

Cattle Industry Fund

2021-22 Annual Report

Introduction

The *Primary Industry Funding Schemes Act 1998* was established to provide South Australian primary industries with a legislatively based ability to raise funds within their sector to fund projects and services for the benefit of their sector.

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.

This is the Cattle Industry Fund Annual Report for the year ended 30 June 2022, prepared under section 11 of the Act.

Overview

The Cattle Industry Fund (CIF) is established by the *Primary Industry Funding Schemes (Cattle Industry Fund) Regulations 2015* (the Regulations).

The contribution rate for this fund is outlined in regulation 7 and is as follows:

Contribution rate	\$1.50 per Permanent Identification Device (PID) purchased from an authorised manufacturer or recycler of PIDs.
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Contributors may seek a refund of their contributions as provided for in regulations 8 and 9.

The purposes for which the fund can be applied by the Minister are outlined in regulation 10.

Operation of the Fund

The Department of Primary Industries and Regions (PIRSA) manages the operations of the fund on behalf of the Minister.

The fund management plan current for the year ended 30 June 2022 was prepared in accordance with section 9 of the Act and was formally endorsed by Livestock SA. This plan was presented at a public meeting held online on 1 April 2021 and the plan was made publicly available on the PIRSA website. It is attached to this report.

One application was received from Livestock SA Incorporated. This application met the requirements set out in the regulations and management plan, aligned with fund investment priorities and was approved by the Minister under regulation 10(1)(b). Further information relating to Cattle Industry Fund programs delivered via Livestock SA in 2021-22 can be found on the Livestock SA website at www.livestocksa.org.au.

Where requested, refunds of contributions were paid in accordance with regulations 8, 9 and 10.

In accordance with regulations 10(1)(e), the fund was also applied to administration expenses.

The fund accounts for the year ended 30 June 2022 have been audited by the Auditor General's Department. The audited financial statements and independent auditor's report are attached.



Prof Mehdi Doroudi PSM
CHIEF EXECUTIVE

24/5/2023

Cattle Industry Fund

Management Plan 2021 to 2025-26

Primary Industry Funding Schemes (Cattle Industry Fund) Regulations 2015



Government
of South Australia

Cattle Industry Fund Management Plan 2021 to 2025-26

Enquiries

Department of Primary Industries and Regions
Casey Work
Level 15, 25 Grenfell Street
GPO Box 1671, Adelaide SA 5001
T 08 8429 0471 M 0401 121 896
E casey.work@sa.gov.au

Further information:

www.pir.sa.gov.au/cattle-industry-fund

Document History

Version	Date
Revised plan released for consultation	10 December 2020
Plan updated following consultation	22 January 2021
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Presented at public meeting	1 April 2021

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Introduction

The [Primary Industry Funding Schemes Act 1998](#) (the Act) provides South Australian primary industries with a legislative based ability to raise money within their sector to deliver activities and services that support the sector. Section 4 allows the Governor to make regulations to establish a fund for a particular primary industry sector.

The Minister for Primary Industries and Regional Development (the Minister) is the Administrator for all funds established under the Act, which ensures appropriate accountability for the application of funds for the benefit of those industries. The Department of Primary Industries and Regions (PIRSA) manages the operations of the funds for the Minister. The Minister is required to report annually to Parliament on the operation of each fund and its accounts.

The Cattle Industry Fund (the fund) is established by the *Primary Industry Funding Schemes (Cattle Industry Fund) Regulations 2015* (the regulations).

Contributions to the fund are payable at the rate prescribed in the regulations. All purchasers of Permanent Identification Devices (PIDs) for cattle are required to pay the contribution when they purchase tags from an authorised manufacturer, or authorised recycler, of PIDs.

Collecting agents are required by the regulations to collect contributions and forward them to the Minister to be paid into the fund account.

Collecting agents for this fund are authorised tag manufacturers and recyclers under the *Livestock Act 1997* and are required by the regulations to collect contributions and forward them to the Minister to be paid into the fund account.

Contributors may seek a refund of their contributions. However, if a refund is paid to a contributor (other than a refund for low value cattle contributions determined in accordance with regulation 8), they are not be entitled to receive direct benefit from the fund for a period of 5 financial years.

Payments are made from the fund for purposes defined in the regulations.

