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

### Qualified opinion

I have audited the financial report of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund (the Fund) for the financial year ended 30 June 2024.

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the financial position of the Minister for Primary Industries and Regional Development - Grain Industry Research and Development Fund as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive, Department of Primary Industries and Regions (the Chief Executive), signed for and on behalf of the Minister for Primary Industries and Regional Development (the Minister) and the Chief Financial Officer, Department of Primary Industries and Regions.

## **Basis for qualified opinion**

As referred to in note 2.1 to the financial statements, pursuant to regulation 5 of the *Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013*, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the Fund for each tonne of grain produced and sold by a grain grower. While there are adequate internal controls over contributions actually received, there are insufficient controls in place to ensure the contributions received represent the actual tonnage of grain produced and sold. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$2,383,604 (\$3,045,666) is complete.

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Minister and the Department of Primary Industries and Regions which administers the Fund on the Minister's behalf. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Responsibilities of the Minister and the Chief Executive for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Minister is responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund for the financial year ended 30 June 2024.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'D. O'Donohue', with a long horizontal flourish extending to the right.

Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

18 December 2024

**Minister for Primary Industries and Regional  
Development**

**Grain Industry Research and Development Fund**

**Financial Statements**

For the year ended 30 June 2024

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Certification of Financial Statements  
for the year ended 30 June 2024**

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We certify that the:

- financial statements of the Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund:
  - are in accordance with the accounts and records of the Grain Industry Research and Development Fund;
  - comply with relevant Treasurer’s Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Grain Industry Research and Development Fund at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Minister for Primary Industries and Regional Development - Grain Industry Research and Development Fund for the financial year over its financial reporting and its preparation of financial statements have been effective.



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**Prof Mehdi Doroudi PSM**

Chief Executive

Department of Primary Industries and Regions

For and on behalf of the Minister for Primary  
Industries and Regional Development

Per authorisation dated 27 June 2023

2 December 2024



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**Will Kent**

Chief Financial Officer

Department of Primary Industries and Regions

2 December 2024

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Comprehensive Income  
for the year ended 30 June 2024**

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	Note	2024 \$	2023 \$
<b>Income</b>			
Contributions from Industry	2.1	2 383 604	3 045 666
Interest	2.2	17 461	10 040
<b>Total income</b>		<b>2 401 065</b>	<b>3 055 706</b>
<b>Expenses</b>			
Transfers to industry	4.1	2 437 299	2 921 880
Refund of contributions		1 679	2 064
Supplies and services	4.2	15 635	14 434
Auditor's remuneration		8 100	7 900
<b>Total expenses</b>		<b>2 462 713</b>	<b>2 946 278</b>
<b>Net result</b>		<b>(61 648)</b>	<b>109 428</b>
<b>Total comprehensive result</b>		<b>(61 648)</b>	<b>109 428</b>

The accompanying notes form part of these financial statements.

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

**Minister for Primary Industries and Regional Development – Grain Industry  
 Research and Development Fund  
 Statement of Financial Position  
 as at 30 June 2024**

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	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	5.1	58 642	179 911
Receivables	5.2	81 674	179 872
<b>Total current assets</b>		<b>140 316</b>	<b>359 783</b>
<b>Total assets</b>			
		<b>140 316</b>	<b>359 783</b>
<b>Current liabilities</b>			
Payables	6.1	8 677	166 496
<b>Total current liabilities</b>		<b>8 677</b>	<b>166 496</b>
<b>Total liabilities</b>			
		<b>8 677</b>	<b>166 496</b>
<b>Net assets</b>			
		<b>131 639</b>	<b>193 287</b>
<b>Equity</b>			
Retained earnings		131 639	193 287
<b>Total equity</b>		<b>131 639</b>	<b>193 287</b>

The accompanying notes form part of these financial statements.

The total equity is attributable to the SA Government as owner.



**Minister for Primary Industries and Regional Development – Grain Industry  
 Research and Development Fund  
 Statement of Changes in Equity  
 for the year ended 30 June 2024**

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	Retained earnings	Total equity
	\$	\$
<b>Balance at 1 July 2022</b>	<b>83 859</b>	<b>83 859</b>
Net result for 2022-23	109 428	109 428
<b>Total comprehensive result for 2022-23</b>	<b>109 428</b>	<b>109 428</b>
<b>Balance at 30 June 2023</b>	<b>193 287</b>	<b>193 287</b>
Net result for 2023-24	(61 648)	(61 648)
<b>Total comprehensive result for 2023-24</b>	<b>(61 648)</b>	<b>(61 648)</b>
<b>Balance at 30 June 2024</b>	<b>131 639</b>	<b>131 639</b>

The accompanying notes form part of these financial statements.

