



Grain Producers
Australia

2018 ANNUAL REPORT

July 2018



*This Annual Report contains
The Chairman's 2018 Annual Report
and the 2017/18 Audited Financial Statements*

GPA fulfills 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), and has key 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 and through direct grower members and state affiliates.

Grain Producers Australia Limited
ABN: 63 111 059 995

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CHAIRMAN'S REPORT

Dear Member,

Over the past year Grain Producers Australia (GPA) has continued to work hard to represent the interests of commercial grain farmers across Australia. Our Grains Policy Council (GPC) continues to drive innovation within the industry to develop and implement strategies that will improve grower returns pre-farmgate and beyond.

I am happy to report that the GPC is gaining considerable recognition for the ongoing role it plays as the leading policy setting forum for grain producers nationally. Our membership continues to grow, with financial support during the 2017/18 season received from more than 5000 farming businesses right across Australia. The financial support we have received means we now have a strong financial base from which to further build the capacity of GPA.

For most grain farmers the start to the current 2018 season has been a disappointing one with prospects for a large proportion of our membership looking at an extremely tough season. In farming we are always optimistic that things will turn around but we must be realistic also to recognise the situation we are now facing means a lowering of expectations around the potential of the current crop.

Grain prices are a continuous reflection of global demand and on behalf of growers we advocate for ways in which growers can extract more from what they produce. Grain Producers Australia has continued to promote the need for a more transparent supply chain. We will continue to promote the importance of driving down post-farmgate costs wherever we can to increase the return to growers.

Key priority areas for GPA during the past 12 months, and current work, are summarised in the following pages and include a seemingly endless list of government inquiries requiring submissions and discussions with the various departments and regulators, but we are making slow but steady progress for the industry on key issues.

The new Grains Research and Development Corporation (GRDC) five-year strategic plan has been launched and will, in my opinion, underpin the next generation of innovation for grain farmers across Australia. The GPA Grains Policy Council and the GrainGrowers National Policy Group held a strategic workshop in Perth in September 2017 to kick start the R, D, E discussion which GRDC facilitated across Australia in early 2018 leading to the final five-year plan.



I am also very pleased to report that GPA was the recipient of a leadership grant from the Leadership in Agricultural Industries fund which was announced by the Minister for Agriculture in late 2017. This funding will allow GPA to run several initiatives to develop future grains industry leaders and improve key skills of our industry leadership. Further information will be available on our website over the coming months, however, we intend to utilise the grant to support training in governance, identify and develop future leaders through a two-day forum and develop tools for collaboration, mentoring and leadership support.

I would like to thank the key people involved on a daily basis with GPA:

- Tanya Pittard and Paula Fitzgerald managing policy, communication and strategic direction for GPA,
- Rohan Rainbow overseeing agricultural chemicals access, regulation and emerging issues, and
- Neil White and Jenni Millward managing our financials.

Having these people supporting the work of GPA is crucial to any success we may have in representing and advocating for growers across Australia.

To my Board of Directors, it has been a pleasure to once again work with such an esteemed group of individuals. That they give their time on a voluntary basis is unparalleled in national advocacy. Over this past year we have undertaken a strategic look at our internal operations which will ultimately bring about changes in the way we communicate and deliver to members.

I trust that the 2018 season prospects will improve over the coming months as so much of Australia's grain production areas are suffering severe shortages of rain which is damaging the confidence for our industry to grow and prosper.

Thank you for your continued support as we all work together to create a better industry than yesterday.

Yours sincerely,



Andrew Weidemann
Chairman, Grain Producers Australia Ltd

*Right:
GPA Directors (L-R)
Barry Large, Steve Ball,
Andrew Weidemann,
Luke Arbuckle*





OVERVIEW

GPA ACHIEVEMENTS 2017-18

STRATEGIC FUNCTIONS

GRAINS RESEARCH AND DEVELOPMENT CORPORATION

The Grains Research and Development Corporation (GRDC) is accountable to the Australian Parliament through the Minister for Agriculture. In parallel with this, GRDC formally reports to grain growers through their Representative Organisations, of which GPA is one. In this role, GPA works to ensure:

- GRDC is delivering R, D & E that is meeting industry priorities,
- projected revenue and expenditure is appropriate,
- that the research levy rate is appropriate and provides advice to the Minister on this.

During 2017-18, GPA and GrainGrowers Ltd (GGL) had regular, quarterly meetings with the senior management of GRDC and the Board members, when they were available, to discuss issues in relation to our PIRD Act responsibilities.

