



**GRAIN
PRODUCERS SA**

The voice of South Australian growers

2017-18 Annual Report



Grain producers are GROWING SA

A successful South Australian grain industry can further grow its contribution to the economy, the environment and city and country communities.



\$2.5 BILLION

the export value of SA's grain production to the state



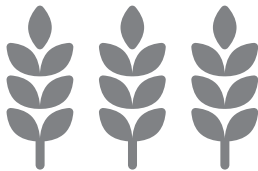
600

people are fed by an Australian farmer every day – 150 here and 450 overseas



20%

the percentage that SA contributes to Australia's total grain production



7 MILLION

the number of tonnes SA grain producers grow in an average year



11 MILLION

the number of tonnes SA producers grew in 2016-17



\$40 BILLION

the sum of money grain producers have invested in farm capital



180,000

the number of people the grain industry employs directly and in the food sector



85%

of SA's grain is exported



60

countries around the world receive SA grain

The voice of South Australian growers

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Chairman's report



Wade Dabinett

It is my pleasure to present the 2017-18 Annual Report to members.

Recent months have been challenging for many growers across the state. While grain prices are high, parts of the grain growing areas of the Eyre Peninsula, Mallee and Mid North are facing unseasonably dry conditions that are impacting the profitability of our farming communities.

With this in mind, Grain Producers SA has been at the forefront of efforts to secure the long-term sustainability and viability of our industry. We are determined to ensure that government and industry actively supports agricultural research and delivers on improved financial literacy programs so that growers are better placed to manage future dry weather cycles.

Dry conditions have also highlighted the disconnect between our industry and the rest of society. It appears the broader population hears little about the challenges we face as food producers until it is too late. We must ensure the social and economic importance of our industry is known and respected, both locally and beyond.

GPSA has renewed its focus on providing high-quality advocacy on behalf of growers. In April, GPSA welcomed our new CEO, Caroline Rhodes, who brings specialist skills in stakeholder management and regulatory affairs. Caroline

has previously held roles in the corporate and government sectors and with state and federal farmer representative bodies in Australia.

Caroline's arrival presents an excellent opportunity to undertake a thorough strategic and organisational review of GPSA's work to date, to ensure that the organisation continues to be an effective voice for South Australian growers. Aspects of this review will be presented at the 2018 Annual General Meeting.


As part of an organisational review, the Board will review the GPSA Constitution over the coming months to improve the readability and clarity of the existing document. This work will improve voting procedures for future Board elections and make other administrative changes to reflect best practice corporate governance. Members will be asked to adopt amendments at a Special General Meeting currently being planned on or before 31 May 2019.

Given the season outlook and impact on contributions to the Grain Industry Fund, the GPSA Board determined to hold a greater reserve this financial year to provide for continued operations of GPSA and high level of service to our members. As shown in our financial statements, GPSA remains in a strong financial position and I am pleased to report that we continue to meet the standards required under the Primary Industries Funding Scheme Act and associated Management Plan.

Our renewed association with the National Farmers' Federation also enables South Australian growers to have input to important national policy discussions. GPSA intends to leverage associations like these in light of the substantial developments in agricultural policy in South Australia. GPSA will be seeking improved outcomes and clarity for growers when dealing with explorers or miners on their properties. Similarly, GPSA will continue to advocate for the removal of the state-wide moratorium on the use of genetically modified crops. These policy positions are a continuation of our advocacy efforts leading up to the March 2018 state election.

While GPSA is strictly non-party political, we will work collaboratively with the new state government to ensure that our policy priorities are reflected in legislation.

In December we welcomed the appointment of Professor Wendy UMBERGER as an independent



director in addition to Andrew Goode. Independent directors are a valuable asset to our Board and complement the skills of our grower directors.

The Board's tireless efforts in delivering sound governance and financial stability means that GPSA remains a respected and influential peak industry body. I thank all directors for their work, particularly as they balance their contribution to GPSA with their work and family life.

This year we will farewell Stephen Ball and Garry Hansen who have both decided to not continue as GPSA Directors. Stephen and Garry have significantly contributed to GPSA's success during their tenure, bringing depth and experience to the Board. In particular, I wish to recognise Garry Hansen's service as GPSA's inaugural Chairman.

Former CEO Darren Arney left GPSA this year after many achievements and years of service. I would, once again, like to thank him for his service.

Finally, I would like to thank the small team of committed staff at the GPSA secretariat for their tireless work throughout the year.

I look forward to continuing my work as GPSA Chairman over the next year.

Wade Dabinett
Chairman

CEO's report



Caroline Rhodes

South Australian grain producers deserve a strong and credible voice in decision-making forums impacting their farm business. Our industry generates an estimated farm gate value of more than \$1.8 billion and export value of \$2.5 billion, making a significant contribution to the State's economy and creating employment opportunities in regional South Australia.

As a peak representative body, GPSA exists to improve the profitability and sustainability of our producer-members. As both an advocate and communicator on behalf of the broader industry, GPSA's aim is to influence the policy agenda of both the government and the commercial sector.

I was honoured to have been appointed as GPSA's Chief Executive Officer earlier this year, resuming my long association with agricultural representation in previous roles with both the former South Australian Farmers' Federation and Grains Council of Australia.

GPSA is well-positioned to work with the 54th South Australian Parliament and has developed sound working relationships with key Ministers and Shadow Ministers, while making regular contact with regional Members of Parliament and crossbench Members of the Legislative Council, on behalf of producers.

Following the March election, GPSA has been busy

responding to and influencing key legislation and regulatory decision-making of the new Marshall Government. We have a busy policy agenda, with dry seasonal conditions becoming of increasing concern in many government forums. Other items include the changes to the Mining Act, the pending independent review of the GM moratorium and responding to the inquiry into bulk grain export supply chain costs conducted by the Essential Services Commission of SA.