This management plan is required by the Act and is the responsibility of the Minister as the person administering the fund. This management plan update has been developed in consultation with the South Australian cattle industry via Livestock SA. It covers a five-year period and will be revised by the Minister annually in consultation with industry members. The Minister may also update this plan at any time.

Estimate of contributions to the fund

The contribution rate for this fund is set in regulation 7 and is '\$1.50 for each PID so purchased from an authorised manufacturer, or authorised recycler, of PIDs'. The amount is payable by the purchaser to the authorised manufacturer or recycler who must remit contributions to PIRSA quarterly.

The estimated contribution income for the most recent and the next five financial years is provided in Table 1. Estimated income is based on a 5 year history of tag sale data from the National Livestock Identification System, which has been used to create a forecast of future tag sales in SA and therefore CIF contribution income.

Table 1 – Contribution rates and estimated income

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Contribution rate	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Estimated PID sales	507,000	495,000	482,000	470,000	458,000	446,000
Estimated income	\$760,500	\$742,500	\$723,000	\$705,000	\$687,000	\$669,000

Investment of the fund

PIRSA administers the financial operations of the fund on behalf of the Minister in accordance with the regulations and the [Public Finance and Audit Act 1987](#).

Contributions are invested in a separate interest bearing account at the Department of Treasury and Finance. Interest is paid monthly on monies held, and is treated as income to the fund in accordance with the regulations.

Purposes of the fund

Payments from the fund must be made in accordance with the regulations:

10—Application of Fund

- (1) The Fund may be applied by the Minister for any of the following purposes:
 - (a) payment of compensation and other amounts under Part 3;
 - (b) on the advice of a body that, in the opinion of the Minister, represents cattle producers, payments to that body for 1 or more of the following purposes:
 - (i) the reasonable operating and management expenses of the body;
 - (ii) promoting the cattle industry;
 - (iii) participation of the body in regional, State or national cattle industry forums;
 - (iv) undertaking of programs relating to cattle, cattle products or any aspect of the cattle industry;
 - (v) undertaking or facilitating research and development, or the collection and dissemination to cattle producers of information, relevant to the cattle industry and, in particular, to the improvement of practices in the industry;
 - (vi) fees for affiliation of the body with regional, State or national bodies representing or promoting the interests of the cattle producers;
 - (vii) other purposes of the body;
 - (c) payments for other purposes for the benefit of cattle producers;
 - (d) repayment of contributions to the Fund under regulation 7;
 - (e) payment of the expenses of administering the Fund (including expenses incurred in assessing compensation payable under these regulations and expenses incurred by an inspector under regulation 13 if those expenses exceed the proceeds of sale obtained under that regulation).
- (2) A person who is in default in relation to contributions to the Fund is not entitled to receive any direct benefit or service funded by payments from the Fund.

Investment priorities

The fund exists to support programs that contribute to a profitable and sustainable cattle industry in South Australia (SA). To support this goal, SA's cattle industry have identified the following investment priorities. These priorities provide a guide for fund expenditure but are not intended to limit expenditure if there are worthy projects of benefit to SA cattle producers that fall outside these priorities

1. Maintaining market access and securing new markets

The SA cattle industry recognises that consumer confidence in beef and dairy products and SA's ability to supply, is important and must be maintained. This consumer confidence underpins market access and provides a sound basis to gain and support access to premium markets.

Initiatives that align with this priority and may be funded include those that address market assurance, traceability, provenance, desirable nutritional or aesthetic features (milk or meat), animal disease preparedness and management.

2. Efficient and sustainable production

Efficiency and sustainability require a focus on best practice and continual improvement. All members of the industry from peak bodies to individual producers should strive for best practice, which are reflected in industry policies and procedures. The proactive adoption of innovative and new technologies will also assist industry at all levels in achieving the goal of efficient and sustainable cattle production.

Initiatives that align with this priority and may be funded include those that address animal disease management and welfare, on-farm biosecurity, genetic improvement, farm productivity (including activities related to pasture management and climate change), innovation and cutting edge technologies.

3. Business management and skills development

A successful cattle industry relies on its people. It is important that all current industry participants as well as the next generation and new industry entrants are provided with training and development opportunities that support and encourage them to build skills and experience in SA's cattle industry. This will ensure there is a strong future for the cattle industry.

Initiatives that align with this priority and may be funded include those that address skills development, encouraging the next generation, quality assurance and networking.