These meetings focused on the new five-year strategic planning process to ensure that growers were consulted appropriately and that their input was captured.

Improving GRDC's ability to meet the needs of growers, in an environment where we see ongoing changes, is important to GPA. We continue to seek the formation of an Industry Owned GRDC in the future, to enable growers to have a more nimble and agile research organisation which is able to meet the needs of levy payers.

The establishment of a levy payer database is one area in which GPA has advocated since 2013 and this looks like this will come to fruition in 2018 although we note that it will require a strong communication plan for both levy payers and industry stakeholders, prior to its launch.

GPA also raises concerns with the management of GRDC on issues that growers are facing 'in the field' to ensure that GRDC is aware of emerging issues. We welcome input from members on these issues at all times.

PLANT HEALTH AUSTRALIA

Plant Health Australia (PHA) represents the biosecurity interests of grain producers and the industry. GPA is a member of PHA and a signatory to the Emergency Plant Pest Response Deed. GPA's responsibilities include:

- biosecurity planning and implementation at the national and farm levels
- liaising with federal and state governments on trade issues
- funding and supporting biosecurity initiatives
- participating in national committees and response efforts in an emergency.



Grain Producers Australia supports Grains Biosecurity Officers in five of the key grain growing states of Australia. We continue to work with state and federal government agencies to manage incursions and promote the need to maintain a tight surveillance program.

In 2018, the Grains Farm Biosecurity Program, funded by growers through GPA, was recognised for protecting the grains industry, with an Australian Biosecurity Award, granted by the Department of Agriculture and Water Resources.

Over the past year there have been a number of pest incursions including:

- Brown Marmorated Stink Bug.
- Khapra Beetle.
- Russian Wheat Aphid – further work to minimise spread and impact.
- Red Witch Weed – ongoing surveillance and management in Queensland.

There is also work underway to look at the current biosecurity program analysing its effectiveness and looking at ways to improve communication.

Biosecurity concerns are also used by some countries as a trade barrier and we continue to monitor this closely through the Grains Industry Market Access Forum (GIMAF).

INDUSTRY GOOD FUNCTION COMPANY

In 2012 a number of organisations across the grain supply chain, including GPA, came together to discuss a range of common issues. This group has since become known as the Australian Grains Industry Discussion Group. One of the key items on the agenda for this group is the formation of a strategic plan for industry good functions, and ultimately, the establishment of one single company to deal with all these functions under one umbrella.

During 2017-18, this group has progressed considerably and we do appear to be closer to the establishment of a single company undertaking industry good functions. Considerable focus has been on continuing trade activities through GIMAF (Grains Industry Market Access Forum) and continued support for WQA (Wheat Quality Australia).

Current discussion is centred on the funding of this new entity, with growers and the post-farm gate sector looking at a sustainable funding model that will support the new entity over the long-term.

To date, the group has obtained seed capital from the former WISA Funds (wheat export charge) which has given the industry time to discuss ongoing support for these vitally important functions. Given that growers ultimately pay for all costs associated with the assessment, market analysis, marketing and general promotion of Australian grain, GPA supports the streamlining of these functions within a dedicated, transparent, strategic organisation that supports market growth and ultimate grower profitability.

GPA is optimistic that the next 12 months will see the launch of this new company and, as a result, the streamlining of a range of activities, to improve efficiencies in the supply chain.

INDUSTRY ISSUES AND ADVOCACY

CHEMICAL ACCESS – REVIEWS AND REGULATORY PROGRAMS

Access to chemicals remains a key priority area for GPA. Numerous submissions have been made and meetings with regulators held regarding the registration and regulatory control of agricultural chemicals. This is one of our most significant areas of work.

Our national agvet chemicals regulator, the APVMA, is currently facing a series of challenges. The move to Armidale (although this now appears not to apply to the entire APVMA team), change of Chief Executive Officer (CEO), and the loss of key senior and experienced staff appears to have impacted on the organisation's ability to process registrations and undertake work crucial to the industry.

Grain Producers Australia strongly supports our science-based regulatory system but we believe there is a need for the APVMA to implement efficiencies and work more closely with the agricultural producers utilising the products.

We continue to work closely with the APVMA and all relevant stakeholders and in recent months, following the appointment of a new CEO, significant changes are starting to be implemented.

