

Citrus Growers Fund

2017-18 Annual Report

INTRODUCTION

The *Primary Industry Funding Schemes Act 1998* was established to provide South Australian primary industries with a legislative based ability to raise funds within their sector so they can favourably position themselves in the national and international marketplace.

Section 4 of the Act allows the Governor to make regulations establishing a fund for a particular sector of primary industry. All existing regulations are administered by the Minister for Primary Industries and Regional Development.

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

This is the 2017-18 Fund Annual Report for the year ended 30 June 2018, prepared under section 11 of the Act.

CITRUS GROWERS FUND OVERVIEW

The Citrus Growers Fund is established by the *Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2017*.

The contribution rate for this fund is outlined in regulation 5 and is \$1.00 for each tonne of citrus fruit produced and sold by a citrus grower.

Contributors may seek a refund of their contributions as provided for in regulation 6.

The purposes for which the fund can be applied by the Minister are outlined in regulation 7.

OPERATION OF THE FUND

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

The fund management plan current for the year ended 30 June 2018 was prepared in accordance with section 9 of the Act. This plan was presented at a public meeting held

on 11 May 2017 and the plan was made publicly available on the PIRSA website and is attached to this report.

One application was received from Citrus Australia on behalf of their South Australian subcommittee, Citrus Australia SA Region (CASAR) that is recognised as 'a body that, in the opinion of the Minister, represents (South Australian) Citrus Growers' for the purposes listed in regulation 7(a). This application met the requirements of the Act and regulation and was approved by the Minister.

Where requested, refunds of contributions were paid in accordance with regulation 7(d).

In accordance with regulation 7(c), the fund was also applied to administration expenses.

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



Scott Ashby
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND REGIONS SA

5/3/2019

Citrus Growers Fund Management Plan

Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2017

Management Plan 2017-18 to 2021-22



Enquiries

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1.0	T Rohrlach	February 2017	Draft Document
1.1	T Rohrlach	August 2017	Final Document

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Introduction

Regulations under the *Primary Industry Funding Schemes Act 1998* (the Act) establish the *Citrus Industry Fund* (Fund) to collect contributions from South Australian Citrus growers to support citrus industry activities.

The *Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2005* (Regulations) amended in 2012, establish that \$1 for each tonne of citrus fruit produced and sold by a citrus grower is paid to the Minister by or on behalf of citrus growers for investment in the Fund.

This Plan should be read in conjunction with the Act and the Regulations. Legislation is available at www.legislation.sa.gov.au.

The Fund permits payments to a body or bodies that in the opinion of the Minister represent citrus growers, to be applied for the prescribed purposes defined by Regulation 6 and in this Management Plan, that is, for the benefit of South Australian citrus growers who contribute to the Fund.

The Regulations name the Minister as the Administrator of the Fund, which ensures appropriate accountability for the application of funds to functions and activities of industry benefit. The Minister is required to report annually to Parliament on the operation of the Fund and its accounts.

This Management Plan has been developed in consultation with the citrus industry in accordance with the *Primary Industry Funding Schemes Act 1998*. It covers a five-year period and must be updated annually, but may be updated at any time by the Administrator of the fund. Importantly, this Plan provides guidance to citrus industry organisations on the types of activities that may be approved and how funding applications are assessed. It outlines how the contribution rate may be varied, and the consultation process that will be undertaken to review the Plan each year.

This Management Plan provides transparency for the Fund contributors (citrus growers) to understand how their contributions have been used for the benefit of the South Australian citrus industry.

A copy of this plan once accepted will be available on the PIRSA website.

Requirements of the Management Plan

Section 9 of the Act provides the requirements of this Management Plan:

9—Management Plan for Fund

- (1) The person or body administering a fund established under the regulations must ensure that, in accordance with this section—
 - (a) management plans are prepared for the fund; and
 - (b) the plans are presented at public meetings convened for the purpose.
- (2) The management plans must be prepared and presented as follows:
 - (a) the first plan must cover a five-year period and be prepared and presented within 12 months after the commencement of the regulations establishing the fund;
 - (b) a revised plan must be prepared and presented at least once every 12 months after presentation of the first plan and must, in each case, cover the ensuing period of five years.
- (3) A management plan must contain—

- (a) an estimate of the contributions to the fund likely to be received over the relevant period;
 - (b) proposals for the investment of the fund;
 - (c) proposals for the application of the fund;
 - (d) any other matters considered appropriate to be included by the person or body administering the fund.
- (4) The person or body administering the fund must ensure that industry members are consulted during preparation of a management plan.
- (5) The person or body administering the fund must ensure that, at least two weeks before the date of a public meeting to be convened under this section, a notice of the date, time, place and purpose of that meeting is published in a newspaper circulating generally throughout the State.
- (6) The person or body administering the fund may revise and update its management plan at any time.
- (7) The person or body administering the fund must cause a copy of its current management plan to be kept available for inspection by members of the public, without charge and during normal office hours, at a place determined by the Minister.

