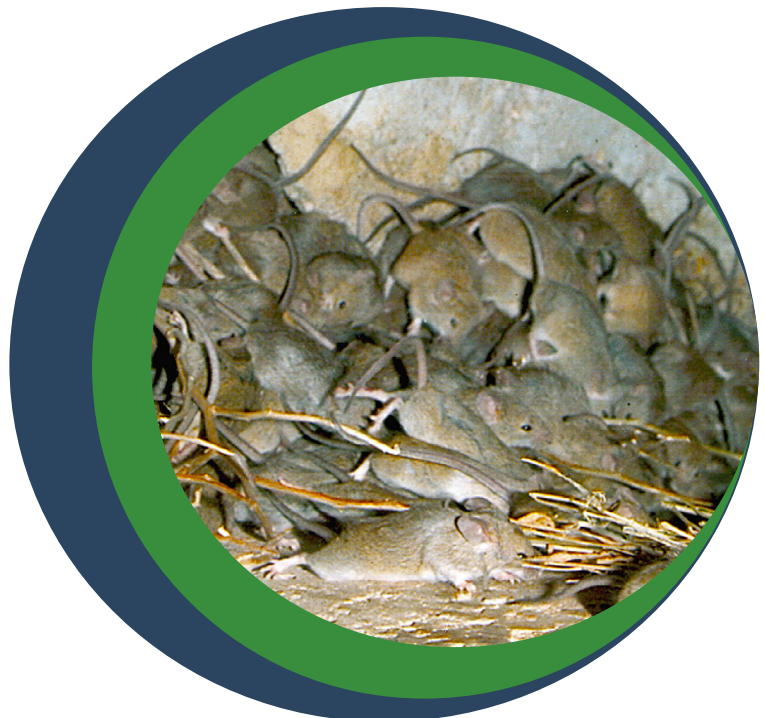
### **National Mouse Group**

Grain Producers Australia supported the establishment of this group (then called the National Mouse Management Working Group) in 2011 in response to the need for awareness and action in the wake of high mouse numbers. The group was brought together to find solutions and options to address the shortage of control options. In recognition of the work undertaken by the group, the role has evolved to be a forum for a national discussion on mouse management in Australia.

GPA maintains our involvement with the NMG to ensure robust consideration of the mouse monitoring observational data. The group also provides a forum for communication between the farming community and CSIRO researchers.

With support from GRDC, through investment in the GRDC Mouse Monitoring project, the group provides advice to the CSIRO Mouse Management project team, with bi-annual discussion on observations, monitoring and ecology research updates and control option considerations.

After each national mouse monitoring an update is published by GRDC online at: <https://grdc.com.au/resources-and-publications/resources/mouse-control>





# COMPETITION POLICY

As part of a grains industry review or market study, evidence will likely be collected that demonstrates issues with competition in parts of Australian grains supply chain and market. The burden of proving anti-competitive behaviour falls on the party with the least power under current arrangements.

GPA believes the only way to ensure that the most appropriate regulation is in place to support a fully functioning, transparent and competitive grains industry is to support the ACCC undertaking a complete review of the grains supply chain.

## Grains Industry Market Study

Grain Producers Australia has been lobbying for a grains industry review. The lack of transparency in market information has hindered the operation of a deregulated market and prevented maximised returns for growers. An ACCC led market study into the grains industry would also have the power to compel evidence from market participants. GPA believes further information needs to be gathered on growers anecdotal insights which will enhance the supply chain profitability and efficiency. The measures identified may include:

- Analysis of transport and storage costs to provide a clear benchmark for the costs imposed on Australian growers and grain supply chain customers.
- Analysis of the current data created and held within the supply chain.
- Analysis of the regulatory protections against anti-competitive behaviour and the methods of addressing the gaps.
- Analysis of the adequacy of regulatory protections for payment security for growers, including growers as secured creditors in the event of trader insolvency.
- Analysis of the role for grain stocks disclosure by port zone and grade, including upcountry and on-farm stock disclosure, and implications for biosecurity incursion management
- Analysis of the current limitations and the potential impact of requiring specified timing for the provision of shipping stem information/reporting, to ensure consistency and transparency.
- Analysis of the current GTA managed Code of Conduct for the Australian grains industry and the options to formalise the code with penalties able to be applied, to provide greater incentive for improved behaviour by operators.
- A review of the current exemptions to the Bulk Wheat Port Code and how to implement the recommendations from previous reviews of the Code.

## Port Terminal Access (Bulk Wheat) Code of Conduct

The Port Terminal Access (Bulk Wheat) Code of Conduct (the Code) remains one of the last pieces of regulation governing operations of the grains industry, implemented following deregulation to manage port operations and protect against anti-competitive behaviour at Australian port terminals.

Recent ACCC reporting on code operations highlighted a range of measures and issues with the Code and wider industry, with the need to retain and strengthen the operations of the Code.

GPA remains active in the review and operations of the Code, responding to the 2018 Department review. GPA supported the recommendations from the review, although there yet to be a response from the Department on implementation.