The current review on 2,4-D is a crucial one for broadacre agriculture with the ongoing concerns around spray drift into cotton and horticulture continually making news. As an industry, we must look at ways to minimise this occurrence with the use of new technologies such as Drift Reduction Technologies including new nozzle design, and in the longer-term, work with the relevant state authorities on inversion risk mitigation through the implementation of strategic weather stations.

GLYPHOSATE ON BARLEY – CONTINUED ACCESS

As the current permit holder for the use of pre-harvest applications of Glyphosate on barley, GPA continues to support further research priorities as identified by the malting sector.

The GRDC and Nufarm are working closely with all participants in the supply chain, through the National Working Party for Grain Protection, offering support for the technical development of trial protocols. Trials will continue on the usage pattern for malt barley and we hope to be in a more informed position in early 2019 to look at possible future label changes. GPA is aware that a large number of producers utilise the current permit for usage on feed barley and we are working closely with industry participants to maintain a registration for its continued use in barley.



GENE TECHNOLOGY REGULATION – 2017 REVIEW

As is required by legislation, the Australian Government reviewed the Gene Technology Act, to ensure the system Australia has in place is appropriate, given the advances in science over the last five years.

The GPA submission highlighted that it is vital our grain producers have the opportunity to take advantage of all crop varieties that have been or could be developed using the many currently available plant-breeding methods. GPA also highlighted the need for the regulation of these plant-breeding techniques to facilitate, rather than hinder, the adoption of technologies and development of new plant breeding techniques. We believe that the regulatory system must be rigorous but with enough flexibility to recognise the value of continued innovation, and the need to assess each innovation using the current scientifically valid risk assessment process.

Australia relies on the rigorous science-based system to ensure that the crop varieties made available to farmers have passed the required level of testing for human health and environmental safety. Assessing the attributes and potential marketability of the end product which will come from those varieties, whilst managing any scientifically valid risks, is a day-to-day occurrence in the life of a grain farmer.

HARVESTER INSURANCE – REDUCING FIRE RISK

Following the 2017 harvest during which there were several harvester fire incidences, GPA brought together a working group comprised of:

- growers and their representative bodies,
- insurance companies,
- contract harvesters and
- the GRDC.

The aim of this group was to drive changes in the way insurance companies and manufacturers can work with machinery users to lower risks associated with harvesting activities.

GPA hosted a great, pilot field day in Victoria to look at the issues and options. Further field days are planned in 2018 across Australia and with the support of GRDC, additional training information has been developed for groups interested in improving skills in understanding and managing the potential for fire risk during harvest with a strong focus on pulse harvesting.

During the remainder of 2018 GRDC is looking to run a range of events to suit the needs of both growers and harvesting contractors.



HARVEST RECEIVAL REPORTING – TRANSPARENT INFORMATION FOR INFORMED DECISION-MAKING

Grain Producers Australia is seeking a nationally consistent system, based on the provision of timely information, which delivers reasonable and fair competition for growers' grain.

It has become evident during 2017-18 that there is a 'divide' between east coast grain handlers regarding the need for aggregated, port zone level, harvest receival reporting. As grain producers may be aware, this has been addressed in Western Australia and South Australia where CBH and Viterro have committed to weekly reporting from this 2017-18 season (although GPA will continue to request that Viterro broadens its report for all grains and GTA classes, and that data access is available for use by grower advisors).

GPA cannot accept the responses from Graincorp, Emerald and Cargill that east coast weekly harvest receivals should not be reported. We seek a nationally consistent system and a system which delivers reasonable and fair competition for growers' grain.

If ever there is an example of how this data is critical to growers during their key grain marketing decision period (December to March), it has now been clearly illustrated by our most recent harvest. Heavy rains in South Australia, Victoria and New South Wales during harvest created a pre-rain and post-rain crop quality profile, which is of immense value in trying to make decisions. Under the current and even proposed scenario, east coast growers face an entirely opaque market as to the quality mix.

The GPA Grains Policy Council finds it unacceptable that grain producers, as owners of the grain in warehouse, are carrying the highest proportion of the price risk. It is not acceptable that they continue to be denied receival data when some traders and buyers have access to this market-sensitive and immensely valuable information.

Grain Producers Australia continues to seek weekly, aggregated data (i.e. no visibility of individual BHC data) at a Port Zone level for standard GTA classes.

This proposal still leaves immense information and the associated market power exclusively within the hands of warehouse owners who retain full visibility of the data:

- in real-time (versus weekly for growers),
- at site/bin level (versus port zone for growers),
- with quality specifications such as protein, test weight, screenings, variety (versus nil for growers), and
- with invaluable commercial insight as to title holders of the grain (versus nil for growers).

