





© 2018

Australian Food and Grocery Council Annual Report 2018

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CHAIR'S REPORT

To describe the political operating environment in Australia and indeed globally as "complex" is an understatement to say the least. At a time when the agenda can shift within seconds, certainty around policy outcomes is highly sought after and very difficult to achieve.

This comes at a time when the voice of stakeholders interested in specific aspects of the food and grocery supply chain are increasingly amplified by social media, and consumers are more empowered, resulting in every part of our processes and products being increasingly scrutinised including on environmental, nutritional, safety and sourcing grounds.

In addition, the industry is facing relentless pressure from rising input prices ranging from commodities to energy, coupled with seven years of retail price deflation.

Presented with the challenge of political uncertainty, flat economic confidence and increasing opposition to our industry's social licence,

food and grocery companies have a choice. They can retreat from the process and accept what may come.

Or alternatively, engage and drive an agenda supporting policies that encourage this sector to continue to invest, continue to employ and continue to transform ingredients into the foods and the consumer goods that every Australian needs every day, while playing an important role on issues that matter such as waste and obesity.

It is in this environment the Australian Food and Grocery Council is focused on providing a voice for the industry, conveying the vital role AFGC members play in the health and wealth of our nation.

This year marks several significant achievements by the Australian Food and Grocery Council. The Secretariat has maintained its commitment to the Board's strategic objective of sustainable growth for the food and grocery supply industry by focussing on competitiveness, fair markets and



Clive Stiff, Chair, AFGC

industry's reputation. The 2018 report demonstrates the comprehensive work agenda undertaken by the AFGC Secretariat to achieve these ambitious objectives.

Among these achievements were:

- The ongoing work with the Food and Grocery Code of Conduct through member training and support as well as advocacy throughout the 2018 Review of the Code. The AFGC has effectively positioned industry in front of the Review and will continue to focus on effective implementation;

"...engage and drive an agenda supporting policies that encourage this sector to continue to invest, continue to employ and continue to transform ingredients into the foods and the consumer goods that every Australian needs every day."

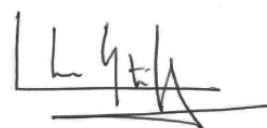
- Prosecuting sound, evidence-based policies and defending the industry against regulatory creep that burdens industry and results in perverse outcomes; and
- Establishing a targeted public affairs campaign that demonstrates the value of the \$127 billion food and grocery industry to key communities in which the sector operates. The AFGC will seek to enhance the public profile of the sector and engage at a grassroots level with key political decision-makers to support the sector's ongoing growth.

In addition, the AFGC delivered two very successful and well attended events – Food and Grocery Australia and the Future Leaders Forum – as well as a number of other member services that informed and engaged members on key matters affecting the industry.

Tanya Barden's elevation to the CEO's position has resulted in renewed vigour within the Secretariat to drive increased member value, and innovation in the way the AFGC engages with its member companies. Expect an increased emphasis on member engagement and more opportunities for members to share, network and collaborate.

The Board has absolute confidence in the AFGC's future under Tanya, who has been at the forefront of AFGC's advocacy on key areas of reform.

This year also marks my first year as Chair and I appreciate the support and valuable contribution of my fellow Board members. I look forward to continuing to work with the Board and Secretariat to deliver value for AFGC members in 2019.



CLIVE STIFF
Chair, AFGC



CEO'S REPORT

This has been a year of heightened activity for the Australian Food and Grocery Council, working on behalf of businesses operating in one of the most dynamic and fiercely competitive sectors of the Australian economy.

The accelerating pace and increasingly reactive nature of political and policy decision making highlights the importance of advocating for a policy and regulatory framework that drives growth and investment, and a sound approach to social-environmental and health issues.

Food and grocery supply continues to be the quiet workhorse of the Australian economy, delivering the essentials of life to every Australian every day, and jobs to hundreds of thousands of people.

In the past year we refreshed our strategy to focus on issues that have had a sound commercial impact on our members. This focus was built around three key priority areas, while also delivering on the day-to-day value for our member companies.

We have been working to improve the industry's global competitiveness. This includes advocating for policies

that drive down input costs, while shaping a regulatory environment that continues to encourage companies to invest and grow, and developing industry led solutions to improve efficiency.

Another priority has been to improve industry access to multiple, competitive, fair markets with a specific focus on strengthening the framework for fair retailer supplier relationships.

