

Grain Industry Research and Development Fund

Management Plan 2023-24 to 2027-28

Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013



Government
of South Australia

Grain Industry Research and Development Fund Management Plan 2023-24 to 2027-28

Enquiries

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Further information:

https://www.pir.sa.gov.au/primary_industry/crops_and_pastures/grain_industry_funds

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Contents

- Introduction4
- Estimate of contributions to the fund5
- Investment of the fund5
- Purposes of the fund6
 - Eligible activities 6
 - Ineligible activities 6
- Funding guidelines6
 - Eligible organisations 6
 - Payment terms..... 7
- Reporting requirements.....7
- Fund administration8
 - Changing the contribution rate 8
 - Updating the management plan 8

Introduction

The [Primary Industry Funding Schemes Act 1998](#) (the Act) was established to provide South Australian primary industries with a legislative instrument to raise funds within their sector to undertake activities that support and develop the sector, to maximise strategic advantage and to meet new industry challenges.

Section 4 of the Act 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) administers all existing funds under the Act, ensuring appropriate accountability for the use of funds for various functions and activities for industry benefit. The Department of Primary Industries and Regions (PIRSA) administers the funds on behalf of the Minister.

The Grain Industry Research and Development Fund (the fund) established by the [Primary Industry Funding Schemes \(Grain Industry Research and Development Fund\) Regulations 2013](#) (the Regulations) came into effect on 8 August 2013.

Contributions are payable at the rate prescribed in the Regulations, the initial rate being 30 cents per tonne of grain. All South Australian grain growers are required to contribute to the fund.

Collection agents for this fund are the first purchasers of grain who are required by the Regulations to deduct the contributions from the payment to the grower and forward them to the Minister for payment into the fund account.

Grain grower contributors may seek a refund of their contributions. If a refund is paid to a contributor, they are deemed to be '*in default*' of the Regulations and not entitled to receive benefits or services funded by payments from the fund.

Payments are made from the fund for purposes defined in Regulation 7 and in this management plan.

In accordance with section 9 of the Act, this management plan has been developed in consultation with the South Australian grain industry. It covers a five-year period and must be updated annually and may be updated at any time. This management plan should be read in conjunction with the Act and the Regulations, which are available at www.legislation.sa.gov.au.

This management plan guides the operation of the fund and helps contributors understand how their contributions are used. The Act section 9 describes the requirements of a management plan.

Estimate of contributions to the fund

The Regulations require grain growers to contribute to the fund. The contribution rate for this fund is prescribed by Regulation 5 to be \$0.30 per tonne of South Australian grown grain sold. Regulation 5 also permits rate changes to some other amount specified by a ministerial notice in the South Australian Government Gazette.

The estimated contribution income for the most recent and next five financial years is provided in Table 1.

The estimated grain sales have been derived from total crop production estimates published in the PIRSA Crop and Pasture Report. This estimate of contributions to the fund is based on grain sold rather than total grain produced. The estimated purchases for 2023-24 is based on a portion of the total grain production estimate for the 2023-24 production season. Estimated purchases for subsequent years are based on average seasonal conditions and average grain production. The actual amount of income to the fund will vary according to seasonal conditions that cannot be predicted.

Table 1 – Contribution Rates and Estimated Income

	Current 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Contribution rate	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
Estimated sales	10,800,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000
Estimated income	\$3,240,000	\$2,130,000	\$2,130,000	\$2,130,000	\$2,130,000	\$2,130,000

The Regulations require the purchaser to remit contributions to PIRSA within 28 days following the month in which the grain was purchased.

Grain purchasers that only deal in small quantities of grain may make application to the Minister to remit quarterly or annually instead of monthly.

A contribution rate change may be proposed during the 2023-24 financial year, in which case this table will be updated to reflect the new rate.

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 an interest-bearing account in accordance with the Department of Treasury and Finance. Interest paid on monies held is treated as income to the fund consistent with the Regulations.

Any balance not immediately required for the purposes of the fund will be retained in the fund and interest earned deemed as an investment consistent with the Act section 4(7).