Our revised Strategic Plan will establish GPSA's direction and policy focus in achieving its vision for South Australia's grain production sector over the next five years.

GPSA has established a new office in Adelaide's Central Business District, with modern amenities and high-quality meeting facilities in a shared space with accounting and advisory firm Moore Stephens. The GPSA logo has also undergone a change to reflect a new standard of professionalism in grower advocacy and representation.

GPSA's mission will remain the same – to improve the profitability and sustainability of South Australian grain producers – however policy and project work will be aligned to five program themes:

1. Post-farm gate – supply chain, transport, infrastructure, post-farm gate commerce.
2. Biosecurity, trade and market access – plant health, international and domestic trade barriers, generic marketing campaigns and trade promotion.
3. Grains research, development and extension – supporting research priority setting by research funding bodies, SAGIT oversight, coordination of industry good services, advocating for producers on research issues in farm chemicals, sustainability and variety classification.
4. Industry development – agricultural education, training and communication, and industry capacity building, rural health.
5. Rural affairs – freedom to operate, access to technology, farm safety, rural finance, competing land use, agricultural policy settings and land use planning.

In order to deliver our vision, GPSA will partner with both the commercial and public sector across the value chain to anticipate and manage emerging issues relevant to grain producers and the wider industry. We also need to work across industry to ensure a grower advocacy is well coordinated.

Agriculture needs strong voices at both a state and federal level. Through our membership with Primary Producers SA, we are now affiliated with the National Farmers' Federation. This complements our membership of peak commodity council Grain Producers Australia.

Sustaining and funding farm advocacy in Australia has faced significant problems in recent years, but the movement has arguably never been more important. Agriculture faces a barrage of issues threatening the freedom to operate from well-coordinated activism and lobby groups who campaign on single issues.

GPSA recognises that it must invest in our people as industry ambassadors to have the confidence and resources to engage with a much broader audience than ever before. This requires a coordinated effort to mentor, develop and support grain producers who want to take on a greater role on behalf of their industry. We want to inspire and motivate the next generation of farm leaders, while tapping into a new cohort of grain producers in formulating policy.

For this reason, GPSA will be launching our Emerging Leaders Program in 2018, modelled on the highly successful SAFF Future Leaders Program that was established in the early 2000s, and adapted for contemporary leadership challenges including social media and director responsibilities. This program will serve as a training ground, supporting succession planning for GPSA and its member organisations, through participation in committee structures and eventually at Board level.

At all times, GPSA's revised corporate values will govern our work: Integrity. Unity. Passion. Commitment.

As the organisation heads into an exciting chapter in its short history, I encourage all South Australian grain producers to join GPSA. We will be developing our membership offering over the next 12 months, finding new ways to add value to the diverse range of grain businesses operating throughout South Australia.

It is a pleasure to lead GPSA's team of dedicated staff, working with together with elected representatives to advance the interest of our grower-members. I look forward to demonstrating the value of our work over the next twelve months and reporting on progress toward our new strategic direction at next year's AGM.

Caroline Rhodes
Chief Executive Officer



Background

Grain Producers SA (GPSA) is the peak industry body for South Australian grain growers. GPSA is non-political and represents producers to government, the community and industry, including grain marketers, exporters, storage and handlers, researchers and farm input suppliers.

GPSA's objectives are to improve the profitability and sustainability of South Australian grain producers through:

- Representing the views of South Australian grain producers to government, industry and the community on grains issues;
- Working with an effective state farming organisation and other commodity groups to represent South Australian grain producers on cross commodity issues;
- Working with government and industry to develop policies around creating and maintaining an efficient, accessible and cost-effective supply chain;
- Working with government, industry and institutions to improve the technical and business skills of South Australian grain producers;
- Working with Research, Development and Extension organisations to identify and disseminate research priorities in grain production, handling and management;
- Supporting an effective national representative organisation to work with government around national initiatives to support the grains industry;
- Providing a program to include and develop young farmers to be prepared to take on leadership roles within the South Australian grains industry.

Mission

To ensure a viable and sustainable grains industry in South Australia for grain producers through leadership, advocacy and communication.

What we do

GPSA develops and implements policies and projects that promote the economic and environmental sustainability of South Australian grain growing businesses.

We represent the interests of growers through a targeted communications program, including:

1. Advocacy.

GPSA **advocates** for SA producers on grains issues beyond the farm gate, representing grain producing businesses to industry and government decision-makers.

2. Information.

GPSA **informs** industry stakeholders of the policies we believe will promote the economic and environmental sustainability of the grains industry.

3. Education.

GPSA **educates** producers on grain production practices and issues as well as industry decision-makers and the community on the importance of the industry to SA



Corporate governance

History

Grain Producers SA was established in December 2011 as a company limited by guarantee.

GPSA membership is open to all South Australian grain producers who have contributed to the Primary Industry Funding Schemes (Grain Industry Fund) 2012 (PIFS Grain).

GPSA was formed out of the need for an organised and well-funded lobby group to be a voice for South Australian grain growers beyond the farm gate. GPSA succeeded the former South Australian Farmers' Federation Grains Council as the peak representative body for the State's grain producers.

The Grain Industry Fund has provided a sustainable and secure source of funding to GPSA to fulfil its charter to represent South Australian grain producers both locally and nationally. GPSA continues to grow its producer member database. The total database now stands at 2075 producers, with 1361 farm businesses currently listed as members.

GPSA is one of five peak commodity groups in South Australia – each covering grain, dairy, horticulture, livestock and winegrapes. These groups feed into an overarching policy council called Primary Producers SA (PPSA), which in turn holds membership of the National Farmers' Federation (NFF) on behalf of South Australia.

At a national level, GPSA is a member of the peak body Grain Producers Australia (GPA), while it works closely with GrainGrowers Limited on matters relevant to South Australian producers.