Investment of the Fund

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

Contributions are held in a separate interest bearing account at the Department of Treasury and Finance. Interest is paid bi-annually on monies held, and is treated as income to the Fund in accordance with the Section 4(6)(b) of the Act.

Should applications for payments be less than the amount of income, as may be the case following a good season, any balance not immediately required for the purposes of the fund will be retained in the Fund and the interest earned deemed as investment in accordance with the Section 4(7) of the Act.

Contributions to the Fund

All South Australian citrus growers contribute \$1 per tonne of citrus fruit to the Citrus Industry Fund. A citrus producer who contributes to the Fund is referred to as a Fund contributor throughout this Management Plan.

An organisation that applies for a payment from the Fund is referred to as an applicant organisation throughout this Management Plan.

The \$1 per tonne contribution is collected by the first purchaser of the citrus fruit as a deduction from the payment due to the grower. Regulation 5(c) requires the purchaser to remit the contribution into the Fund within 28 days following the quarter in which the citrus fruit was purchased.

As contributions to the Fund are invested in the same year that they are collected it is important to ensure there is sufficient balance in the Fund to account for refund request and administration expenses. For this purpose, estimating contributions to the fund minus an estimated retained amount for expenses and refunds is required.

Estimate of Contributions to the Fund

Section 9(3)(a) of the Act, stipulates that as part of this five-year Citrus Management Plan, the Plan is required to outline potential production and hence income to the fund over the coming five-year period.

Industry through the Citrus Australia SA Region committee provide an estimate of South Australia's total citrus production for the coming year based on the current SA crop forecast, and knowledge of current and new plantings. An estimate of the contributions to the Fund is based on current data and knowledge of new plantings coming into production over the next five years.

Table 1. Estimated contribution to the Citrus Industry Fund (2017/18 - 2022/23)

	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Fruit Production (000 tonnes)	185	185	185	185	185
Rate of Contribution (\$/t)	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Estimated Total Contributions (\$' 000)	\$185	\$185	\$185	\$185	\$185

Estimate of Retained Amount

An amount will be retained in the Fund to pay for refunds of contributions and the expenses of administering the Fund in accordance with Regulation 6(b). It takes into account the standing balance of the Fund, the refund history of the Fund and the anticipated expenses of administering the Fund. At the date of drafting the plan the proposed recommendation for retained funds are as noted below.

Estimate of Fund administration expenses	Retained Amount
Refund allowance	\$20,000
Audit fees and administrative expenses	\$15,000
Total Retained Amount	\$35,000

PIRSA's administrative expenses (see above table) are transaction based and as a result the annual cost of administering the Fund will depend on the number of deposits and refunds that require administrative effort.

A citrus grower may within a month following a financial year (July) make a claim for a refund in respect of contributions paid by the grower in the previous financial year (Regulation 5A and Schedule 1-2). A person claiming a refund is declared to be in default of the Fund and is not entitled to receive direct benefits or services funded by payments from the Fund (Regulation 7).

Estimate of Fund Payment

In any year the Fund Investment will be applied in the following order of priority:

1. Payment of refunds;
2. Retained amount for future administrative and refund expenses
3. Payment to Citrus Australia SA Region as the applicant organisation nominated to the Minister by Industry

Should the request for refunds in any year exceed the estimated refund allowance, the fund investment value will be renegotiated with the successful applicant.

Application of the Fund

The Fund is to be applied to activities as prescribed by Regulation 6 below that benefit South Australian citrus growers who contribute to the Fund.

6—Application of the Fund

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

- (a) Payments to a body that, in the opinion of the Minister, represents citrus growers for 1 or more of the following purposes:
 - (i) The reasonable operating and management expenses of the body;
 - (ii) Fees for affiliation of the body with regional, State or national citrus or horticulture industry bodies;
 - (iii) Promoting the South Australian citrus industry, including through industry field days, conferences and other events;
 - (iv) The collection and dissemination to citrus growers of information relevant to the citrus industry;
 - (v) Representation of citrus growers, or participation of the body, in regional, State or national citrus or horticulture industry forums;
 - (vi) Programs designed to encourage communication and cooperation between citrus growers, citrus packers, citrus processors and persons marketing citrus fruit or citrus fruit products;

- (vii) Other purposes of the body;
- (b) Payments for other purposes for the benefit of citrus growers;
- (c) Payment of the expenses of administering the Fund;
- (d) Repayment of the contributions to the fund under regulation 5A

Application Process

Following acceptance by industry and noting by the Minister of the Citrus Management Plan for the coming year, applications for payments from the Fund will be called for in April/May each year when the size of the Fund can be reasonably estimated.

