

PIFS Management Plan Release

Grain Industry Fund

Grain Industry Research and Development Fund

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A wide-angle landscape photograph featuring a vast field of bright yellow wildflowers in the foreground. The field stretches towards a flat horizon line. Above the horizon, there is a clear blue sky with several small, white, fluffy clouds. The text "Welcome to Country" is centered in the upper half of the image, overlaid on the sky.

Welcome to Country



Agenda

1. About the Fund
2. Management Plan
 - a) Estimate of Contributions
 - b) Proposals for Investment of the Fund
 - c) Proposals for the Application of the Fund
 - d) Process for Payments from the Fund
3. Reporting
4. Next Steps



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1. About the Fund

The Primary Industries Funding Scheme Act permits the collection of contributions from industry to support industry development

Legislation

- Primary Industries Funding Scheme Act 1998
- 14 funds operating under the Act

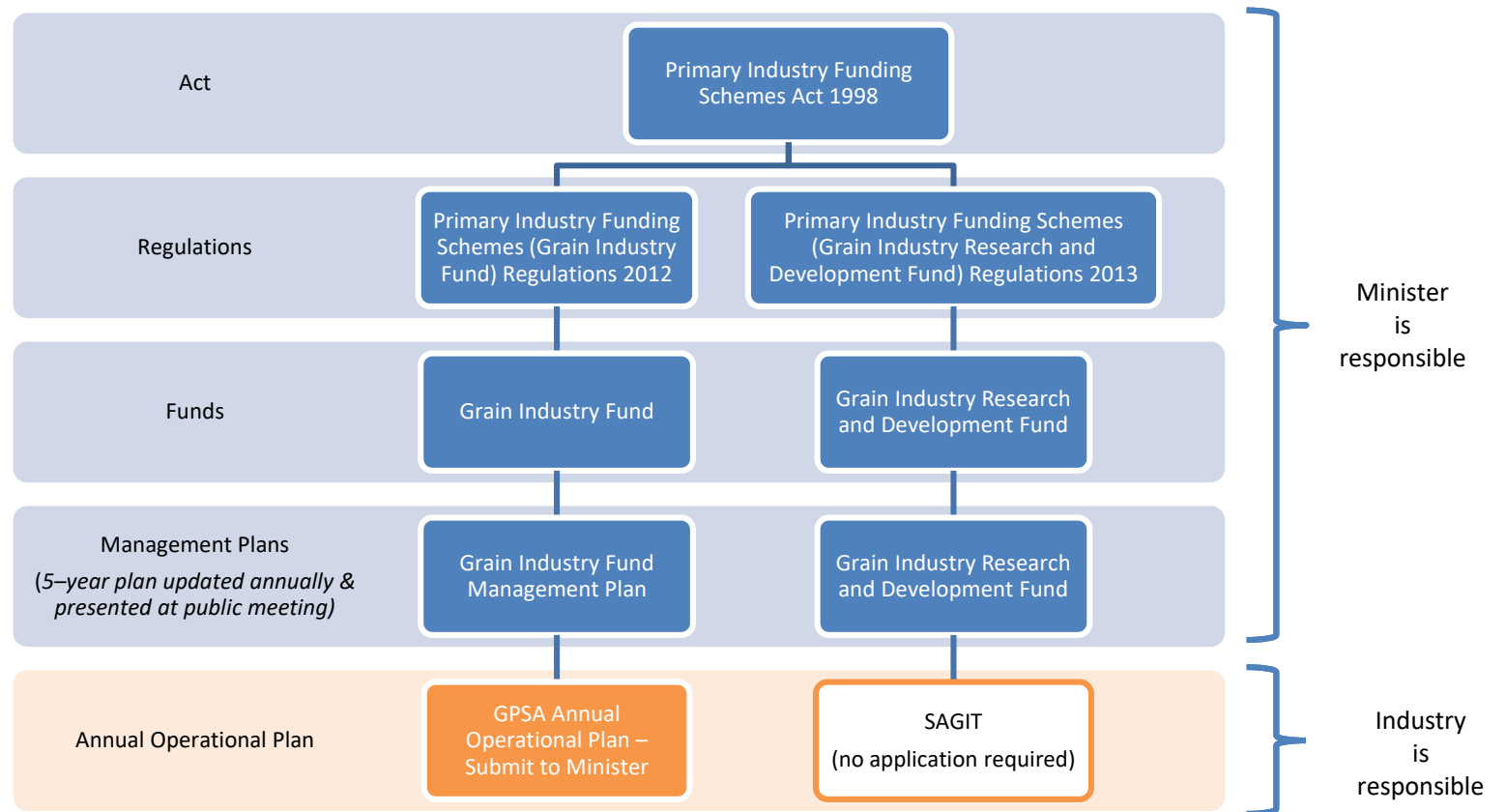
- Grains x2
- Livestock x2
- Wine x7
- Pork
- Apiary
- Citrus