Board of Directors

The structure of the Board ensures that GPSA has the capability and the capacity to provide strong representation and advocacy for the benefit of South Australian grain producers.

A seven-member Board of Directors is elected by GPSA members from across the grain growing regions of South Australia and provides direction and vision to the organisation.

Directors are elected for a two-year term by South Australian grain producers. They bring skills and knowledge from many areas of interest including crop production, crop research, crop merchandising, marketing, storage and transport and logistics.

In addition, the GPSA Board has appointed two

independent directors, who bring additional skills and experience.

The Board meets approximately eight times each year. Directors are paid an annual fee and reimbursed for meeting expenses including travel and accommodation.

As at 30 June 2018, GPSA's non-executive directors were:

- Wade Dabinett, Chair
- David Malpas, Company Secretary, Deputy Chair
- Stephen Ball
- Garry Hansen
- Andrew Goode, Independent Director
- Adrian McCabe
- Jared Sampson
- Professor Wendy Umberger, Independent Director (appointed 15 December 2017)
- Dion Woolford

The GPSA Board appointed Caroline Rhodes as Chief Executive Officer, effective 4 April 2018, and following an extensive external recruitment campaign commencing in late 2017.

Full biographical details of directors and GPSA senior staff, together with a copy of GPSA's constitution, can be found at www.grainproducerssa.com.au

Secretariat

A small, professional team of staff are responsible for administering day-to-day operations of GPSA, under direction of the Board. GPSA maintains a corporate office to accommodate the secretariat.

The GPSA team is led by the Chief Executive Officer and works to implement the Board's strategic direction and to deliver measurable outputs from GPSA's investments. Staff members bring a range of skills and experience in project work, commercial operations, compliance, finance, stakeholder relations, communication and administration.

As at 30 June 2018, GPSA contracted the following employees:

- Caroline Rhodes, Chief Executive Officer
- Belinda Ryan, Business Manager
- Shane Gale, Policy Manager
- Trudy Huczko, Policy Manager (0.8 FTE)
- Caroline Holloway, Bookkeeper and Administration Assistant (0.6 FTE)

Advocacy, policy setting and decision making for the grain industry

Policy setting

GPSA develops and implements policies that promote the economic and environmental sustainability of the grains industry to benefit producers.

Policy is decided by the Board, after considering input from across all sectors of industry, through close involvement with grain producers, grain production groups, grains sector groups and the conduct of regular regional and state industry forums.

GPSA advances policy work through making representation to external parties, including other industry associations and affiliated bodies in agriculture. Policy staff regularly attend workshops, meetings and forums to advance policy positions and gather information to support evidence-based research. The outcomes from these activities are reported to the GPSA Board and/or sub-committees, as well as communicated to the broader grain industry.

GPSA also represents the interests of growers by making submissions on issues that will affect the future of the grain industry to a range of government agencies, parliamentary inquiries and other consultative forums. Wherever possible, submissions are published on the GPSA website and made publicly available.

Policy Committees

GPSA has several sub-committees whose purpose is to focus on priority policy areas. Each sub-committee is led by a GPSA director and includes growers and may include industry stakeholders who work together on issues and, at times, provide recommendations to the GPSA Board.

By establishing sub-committees, a broad range of views and expertise can be sourced in the development of policy to support GPSA's work program and provides an opportunity for industry-wide participation in projects supported by the Grain Industry Fund.

The policy committees in operation in 2017-18 were:

- Agricultural Security and Priority Committee

(ASAP)

- Research, Development and Extension Committee (RD&E)
- Transport and Supply Chain Committee (TASC)

Memberships

GPSA advances its policy work by collaborating with state and national representative organisations, through making a direct financial contribution in fees and investing significant staffing resources and other forms of in-kind support. GPSA seeks to influence policy deliberations of these bodies in the interests of South Australian grain producers.

Grain Producers Australia

Grain Producers Australia (GPA) represents Australia's broadacre grain, pulse and oilseed producers at the national level. Broadly stated, GPA was created to foster a strong, innovative, profitable, globally competitive and environmentally sustainable grains industry in Australia.

The objectives of GPA are:

- To establish a strong independent national advocate for grain producers based on a rigorous and transparent policy development process.
- To engage all sectors of the Australian grains industry to ensure operation of the most efficient and profitable grain supply chain.
- To facilitate a strategic approach to research, development and extension intended to deliver sound commercial outcomes from industry research.

GPA plays an important role in the oversight of Grains Research & Development Corporation (GRDC) on behalf of grain producers, as well as providing direction to Plant Health Australia (PHA) on plant biosecurity matters.

GPA is appointed by the Federal Minister for Agriculture and Water Resources, as the "Representative Organisation" for GRDC under the Primary Industries and Energy Research and Development Act 1989. As part of this role, the Board of GPA, including GPSA representatives,

attend the regular, six-monthly consult meeting with the GRDC board and senior staff.

GPA also holds membership of Plant Health Australia on behalf of Australian grain producers and is 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.

GPSA maintains membership of GPA on behalf of grain producers in South Australia.

Primary Producers South Australia

Primary Producers SA (PPSA) is a coalition of peak bodies representing primary producers in South Australia. GPSA is a founding member and has nominated a councillor to the PPSA Council, to ensure grain production matters are considered in deliberations.

The purpose of PPSA is:

- To vigorously represent the interests and concerns of primary producers to government and the community.
- To present one voice to government and the wider community on cross-commodity issues affecting primary producers in South Australia.
- To promote the importance of primary production in South Australia and ensure that the contributions and achievements of primary producers are acknowledged and appreciated.
- To work with and assist stakeholders and suppliers to primary production where such assistance will ultimately benefit primary producers.

GPSA participates in PPSA's cross-commodity policy sub-committees, including the Natural Resource Management Committee and the Transport and Infrastructure Committee. PPSA is also represented on several external boards and committees and formally meets with PIRSA on a

quarterly basis.