Eligible applicant organisations as identified in Regulation 6(a), are invited to submit an application in writing that provides a covering letter of application to the Minister summarising key aspects of the application including the amount of funds applied for and the Operational Plan.

The submitted Operational Plan may include project elements or activities where ongoing or multiple year projects are proposed and budgeted for up to five years. The programs and activities in the operational plan should so far as possible align with Citrus Australia's strategic objectives.

The Minister will assess applications in June of each year. Successful applicants will be advised in August each year when PIRSA is satisfied sufficient monies have been received into the Fund to meet the claim for payment, refunds and administration expenses. Biannual payments will occur in September and May.

The final report on the performance of the fund will be provided to the Minister by 31 August as detailed in this Management Plan.

The position of the Fund over the course of the financial year will be monitored in order to maintain the financial integrity of the Fund.

Under extenuating circumstances, the Minister at their discretion may consider extraordinary applications for funds outside this schedule for substantial unforeseen eligible activities. The Minister may approve an extraordinary application for funds providing the amount available to make the additional payments will not exceed the available balance of the Fund, less an amount sufficient to cover audit and administrative costs plus an allowance for any refunds in accordance with Regulation 6(b).

Other Fund Administration Matters

Reviewing the Management Plan

At the start of February each year, PIRSA will consult with industry on relevant changes required to be made to the Citrus Management Plan. Feedback will be assessed by PIRSA with recommendations made to the Minister for changes to the Plan by the end of May each year.

The amended Management Plan will then be finalised and approved by the Minister. A public meeting which can be attended by all Fund contributors will then be held in May to present the Plan with this meeting being advertised and facilitated by PIRSA. The draft Citrus Management Plan will be posted on the PIRSA website at the time of the public meeting.

Section 9(6) of the Act allows the Minister as Administrator of the Fund, to cause a revision and update of the Management Plan at any time. An extraordinary amendment of the Management Plan will be drafted and consulted similarly to the annual revision and update of the Management Plan.

The current Management Plan will be available from the PIRSA website.

Table 3 Annual Management Plan Review and Funding Cycle

Timeline	Action
January	PIRSA Processors Initiates review of the Management Plan for coming 5 years Second quarter payments received from processors (due 28 January)
February	PIRSA Draft citrus management plan for discussion
March	PIRSA/PIB Discuss with PIB any proposed changes to the Management Plan
April	PIRSA/PIB Processors Set date for public meeting for approval of management plan & advertise Third quarter payments received from processors (due 28 April)
May	PIRSA/PIB PIRSA Fund recipient PIRSA Present Draft Citrus Management Plan at Public Meeting (as per Act, Section 9) Draft Management Plan lodged with the Minister by the end of May each year. Report on progress against Annual Operations Plan & request to release 2 nd instalment Second instalment from the Fund released
June	
July	PIRSA Processors Receipt of refund requests for previous financial year (due 1 - 31 July) Fourth quarter payments received from processors (due 28 July)
August	PIRSA PIRSA PIRSA Fund application received from PIB for current financial year including request to release payment Fund Applications assessed for this financial year Annual report on previous financial year Operational Plan due on or before 30 September
September	PIRSA First instalment from the Fund released
October	Processors First quarter payments received from processors (due 28 October)
November	
December	

PIB = Peak Industry Body that in the opinion of the Minister represent citrus growers

Reporting

Section 10 of the Act states, that it is a requirement of the Fund, that the Prudential Management of the Fund is audited at least once in each year.

The Act also requires that an Annual Report is to be developed to include the audited statement of accounts and the current management plan to be laid before each House of Parliament at the end of each financial year. This report is to be developed by the Ministers Representative (PIRSA).

The Minister may also at any time, appoint a person to examine the accounts and records kept in relation to this Fund or in relation to the collection of contributions to this Fund.

Risk Management Plan

On acceptance of this plan it is important for Industry to understand the risks that need to be considered. The following risk management plan has been developed in conjunction with industry.