We consider our proposal to be fair and moderate, and coupled with a GPA commitment to introduce bi-annual, on-farm stocks reporting, it is a minimum requirement for growers to accept a self-regulatory solution. If this is not achievable, then the GPA Grains Policy Council will have no option but to seek a regulated solution.

While we look forward to any final response bulk handlers and marketers may have to the GPA proposal, GPA expects to continue dialogue with the Federal Government to begin the process for a mandated model, which will better meet our needs.

NATIONAL MOUSE MANAGEMENT GROUP

2017 saw another severe mouse outbreak across large areas of cropping land. The National Mouse Management Group (NMMG) established some time ago, with GPA support, has continued to investigate areas affecting mouse ecology and management. Chaired by Ian Hastings, this group continues to work on solutions to a problem not easily solved, including bait manufacturing and availability, and an in-depth science review of work led by CSIRO and the Centre for Invasive Species Solutions.

In May 2018 GRDC announced a significant investment in mouse research which we hope will lead to a better way of managing and reducing the incidences of mouse plagues and damage to crops. The NMMG continues to have a significant role in research implementation and communicating industry's needs to key researchers and government to help facilitate access to bait in times of crisis. Growers have seen a significant reduction in bait prices and availability of bait at a local level has helped to manage the mouse problem for the moment.

MARKET ACCESS

GPA continues to work with the Grains Industry Market Access Forum (GIMAF) on important trade matters which involve all sectors of the grain industry supply chain.

As most would be aware, considerable effort by GPA and GIMAF led to a delegation from Australia visiting India this year in response to the introduction of tariffs on chickpeas and lentils. This visit enabled us to gain industry 'intelligence' and as a result, we now have work in place through GIMAF and Pulse Australia, from which growers and industry will benefit. India remains an important trading partner.

Trade barriers through non-tariff measures continue to be an area that we will need to continually work on in this globally competitive marketing environment.

REVIEW OF THE PORT ACCESS CODE

The Federal Government has recently undertaken a review of the Port Access Code which regulates the conduct of port terminal service providers to ensure that exporters of bulk wheat have fair and transparent access to port terminal services.

GPA made a submission to the review and has continued to advocate to both the Department of Agriculture and Water Resources and the Australian Competition and Consumer Commission (ACCC) to strongly support the retention of the Code. In summary, the GPA submission supported the maintenance of the port access regime. We also strongly support increased provisions in those areas of identified concern such as the lack of adequate shipping stem reporting and the need for the ACCC to more rigorously assess whether there is adequate competition to ensure there is pressure on port costs and access arrangements.

We believe options need to be investigated to increase throughput and lower supply chain costs. In addition, there needs to be an investigation and subsequent penalties imposed where grain exporters have been grossly affected by the bulk handlers' inability to supply grain to service export programs where required.

The ACCC recently released its views on the current port code and highlighted in its report the need for a greater level of transparency including the inclusion of upcountry activities being a part of the code.

GPA will continue to work with the government on making our supply chain more efficient with adequate provisions to allow uncompromised trading and exporting of grain in the supply chain.

REGIONAL INVESTMENT CORPORATION (RIC) – ESTABLISHMENT

Over the past 12 months GPA been working with government to establish the Regional Investment Corporation (RIC) which was launched on 1 July and offers new low-interest farm loans directly to farm businesses. These new loans will help farmers who want to access Australian and international markets. Loans are also available to support farmers prepare for, and prevail through, times of drought.

These loans will be easy to access through a consistent assessment process, which means that each farmer will be treated the same regardless of where they live. Farmers will also have more flexibility in how they use a RIC loan compared to previous schemes.

As well as farm business and drought loans, the RIC will administer the \$2 billion National Water Infrastructure Loan Facility, providing finance for state and territory governments for priority water infrastructure projects.



*GPA Chairman
Andrew Weidemann (L)
congratulates outgoing
Agforce Grains President
Wayne Newton (R)*



Grain Producers
Australia Ltd

ABN: 63 111 059 995

FINANCIAL STATEMENTS

For the year ended
31 March 2018

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Your directors present their report on the company, for the financial year ended 31 March 2018.