GPSA provides secretariat and policy support to PPSA as required.

National Farmers' Federation

The National Farmers' Federation (NFF) is the peak national body representing farmers and, more broadly, agriculture across Australia. It is one of Australia's foremost advocacy organisations at the national political and community level.

In 2017, PPSA joined NFF as the only South Australian-based member.

GPSA makes a co-contribution to PPSA's membership to NFF. In turn, GPSA can nominate representatives to a range of sub-committees and may participate in national policy forums convened by NFF.

In 2018, GPSA will be participating in the NFF lead 'Talking 2030' project, designed to achieve \$100 billion in farm gate output by 2030.

Advocacy

In accordance with its constitution, GPSA remains strictly non-political.

GPSA engages with decision-makers of all tiers of government as well as statutory bodies responsible for policy or programs relevant to grain production businesses in South Australia.

GPSA represents the interests of grain producers to the South Australian Parliament, and where appropriate, on state issues relevant to the Federal Parliament.

GPSA works to progress legislation to advance a profitable and sustainable industry, while identifying opportunities to reduce the regulatory burden on farm businesses.

Prior to the 2018 South Australian election, GPSA promoted a policy agenda to all candidates and parties. This agenda outlined five key strategies to unlock increased profitability in the grain industry for the benefit of all South Australians. A copy of GPSA's report can be sourced via the GPSA website, including all responses received on

behalf of political parties.

Industry partnerships

GPSA recognises the need to work constructively with industry, government and the broader community to facilitate programs designed to encourage communication and cooperation between grain producers and other bodies associated with the grain industry.

GPSA is in regular contact with marketers, exporters, storage and handlers, researchers and farm input suppliers on behalf of growers, in progressing areas of common interest in agricultural policy.

GPSA provides leadership to industry forums for the benefit of grain producers. An excellent example of this work has been GPSA's lead role in coordinating the South Australian Barley Advisory Committee (SABAC) on behalf of the industry.

Priorities

GPSA works on behalf of South Australian producers across a whole range of issues and policy areas. However, producers consistently raise several key issues as impacting the profitability of their grain growing businesses through the annual GPSA Grower Priorities Survey.

These issues are published on the GPSA website and include:

- The moratorium on growing genetically modified crops in SA
- Increasing government property taxes
- Development that impedes producers' right to farm
- Grain markets and reporting
- Red and green tape reduction
- Competition in storage and handling
- Grain transport and supply chain infrastructure

Industry promotion

GPSA plays an important role in the general promotion of the grains industry, including through attending field days, conferences and other events. A range of initiatives has been developed to educate the community and key groups such as teachers and the public service in raising awareness of the economic, social, and environmental contribution made by the grains industry in South Australia.

GPSA is committed to ensuring that future workforce needs of the grains industry will be met through promoting career opportunities from school through to post-graduate study in agriculture to the community.

GPSA recognises the need to invest in community education to achieve 'social licence' to operate, while helping to reduce future risk and regulatory

response. This scenario may arise from a community backlash or political intervention that could disrupt trade, or impede the freedom to operate, such as restricting use of chemicals or farming practices.

GPSA also plays a role in promoting the economic opportunities arising from investment in the grains industry, including critical infrastructure and export supply chains and grains research and technology to boost productivity.

Communication

In seeking to communicate our work to producers, GPSA develops targeted material to support the dissemination of information relevant to the grain industry, including:

- Media releases
- Monthly newsletter, sent via email and post
- Grain Producer magazine
- Single issue email blasts
- Website updates
- Social Media including Facebook, Twitter and YouTube
- Traditional media, such as opinion pieces, feature articles, interviews
- Advertising in state and regional newspapers
- Regional grower and board meetings
- Exhibitions at field days and industry events
- Fact sheets
- Policy statements
- Industry surveys
- Attending conferences, workshops, grower updates and similar industry activities

GPSA engages the professional services of communication specialists to assist in the production and distribution of GPSA's communication material to industry and to ensure an effective system of communicating with all fund contributors.

Annual conference

GROWING SA 2017 was the inaugural annual conference of South Australia's grain and livestock industries. It was co-hosted by Grain Producers SA and Livestock SA and was the first time both organisations had partnered to host their annual conference. The event was strongly supported by grain producers, industry, media and government.

The annual conference is an opportunity for primary producers to hear the latest in policy developments, farm business tips and commodity research while networking with each other and industry service providers and policy decision-makers. It is held to coincide with GPSA's Annual General Meeting.

Grower education

GPSA develops information and education programs aimed at improving the efficiency and

effectiveness of the grain industry.

GPSA acts as a conduit for grower education on issues that may require a change in practice or heightened awareness at key times, such as harvest, for the industry good. This activity may arise, for example, from a change to regulation or an emerging threat to market access.

GPSA has led several highly successful campaigns to improve the understanding and awareness of grain producers on particular matters, including farm chemicals and fire prevention strategies.

GPSA supports the South Australian Grain Market Access Group, in coordinating the industry campaign to improve grain quality and preserving Australia's reputation for high standards of biosecurity.

Consultation

Growers are encouraged to have input on the organisation's policies by contacting a board member or attending any of the forums which GPSA hosts and putting forward their view.