The AFGC has sought to strengthen the Food and Grocery Code of Conduct which establishes key rules in commercial retailer-supplier relations. We have impressed on Professor Graeme Samuel AC, the Review's Chair, the case for strengthening Code provisions to provide greater certainty and clarity around dealings in the industry without adding unnecessary complexity or cost. The AFGC will continue to engage in the Code Review throughout its settlement and implementation.

We have also commenced a public campaign that demonstrates and champions the value of the \$127 billion food and grocery industry to key communities in which the sector



Tanya Barden, CEO, AFGC

operates. This campaign encourages Australians to be proud of our sector which still produces locally, driving jobs growth and investment. We encourage your participation in this campaign to celebrate the contribution this great sector makes to the economy and communities.

The AFGC's priorities highlighted in this report provide more detail on the breadth and depth of policy and market challenges that the Secretariat is grappling with on behalf of the membership.

The AFGC remains committed to developing its offering to meet the needs of its members while maintaining a clear voice to government on industry issues.

The year ahead will offer no respite

"In the past year we have refreshed our strategy to focus on issues that have had a sound commercial impact on our members."

from the pressure on our industry thanks to rising costs, intense retail competition, regulators and pressure groups. In a congested environment where competing interests are struggling to be heard, unified partnerships between industries and organisations will be crucial to enable government to prioritise critical reform areas. It will also be important for industry to play its part in helping to address challenges facing our society, such as obesity and waste.

I would like to take this opportunity to thank the Board and staff of the AFGC for the excellent work they do on our members' behalf and for supporting me as I transitioned into the role of CEO.

The AFGC will ardently continue shaping the regulatory and trading environment and providing ongoing support to members.

Finally, I would like to thank you, the members, for the support and active contributions you make to the AFGC, which are so vital to the work we do on your behalf.



TANYA BARDEN
CEO, AFGC

AFGC TEAM

Tanya Barden, CEO

Cynthia Coppock, EA to the CEO and DCEO

Dr Geoffrey Annison, Deputy CEO and Director, Health, Nutrition and Scientific Affairs