4. Advocacy

It is important that SA's cattle industry has a strong voice to advocate on its behalf. A robust relationship between government and producers is critical in supporting industry in its goal to be sustainable and profitable. State peak bodies play a vital role as the reference point in shaping policy decisions that impact the industry. It is also important that industry prioritise building its capacity to have strong advocates representing the industry.

Initiatives that align with this priority and may be funded include those that address public perception of animal welfare, maintaining the right to farm, social licence to operate, recognition and value of the importance of the agriculture sector, all levels of Government prioritising agriculture including the value chain's production base.

Eligible activities

Eligible activities must comply with the regulations and this management plan.

Activities funded will be assessed against the following criteria:

- benefit to the SA beef and dairy cattle industries
- direct benefit to fund contributors (cattle producers)
- alignment with fund investment priorities outlined in this plan
- alignment and collaboration with other state and national beef and dairy industry priorities and programs, ensuring no duplication of investment
- support from industry stakeholders
- value for money (cost of the program compared to the outcomes it will deliver)
- innovation in program delivery
- for ongoing programs, previous program performance and achievement of outcomes
- the organisation's capability and capacity to undertake the program, including:
 - demonstrated project management experience
 - evidence of a project plan, including a communication plan and risk management plan
 - identification of measures of success and a plan to report on them.

Ineligible activities

Activities that will not be normally funded include:

1. infrastructure items
2. retrospective activities or expenditure
3. duplication of research, programs or projects
4. purchasing of equipment or activities that could be considered part of normal business operations
5. any other activities that are deemed inappropriate under the regulations.

Funding Guidelines

The following guidelines apply only to payments under regulation 10(1)(b) (refer page 6).

Eligible organisations

For the purpose of regulation 10(1)(b), an eligible organisation is a body which, in the opinion of the Minister, represents South Australian cattle (both beef and dairy) producers.

Organisations must be a legal entity to be eligible to receive payments from the fund (e.g. an incorporated association under the *Associations Incorporation Act 1985*).

Application process

An eligible organisation (as defined above) may request a payment from the fund each year. Organisations are encouraged to contact the responsible officer (see page 2) early in the development of an application.

An application for funding should be received by the Minister in May each year. Under extenuating circumstances, the Minister may consider applications for funds at other times.

The application should be in the form of a letter to the Minister which:

- demonstrates how the organisation represents SA cattle producers
- requests a payment from the fund
- provides the following details for each activity/project proposed for funding:
 - the name of the activity/project
 - service provider
 - a description of the activity/project, its intended outcome and benefit to the SA cattle industry
 - reference to the purpose (as defined by regulation 10(1)(b)) to which the activity/project aligns
 - reference to the investment priority to which the activity/project aligns (see page 7)
 - budgeted cost for each activity/project.

Application approval

The Minister will assess applications in line with the regulations and this management plan. This will include checking that the proposed activities comply with Regulation 10 and verifying that the requested amount is within the Expenditure Authority for the fund.

Approval for payment from the fund to the eligible organisation is deemed to be an agreement with the Minister that the eligible organisation will undertake the activities outlined in the application, and comply with any requirements in the regulations and this management plan.

The organisation will be required to sign and return an acknowledgement of this agreement, provided with the letter of approval from the Minister, prior to payment being made.

Once approved, details of each activity/project to be funded by payments from the fund should be posted on the organisation's website so that it is publically available for contributors to view.

Amount available for payment

The amount available for payment under regulation 10(1)(b) in any financial year will not exceed the available balance of the fund at the time, less:

- any amount budgeted to be required for payment of compensation under regulation 10(1)(a)
- an amount associated with any projects to be funded under regulation 10(1)(c)
- an allowance for any refunds to contributors under regulation 10(1)(d)
- an amount which is considered sufficient to cover audit and administrative costs under regulation 10(1)(e).

Where possible and subject to variability in tag sales on a year to year basis, a closing balance equivalent to approximately one year of contributions (refer Table 1) is to be maintained at the end of each financial year. Maintaining this minimum fund balance will:

- assist in managing variability of fund income and provide the ability to maintain payments for projects during years of lower income
- provide a reserve for industry to draw on in order to respond to unforeseen circumstances including a disease outbreak where industry may seek to provide compensation from the fund under regulation 10(1)(a)
- assist in managing refund payments.