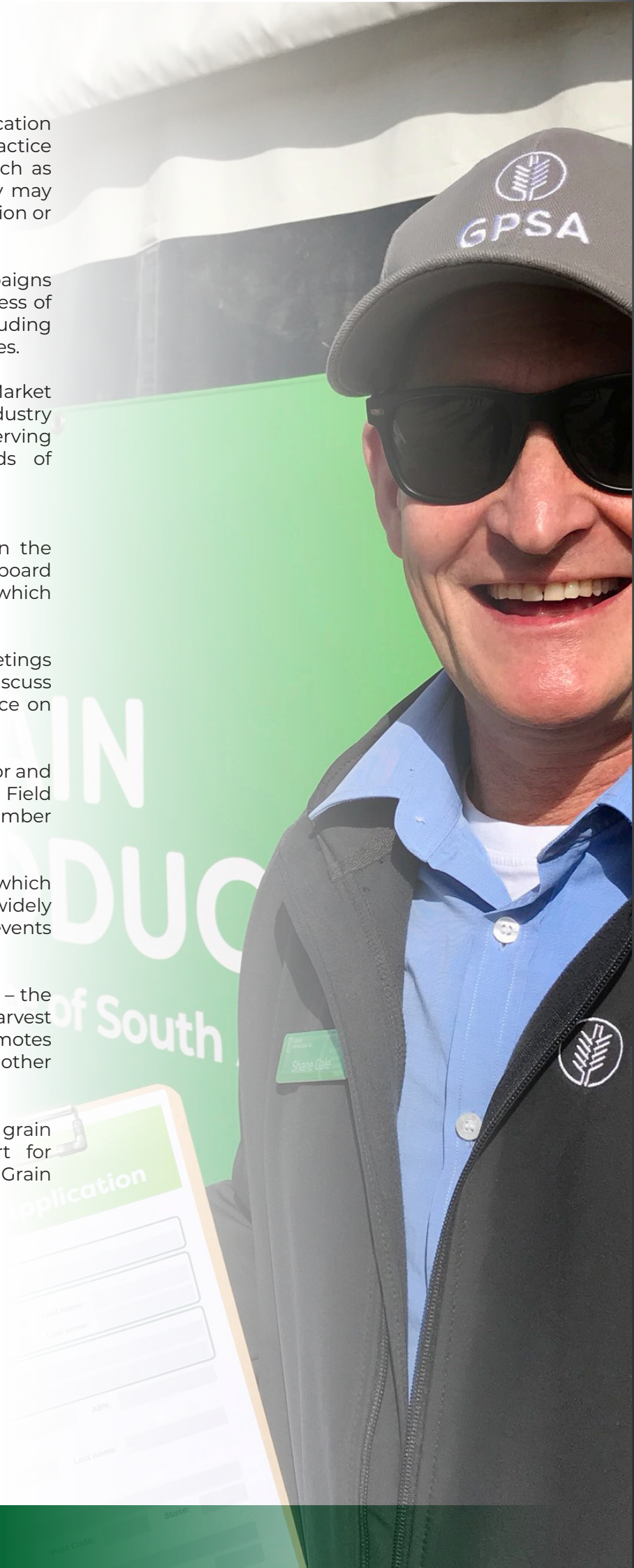
GPSA staff attend a host of industry meetings throughout the year and are available to discuss issues with growers by contacting the office on 1300 734 884 (for the cost of a local call).

GPSA attends major field days as an exhibitor and was present at the biennial Yorke Peninsula Field Days held at Paskeville from 26-28 September 2017.

GPSA holds pre and post-harvest forums which growers are invited to attend. These are widely advertised in GPSA newsletters and on the events section of the website.

GPSA runs two standard surveys every year – the mid-year Grower Priorities Survey and the Harvest Review Survey. In addition, GPSA promotes surveys from Primary Producers SA and on other important issues.

GPSA is ultimately accountable to all grain producers through the ongoing support for voluntary contributions made to the Grain Industry Fund each year.



Key achievements & activities

GPSA is proud of its achievements over the past 12 months. Full details can be viewed on the website www.grainproducerssa.com.au.

Highlights include:

GROWING SA

Nearly 300 people registered to attend the inaugural GROWING SA conference in Hahndorf in August 2017 to hear the latest in farm business advice, research and development and policy updates. The conference – a partnership between Grain Producers SA and Livestock SA – featured a host of agri-political and farm business speakers including former Assistant Minister for Agriculture Anne Ruston, Australian Farm Institute's Mick Keogh and agriculture industry investor Ed Peter.

Producers were able to put their policy questions directly to a political panel featuring the then State Minister for Agriculture Leon Bignell, Opposition agricultural spokesperson David Ridgway (now Minister for Trade, Tourism and Investment), and Federal Member for Mayo, and NXT agriculture spokesperson Rebekha Sharkie.

Part of the event was to showcase the importance of agriculture to the state, which was a key theme of the day and was carried through to both organisations' social media accounts. Profiled facts included that 'agribusiness employs one in five South Australians' and 'the food and wine industries generate \$18.6 billion', from the 2015-16 PIRSA Food and Wine Scorecard.

2018 Election Policy Statement

GPSA released its election policy statement, 'Five keys to unlock increased growth and employment

for the South Australian economy from the grain industry', as part of its efforts in the lead up to the 2018 South Australian election.

The statement outlines GPSA's policy priorities in areas vital to the grain industry's profitability including logistics and markets, research and development, workforce capacity building and priority land use.

GPSA sought all political parties and candidates to commit to:

- Create infrastructure efficiencies for lowest-cost delivery to markets
- Increase market access to boost returns to SA's economy
- Invest in plant science research, technologies and biosecurity
- Build a stronger workforce with new entrants and skills development for current participants
- Balance agriculture with competing land uses

GPSA believes that these policy priorities, if implemented, will deliver increased growth to SA's agricultural economy, with spin-off benefits for other sectors.

Hit Your Target campaign to promote best practice spray application

GPSA launched a new campaign encouraging growers to maximise the effectiveness of spray applications while minimising any unforeseen crop protection risks.

The campaign – Hit Your Target – provides hints, tips and resources on best practice spray application and calls on growers, advisers and the wider South Australian grain industry to minimise the risk of drift at every opportunity. The



use of sprays is fundamental to cropping systems and Hit Your Target aims to support operators by collating the research into best practice techniques, technology and equipment.