Leigh Reeve, Director, Australian Breakfast Cereal Manufacturers Forum

Suzanne Davies, Manager Industry Partnerships

Michele Walton, Manager Nutrition Policy

Jack Gevorgian, Director Finance & Administration

Kerry Dawson, Reception and Administration Officer

Chris Preston, Director, Legal and Regulatory

Fiona Fleming, Regulatory Affairs Advisor

Samantha Blake, Director, Industry Affairs

John Cawley, Associate Director, Industry Affairs

Kim Riggans, Web and Secretariat Support Officer

James Mathews, Director, Communications

Alyssa Handy, Events Manager

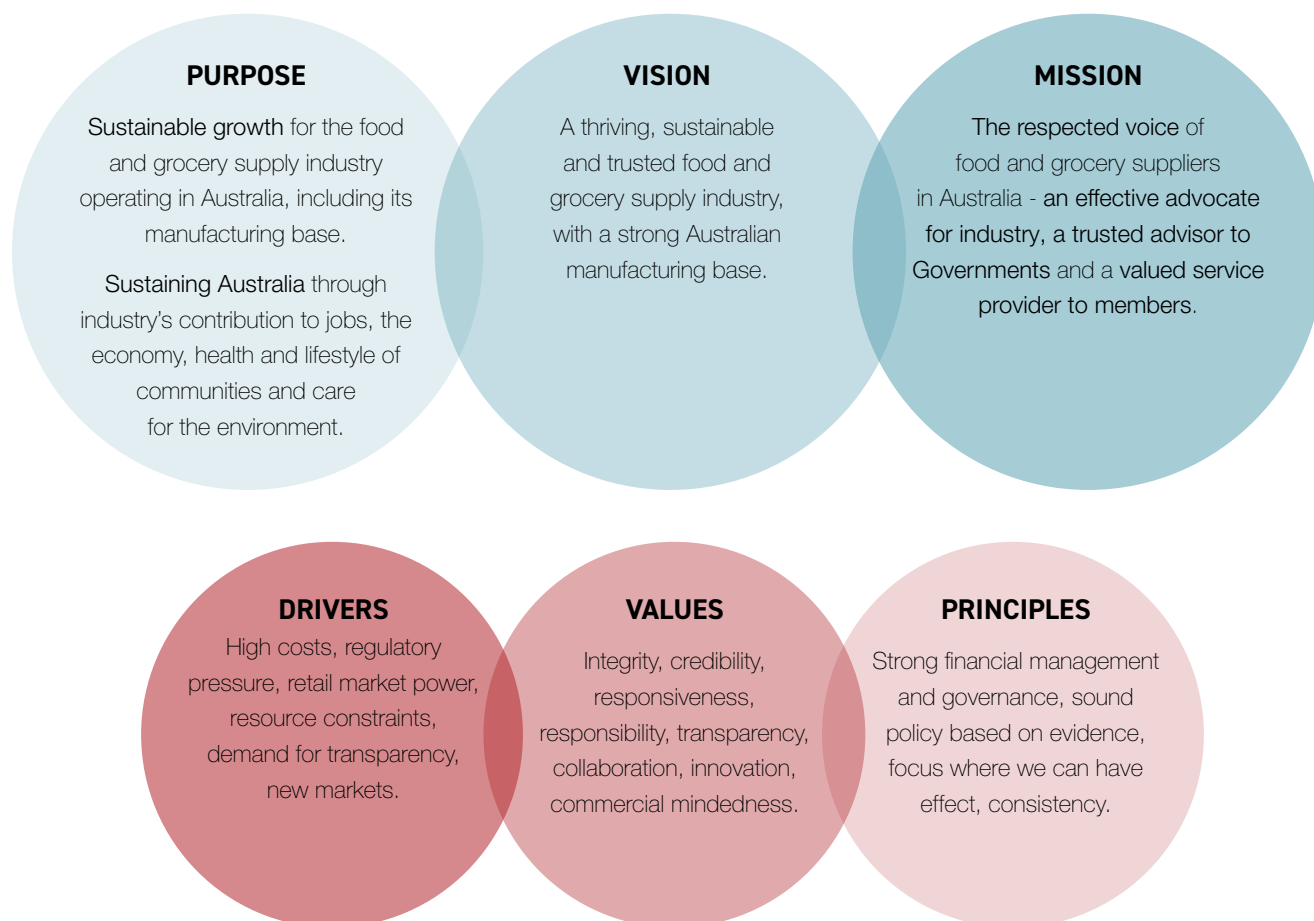
Megan Jeremenko, Government Relations Manager

Peter Keogh, Director, Economics, Sustainability & Trade

Kylie Ruth, Sustainability Manager

David Hall, Business Development Director

STRATEGIC FRAMEWORK 2018-2020



FOCUS AREAS	Enhance industry's global competitiveness	Enhance access to multiple, competitive, fair markets	Encourage governments and stakeholders to recognise industry's positive contribution
STRATEGIES	<ul style="list-style-type: none"> Improve the cost competitiveness of the Australian economy. Shape and manage the regulatory environment. Develop industry led solutions to prove efficiency. 	<ul style="list-style-type: none"> Continuously improve the framework for fair retailer-supplier relationships. Increase access to new markets, including export, retailers and online. 	<ul style="list-style-type: none"> Raise the profile of the industry's contribution to jobs, the economy, health and lifestyle of communities and care for the environment. Proactively develop initiatives or positions related to socio-environmental, health and consumer issues.
ENABLERS	Culture, capability and engagement <ul style="list-style-type: none"> Drive a high performance culture Develop and leverage knowledge and skills through the Secretariat and industry Engage and grow membership 		

AFGC BOARD

as at 30 June 2018



Clive Stiff (Chair)
Chairman & Chief Executive Officer
Unilever Australia and New Zealand



Amanda Banfield
Area VP Australia, NZ, Japan
Mondelēz International



Julie Coates
Managing Director Australia
Goodman Fielder Pty Ltd



Doug Cunningham
Managing Director
Johnson & Johnson Pacific



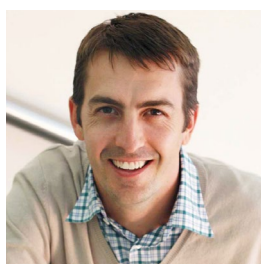
Jodie Goldsworthy
Director
Beechworth Honey Group