Reporting requirements

The fund recipient is to provide the following reports:

- Progress Report: Report on progress of activities/projects to 31 December, due 31 January.
- Annual Report: Annual report on delivered activities/projects to 30 June, due 31 July.

The reports should be aligned to the approved application and should articulate the status of each activity/project, a summary of its progress and the amount of funding disbursed to each project. The annual report should also include a statement of acquittal showing how funds were spent and identifying any unspent funds.

In addition to the above reports, the applicant organisation may be required to provide the following information under regulation 11(1):

- a copy of the financial statements of the organisation and
- a copy of the annual report of the organisation and
- a copy of the business plan of the organisation
- any other information reasonably required for the purposes of the fund.

Payment terms

Payments from the fund to the eligible organisation may be made in accordance with the schedule in Table 2, and in line with any other requirements placed on the agreement by the Minister.

A payment as outlined in Table 2 will not be paid if the fund balance is insufficient.

Payments made under regulation 10(1)(b) are GST exclusive.

Table 2 – Payment Schedule for payments made under regulation 10(1)(b)

	July*	October	February**	April
Percentage of approved annual payment	50%	30%	10%	10%

*July instalment payable within 45 days of approval by the Minister if not approved prior to July.

**February installment payable within 30 days of submission of the Progress Report

Fund administration

Grievances

It is recognised that a fund contributor may elect not to join an industry association and therefore feel unable to take up a complaint or grievance on the operation or application of the fund with the applicant organisation. In this case, the fund contributor may register his or her complaint or grievance in writing with the Minister which will review and address the issue with the applicant organisation, provided the issue falls within the scope of this management plan.

Changing the contribution rate

The contribution rate is established in the regulations.

A change to the contribution rate may be initiated by the Minister or by industry, but can only be made following consultation with the industry.

Acceptable evidence of support for a variation to the contribution rate includes results of any contributor survey held for the purpose and any other consultation conducted with industry. The evidence must demonstrate a genuine attempt to engage with the majority of contributors.

Where possible, the following must be considered when planning to implement a new contribution rate:

- a new contribution rate should be implemented on the first day of a quarter (or month if necessary) for ease of reporting and compliance
- a minimum of 30 days notice should be provided to contributors and collection agents prior to a new contribution rate commencing.

Updating the management plan

As the person or body administering the fund, the Minister is responsible for updating this management plan annually (as required by Section 9 of the Act). Table 3 is a guide to the expected timing and process.

PIRSA will aim to present the management plan at a public meeting in March, enabling applications for funding to be prepared based on the newly revised management plan.

The management plan will be posted on the PIRSA website to meet the requirements of section 9(7) of the Act, in a manner permitted by section 51 of the [Acts Interpretation Act 1915](#), which provides for 'production of records kept by computer or other process.'

The management plan may also be updated at any time.

Table 3 – Revising the management plan	
Timing	Activity
October - December	Consultation on revised management plan
January	Minister approves management plan
February	Advertise public meeting
February / March	Public meeting to present management plan



**Government
of South Australia**

Department of Primary
Industries and Regions

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund

Qualified opinion

I have audited the financial report of the Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund (the Fund) for the financial year ended 30 June 2022.

In my opinion, except for the effects of the possible 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 – South Australian Cattle Industry Fund as at 30 June 2022, 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 Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- 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 2.1 to the financial statements, pursuant to regulation 7 of the *Primary Industry Funding Schemes (Cattle Industry Fund) Regulations 2015*, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the fund for each permanent identification device purchased for cattle from an authorised manufacturer or recycler. While there are adequate internal controls over contributions actually received, there are insufficient controls in place to ensure the contributions received represent all permanent identification devices purchased for cattle during the period. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$807,226 (\$764,182) 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 Reporting Requirements, 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 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 – South Australian Cattle Industry Fund for the financial year ended 30 June 2022.

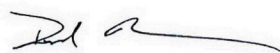
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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.



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

24 February 2023

**Minister for Primary Industries and Regional
Development**

South Australian Cattle Industry Fund

Financial Statements

For the year ended 30 June 2022

Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund
Certification of Financial Statements
for the year ended 30 June 2022

We certify that the:

- financial statements of the Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund:
 - are in accordance with the accounts and records of the South Australian Cattle Industry 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 South Australian Cattle Industry 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 - South Australian Cattle Industry Fund for the financial year over its financial reporting and its preparation of financial statements have been effective.