GPA does not support the granting of exemptions to the Code and considers that the exemptions granted should be reviewed regularly to ensure competition is not adversely impacted by the reduced oversight.

## Grain stocks

GPA maintains that greater transparency throughout the supply chain is needed to allow grain producers and the broader grains industry to take full advantage of our deregulated grains industry.

The GPA position remains that the current situation where stocks information is held by a small number of bulk handlers has been and remains of detriment to the broader grains industry and to grain producers in particular. The investment in on-farm storage and duplicated supply chains would not have been necessary if a truly transparent and competitive supply chain was operating.

With the promotion of the GPA policy position regarding a grains industry market study, GPA is asking for an analysis of the role for grain stocks reporting in a transparent market.

## GENE TECHNOLOGY AND GM

Australian grain producers face many challenging circumstances, climate variability, rising input costs and volatile market situations. They need to be able to choose the crop types best suited to their chosen production system and they need access to a wide range of varieties and options with the cost of regulating the process to develop those varieties commensurate with any risks to human health or the environment.

GPA has strongly supported the need for ongoing investment in this crucial area. One of the key concerns limiting investment in plant breeding technologies deemed gene technology has been the lack of consistency between our Federal regulatory system and the limitations for use of the products developed using gene technology in some states.

GPA maintains support for Australia to have a transparent science-based risk assessment process and regulatory system. It is imperative scientific analysis of risk is the basis of any system used to assess the products of breeding technologies, plant breeding in particular.

### OGTR regulations

GPA has engaged in the numerous reviews by the Office of the Gene Technology Regulator (OGTR) of the National Gene Technology Scheme (the Scheme), supporting the need for a regulatory regime that protects human health and the environment. The risk assessment framework established within the Scheme is appropriate and ensures an effective scheme that provides a clear framework for the assessment and regulation within the evidence-based risk framework.

The key to ensuring the framework underpinning the Scheme is fit for purpose and maintaining its capacity to meet modern requirements is to clearly define the focus of the regulation. GPA supports a focus on assessing the health and safety of the products. Another key issue is maintaining clear communication with those who are going to utilise the products.

In the case of the grains industry, clear communication and understanding of the grains industry's encourages transparency during commercialisation. It also helps ensure the appropriate on-farm and supply chain practices are in place to support broad adoption of the products of technology in a positive way.

During 2019 another review of the Scheme was undertaken to look at definitions included within the scheme. GPA believes it is important to understand whether community confidence in the Scheme is being undermined by the ongoing review cycle and the slow implementation of recommendations from each review cycle.

### Adoption of new plant breeding technologies

During 2019, the Australian Parliament debated a series of amendments to the Gene Technology Amendment (2019 Measures No. 1) Regulations 2019 instrument ("the Amendments"), tabled in Parliament in April 2019.

The amendments for the most part proposed minor changes, which will streamline the regulation of gene technology in Australia. One of the amendments was the decision not to regulate gene editing where no new genes are inserted, what they call SDN-1 (or site-directed nuclease) techniques. Gene editing will not be regulated if it is only used to cut DNA in a specific place and the cell's natural DNA repair process is allowed to operate, without further intervention.

Grain Producers Australia supported the decision on exclusion of products developed using SDN-1 techniques. The outcome of SDN-1 breeding as being indistinguishable from conventionally bred varieties, is consistent with previous regulatory decisions of breeding techniques and technologies.

This is a similar decision to that made more than two decades ago to exclude the products of mutagenesis such as many of the herbicide tolerant canola varieties that are still successfully grown across Australia and considered non-GM for segregation and marketing purposes.

### State and federal regulations update on SA

GPA has strongly supported Grain Producers SA in their work to remove the moratorium on the cultivation of GM crops on mainland South Australia (SA).

GPA supported the recommendations from the independent review report and supports the removal of the South Australian moratorium on the cultivation of GM crops. We believe clear evidence has been provided by the many investigations into the adoption of GM crops to support the achievability of coexistence and the lack of substantive premium or market access advantage from continuing the moratorium.



GPA strongly supports the right for grain producers across SA and grains industry members who have the most pressing need to have the freedom to make decisions about the most appropriate farming options for their businesses.

GPA acknowledged and thanked PIRSA for recognising and clearly articulating, within their report, the financial loss grain producers in SA have suffered from the moratorium and would continue to suffer if the moratorium continues. At a time when grain producers face considerable barriers to increasing productivity and profitability, GPA believe maintaining the moratorium would hinder productivity.

**Please note:** On 15 May 2020 the SA Government passed a Bill to amend their GM moratorium on the commercial growing of GM crops across South Australia. While local councils can apply to the Minister for Primary Industries to be designated as a GM-free area, producers in all areas of mainland SA not designated as GM free will from 2021 have the freedom to choose to grow the crops that best fit their chosen production system. The moratorium will remain in place on Kangaroo Island indefinitely. Transport and consumption of GM material will not be affected by a GM-free designation. Congratulations to Grain Producers SA for their consistent hard work to open SA for GM crops.