Risk	Risk Impact (Low, Med, High)	Likelihood (Low, Med, High)	Contingency
Sudden, unbudgeted increase in refund claims e.g. due to seasonal conditions, biosecurity issues etc.	Low	Med	<ul style="list-style-type: none"> Access good industry intelligence to identify and anticipate risk of this occurring → <i>Industry Body to provide yield estimates for coming year and alert if there are identified seasonal issues</i>
Sudden, unbudgeted increase in refund claims e.g. due to performance of industry	Low	High	<ul style="list-style-type: none"> Fund recipient to maintain strong communication with their levy payers including reporting on the use of the levy Fund recipient to develop their Annual Operations Plan in line with their strategic plan and identified industry Strategic Investment Plan priorities and other priorities specific to the South Australian citrus Industry
Funds paid to recipients while they are still liable for refund claims	High	Med	<ul style="list-style-type: none"> Refund allowance retained based on previous year's level of refunds → <i>estimated refund allowance set at \$20,000</i> Set a value of refund requests that once reached, payments to industry will be stopped → <i>estimated refund allowance set at \$20,000</i> Funds only paid to recipients in arrears (once they are clear of any refund claims) → <i>fund payment only released after refund period in July</i> Payments to fund recipients made in a way that they can be stopped if refund requests suddenly increase → <i>two payments per year to recipient</i> Agreement that fund recipient carries the risk of refunds and pays refunds if the need arises → <i>should there be a run on refunds, second payment to recipient can be adjusted accordingly</i>

Appendix A: Citrus Australia Strategic Objectives

The following table of Citrus Industry Priorities are outlined in the 2017-2021 Citrus Strategic Investment Plan.

OUTCOMES	STRATEGIES
Market opportunities in both domestic and especially export markets have been developed and maintained, leading to increased demand and support for citrus products	Identify and develop new and existing export market opportunities
	Identify and develop new and existing domestic market opportunities
	Support demand-building activities in export and domestic markets through the provision of accurate and timely market research
Growers and the industry reduce biosecurity, phytosanitary and agrichemical related risks	Safeguard the Australian citrus industry from future biosecurity and phytosanitary risks throughout the value chain
	Safeguard the Australian citrus industry from injudicious use of agrichemicals throughout the value chain
Improved product quality and increased productivity from the application of innovation	Undertake R&D and extension to develop and extend improvements in productivity and efficiency across the value chain
	Undertake R&D and extension to enhance product quality (such as flavour and juice content)
Industry participants have increased skills, capacity and knowledge	Increase skills in existing participants, and attract a new generation of willing participants to the citrus industry
	Ensure growers and other members of the value chain are fully aware of industry developments

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Minister for Primary Industries and Regional Development – Citrus Growers Fund

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Minister for Primary Industries and Regional Development – Citrus Growers Fund (the fund) for the financial year ended 30 June 2018.

Qualified opinion

In my opinion, except for the effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Minister for Primary Industries and Regional Development – Citrus Growers Fund as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive, Department of Primary Industries and Regions (the Chief Executive), signed for and on behalf of the Minister for Primary Industries and Regional Development (the Minister) and the Chief Financial Officer, Department of Primary Industries and Regions.

Basis for qualified opinion

As referred to in note 5 to the financial statements, pursuant to regulation 5 of the *Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2017*, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the fund for each tonne of citrus fruit produced and sold by a citrus grower. While there are adequate internal controls over contributions actually received, there are no procedures in place to ensure contributions received represent tonnage of citrus fruit produced and sold for the period. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$186 511 (\$142 521) is complete.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

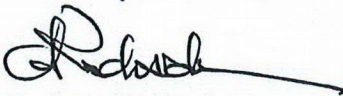
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

5 February 2019

Minister for Primary Industries and Regional Development – Citrus Growers Fund
Certification of Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – Citrus Growers Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Citrus Growers Fund
- present a true and fair view of the financial position of the Citrus Growers Fund as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Minister for Primary Industries and Regional Development – Citrus Growers Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Scott Ashby
Chief Executive
Department of Primary Industries and Regions
For and on behalf of the Minister for Primary
Industries and Regional Development
Per authorisation dated 9 May 2018
30 January 2019



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

**Minister for Primary Industries and Regional
Development**

Citrus Growers Fund

Financial Statements

For the year ended 30 June 2018

Minister for Primary Industries and Regional Development – Citrus Growers Fund

Statement of Comprehensive Income

for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Expenses			
Transfers to industry	3	150 000	165 400
Refund of contributions		1 376	1 850
Supplies and services	4	3 608	3 887
Auditor's remuneration		7 000	6 800
Total expenses		161 984	177 937
Income			
Contributions from industry	5	186 511	142 521
Interest revenues		1 640	2 077
Total income		188 151	144 598
Net result		26 167	(33 339)
Total comprehensive result		26 167	(33 339)

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

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

Minister for Primary Industries and Regional Development – Citrus Growers Fund
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	6	91 164	64 783
Receivables	7	101	105
Total current assets		91 265	64 888
Total assets		91 265	64 888
Current liabilities			
Payables	8	7 530	7 320
Total current liabilities		7 530	7 320
Total liabilities		7 530	7 320
Net assets		83 735	57 568
Equity			
Retained earnings		83 735	57 568
Total equity		83 735	57 568

Total equity is attributable to the SA Government as owner.