- Each fund is established under its own regulations
- Each requires development of a 5 year management plan



1. About the Fund

Key documents





1. About the Fund

| Grain Grower (Contributor) | Grain Accumulator (Collection Agent) | Minister / PIRSA (Administrator) | Industry Association & Industry Trust (Fund Recipients) |
|--|--|--|--|
| <p>Sells grain to accumulator</p> <p>Responsible for checking deduction has been made</p> <p>*Can request refund if not happy with how funds are being spent</p> | <p>Deducts \$0.31/tonne from payment to grower for GIF (\$0.20/tonne for general income + \$0.11/tonne for lens snail)</p> <p>Deducts \$0.30/tonne from payment to grower for GIRDF</p> <p>Forwards this contribution to PIRSA on monthly basis.</p> | <p>Processes contributions</p> <p>Processes requests for refunds</p> <p>Facilitates applications to the fund</p> <p>Makes payments from the fund</p> <p>Manages legislative requirements</p> | <p>Consults with Industry on priorities for coming year</p> <p>Develop application to fund (GPSA)</p> <p>Deliver services to industry as per application to fund/regulated approved purposes</p> <p>Reports to industry and Minister on how funds have been spent and outcomes</p> |



2. Management Plan

- Management Plans are public documents.
- Provide the Funds Administrator (Minister) with directions on how the fund contributors want their funds managed.
- Must provide minimum details as required in the *Primary Industry Funding Scheme Act 2008*.
- Can cover other issues as required.
- These plans were drafted, consulted and have been approved by Minister.



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2a. Est. Contributions - GIF

Table 1 – Contribution Rates and Estimated Income

| | Current 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|-------------------------|------------------------|-------------|-------------|-------------|-------------|
| Estimated Grain Sales (t) | 10,800,000 ¹ | 7,100,000 ² | 7,100,000 | 7,100,000 | 7,100,000 | 7,100,000 |
| General Income | | | | | | |
| Contribution Rate | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 | \$0.20 |
| Estimated Income | \$2,160,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 |
| Biosecurity Eradication Cost Supplement Contribution (Supplement contribution will cease on 1 July if target \$1.66 million reached ³) | | | | | | |
| Contribution Rate | \$0.11 | | | | | |
| Estimated Income | \$1,190,000 | | | | | |
| Total Estimated Income | \$3,348,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 | \$1,420,000 |



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2a. Est. Contributions - GIF

Biosecurity Eradication Cost Supplement Contribution

- This one off temporary increase in the contribution rate to \$0.31/tonne (\$0.20 for general contribution and \$0.11/tonne for recovery of eradication costs), became effective from 1 July 2021.
- To remain in place until the eradication cost target of \$1.66 million is recovered – estimated at 2 years.
- Any collections above the eradication cost target will be retained in the fund and made available for the purposes of the fund.
- The first instalment of \$757k was transferred to Biosecurity SA contributions submitted during the 2021-22 financial year.
- The target of \$1.66 was reached as at 1 May 2023.
- PIRSA is currently preparing the gazettal to revert the contribution rate to \$0.20/tonne prior to the end of financial year, and a media release to send to contributors and collection agents once finalised.