## RESEARCH AND DEVELOPMENT

GPA remains committed to our role as a Representative Organisation (RO) of GRDC, working with GrainGrowers Ltd as joint RO's.

GRDC formally reports to growers through GPA, with the areas covered in consultations including:

- GRDC is delivering research, development and extension (RDE) that is meeting industry priorities;
- The 5 R&D plans and Annual Operation Plans meet industry expectations and delivery against priorities;
- Projected revenue and expenditure that is appropriate;
- That the research levy rate is appropriate and provide advice on the levy to the Minister on any changes.

### RDC reforms and reviews

During 2019 the Australian Government announced another review of Australia's Research and Development Corporation (RDC) system. The 2019 review was initiated by Minister Bridget Mackenzie with a focus on modernising Australia's RDC system. GPA was concerned about the implications made in the discussion paper developed for this review. In particular, the implications for modernising the RDC by consolidation of RDCs.

Some excerpts of the GPA submission:

*"With regards to the Grains Research and Development Corporation (GRDC) the GPA supports the existing system, while acknowledging there is always room for improvement. The majority of funding for the GRDC comes from grain grower levy payers and GPA looks forward to the improved accountability to levy payers, which should come about once the levy payer database gains traction.*

*GPA believes the Government already has access to the findings of the many reviews and reports, which over the years have provided economic analysis to demonstrate the value of the Australian RDC system. We are not going to reiterate those findings within this submission. The case has already been proven."*

*"Australian grain producers require a GRDC that can be agile and highly commercial. Producers have high expectations of GRDC's capability to efficiently and effectively work with the private sector to deliver improved research, development and extension outcomes. Despite the requirements, the GRDC currently faces restrictions in use of its financial reserves, labour market arrangements, ability to undertake research and to directly invest in commercial subsidiaries. These restrictions impact the efficiency and effectiveness of the GRDC and reduce the value grain producers get from their substantial levy contributions."*

*"There is a need for the levy payers to be given greater recognition. It has become apparent some within the Department view levy payments as simply another tax revenue source. They then contend that all funding to RDCs should be considered as provided by the Government. This argument is used to diminish the importance of recognising producer levy payers within the PIERD Act, the statutory funding agreements and ultimately within the structures of the RDCs. This causes friction with producer levy payers and puts RDCs in an untenable position.*

*GPA believes consistent requirements for communications with and accountability to levy payers across all RDCs would also be of benefit. Particularly considering many farmers produce a range of commodities, which mean they pay a wide range of levies. There needs to be a greater focus from all the RDCs on the needs of levy payers. There needs to be consistent requirements for broad consultation and engagement during strategic planning processes.*

*Reduced bureaucratic interference in the strategic planning and reporting processes would also allow improvements to the culture within RDCs. RDC strategic plans should never be based upon the bureaucratic buzz words of the moment, nor should they be subject to the political whims of the Minister of the day."*

With the change of Agriculture Minister to Hon. David Littleproud, it appears the focus on RDCs will be prioritised based on the 2019 Ernst and Young review of a shared vision for agricultural innovation and streamlining agricultural levies legislation. GPA will continue to participate in these processes to ensure a fair and appropriate outcome for grains levy payers.





## Industry Good Company and Grains Australia

At the time of going to print, the Industry Good Company, now referred to as Grains Australia, has been recruiting for the inaugural directors, working on committee parameters and functions, with the aim for establishment in 2020. The process has been delayed slightly with covid-19 restrictions, however overall Grains Australia is expected to be functional within 2020.

The Australian grains industry has agreed to establish a new company, known as Grains Australia Ltd (GA), to be responsible for the delivery of certain grains industry good services and functions on behalf of the entire Australian grains supply chain. The establishment of GA has been driven by the desire for the Australian grains industry to consolidate a number of important industry good functions and add value to the Australian grains industry.

The core functions of Grains Australia will be:

- To establish and maintain a grain variety classification system.
- To provide services that maintain and improve trade and market access.
- To develop long-term market and consumer analysis and product awareness to support longer-term demand and value creation.
- To ensure technical support and training is available for customers of, and participants in, the Australian grains industry.

### *Why does the industry need grain variety classification?*

Classification helps the market put a value on grain and assists in matching grain attributes with end-user needs. The grains industry has a wheat (managed by Wheat Quality Australia), barley (managed by Barley Australia) and oat (managed by GIWA) classification system and there could be opportunities for differentiation to add value in other crops. The intent of Grains Australia is to consolidate, manage and enhance the classification systems in Australia to add value to the Australian grains industry.

### *Why does the industry need a trade and market access function?*

There are a range of important activities currently carried out by the grains industry that improve the market opportunities for Australian grain. These include communication about changing market conditions, working with government to improve the industry's access to markets and having input into the wider trade policy agenda.

Grains Australia's role will be to maintain and enhance these activities on behalf of the Australian grains industry.