Contingent liabilities 9

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

Minister for Primary Industries and Regional Development – Citrus Growers Fund
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained earnings	Total equity
	\$	\$
Balance at 30 June 2016	90 907	90 907
Net result for 2016-17	(33 339)	(33 339)
Total comprehensive result for 2016-17	(33 339)	(33 339)
Balance at 30 June 2017	57 568	57 568
Net result for 2017-18	26 167	26 167
Total comprehensive result for 2017-18	26 167	26 167
Balance at 30 June 2018	83 735	83 735

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

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

Minister for Primary Industries and Regional Development – Citrus Growers Fund
Statement of Cash Flows
for the year ended 30 June 2018

	2018 (Outflows) Inflows \$	2017 (Outflows) Inflows \$
Cash flows from operating activities		
Cash outflows		
Transfers to industry	(150 000)	(165 400)
Refund of contributions	(1 376)	(1 850)
Payments for supplies and services	(3 598)	(3 872)
Auditor's remuneration	(6 800)	(6 700)
Cash used in operations	(161 774)	(177 822)
Cash inflows		
Contributions from industry	186 511	142 521
Interest received	1 644	2 107
Cash generated from operations	188 155	144 628
Net cash provided by / (used in) operating activities	26 381	(33 194)
Net increase / (decrease) in cash and cash equivalents	26 381	(33 194)
Cash and cash equivalents at the beginning of the reporting period	64 783	97 977
Cash and cash equivalents at the end of the reporting period	91 164	64 783

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

Minister for Primary Industries and Regional Development – Citrus Growers Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Citrus Growers Fund (Fund) is established pursuant to the *Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2017* (Regulations), administered by the Minister for Primary Industries and Regional Development. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

1.2 Statement of compliance

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

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

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

1.3 Basis of preparation

The preparation of the financial statements requires:

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

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

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

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

Significant accounting policies are set out in the notes.

1.4 Taxation

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

Minister for Primary Industries and Regional Development – Citrus Growers Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2018

2 Objectives of the Fund

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 20 October 2005. These Regulations were revoked on 19 January 2018. New Regulations, *Primary Industry Funding Schemes (Citrus Growers Fund) Regulations 2017* were issued on 19 January 2018 with minimal changes.

The primary purposes of the Fund are to:

- provide services to growers
- promote the SA Citrus industry
- represent growers in regional, State or national citrus or horticulture industry forums
- encourage communication and cooperation between participants in the Citrus industry.

3 Transfers to industry

	2018	2017
	\$	\$
Citrus Australia South Australia Region (CASAR)	150 000	165 400
Total transfers to industry	150 000	165 400

Regulations provide that the Fund may be applied for a number of specific purposes and that payments from the Fund may be made to an industry body established to represent its membership. 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 Supplies and services

	2018	2017
	\$	\$
Administrative and operating costs ⁽¹⁾	3 608	3 887
Total supplies and services	3 608	3 887

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

5 Contributions from industry

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

Contributions are recognised as an asset and income when the Fund obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is, the amount can be reliably measured and the flow of resources is probable).

Contributions from industry have been recognised as revenue when received.

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6 Cash

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

Cash is measured at nominal value.

7 Receivables

	2018	2017
	\$	\$
Accrued interest - Department of Treasury and Finance	101	105
Total receivables	101	105

8 Payables

	2018	2017
	\$	\$
Audit fee payable to the Auditor-General's Department	7 000	6 800
Other payables ⁽¹⁾	530	520
Total payables	7 530	7 320

⁽¹⁾ Includes fees payable to Shared Services SA.

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

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

9 Contingent liabilities

Refunds of contributions

Under Regulation 6(1) a citrus grower may, by notice in writing to the Minister, within the month following a financial year in respect of which contributions have been paid by or on behalf of the citrus 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 following one 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.

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10 Related party transactions

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

Key management personnel

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

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

11 Financial risk management / financial instruments

Liquidity / funding risk

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

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

12 Events after the reporting period

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

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

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