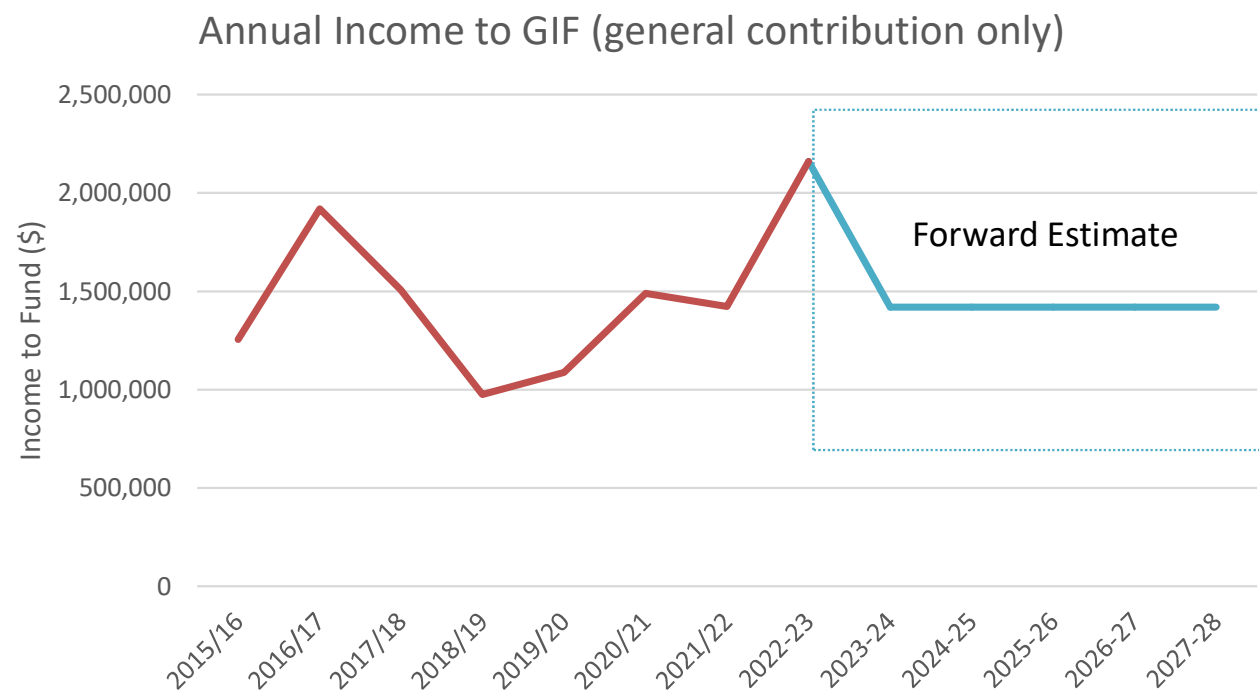
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2a Est. Contributions - GIF

Historical and forward estimates



2a Est. Contributions - GIRDF

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 volume (t) | 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 |



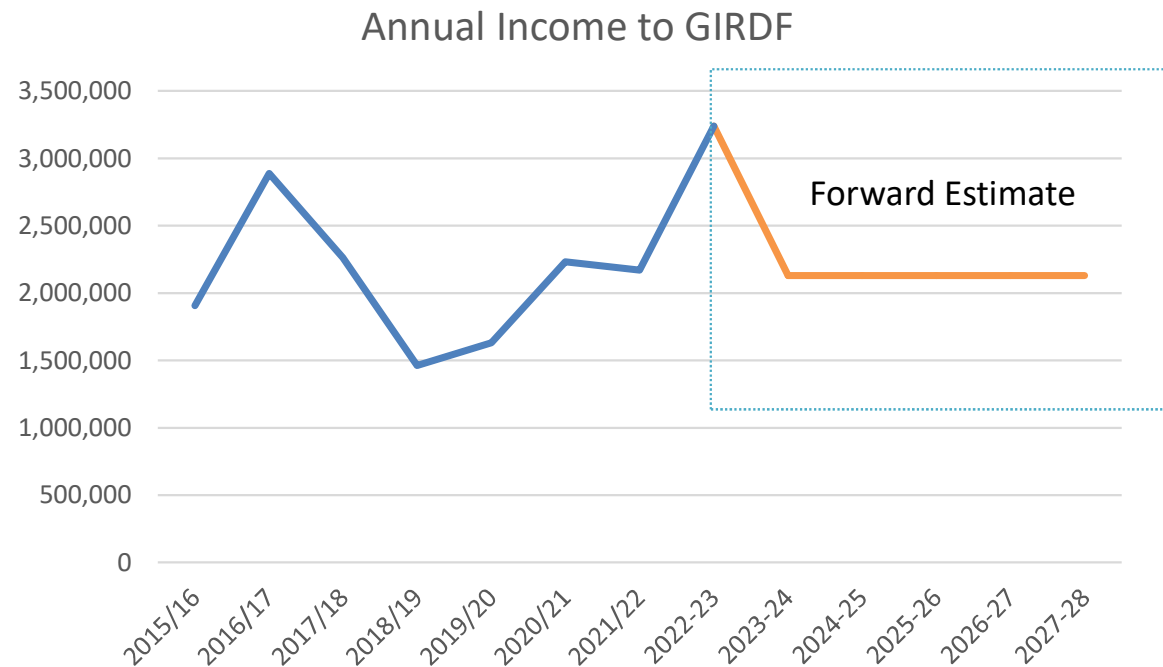
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2a Est. Contributions - GIRDF

Historical and forward estimates





2b Investment of the Funds

- PIRSA administers the financial operations of the fund on behalf of the Minister
- 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.