Kathy Karabatsas
Managing Director
Lion Dairy & Drinks



Anthony Paech
Managing Director
Beerenberg Pty Ltd



Sam Robson
Chief Executive Officer
OneHarvest Group of Companies



Umit Subasi
President International
Campbell International



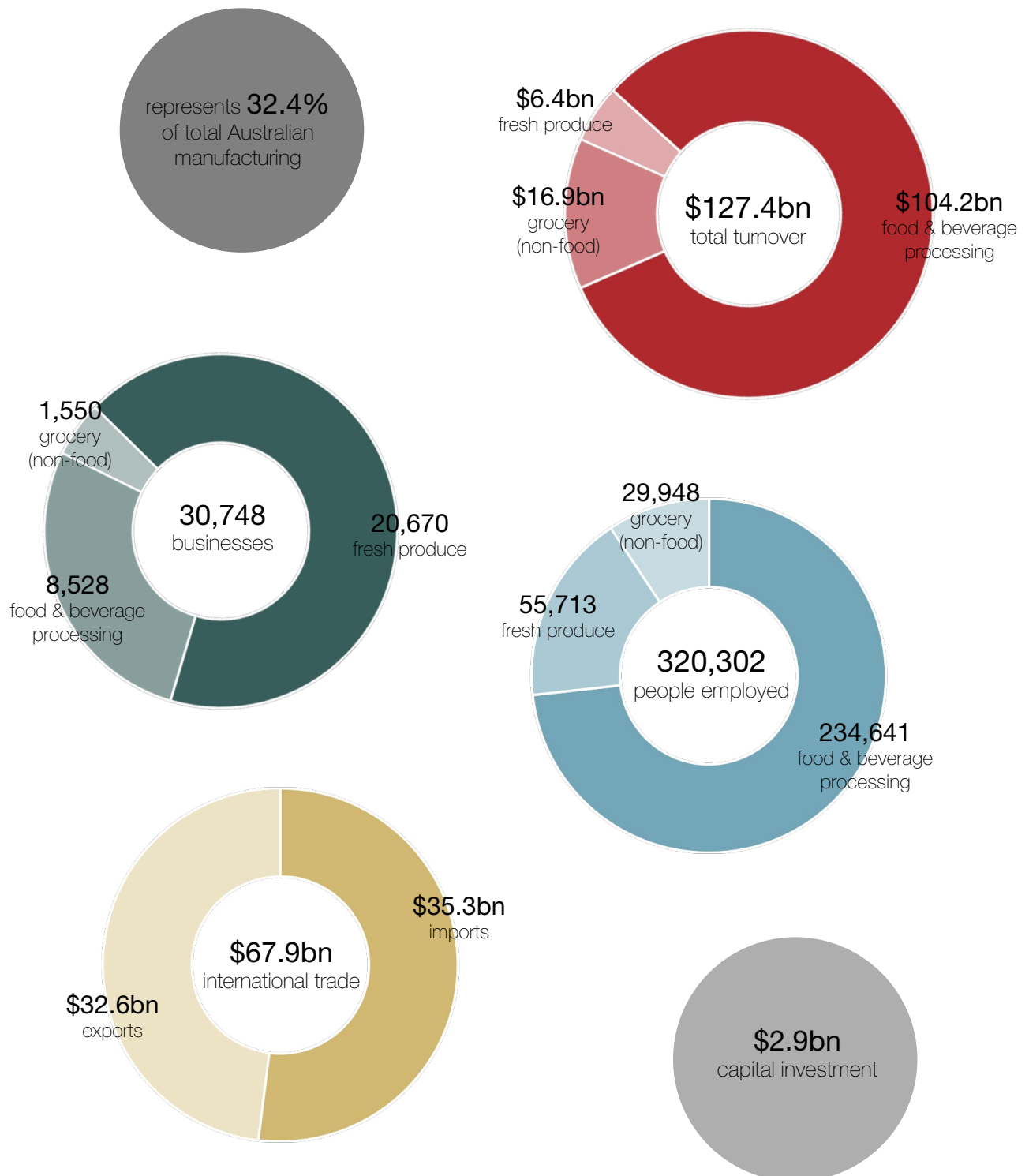
Belinda Tumbers
Managing Director
Kellogg Australia and New Zealand