DIRECTORS

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

ANDREW NOEL WEIDEMANN	Southern Region Elected Director & Chairman
<i>Qualifications</i>	B.A. Dip Ag Sc Research and Development Spokesman
<i>Appointed</i>	25/09/2009
BARRY LARGE	Western Region Elected Director
<i>Qualifications</i>	Quarantine and Biosecurity Spokesman
<i>Appointed</i>	27/08/2010
LUKE ARBUCKLE	Northern Region Elected Director
<i>Qualifications</i>	B.Agr.Sc
<i>Appointed</i>	09/01/2013
ANDREW EARLE	Northern Region Director
<i>Qualifications</i>	Dip Farm Mgt
<i>Appointed</i>	09/01/2013
PETER BRIDGMAN	Board Appointed Skills Director, Law, Public Policy
<i>Qualifications</i>	B.A. (Hons), LLB (Hons), FAIM, Barrister-at-Law
<i>Appointed</i>	07/09/2010
MITCHELL HARRY HOOKE	Board Appointed Skills Director
<i>Qualifications</i>	AM, B.Rur.Sc. (UNE), MAIA, MAICD Public Policy development advocacy, business in agri-food and resources sectors, and corporate governance
<i>Appointed</i>	28/07/2015
RAYMOND JOHN MARSHALL	WA Grains Group Inc. Executive, Local Government Shire Councillor
<i>Qualifications</i>	Grain/Sheep Farmer
<i>Appointed</i>	28/07/2015
STEPHEN DAVID BALL	Southern Region Elected Director
<i>Qualifications</i>	B. App. Sc. in Agriculture
<i>Appointed</i>	07/02/2016
NEIL WHITE	Company Secretary
<i>Qualifications</i>	Dip App. Sci. (Agriculture)
<i>Appointed</i>	09/01/2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.



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 the 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: Agforce Grains, Grain Producers SA, NSW Farmers Association (NSWFA), Victorian Farmers Federation (VFF) Grains Group, Tasmanian Farmers and Graziers Association (TFGA), WA Farmers Federation (WAFF), and the WA Grains Group (WAGG) along with three elected growers from the north, south and western regions of Australia.
- Support comprehensive national representation across the Australian production sector.

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 producers, 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 Research Development Act 1989 (PIRD), the Primary Industries (Excise) Levies Act 1999 and the Primary Industries (Customs Charges) Act 1999 and as the grains industry signatory to the Emergency Plant Pest Response Deed through Plant Health Australia.

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.

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 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 5,219 members.

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	5	5	2	2	0	-
Barry Large	5	4	-	-	0	-
Luke Arbuckle	5	3	-	-	0	-
Andrew Earle	5	5	2	1	0	-
Mitchell Hooke	5	4	2	2	0	-
Peter Bridgman	5	5	2	2	0	-
Neil White	5	2	2	2	0	-
Ray Marshall	5	4	2	1	0	-
Steve Ball	5	4	-	-	0	-

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 2018 has been received and can be found on page 8 of the financial report.

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



Director:
Andrew Weidemann

Dated: 16 JULY 2018



Director:
Barry Large

16 JULY 2018

DAVID GODDARD & CO

CHARTERED ACCOUNTANTS

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AUDITORS 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 2018, there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relations to the audit.

David Goddard & Co

David Goddard
16 July 2018

Liability limited by a scheme approved under Professional Standards Legislation



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 \$	2017 \$
Revenue	2	653,713	390,868
Administration Expenses		(194,599)	(163,221)
Audit Fees		(4,800)	(4,600)
Insurance		(890)	(1,014)
Other expenses		-	(6,449)
Provision for Doubtful Debts		-	-
Bad Debts		-	-
Telephone		(5,124)	(7,343)
Travel & Accommodation		(74,146)	(68,372)
Profit for the year		374,154	139,869
Other comprehensive income:			
Total comprehensive income for the year		374,154	139,869

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

		2018	2017
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Bank balances	3	690,668	500,531
Trade and other receivables	4	212,465	39,636
Other assets	6	4,288	5,140
TOTAL CURRENT ASSETS		907,421	545,307
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		907,421	545,307
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	57,526	68,934
TOTAL CURRENT LIABILITIES		57,526	68,934
TOTAL LIABILITIES		57,526	68,934
NET ASSETS		849,895	476,373
EQUITY			
Retained earnings		849,895	476,373
TOTAL EQUITY		849,895	476,373

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

2018	Retained Earnings \$	Total \$
Balance at 1 April 2017	476,373	476,373
Adjustment to prior year	(632)	(632)
Profit attributable to members	374,154	374,154
Balance at 31 March 2018	849,895	849,895

2017	Retained Earnings \$	Total \$
Balance at 1 April 2016	336,504	336,504
Profit attributable to members	139,869	139,869
Balance at 31 March 2017	476,373	476,373

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		299,127	388,153
Payments to suppliers and employees		(113,576)	(134,432)
Net cash provided by (used in) operating activities	11	185,551	253,721
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest		4,586	2,716
		4,586	2,716
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		190,137	256,437
Cash and cash equivalents at beginning of year		500,531	244,094
Cash and cash equivalents at end of financial year	3	690,668	500,531

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 July 2018 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)

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).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

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.