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2c. Application of the Funds

Grain Industry Fund

Established to make payments

To a body that in the opinion of the Minister, represents grain growers, for

The purpose of providing services in support of grain growers and the industry

Plus other applications of the fund

Grain Industry Research and Development Fund

Established to make payments

To the Trustees of the South Australian Grain Industry Trust Fund, for Funding grain research and dissemination of technical information

For the benefit of SA grain industry

Plus other applications of the fund



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2d Payments from the Funds

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

- a) Confirms the organisation represents South Australian citrus growers
- b) Requests a nominated payment from the fund
- c) An operational plan, which includes
 - brief description of activity + intended outcome
 - alignment to a approved purpose
 - budgeted cost.

The proposed activities in the operational plan

- should align with the national, and state strategic objectives and regional priorities
- may extend over multiple years
- collaborative projects are encouraged

Payments from the fund may be used as industry co-contribution for other grant programs

Applicants should ensure that they have completed reporting requirements of any previous agreement





2d Payments from the Funds

The updated management plan proposes to change the current payment schedule, to four payments rather than the traditional 12 payments resulting in savings in administration of the funds

Table 2 – Payment Schedule - GIF

| | July | October | January | April |
|---------------------------------------|------|---------|---------|-------|
| Percentage of approved annual payment | 25% | 25% | 25% | 25% |

Table 2 – Payment Schedule for payments - GIRDF

| | October | February | March. | June |
|----------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Payment amount | Balance of fund - \$35,000 | Balance of fund - \$35,000 | Balance of fund - \$35,000 | Balance of fund - \$35,000 |



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3. Reporting

Success of the PIFS Funds relies on the transparency of how funds are spent.

A. Fund Annual Report to Parliament

- https://www.pir.sa.gov.au/primary_industry/grains/grain_industry_funds

B. Industry report on Expenditure of Funds

- [GPSA Annual Report](#) (GIF)
- https://sagit.com.au/wp-content/uploads/2022/08/SAGIT-Snapshot-Booklet-2022_FA_online.pdf



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4. Next Steps

Management Plans

- Management Plans are for 5 year period commencing 2023-24.
- They will be made available on the PIRSA Website after this public meeting.
- These plans must be updated annually.
- A review of these plans and appropriate consultation activity will occur Q2 2023/24.

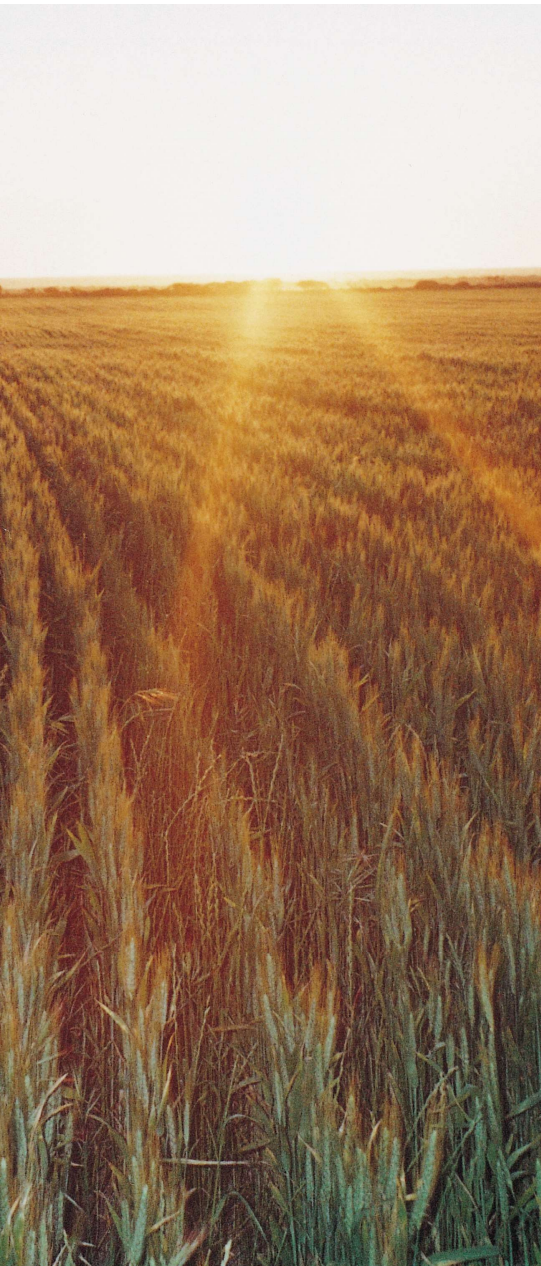
Legislative Review

- *Primary Industry Funding Schemes (Grain Industry Fund) Regulations 2012* expire in September 2023
- PIRSA is proposing to postpone this expiry for 12 months as the *Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013* expires in September 2024
- Will result in the opportunity to consult on the review of these regulations concurrently during late 2023 and draft the new regulations in early- mid 2024



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Questions and Discussion



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**Thank You
Meeting Closed**