### *How will market and consumer analysis create value for the broader grains industry?*

To develop long term market opportunities for Australian grain requires deep understanding of domestic and international consumer preferences, food and beverage consumption trends and the quality and functionality of more than 25 grain crops. This understanding will ultimately mean growers and the wider industry are growing and marketing a product that customers want to buy.

### *What consultation about an industry good company has occurred with industry to date?*

The Australian Grains Industry Discussion Group, including grower representative organisations (GPA & Grain Growers) and trade representative bodies (GTA, Pulse Australia, AOF, AGEA) have been negotiating the establishment of an industry good company (IGC) since 2017. More recently Barley Australia was also included in the discussions. However, the parties were unable to reach a common agreement and as such it was decided that GRDC should take a lead role, in consultation with GPA, GGL and GTA (in the first instance), to determine an appropriate model for the IGC and in turn establish the IGC. GRDC subsequently established a steering committee to lead the establishment of the IGC with representatives from GRDC, GPA, GGL and GTA (IGC Steering Committee).

In providing GRDC a mandate to facilitate negotiations, industry has set the following criteria:

- The IGC must encompass classification, market access and communications as well as market information and education activities to underpin these functions.
- The IGC must foster whole of industry collaboration critical to driving opportunities that can provide broad benefits and support future prosperity.
- GRDC remains a facilitator – any model for the establishment and running of an IGC will still require industry support prior to implementation.

## **Agricultural Field Machine Autonomy Code of Practice**

GPA is leading the development of a 'Code of Practice for Agricultural Field Machine Autonomy' (COP). This will be the first COP in the world for use of mobile autonomous agricultural equipment. The COP is being developed in partnership with the Tractor and Machinery Association of Australia (including John Deere, CNH, AGCO and Kubota) and Society of Precision Agriculture Australia.

This code of practice will assist those involved with autonomous agricultural field equipment to meet their legislative obligations for work health and safety under the Safe Work Australia Model Work Health and Safety (WHS) laws. The COP is being designed to provide guidance on developing and evaluating safe work procedures for use of mobile partially automated, semi-autonomous and autonomous mobile field equipment including scouting vehicles, tractors, sprayers, haymaking and harvesting equipment.

It is expected that the Code of Practice will be delivered in the second half of 2020 for presentation to government and wider industry stakeholders.

## **Grains Industry Sustainability Framework**

Throughout the past twelve months GPA has been an integral member of the Steering Group for the development of a grain industry sustainability framework. The goal of GPAs involvement and support for the project has been to ensure the framework is based on celebrating the achievements of grain producers. In setting goals to establish the sustainability credentials of the Australian grains industry In setting goals to establish the sustainability credentials of the grains industry, it is also important to acknowledge the progress to date, including the adoption of minimum tillage, stubble retention and controlled traffic technology.

# **PESTICIDES AND TECHNOLOGY**

## **APVMA chemical use surveys and reviews**

GPA continues to support pesticide stewardship, which includes engagement with the Australian Pesticides and Veterinary Medicines Authority (APVMA) to ensure growers continue to have appropriate access to pesticide technologies.

GPA has made submission on behalf of grain producers to a number of APVMA chemical reviews including 2,4-D, neonicotinoid insecticides and chlorpyrifos. GPA in collaboration with Grain Growers Limited, Grain Trade Australia, Plant Health Australia and the GRDC also coordinated a grains industry response to a survey of pesticide critical uses including 2,4-D, chlorpyrifos, diazinon, diquat, fenitrothion, fipronil, malathion, methidathion, neomycin, paraquat and procymidone

GPA has responded to eight Trade Advise Notices plus the following APVMA reviews:

- Response to supplemental comments on the APVMA's approach to spray drift management – Stage 1 - 8 March 2019
- Response to APVMA call for public comment on Chlorpyrifos Proposed Regulatory Decision and survey of pesticide critical uses - 22 September 2019
- Response to APVMA Cost Recovery Implementation Statement – 2 December 2019
- Response to APVMA call for public comment on Proposed 2,4-D chemical review regulatory decisions - 31 January 2020
- Response to APVMA call for public comment on Reconsideration of Neonicotinoid Approvals and Registrations - 3 February 2020
- GPA response to the call for public comment on the APVMA Stakeholder Engagement Framework - 21 February 2020

## **AgVet policy reform**

Since GPA became active in 2014 making submissions to the Australian Government on Agricultural & Veterinary Chemicals Legislation Amendments, over 70 per cent of key GPA proposals have been delivered through either legislation or regulation changes or partially delivered through Department or APVMA programs.

The most recent GPA submission to the Senate Rural and Regional Affairs and Transport Legislation Committee review – Agricultural and Veterinary Chemicals Legislation Amendment (Australian Pesticides and Veterinary Medicines Authority Board and Other Improvements) Bill 2019, regarding Agvet chemicals regulatory reform, again proposed the outcomes for community and industry that need to be achieved through policy and legislative reform that include:



- Increased national and foreign investment in Australia;
- Increased agricultural profitability and sustainability;
- Increased delivery of a diverse range of foods to a multicultural community;
- Increase productivity and scale of industries contributing to GDP and balance of trade; and,
- Improving safety to community, environment and trade.