'Hit your target' will help to ensure the grain industry's future viability by giving producers the tools they need to efficiently produce grain. To assist growers, the Hit Your Target campaign provides information to help grain producers successfully co-exist with their cropping, horticultural and viticultural neighbours, while achieving their own crop protection needs.

Best practice industry information is compiled on the GPSA website, providing a 'one stop shop' for producers. The key messages of the campaign are backed by a number of 'Hit Your Target' champions, who are all passionate about best practice food production.

Genetically modified crops

Together with the Agricultural Biotechnology Council of Australia, GPSA commissioned a landmark report – Analysis of the price premiums under the South Australian GM moratorium – undertaken by independent expert market analysts Mecardo. The independent report was released in March 2018.

Mecardo researched pricing over time in SA compared with other Australian states for wheat, barley, canola, wine grapes, wool, cattle and sheep and lamb and pork – covering commodities which contribute about 63% of the state's agricultural economy. Analysis demonstrated beyond any doubt that there are no premiums being delivered to the majority of South Australian farmers

because of the state's status as free of genetically modified crops.

According to Mecardo, SA producers were trading at a 2-30% discount to WA and/or Victoria in all but one commodity. Pork pricing was the only commodity in which SA sometimes traded above neighbouring states but the reason was logistical, and not linked to the GM moratorium. Since 2012, non-GM canola at South Australian export ports has consistently traded between 2% and 3% below Geelong, Vic, and Kwinana, WA, ports respectively.

As a result of Mecardo's report, GPSA called for a comprehensive review into SA's GM-free status must be conducted within 12 months of the March 2018 election. Without change to legislation, the current moratorium on cultivation of GM crops will continued until 2025.

Farm Business Strategic Review

GPSA provided \$100,000 in funding for a pilot program of the Farm Business Strategic Review in 2017-18, originally developed by Rural Business Support, to be operated in South Australia. The review helps family businesses better understand their strategic position, analyse their financial status and identify opportunities to improve productivity and profitability.

Our investment is the largest commitment made by GPSA to an individual project, demonstrating the importance we place on upskilling producers in this area.

GPSA's mission is to ensure a viable and sustainable grains industry and financial literacy is a vital





component to achieve this. We want to help our members to develop a better understanding of their financial and strategic position. This can then support timely decision-making, investment in new technology and systems which will lead to increased profitability.

Mining on agricultural land

A major review of SA's mining legislation was commissioned by the previous State Government in 2016 which resulted in the Statutes Amendment (Leading Practice in Mining) Bill 2017. This Bill proposed amendments to the Mining Act 1971, amongst others, but lapsed due to the timing of the 2018 South Australian election.

GPSA has been seeking a fairer and more open and transparent system for farmers that includes a review of the process by which mining exploration is allowed, the process for granting exemptions, the rights of the landowners, the consultation process and compensation process not only for those immediately affected but also neighbours in proximity.

In its 2018 election policy statement, GPSA identified the need to balance agriculture with competing land uses. This statement was released to all major parties for response. In the document, GPSA also lobbied for an independent review of the Mining Act.

Together with other peak bodies, the farm sector also called for a dedicated, government-funded resource to be situated in Primary Producers SA to help farmers access information on their rights when faced with a mining company wanting to explore on their property.

GPSA will continue to engage with the government and key stakeholders on future changes to the Mining Act while seeking improved clarity and outcomes for growers when dealing with explorers or miners on their properties.

Improving the competitiveness of container exports

In 2017, GPSA policy officer Shane Gale was appointed to the Port Adelaide Container Terminal Monitoring Panel. Shane has been nominated to represent the interests of exporters in South Australia, for three years until August 2020. The panel's role is to review the performance of the Port Adelaide Container Terminal to ensure it is managed and operated in the best interest of the state.

The insufficient supply of 20-foot containers in South Australia for grain exports was raised by GPSA to the House of Assembly Economic and Finance Committee inquiry into the 'issues faced by primary producers in retail supply'. The issue was later adopted as a report's key finding for referral to the Minister for Transport in November 2017.

Securing market access for South Australian grain

In 2017, GPSA played a lead role in communicating export market access requirements to growers. The Industry Management Plan was developed with the Grain Industry Market Access Forum (GIMAF) and outlines the control mechanisms used by the Australian grains industry to ensure wheat and barley exports to China meet specific requirements in relation to pests of quarantine concern, including snails.

As part of a broader communications plan, a pre-harvest workshop was hosted by GPSA and Viterra on behalf of the South Australian Grain Market Access Group, to highlight the importance of grain hygiene practices on-farm.

Stamp duty on multi-peril crop insurance

GPSA successfully advocated for the waiving of stamp duty on multi-peril crop insurance in the lead up to the 2018 South Australian election. Both the Labor Party and the Liberal Party committed to waiving this additional cost to farmers and GPSA will continue to advocate for the implementation of this policy.

Attracting students into grains careers

GPSA provided \$20,000 in funding for an initiative to deliver curriculum-linked activities that promote innovation and opportunities in the grains sector to South Australian school students. The initiative – called Food and Fibre Education SA – uses best practice teaching methodology to engage students in years 5 to 12 in agricultural science, technology, engineering and mathematics (STEM).

With the need for more skilled labour in the grains industry, GPSA's investment is important to inspire and attract skilled graduates, as well as point school students toward a career in the sector.

Food and Fibre Education SA engages teachers, students and careers advisers in the science, technology, innovation and opportunities within primary production – including the grains,

livestock, horticulture, wool and dairy industries – as well as support industries.

GPSA's funding will support a Grains Expo for secondary students in November 2018, developing a grain-focused agricultural STEM workshop as well as a new resource to help students understand the subject requirements at school and pathways to get into grains careers.

This program's importance was highlighted by the results of a recent survey of 340 teachers which found that agricultural and grains concepts were not properly taught in schools due to lack of awareness of educational and training resources on offer. Food and Fibre Education SA helps to equip teachers with the information needed to teach grains content, while reaching out to students to profile careers in the industry and excite them about the industry's opportunities.

