

EYRE PENINSULA GRAIN GROWERS RAIL FUND

2016-17 Annual Report

INTRODUCTION

The *Primary Industry Funding Schemes Act 1998* (the Act) 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 under the Act are administered by the Minister for Agriculture, Food and Fisheries.

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

This is the Eyre Peninsula Grain Growers Rail Fund Annual Report for the year ended 30 June 2017, prepared under section 11 of the Act.

EYRE PENINSULA GRAIN GROWERS RAIL FUND OVERVIEW

The Eyre Peninsula Grain Growers Rail Fund is established by the *Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Regulations 2006*.

The contribution rate for this fund is prescribed by regulation 5 and was set to 50 cents per tonne. The rate was revised to 0 (zero) cents per tonne by Ministerial Notice dated 31 August 2011, the scheme having achieved the targeted \$2 million of grower contributions.

Contributors are no longer able to seek a refund of their contributions as provided for in regulation 5, the period for claiming refunds having expired.

The purposes for which the fund can be applied by the Minister are outlined in regulation 6.

OPERATIONS OF THE FUND

As the Minister's agent, PIRSA carried out the operations of the Eyre Peninsula Grain Growers Rail Fund for the year ended 30 June 2017.

There is no current management plan for the Eyre Peninsula Grain Growers Rail Fund as no contributions were received and the purpose of the fund has been achieved.

Regulations for the Eyre Peninsula Grain Growers Rail Fund were set to expire on 1 September 2017. The Regulations are to be remade, with the transition schedule ensuring the current gazetted prescribed rate of zero cents per tonne is carried forward in the new regulations.

In accordance with regulation 6(b), the fund was also applied to administration expenses.

The fund accounts for the year ended 30 June 2017 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

8 / 2 / 2018

INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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To the Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail 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 Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund (the fund) for the financial year ended 31 March 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund as at 31 March 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 31 March 2017
- a Statement of Financial Position as at 31 March 2017
- a Statement of Changes in Equity for the year ended 31 March 2017
- a Statement of Cash Flows for the year ended 31 March 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive, Department of Primary Industries and Regions, signed for and on behalf of the Minister for Agriculture, Food and Fisheries (the Minister) and the Chief Financial Officer, Department of Primary Industries and Regions.

Basis for opinion

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 fund. 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 opinion.

The Minister's responsibility for the financial report

The Minister is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Minister 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.

Auditor's responsibilities for the audit of the financial report

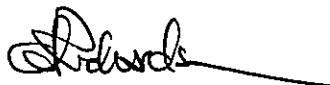
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

Andrew Richardson

Auditor-General

21 December 2017

**Minister for Agriculture, Food and Fisheries –
Eyre Peninsula Grain Growers Rail Fund**

Financial Statements

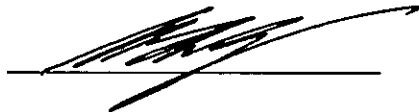
For the year ended 31 March 2017

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Certification of Financial Statements
for the year ended 31 March 2017

We certify that the attached general purpose financial statements for the Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund (the fund):

- complies 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 fund
- present a true and fair view of the financial position of the fund as at 31 March 2017 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Minister for Agriculture, Food and Fisheries - Eyre Peninsula Grain Growers Rail Fund for the financial year over its financial reporting and its preparation of the general purpose financial reports 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 Agriculture, Food
and Fisheries

21st December 2017



Stephen Johninke
Chief Financial Officer
Department of Primary Industries and Regions

21st December 2017

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Statement of Comprehensive Income
for the year ended 31 March 2017

	Note	2017 \$	2016 \$
Expenses			
Supplies and services	4	780	760
Auditor's remuneration		4 400	3 700
Total expenses		5 180	4 460
Income			
Interest revenues		264	413
Total income		264	413
Net result		(4 916)	(4 047)
Total comprehensive result		(4 916)	(4 047)

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

The above statement should be read in conjunction with the accompanying notes.