Potential options for addressing increased investment in Australia have been identified by GPA which include:

- Improved prioritisation;
- New incentives for investment;
- Co-investment partnerships;
- Increased clarity on benefits and return on investment;
- Regulation co-equivalence opportunity;
- Clarity of roles for commercial companies, RDCs and regulators; and,
- Regulation reforms.

The most recent reforms detailed in the AgVet Chemicals Legislation Amendment (APVMA Board and Other Improvements) Bill 2019 only address a small number of the issues GPA has identified, or in some cases has addressed new issues created through previous rounds of poor legislative reforms. There is clearly a need for major legislative reform to deliver technology access outcomes for Australian grain growers and ensuring the industry is internationally competitive. GPA will continue to be actively engaged on these issues.



## **AgVet investment and technology access**

GPA has been engaged for many years in cross industry discussion in relation to increasing market failure of commercial investment in agricultural pesticides and veterinary medicines (AgVet) in Australia. As detailed in nine formal submissions to the Australian Government by GPA since 2014, it is recognised that Australia is no longer on the global priority list for pesticide and veterinary medicine investment in commercialisation as it was 20 years ago. It is essential that unnecessary legislation, reviews and red tape does not further erode Australian AgVet investment and resulting productivity through reduced technology access for producers.

The required focus of change AgVet chemicals in Australia is trade access, investment and confidence:

- Australian producers require a level playing field for global trade and market access, including international acceptance of chemical residue limits.
- Investment to deliver access to pesticide products that are safer and more environmentally friendly to remain globally competitive.
- Maintain community and market confidence in an Australian independent trusted regulator.

GPA has engaged regularly with the Minister for Agriculture's office, plus executive staff of the Department of Agriculture, Water and the Environment on industry challenges with Agvet technology access and potential options for improving investment to benefit Australian growers. GPA has also actively participated on an industry consultative committee engaging with an Independent Panel conducting a first principles review of the AgVet chemical regulatory framework.

## **Spray drift management**

Grain Producers Australia has also continued to actively engage with the APVMA on the issue of spray drift management and the on-going spray drift review through the cross-industry National Working Party for Pesticide Applications (NWPPA). GPA continues to support an 'advisory' rather than the proposed 'mandatory' approach to downwind buffer zones until the APVMA implements supporting label reference to spray drift management tools (SDMT) as proposed in Stage 2 of the APVMA spray drift review recommendations. This is an initial step of a GPA push for a 21st Century approach on access to digital labels for improving pesticide use.

## **Cross-industry Pesticide Taskforce**

Grain Producers Australia established a new Pesticides and Technology sub-committee in 2018 to manage the increasing challenges of chemical and technology access for the Grains industry. GPA in consultation with other industry representative organisations has also initiated a cross-industry Pesticide Access Taskforce to work collaboratively on pesticide access, use and market confidence. The aim of the taskforce is to ensure efficiencies in how resources are used, identify areas of priority and work collaboratively to ensure market access for Australian farmers to a number of our markets.

## **National Residue Survey (NRS)**

Grain Producers Australia works with the NRS program to ensure relevance and adequate funding, and that the program is meeting the expectations of growers, traders and our markets. GPA provides advice and annual confirmation to the NRS on the sampling regime and list of chemicals included. The NRS survey in addition to supporting trade and market access also supports the grains industry having continued access to chemicals under regulatory review through supporting data on use and residues.

## **Industry pesticide permits and trade support**

Grain Producers Australia has continued to support the Australian grains industry as the current permit holder for the use of pre-harvest applications of Glyphosate on barley for the last four years expiring on 30 April 2020. GPA has continued to support producer access and research priorities as identified by the feed and malt barley sector. GPA with the support of GRDC has continued to work closely with key glyphosate registrants and participants in the supply chain, through the National Working Party for Grain Protection through agreed trial protocols to develop a label registration. GPA has been working closely with a number of chemical registrants and industry participants to obtain a label registration for the 2020 season. GPA will continue to support producers through holding a number of key APVMA emergency and minor use permits on behalf of the the Australian grains industry.

Grain Producers Australia has worked closely with the Grain Industry Market Access Forum (GIMAF) on trade issues related to the proposed phase out of key chemical maximum residue limits (MRLs) such as glyphosate in Vietnam; glyphosate, chlorpyrifos and paraquat in Thailand; plus glyphosate and paraquat (used on lupins) in the EU. GPA engagement in Australian Government trade discussions was also instrumental in achieving acceptance for the use of grain phosphine treatment for exports to India.





# FINANCIAL STATEMENTS

For the Year Ended 31 March 2020

ABN: 63 111 059 995



# GPA

Grain Producers Australia

# DIRECTORS' REPORT

For the year ended 31 March 2020

Your directors present their report on the company, for the financial year ended 31 March 2020.