Food and Fibre Education SA is managed by communication and education consultancy group AgCommunicators and is supported by the University of Adelaide, Grain Producers SA, The Royal Agricultural & Horticultural Society, Crop Science Society and New Holland.

Health and well-being in rural communities

Grain Producers SA was proud to support the Fat Farmers Rural Health Initiative in 2018 with a \$15,000 funding contribution. As well as providing support for Fat Farmers teams with exercise equipment and access to trainers, the funding also allows the Fat Farmers Team Coordinators to come together to participate in an annual planning workshop where they share ideas regarding how to support local farming families to be healthy and active.

Fat Farmers started in 2010 with a small group of farmers from the Yorke Peninsula, but has since expanded to include 'teams' in a number of regions, from the Eyre and Yorke Peninsula, Lower North, Mallee and Barossa & Light. The groups participate in local fun runs and bike rides and train together with a focus on family-friendly activities and having fun.

Financial reporting

The GPSA Board recognises that exemplary corporate governance and diligent monitoring of the organisation's compliance with its legal obligations are vitally important to the fulfilment of its mission.

Board Meetings

The GPSA Board met eight times during the financial year 1 July 2017 to 30 June 2018, directors attending as per the table below.

Reporting framework

GPSA recognises that all funds received from the Grain Industry Fund must be applied for the benefit of grain producers in South Australia who make contributions, as required by terms of the annual Management Plan released by the Minister. Strict oversight is provided by GPSA's Audit and Finance Committee as well as GPSA's Board.

To demonstrate both transparency and accountability to levy-paying grain producers, GPSA has robust systems to manage advances from the Grain Industry Fund and for reporting on the expenditure of monies received in accordance with prescribed milestones.

Grain Producers SA Ltd (GPSA) operates as a non-profit entity, established as a company limited by guarantee under the Corporations Act 2001. GPSA is registered for the GST.

As a company limited by guarantee, GPSA lodges a copy of its financial statements annually with the Australian Securities and Investment Commission. GPSA also reports on any PIFS Grain Industry Fund expenditure to the Minister on a quarterly and annual basis.

Audit and Finance Committee

The objective of the Audit and Finance Committee is to provide independent assurance and assistance to the Board on GPSA's risk, control and compliance framework and its external accountability responsibilities. David Malpas chairs the Audit & Finance Committee and Wade Dabinett, Adrian McCabe and GPSA CEO Caroline Rhodes are members.

The Audit and Finance Committee has established delegated authority limits which govern the payment of monies within GPSA.

Fraud and risk management

GPSA's fraud and risk management framework includes processes for project, program and portfolio-level risk management, general compliance

and operational risk management, financial risk management and prudential guidelines for business ventures.

GPSA engages the professional services of an external accountant to provide advice and guidance on corporate reporting, the preparation of financial statements, taxation and other general accounting matters as required.

As part of its annual planning, the GPSA Board will undertake appropriate risk assessments and develop a revised risk registrar and risk treatment plan following adoption of the 2018 Strategic Plan.

Monitoring performance

GPSA monitors, measures and evaluates its performance to continually improve its effectiveness and efficiency.

Following the appointment of a new Chief Executive Officer in April 2018, the GPSA Board established a comprehensive organisational review prior to the start of the 2018-19 financial year and to coincide with the development of the new Strategic Plan. This project will be overseen by the Audit and Finance Committee.

Audit process

Independent internal and external audits are applied to finances, risk and fraud.

GPSA maintains accounts and records of transactions and affairs in accordance with the Australian Accounting Standards and with other legislative requirements applicable to entities reporting under the Corporations Act 2001.

GPSA appointed Bentleys SA Pty Ltd to audit GPSA's 2017-18 financial statements. In order to promote auditor independence in the preparation of the annual financial statements, the GPSA Board elected to rotate the auditor in 2018.

Corporate planning and reporting

GPSA's corporate planning and reporting approach incorporates three tiers of accountability:

1. Strategic Plan that sets out GPSA's high-level goals, strategies and performance measures for a five-year period, developed in consultation with stakeholders.
2. Annual Operational Plan that outlines the annual budget, resources and research priorities that give effect to the Strategic Plan during a given financial year. It also provides the opportunity for GPSA to respond to external drivers and changing priorities during the life of the

Strategic Plan by providing revised emphasis on project theme.

3. Annual Report that provides information on project activities and their performance in relation to the goals set in the Annual Operation Plan for a given financial year.

Insurance

GPSA currently holds the following insurance policies as at 30 June 2018:

- Public and Liability Limit \$20,000,000
- Association Liability Limit \$5,000,000
- General Property Cover and Contents \$35,297
- Motor Vehicles (agreed value) \$121,500

Insurance cover is reviewed annually and adjusted as required.

External reporting

Transparency and accountability is integral to achieving GPSA's mission.

As the voice of South Australian growers, GPSA directors and senior management are committed

to acting with integrity in representing grain producers, discharging duties in both an ethical and responsible manner.

GPSA reports regularly to stakeholders, including via publication of annual reports, the GPSA website and participation in conferences, forums, workshops and other activities.

GPSA holds its AGM as a public event open to all Grain Industry Fund contributors.

GPSA will regularly canvass its membership on policy priorities and be accountable to members in accordance with the organisation's constitution and legal framework.

In addition, GPSA has published the contact details of all directors and senior staff on its website. The GPSA secretariat can be contacted during office hours via 1300 734 884 (for the cost of a local call).