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Statement of Financial Position
as at 31 March 2017

	Note	2017 \$	2016 \$
Current assets			
Cash		13 327	21 107
Receivables	5	17	34
Total current assets		13 344	21 141
Total assets		13 344	21 141
Current liabilities			
Payables	6	5 180	8 061
Total current liabilities		5 180	8 061
Total liabilities		5 180	8 061
Net assets		8 164	13 080
Equity			
Retained earnings		8 164	13 080
Total equity		8 164	13 080

Total equity is attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Statement of Changes in Equity
for the year ended 31 March 2017

	Retained earnings	Total
	\$	\$
Balance at 31 March 2015	17 127	17 127
Net result for 2015-16	(4 047)	(4 047)
Total comprehensive result for 2015-16	(4 047)	(4 047)
Balance at 31 March 2016	13 080	13 080
Net result for 2016-17	(4 916)	(4 916)
Total comprehensive result for 2016-17	(4 916)	(4 916)
Balance at 31 March 2017	8 164	8 164

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

The above statement should be read in conjunction with the accompanying notes.

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Statement of Cash Flows
for the year ended 31 March 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Cash outflows		
Payments for supplies and services	(761)	(729)
Auditor's remuneration	(7 300)	(5 200)
Cash used in operations	(8 061)	(5 929)
Cash inflows		
Interest received	281	430
Cash generated from operations	281	430
Net cash provided by/(used in) operating activities	(7 780)	(5 499)
Net increase/(decrease) in cash	(7 780)	(5 499)
Cash at the beginning of the period	21 107	26 606
Cash at the end of the period	13 327	21 107

The above statement should be read in conjunction with the accompanying notes.

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund

Notes to and forming part of the financial statements

for the year ended 31 March 2017

1 Objectives of the Minister for Agriculture, Food and Fisheries - Eyre Peninsula Grain Growers Rail Fund

The Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund (the fund) was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 7 September 2006.

The primary purpose of the fund is to raise \$2 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment and infrastructure.

The purpose of the fund has been met. See Note 7 Continuity.

2 Summary of significant accounting policies

a) 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*.

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.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the fund's accounting policies. The areas involving a higher degree of judgment 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; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*.

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.

The financial statements have been prepared based on a 12 month period and are presented in Australian currency.

c) Reporting entity

The fund is established pursuant to the *Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Regulations 2006*, administered by the Department of Primary Industries and Regions (PIRSA).

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or Accounting Policy Statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

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

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2017

2 Significant accounting policies (continued)

f) Taxation

The fund is not subject to Income Tax. The fund is liable for Payroll Tax, Fringe Benefits Tax, and 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.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 31 March and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 31 March.

Note disclosure is made about events between 31 March and the date the financial statements are authorised for issue where the events relate to a condition which arose after 31 March 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 31 March 2017.

h) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are 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.

i) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

j) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

k) Cash

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

For the purposes of the Statement of Cash Flows, cash consists of cash as defined above.

Cash is measured at nominal value.

3 New and revised accounting standards and policies

The fund did not voluntarily change any of its accounting policies during 2016-17.

4 Supplies and services

	2017	2016
	\$	\$
Administrative and operating costs ⁽¹⁾	780	760
Total supplies and services	780	760

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

Minister for Agriculture, Food and Fisheries – Eyre Peninsula Grain Growers Rail Fund
Notes to and forming part of the financial statements
for the year ended 31 March 2017

5 Receivables

	2017	2016
	\$	\$
Accrued interest - Department of Treasury and Finance	17	34
Total receivables	17	34

Receivables include interest receivable from the Department of Treasury and Finance. Interest revenues are recognised as they accrue.

6 Payables

	2017	2016
	\$	\$
Audit fee payable to the Auditor-General's Department	4 400	7 300
Administration ⁽¹⁾	780	761
Total payables	5 180	8 061

⁽¹⁾ Includes fees payable to PIRSA.

Payables include amounts payable to the Auditor-General's Department and accrued sundry expenses.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

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 Continuity

The objective of raising \$2.0 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment and infrastructure was achieved during 2011-12.

As the purpose of the fund has been met, the Minister reduced the rate to \$0 effective 31 August 2011.

Under Regulation 7(5) if the purpose of the fund has been met and money remains in the fund after the payment of expenses and refunds of contributions, the Minister may apply the surplus funds for other purposes for the benefit of Eyre Peninsula grain growers.

The Regulations and purpose of the fund are being reviewed to determine if the fund should remain.