## Directors

The names of each person who has been a director during the year and to the date of this report are:

<b>Andrew Noel Weidemann</b>	Southern Region Elected Director & Chairman
Qualifications	B.A. Dip Ag Sc Research and Development Spokesman
Appointed	25/09/2009
<b>Barry Large</b>	Western Region Elected Director
Qualifications	Quarantine and Biosecurity Spokesman
Appointed	27/08/2010
<b>Luke Arbuckle</b>	Northern Region Elected Director
Qualifications	B. Agr Sc
Appointed	09/01/2013
<b>Andrew Earle</b>	Northern Region Elected Director
Qualifications	Dip. Farm Mgt
Appointed	09/01/2013
<b>Stephen David Ball</b>	Southern Region Elected Director
Qualifications	B App. Sc. Ag
Appointed	07/02/2016
<b>Peter Bridgeman</b>	Board Appointed Skills Director
Qualifications	B.A. (Hon), LLB (Hons), FIML, Barrister-at-Law - Law, Public Policy
Appointed	07/09/2010
<b>Mitchell Harry Hooke AM</b>	Board Appointed Skills Director
Qualifications	B.Rur.Sc. (UNE), MAIA, MAICD - Public Policy development and advocacy, business in agri-food and resources sector, and corporate governance
Appointed	28/07/2015
<b>Gerard Paganoni</b>	Western Region Elected Director
Qualifications	BSc in Env. Mgt. and Sust.
Appointed	21/07/2019
<b>Neil White</b>	Company Secretary
Qualifications	Dip. App. Sci. (Agriculture)
Appointed	09/01/2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Mr. Raymond Marshall retired from his position as Director on 21 July 2019.



# DIRECTORS' REPORT

For the year ended 31 March 2020

## Principal activities

The principal activities of Grains Producers Australia Limited during the financial year were to:

- Represent Australia's broadacre, grain, pulse and oilseed producers at the national level.
- Represent Australia's broadacre grain, pulse and oilseed producers in our role as an appointed Representative Organisation to GRDC.
- Represent Australia's broadacre grain, pulse and oilseed producers in our role as grains signatory to the Emergency Plant Pest Response Deed (EPPRD) and as the grains member of Plant Health Australia (PHA).
- Foster a strong, innovative, profitable, globally competitive and environmentally sustainable grains industry in Australia.
- Be a strong independent national advocate for grain producers based on a rigorous and transparent policy development process.
- Engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- Facilitate a strategic approach to Research, Development and Extension intended to deliver sound commercial outcomes from industry research.
- Foster an industry leading policy council which is supported by the State Farm Organisation (SFO) members including: VFF Grains Group, NSW Farmers Association, Agforce Grains, Grain Producers SA, TFGA, WAFF, WAGG along with 3 elected growers from the North, South & Western regions of Australia.
- Support the comprehensive national representation across the Australian production sector.
- Work with stakeholders to develop policies and positions on chemical regulations reform, pesticide application technologies, wheat export marketing arrangements skills and training in agriculture and research and development in chemical residues.
- Make written submissions and presentations to Senate and the House of Representative committees on wheat export marketing arrangements and skills and training in agriculture.
- Be involved in the National Working Party on Pesticide Application, Grains Industry Market Access Forum, Industry Working Group for the Code of Conduct for Port Access and the National Mouse Management Working Party.

There were no significant changes in the nature of the Company's activity occurred during the financial year.

## Short term objectives

The Company's short and long term objectives are to:

- Foster and initiate the development and implementation of policies that promote the economic and environmental sustainability of the Australian grains industry;
- Develop strategies that address key commercial issues and impediments to the profitable commercial operation of the grains industry to enhance the efficiency, effectiveness, viability and comparative advantage of Australia's grains industry;
- Represent and promote Australia's grain growers, the policies of the Company and the interest of Australia's grain industry nationally and internationally; and
- Make representations to, and work with, governments in accordance with the roles and responsibilities of the Company under the Primary Industries and Energy Research Development Act 1989 (PIERD), the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs Charges) Act 1999 and grains industry signatory to the Emergency Plan Pest Response Deed through Plant Health Australia.

# DIRECTORS' REPORT

For the year ended 31 March 2020

## Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Developing and promulgating policies developed through engagement with grains industry stakeholders;
- Facilitating processes that identify issues and shape strategies to represent the production sector of the Australian grains industry; and
- Representing the production sector formally through participation in key forums and through submissions to government and industry inquiries.

## How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Ensuring transparency and accountability to the grains industry;
- Providing effective representation to national government representatives and politicians;
- Raising the awareness of the issues facing grain producers; and
- Facilitating action on key issues facing the grains industry.

## Performance measures

The following measures are used within the Company to monitor performance:

- Assessing the transparency of policy development;
- Physical presence representing the views of grains industry stakeholders;
- Ensuring revenue derived is effectively being directed towards increasing the profitable commercial and comparative operation of the grains industry; and
- Assessing the impact of all these activities through policy of position change around key areas of activity.