Board Director attendance

Board Director	Applicable Meetings	Meetings Attended	Meetings Not Attended*
Wade Dabinett, Chair	8	8	0
David Malpas, Deputy Chairman	8	8	0
Stephen Ball	8	7	1
Andrew Goode, Independent Director	8	8	0
Garry Hansen	8	7	1
Adrian McCabe	8	7	1
Jared Sampson	7	6	1
Wendy Umberger, Independent Director	5	4	1
Dion Woolford	8	8	0

*with apology

Project acquittal statement**For the Year Ended 30 June 2018**

	Actual	Budget	Variance
PIFS Income	-		
Grower Contributions via PIRSA	1,800,000.00	1,800,000.00	-
Other Income	163,062.00	-	163,062.00
Total income	1,963,062.00	1,800,000.00	163,062.00
Expenditure			
Projects			
PN	-		
1 Grain Stewardship program	257,021.71	250,000.00	(7,021.71)
2 Grain Freight and Logistics Plan	266,858.30	250,000.00	(16,858.30)
3 Communication and Grower Consultation Framework	81,463.39	80,000.00	(1,463.39)
7 Biosecurity	11,586.86	25,000.00	13,413.14
8 Grain Receival Standards and Quality Control	-	-	-
10 Review Market Information Availability	12,000.00	50,000.00	38,000.00
14 Review and Evaluation of Grain Marketing Products	18,974.59	30,000.00	11,025.41
15 Increased Competition in Grain Markets in SA	73,651.20	100,000.00	26,348.80
16 Worker Health and Safety	46,677.10	60,000.00	13,322.90
17 Natural Resource Management	11,135.64	30,000.00	18,864.36
18 Promotion of Agriculture to Customers and Community	50,586.91	50,000.00	(586.91)
23 Grains R&D Oversight	36,232.45	50,000.00	13,767.55
24 Improved access and efficiency of Port Facilities	56,599.61	80,000.00	23,400.39
28 Pre and Post Harvest Technical Forums	10,000.00	15,000.00	5,000.00
30 Thevenard Port Terminal Access	20,645.63	20,000.00	(645.63)
32 Fees for affiliation of relevant industry bodies	257,651.24	300,000.00	42,348.76
33 South Australian Barley Advisory Committee	10,869.42	10,000.00	(869.42)
34 Dissemination of project outcomes to fund contributors	19,666.24	20,000.00	333.76
35 Grain Production and Competing/Complementary Land Use	106,726.00	125,000.00	18,274.00
36 Grain Production and Capital Access	4,726.25	25,000.00	20,273.75
37 Capacity Building	120,071.61	120,000.00	(71.61)
116 Growing SA Conference	74,629.72	-	(74,629.72)
	1,547,773.87	1,690,000.00	142,226.13
Administration	100,000.00	100,000.00	-
	100,000.00	100,000.00	-
Contingency	-	10,000.00	10,000.00
	-	10,000.00	10,000.00
Total expenditure	1,647,773.87	1,800,000.00	152,226.13
Residual funds	315,288.13	-	315,288.13

Note: Excludes income (\$90,791) and expenditure (\$80,791) related to Industry Skills Fund that was received and paid outside of the PIFS funding arrangements.

Statement of Profit or Loss

For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Operating grants		1,800,000	1,600,000
ISF Income		80,791	169,483
Miscellaneous income		13,690	13,463
Management fee - ISF		15,000	13,215
Interest received		7,096	5,002
Corporate membership		4,000	4,500
Conference income		33,276	-
Refund from University of Adelaide		90,000	-
Total income		2,043,853	1,805,663
Less: operating expenses			
Accounting fees		(2,320)	(1,670)
Auditors remuneration		(4,418)	(4,600)
Bank charges		(738)	(908)
Communications		(99,497)	(117,623)
Computer expenses		(6,012)	(5,734)
Conference, seminar and function costs		(66,999)	(29,516)
Consulting and professional fees		(149,609)	(150,418)
Depreciation		(16,112)	(12,812)
Employee costs - directors		(156,496)	(143,442)
Employee costs - permanent staff		(593,881)	(483,996)
Finance cost		(3,031)	(1,966)
Fringe benefits tax		(15,207)	(5,850)
Gifts		(100)	(1,279)
Insurance		(4,991)	(4,408)
Meeting costs		(13,905)	(24,807)
Motor vehicle expenses		(27,265)	(58,890)
Papers and publications		(936)	(95)
Postage		(9,622)	(8,155)
Printing and stationery		(10,900)	(16,539)
Rental and office costs		(35,491)	(30,916)
Subscriptions		(6,303)	(7,897)
Sundry expenses		(14,747)	(11,483)
Telephone and fax		(11,759)	(11,191)
Travel - domestic		(55,328)	(53,228)
Total operating expenses		(1,305,667)	(1,187,423)
Project expenses	3	(422,897)	(349,483)
Total Expenses		(1,728,564)	(1,536,906)
Profit for the year		315,288	268,757

Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,068,087	594,761
Trade and other receivables	6	3,171	7,502
Other assets	7	20,551	19,042
TOTAL CURRENT ASSETS		<u>1,091,809</u>	<u>621,305</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	105,267	120,111
TOTAL NON-CURRENT ASSETS		<u>105,267</u>	<u>120,111</u>
TOTAL ASSETS		<u><u>1,197,076</u></u>	<u><u>741,416</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	202,969	77,938
Borrowings	10	10,609	9,998
Employee benefits	11	42,515	36,858
Revenue received in advance	12	19,850	-
TOTAL CURRENT LIABILITIES		<u>275,943</u>	<u>124,794</u>
NON-CURRENT LIABILITIES			
Borrowings	10	36,585	47,361
TOTAL NON-CURRENT LIABILITIES		<u>36,585</u>	<u>47,361</u>
TOTAL LIABILITIES		<u><u>312,528</u></u>	<u><u>172,155</u></u>
NET ASSETS		<u><u>884,548</u></u>	<u><u>569,261</u></u>
EQUITY			
Retained earnings		<u>884,548</u>	<u>569,261</u>
TOTAL EQUITY		<u><u>884,548</u></u>	<u><u>569,261</u></u>





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