2. REVENUE AND OTHER INCOME

Revenue from continuing operations

	2018	2017
	\$	\$
Revenue		
Affiliate Fees	275,150	252,300
Government Grants	222,750	-
Consultations	80,000	66,019
Directors fees in lieu	68,166	67,458
Fees	3,061	1,742
Other Income	-	633
Interest	4,586	2,716
	<u>653,713</u>	<u>390,868</u>

3. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and in hand	690,668	500,531
	<u>690,668</u>	<u>500,531</u>

4. TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
CURRENT		
Trade receivables	212,465	39,636
Provision for impairment	-	-
	<u>212,465</u>	<u>39,636</u>

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

	2018	2017
	\$	\$
Balance at beginning of the year		
Additional impairment loss recognised	-	-
Balance at end of the year	<u>-</u>	<u>-</u>

5. PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Furniture, fixtures and fittings		
At Cost	1,011	1,011
Accumulated Depreciation	(1,011)	(1,011)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>

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 \$
Year ended 31 March 2018		
Balance at the beginning of year	-	-
Depreciation expense	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

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 \$
Balance at the beginning of year	-	-
Depreciation expense	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

6. OTHER ASSETS

	2018	2017
	\$	\$
Prepayments	4,288	5,140
	4,288	5,140

7. TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
CURRENT		
Trade payables	15,489	53,366
Accruals	5,280	4,600
Net GST payable	36,757	10,968
	57,526	68,934

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:

	2018	2017
	\$	\$
Financial Assets		
Cash and cash equivalents	690,668	500,531
Trade and other receivables	212,465	39,636
Total Financial Assets	903,133	540,167
Financial Liabilities		
Trade and other payables	57,526	68,934
Total Financial Liabilities	57,526	68,934

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 2018 is 5,219 members.

10. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2018 (31 March 2017: None).

11. CASH FLOW INFORMATION

Reconciliation of result for the year to cashflows from operating activities

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

	2018	2017
	\$	\$
Profit/(loss) for the year	374,154	139,869
Cash flows excluded from profit		
Attributed to operating activities	(4,586)	(2,716)
Non-cash flows in profit:		
Prior year change to profit	(632)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(increase)/decrease in trade and other receivables	(172,829)	80,123
(increase)/decrease in prepayments	852	(4,378)
Increase/(decrease) in trade and other payables	(11,408)	40,823
Cashflow from operations	185,551	253,721

12. EVENTS OCCURRING AFTER THE REPORTING DATE

The financial report was authorised for issue on 31 July 2018 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:

- The financial statements and notes, as set out on pages 9 to 22, are in accordance with the Corporations Act 2001 and:
- Comply with Accounting standards – Reduced Disclosure Requirements; and
- Give a true and fair view of the financial position as at 31 March 2018 and of the performance for the year ended on that date of the Company.
- 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

Dated 18 JULY 2018



Barry Large
Director

DAVID GODDARD & CO

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GRAINS PRODUCERS AUSTRALIA LIMITED

QUALIFIED OPINION

We have audited the accompanying financial report, being a special purpose financial report of Grains Producers Australia Limited, which comprises the statement of financial position as at 31 March 2018, 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Grains Producers Australia Limited is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Company's financial position as at 31 March 2018 and of its performance for the year ended on that date; and
- Complying with Australian Accounting standards and Corporations Regulations 2001.

BASIS FOR QUALIFIED OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Australia, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Grains Producers Australia Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

As is common for organisations of this type, it is not practicable for Grains Producers Australia Limited to maintain an effective system of internal control over revenue and sponsorship until their initial entry in the accounting records. Accordingly, our audit in relation to revenue was limited to the amounts recorded in bank accounts and the Company's accounting system.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Auditing Standards – Reduced Disclosure Requirements and the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 these financial statements.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

David S Goddard
16 July 2018
19 Park Lane
Braidwood NSW 2622

Liability limited by a scheme approved under Professional Standards Legislation





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