## Members guarantee

Grains Producers Australia Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member is limited to \$2, subject to the provisions of the company's constitution.

Membership numbers as at the conclusion of the year comprises Direct Members and State Affiliate members representing 4,528 members.





# DIRECTORS' REPORT

For the year ended 31 March 2020

## Meetings of Directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendance by each director during the year were as follows:

	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew Weidemann	6	6	-	-	-	-
Barry Large	6	4	-	-	-	-
Luke Arbuckle	6	3	1	-	-	-
Andrew Earle	6	5	1	1	-	-
Mitchell Hooke	6	4	1	1	-	-
Peter Bridgeman	6	5	1	1	-	-
Neil White	6	5	1	1	-	-
Ray Marshall	1	1	1	1	-	-
Steve Ball	6	6	-	-	-	-
Gerard Paganoni	5	4	-	-	-	-

## Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 March 2020 has been received and can be found on page 22 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:   
Andrew Weidemann

Director:   
Barry Large

Dated: 31 May, 2020





**H D C HERRIES DAVIDSON & CO**

CHARTERED ACCOUNTANTS

PARTNERS

GRAEME WILLIAMS B BUS (ACCOUNTING) CA  
SHAWN QUINTON B BUS (ACCOUNTING) CA

## Accountants Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Grains Producers Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2020, there have been:

- (i) No contraventions of the accountants independence requirements as set out in the *Corporations Act 2001* in relation to the review of the financial reports; and
- (ii) No contraventions of any applicable code of professional conduct in relations to the review.

Herries Davidson & Co

A handwritten signature in black ink that reads "Shawn Quinton". The signature is written in a cursive, flowing style.

Shawn Quinton  
Partner



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Affiliate fees		220,250	223,150
Consultations	2	104,793	56,000
Other revenues	2	80,498	13,674
Directors fees in lieu		51,240	45,631
<b>Expenses</b>			
Administration expenses		(109,249)	(69,555)
Audit fees		(4,800)	(5,500)
Bad debts		-	(500)
Consultants		(115,836)	(81,434)
Reimbursements paid to Directors		(86,177)	(79,189)
Employment expenses		(95,247)	(8,433)
Insurance		(553)	(663)
Provision adjustments		-	(26,639)
Quality Leadership Project		(199,120)	-
Telephone		(250)	(227)
Travel & Accommodation		(58,819)	(67,332)
<b>Profit / (Loss) for the year</b>		<u>(213,270)</u>	<u>(1,017)</u>
<b>Total Profit / (Loss) for the year</b>		<u><u>(213,270)</u></u>	<u><u>(1,017)</u></u>

# STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Bank balances	3	610,665	768,266
Trade and other receivables	4	119,267	141,900
Other assets	6	437	2,086
<b>TOTAL CURRENT ASSETS</b>		<b>730,369</b>	<b>912,252</b>
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>730,369</b>	<b>912,252</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	7	95,657	63,374
<b>TOTAL CURRENT LIABILITIES</b>		<b>95,657</b>	<b>63,374</b>
<b>TOTAL LIABILITIES</b>		<b>95,657</b>	<b>63,374</b>
<b>NET ASSETS</b>		<b>634,712</b>	<b>848,878</b>
<b>EQUITY</b>			
Retained earnings		634,712	848,878
<b>TOTAL EQUITY</b>		<b>634,712</b>	<b>848,878</b>

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

2020	Retained Earnings \$	Total \$
<b>Balance at 1 April 2019</b>	848,878	848,878
Adjustment to prior year	(896)	(896)
Profit / (Loss) attributable to members	(213,270)	(213,270)
<b>Balance at 31 March 2020</b>	<b>634,712</b>	<b>634,712</b>

2019	Retained Earnings \$	Total \$
<b>Balance at 1 April 2018</b>	849,895	849,895
Profit / (Loss) attributable to members	(1,017)	(1,017)
<b>Balance at 31 March 2019</b>	<b>848,878</b>	<b>848,878</b>





# STATEMENT OF CASH FLOWS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		392,293	279,692
Payments to suppliers and employees		(563,142)	(215,227)
Net cash provided by (used in) operating activities	11	(170,849)	64,465
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest		13,248	13,133
		13,248	13,133
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (decrease) in cash and cash equivalents held		(157,601)	77,598
Cash and cash equivalents at beginning of year		768,266	690,668
Cash and cash equivalents at end of financial year	3	610,665	768,266

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

The financial statements cover Grains Producers Australia Limited as an individual entity, incorporated and domiciled in Australia. Grains Producers Australia Limited is a company limited by guarantee.

### 1. Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the

financial statements have been rounded to the nearest dollar. The financial statements were authorised for issue on 31 May 2020 by the directors of the company.

#### (b) Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (c) Revenue and other income

Donations and bequests are recognised as revenue when received. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of Goods and Services Tax (GST).

#### Interest revenue

Interest is recognised using the effective interest method.