Purposes of the fund

Payments from the fund must be made in accordance with the Regulation 7:

7—Application of the Fund

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

- (a) payments to the trustees of the South Australian Grains Industry Trust Fund for 1 or more of the following purposes:
 - (i) the reasonable operating and management expenses of the Trust;
 - (ii) funding research and development into the growing, harvesting, storage, processing and marketing of grain;
 - (iii) dissemination of technical information to persons associated with the grains industry;
 - (iv) collection and dissemination to grain growers of information relevant to research and development into grains;
 - (v) other purposes of the Trust;
- (b) payments for other purposes related to the funding of research and development into grains;
- (c) payment of the expenses of administering the Fund;
- (d) repayment of contributions to the Fund under regulation 6.

Eligible activities

This management plan further defines the scope of eligible activities to include those identified by grain growers in the consultations for this management plan. The following eligible activities that comply with the legislated applications of the fund (Regulation 7 prescribed activities) and project outcomes which deliver the eligible functions and activities which may be included in the Trust's business plan funded include:

- Reasonable operating expenses associated with the approved and funded activities.
- The collection and dissemination of information relevant to the grain industry to the fund contributors including the publication or dissemination of project outcomes to the fund contributors.

Ineligible activities

- Commercial activities such as grain trading or speculative investments with a speculative investment defined as the act of trading in an asset or conducting a financial transaction that has a significant risk of losing most or all the initial outlay in expectation of a substantial gain.

Funding guidelines

Eligible organisations

The trustees of the South Australian Grain Industry Trust Fund (trustees) are named in Regulation 7(a) as the body to which the Minister may make payments from the fund. The trustees operate on a calendar financial year.

Payment terms

Four payments per annum will be made to the trustees in the months of October, February, March and June.

The amount of any payment will not exceed the available balance of the fund at the time, less an amount not less than \$35,000, which is considered sufficient to cover audit and administrative costs plus an allowance for any refunds to contributors in accordance with Regulation 7(d). A payment will not be paid if the fund balance is insufficient at the time the payment is due.

Payments made under Regulation 7(c) are GST exclusive.

In the event that applications for payments are less than the amount of income, as may be the case following a good season, any balance not immediately required will be retained in the fund and the balance plus interest earned will become available in future years.

Table 2 – Payment Schedule for payments

	October ¹	February	March ²	June
Payment amount	Balance of fund -\$35,000	Balance of fund -\$35,000	Balance of fund -\$35,000	Balance of fund -\$35,000

Reporting requirements

The trustees are to provide a report within one month of the end of the financial year¹, which shows the projects supported with monies from the fund and including a statement of acquittal of funds to inform the Minister that all monies are expended for appropriate purposes

The trust may be required to provide the following information (Regulation 9):

- A copy of the financial statements of the Trust and
- A copy of the annual report of the Trust and
- A copy of the business plan of the Trust and
- Any other information reasonably required for the purposes of the fund.

¹ Provision of report as noted above – summary of projects to the Minister.

² SAGIT operates on a calendar year basis and provide a copy of their audited annual report to the Minister in March

Fund administration

Changing the contribution rate

The contribution rate is established by Regulation 5 at 30 cents per tonne of grain. The Minister may vary the contribution rate by publishing a ministerial notice in the South Australian Government Gazette.

A change to the contribution rate may be initiated by the Minister or by industry but can only be made following consultation with the grain grower contributors. Grain Producers SA Ltd in conjunction with the trustees may write to the Minister recommending the contribution rate be varied. Consultation is expected to be coordinated through Grain Producers SA Ltd as the current recognised grain grower representative body in South Australia or any successor organisation to Grain Producers SA Ltd that in the opinion of the Minister represents grain growers.

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

The new contribution rate will be implemented at the start of the financial year with sufficient notice provided to the industry so that grain purchasers can implement the new rate prior to commencement of grain harvest.

Updating the management plan

The Act section 9 requires that this management plan is updated annually. Table 2 is a guide to the expected timing and process.

PIRSA will ordinarily commence the review of the management plan around January each year, posting the draft management plan on the PIRSA website providing an opportunity to the industry for comment. Feedback will be considered and the management plan finalised and provided to the Minister.

PIRSA will aim to present the management plan at a public meeting no later than April, 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 requirement of section 9(7) of the Act, in a manner permitted by section 8(3) of the [Legislation Interpretation Act 2021](#), which provides for the 'inclusion of digital material'.

The management plan may be updated at any time.

Table 2 – Revising the Management Plan (annual routine update)	
Timing (estimate)	Activity
October / December	PIRSA incorporate comments and update management plan for next financial year.
January / February	Consultation on revised draft management plan for new financial year and Minister approval.
February / March /April	Advertise and conduct public meeting to present management plan.