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

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Statement of Cash Flows  
for the year ended 30 June 2024**

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	2024	2023
	\$	\$
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Contributions from industry	2 482 502	2 936 293
Interest received	16 761	9 220
<b>Cash generated from operating activities</b>	<b>2 499 263</b>	<b>2 945 513</b>
<b>Cash (outflows)</b>		
Transfers to industry	(2 593 874)	(2 832 783)
Refund of contributions	(1 679)	(2 064)
Payments for supplies and services	(17 079)	(12 973)
Auditor's remuneration	(7 900)	(7 700)
<b>Cash used in operating activities</b>	<b>(2620 532)</b>	<b>(2 855 520)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>(121 269)</b>	<b>89 993</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(121 269)</b>	<b>89 993</b>
Cash and cash equivalents at the beginning of the reporting period	179 911	89 918
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>58 642</b>	<b>179 911</b>

The accompanying notes form part of these financial statements.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2024*

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**1. About the Grain Industry Research and Development Fund**

The Grain Industry Research and Development Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013* (Regulations), administered by the Minister for Primary Industries and Regional Development and is controlled by the Crown. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

**1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

The Fund is not subject to Income Tax. The Fund is liable for Goods and Services Tax (GST). GST collections and payments are carried out by PIRSA on behalf of the Fund. GST in relation to the Fund is reported in the PIRSA Administered Financial Statements.

**1.2. Objectives of the Fund**

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998*.

The primary purposes of the Fund are to make:

- payments to the trustees of the South Australian Grains Industry Trust Fund for one or more of the following purposes:
  - (a) reasonable operating and management expenses of the Trust
  - (b) funding research and development into the growing, harvesting, storage, processing and marketing of grain
  - (c) disseminating of technical information to persons associated with the grain industry
  - (d) collecting and disseminating to grain growers information relevant to research and development into grains
- payments for other purposes related to the funding of research and development into grains
- payment of the expenses of administering the Fund
- repayment of contributions to the Fund

**2. Income**

**2.1. Contributions from industry**

Contributions payable to the Minister for payment into the Fund are made pursuant to Regulation 5.

Contributions are recognised as revenue when the Fund obtains control of the contributions, or obtains the right to receive the contributions (that is, when information becomes available to the Fund regarding contributions due for the prescribed period).

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Notes to and forming part of the financial statements  
for the year ended 30 June 2024**

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## 2.2. Interest

The Fund's deposit account earns a floating interest rate based on daily bank deposit rates.

## 3. Key management personnel

### 3.1. Key management personnel

Key management personnel of the Fund includes the Minister for Primary Industries and Regional Development who has responsibility for the strategic direction and management of the Fund.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

### Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties entered into by the Fund.

## 4. Expenses

### 4.1. Transfers to industry

	2024	2023
	\$	\$
South Australian Grains Industry Trust Fund	2 437 299	2 921 880
<b>Total transfers to industry</b>	<b>2 437 299</b>	<b>2 921 880</b>

Regulations provide that the Fund may be applied for a number of specific purposes and that payments from the Fund may be made to the trustees of the South Australian Grain Industry Fund. The amounts transferred enable projects and activities to be delivered by the industry to meet its management plan.

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

All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

### 4.2. Supplies and services

	2024	2023
	\$	\$
Administrative and operating costs <sup>(1)</sup>	15 635	14 434
<b>Total supplies and services</b>	<b>15 635</b>	<b>14 434</b>

<sup>(1)</sup> Includes fees for administration and preparation of the financial statements.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund  
Notes to and forming part of the financial statements  
for the year ended 30 June 2024**

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**5. Financial assets**

**5.1. Cash and cash equivalents**

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

**5.2. Receivables**

	<b>2024</b>	<b>2023</b>
	\$	\$
Receivables – Contributions from industry	80 154	179 052
Accrued interest - Department of Treasury and Finance	1 520	820
<b>Total receivables</b>	<b>81 674</b>	<b>179 872</b>

Receivables – Contributions from industry are recognised as statutory receivables when information becomes available to the Fund regarding contributions due for the prescribed period.

**6. Liabilities**

**6.1. Payables**

	<b>2024</b>	<b>2023</b>
	\$	\$
Audit fee payable to the Audit Office of South Australia	8 100	7 900
Other payables	577	568
South Australian Grains Industry Trust Fund	-	158 028
<b>Total payables</b>	<b>8 677</b>	<b>166 496</b>

Goods and services provided and unpaid at the end of the reporting period are recognised as other payables.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

**7. Outlook**

**7.1. Contingent liabilities**

*Refunds of contributions*

Under Regulation 6(1) a grain grower may, by notice in writing to the Minister, within the 12 months following a financial year in respect of which contributions have been paid on behalf of the grain grower, make a claim for a refund in respect of those contributions.

At the reporting date the possible emergence of valid refund requests within the 12 month period is present. However, as uncertainty exists as to the number of refund requests that will be received, and their timing and amount, these potential obligations cannot be reliably estimated and therefore represent a contingent liability for the Fund.

Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the Fund.

**7.2. Events after the reporting period**

No events have occurred after balance date that are expected to materially affect the Fund in subsequent years.

**Minister for Primary Industries and Regional Development – Grain Industry  
Research and Development Fund**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2024*

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**8. Measurement and risk**

**8.1. Financial instruments**

**Liquidity risk**

The Fund's revenue comes from contributions received from industry members at rates prescribed in the Regulations for the Fund. All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

The continued existence of the Fund in its present form, and with its present programs, is dependent on State Government policy and the industry's on-going support for the Fund.