#### (d) Goods and Services Tax (GST)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## (e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

### Depreciation

The depreciation rates used for each class of depreciable assets are:

#### Fixed assets class

Furniture, Fixtures and Fittings	33%
----------------------------------	-----

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## (f) Financial Instruments

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees,

transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

#### (i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

#### (iv) Available-for-sale financial investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

## *(v) Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## **Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a 'loss event'), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired.

The difference between the carrying amount of

the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

## **(g) Impairment of non-financial assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

## **(h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **(i) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## **(j) Critical accounting estimates and judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

## **(k) Economic dependence**

Grains Producers Australia Limited is dependent on the support of annual member subscriptions and sponsorship from other organisations for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the support of members and sponsorship will not continue.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

## 2. Revenue and Other Income

	2020	2019
	\$	\$
<b>Revenue</b>		
- Affiliate Fees	220,250	223,150
- Government Grant (Maintaining quality leadership in the Australian grains industry)	67,250	-
- Consultations	104,793	56,000
- Directors fees in lieu offsetting fees below	51,240	45,631
- Fees	-	511
- Other Income	-	30
- Interest	13,248	13,133
	<u>456,781</u>	<u>338,455</u>

## 3. Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	610,665	768,266
	<u>610,665</u>	<u>768,266</u>

## 4. Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT	119,267	141,900
Trade receivables	-	-
Provision for impairment	<u>119,267</u>	<u>141,900</u>

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2020	2019
	\$	\$
Balance at beginning of the year	-	-
Additional impairment loss recognised	-	-
<b>Balance at end of the year</b>	<u>-</u>	<u>-</u>





# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

## 5. Property, plant and equipment

	2020	2019
	\$	\$
Furniture, fixtures and fittings		
At Cost	3,291	3,291
Accumulated Depreciation	(3,291)	(3,291)
Total furniture, fixtures and fittings	-	-

### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Total
		\$
<b>Year ended 31 March 2020</b>		
Balance at the beginning of year	-	-
Depreciation expense	-	-
<b>Balance at the end of the year</b>	-	-

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Total
		\$
<b>Year ended 31 March 2020</b>		
Balance at the beginning of year	-	-
Depreciation expense	-	-
	-	-

## 6. Other assets

	2020	2019
	\$	\$
Prepayments	437	2,086
	437	2,086

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

## 7. Trade and other payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	62,165	35,512
Accruals	5,500	6,050
Net GST payable	15,920	19,399
PAYG payable	8,435	1,378
Superannuation payable	-	572
Annual leave provision	3,637	463
	<u>95,657</u>	<u>63,374</u>

## 8. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2020	2019
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	610,665	768,266
Trade and other receivables	119,267	141,900
<b>Total Financial Assets</b>	<u>729,932</u>	<u>910,166</u>
<b>Financial Liabilities</b>		
Trade and other payables	95,657	63,374
<b>Total Financial Liabilities</b>	<u>95,657</u>	<u>63,374</u>

## 9. Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding's and obligations of the Company.

Membership numbers as at the conclusion of the year, 31 March 2020 comprise Direct Members and State Affiliate members representing 4,528 members.

## 10. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2020 (31 March 2019: None).



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

The accompanying notes form part of these financial statements

## 11. Cash flow information

### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	\$	\$
Profit/(loss) for the year	(213,270)	(1,017)
Cash flows excluded from profit		
Attributed to investing activities	(13,248)	(13,133)
Non-cash flows in profit:		
- Prior year change to profit	(896)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	22,633	70,565
- (increase)/decrease in prepayments	1,649	2,202
- Increase/(decrease) in trade and other payables	32,283	5,848
Cashflow from operations	(170,849)	64,465

## 12. Events occurring after the Reporting Date

The financial report was authorised for issue on 31 May 2020 by the Board of Directors.

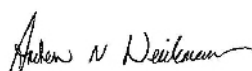
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 23 to 31, are in accordance with the Corporations Act 2001 and:
  - a. Comply with Accounting standards – Reduced Disclosure Requirements; and
  - b. Give a true and fair view of the financial position as at 31 March 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.



Andrew Weidemann  
Director



Barry Large  
Director

Dated: 24 July 2020

## **Independent Assurance Practitioner's Review Report to the members of Grains Producers Australia Limited**

### *Report on the Financial Statements*

We have reviewed the accompanying financial report, being a special purpose financial report of Grains Producers Australia Limited, which comprise the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

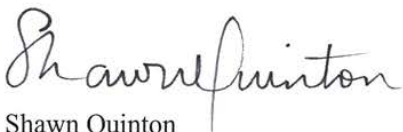
### *Assurance practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements ASRE 2400, *Review of a Financial Report Performed by an Assurance Practitioner Who is not the Auditor of the Entity*. ASRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ASRE 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Australian Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Grains Producers Australia Limited as at 31 March 2020 and its financial performance and cash flows for the year then ended, in accordance with the Australian Accounting Standards.



Shawn Quinton  
Partner



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