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 29 June 2022

22 February 2023



Will Kent

Chief Financial Officer

Department of Primary Industries and Regions

22 February 2023

Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Contributions from industry	2.1	807 226	764 182
Interest		-	303
Total income		807 226	764 485
Expenses			
Transfers to industry	4.1	741 556	793 790
Refund of contributions		7 504	35 027
Supplies and services	4.2	5 819	3 977
Auditor's remuneration		11 200	10 800
Total expenses		766 079	843 594
Net result		41 147	(79 109)
Total comprehensive result		41 147	(79 109)

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 – South Australian Cattle Industry Fund
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5.1	850 455	864 916
Receivables	5.2	292 703	247 285
Total current assets		1 143 158	1 112 201
Total assets		1 143 158	1 112 201
Current liabilities			
Payables	6.1	12 040	22 230
Total current liabilities		12 040	22 230
Total liabilities		12 040	22 230
Net assets		1 131 118	1 089 971
Equity			
Retained earnings		1 131 118	1 089 971
Total equity		1 131 118	1 089 971

The accompanying notes form part of these financial statements.

Total equity is attributable to the SA Government as owner.

Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund
Statement of Changes in Equity
for the year ended 30 June 2022

	Retained earnings \$	Total equity \$
Balance at 1 July 2020	1 169 080	1 169 080
Net result for 2020-21	(79 109)	(79 109)
Total comprehensive result for 2020-21	(79 109)	(79 109)
Balance at 30 June 2021	1 089 971	1 089 971
Net result for 2021-22	41 147	41 147
Total comprehensive result for 2021-22	41 147	41 147
Balance at 30 June 2022	1 131 118	1 131 118

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 – South Australian Cattle Industry Fund

Statement of Cash Flows

for the year ended 30 June 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Cash inflows		
Contributions from industry	761 808	762 148
Interest received	-	396
Cash generated from operating activities	761 808	762 544
Cash outflows		
Transfers to industry	(741 556)	(793 790)
Refund of contributions	(7 504)	(35 027)
Payments for supplies and services	(5 809)	(3 977)
Auditor's remuneration	(21 400)	-
Cash used in operating activities	(776 269)	(832 794)
Net cash provided by / (used in) operating activities	(14 461)	(70 250)
Net increase / (decrease) in cash and cash equivalents	(14 461)	(70 250)
Cash and cash equivalents at the beginning of the reporting period	864 916	935 166
Cash and cash equivalents at the end of the reporting period	850 455	864 916

The accompanying notes form part of these financial statements.

Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund

Notes to and forming part of the financial statements for the year ended 30 June 2022

1. About the South Australian Cattle Industry Fund

The South Australian Cattle Industry Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Cattle Industry Fund) Regulations 2015* (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 Fund has adopted AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. In the prior year, the financial statements were prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the statements.

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 Controlled 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 a body that represents cattle producers for purposes outlined in the Regulations
- payment of compensation where required under Part 3 of the Regulations.

2. Income

2.1. Contributions from industry

Contributions payable to the Minister for payment into the Fund are made pursuant to Regulation 7.

Contributions are recognised as revenue under AASB 1058 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 – South Australian Cattle Industry Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2022

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 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

	2022	2021
	\$	\$
Livestock SA	741 556	793 790
Total transfers to industry	741 556	793 790

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

	2022	2021
	\$	\$
Administrative and operating costs ⁽¹⁾	5 819	3 977
Total supplies and services	5 819	3 977

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

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.

Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2022

5.2. Receivables

	2022	2021
	\$	\$
Receivables – Contributions from industry	292 703	247 285
Total receivables	292 703	247 285

Receivables – Contributions from industry are recognised as statutory receivables under AASB 9 when information becomes available to the Fund regarding contributions due for the prescribed period.

6. Liabilities

6.1. Payables

	2022	2021
	\$	\$
Audit fee payable to the Auditor-General's Department	11 200	21 400
Other payables	840	830
Total payables	12 040	22 230

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 9(1) a person who has paid contributions during a financial year may, within the 12 months following that financial year, by notice in writing to the Minister, make a claim for a refund for those contributions.

At the reporting date the possible emergence of valid refund requests within the following 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 – South Australian Cattle Industry Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2022

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.