Reg Weine
Managing Director SPC
Coca-Cola Amatil

INDUSTRY SNAPSHOT

from 2017 State of the Industry



food & grocery
manufacturing

2015-16

OUR MEMBERS

as at 30 June 2018

FULL MEMBERS

3M Australia Pty Ltd	Craveable Brands
ABC Sales and Marketing	Danisco Australia Pty Ltd
ADM Australia	Danone Oceania
Asaleo care	deOleo Australia Pty Ltd
Aspen Nutritionals Australia Pty Ltd	Devro Pty Ltd
Australian Blending Company Pty Ltd	Dilmah Australia
Barilla Australia Pty Ltd	Earlee Prodcuts
Bayer Australia	Emma & Tom Foods Pty Ltd
Beak and Johnston Pty Ltd	Erskine Products
Beechworth Honey Pty Ltd	F. Mayer Imports
Beerenberg Pty Ltd	Ferrero Australia Pty Ltd
Bega Cheese	Fibrisol Service Australia Pty Ltd
Bickfords Australia Pty Ltd	Flujo Sanguineo Holdings Pty Ltd
Birch and Waite Foods Pty Ltd	Fonterra Australia Pty Ltd
Blackmores	Forbidden Foods
Bronte Industries Pty Ltd	Freedom Foods Group
Buderim GingerLimited	Frucor Suntory (Australia) Pty Ltd
Bulla Dairy Foods	General Mills Australia Pty Ltd
Bundaberg Brewed Drinks Pty Ltd	George Weston Foods Ltd
Bundaberg Sugar Ltd	GlaxoSmithKline Consumer Healthcare
Byford Flour Mills/Millers Foods	Go Natural
Campbell Arnott's	Goodman Fielder Limited
Canon Foods	GrainCorp Limited
Cantarella Bros Pty Ltd	Hakubaku Australia Pty Ltd
Cantire Foods pty Ltd (Chris' Dips)	HealthFarm Fine Foods Pty Ltd
Capilano Honey Limited	Henkel Au
Carman's Fine Foods	Hoyt Food Manufacturing Industries Pty Ltd
Cerebos (Aust) Ltd	Hungry Jack's Australia
Cheetham Salt Limited	Jacobs Douwe Egberts
Chobani Pty Ltd	Jalna Dairy Foods Pty Ltd
Chr Hansen	Johnson & Johnson Pacific Pty Ltd
Church & Dwight (Australia) Pty Ltd	Kellogg (Aust) Pty Ltd
Clorox Australia Pty Ltd	Kentucky Fried Chicken
Co Yo Pty Ltd	Kerry Ingredients Australia Pty Ltd
Coca-Cola Amatil Ltd	Kimberly-Clark Australia Pty Ltd
Coca-Cola South Pacific Pty Ltd	Laucke Flour Mills Pty Ltd
Colgate-Palmolive Pty Ltd	Level Beverages Pty Ltd
Conga Foods Pty Ltd	Life Health Foods AU
Coopers Brewery Ltd	Lindt & Sprungli Australia
	Lion Pty Ltd
	Long Table Group Ltd

OUR MEMBERS

Madura Tea Estates	Sabrand's Group
Manildra Harwood Sugars	Sandhurst Fine Foods Australia
Mars Wrigley Confectionery	San Diego Tortilla Factory Pty Ltd
McCormick Foods Australia Pty Ltd	Sanitarium Health and Wellbeing Company
McDonald's Australia Ltd	SC Johnson & Son Pty Ltd
Mentholatum Australasia Pty Ltd	Sensient Technologies (Australia) Pty Ltd
Merisant Australia Pty Ltd	SI&D Group Holdings P/L
Mondelez International	Simplot Australia Pty Ltd
Mrs Mac's Pty Ltd	Solaris Paper Pty Ltd
Murray Goulburn Co-operative Co Ltd	Spicemasters Australia Pty Ltd
Myosyn Industries Pty Ltd	Stahmann Farms
Nerada Tea Pty Ltd	Steric Pty Ltd
Nestle Australia Ltd	Stuart Alexander & Co Pty Ltd
Nutricia Australia Pty Ltd	Subway Franchisee Advertising Fund of Australia
Ocean Spray International, Inc	Sugar Australia Pty Ltd
One Harvest	SunRice
Only Organic 2003 Pty Limited	Swisse Wellness Pty Ltd
PZ Cussons	Tasmanian Flour Mills Pty Ltd
Parmalat Australia Ltd	TATA Global Beverages Australia Pty Ltd
Patties Foods Ltd	Teys Australia
Peerless Foods	The A2 Milk Co
Pepsico	The Infant Food Co Pty Ltd
Peters Ice Cream	The Vege Chip Company
Pfizer Consumer Healthcare	Tixana Pty Limited
Primo Meats Pty Ltd	Unilever Australia & NZ
Queen Fine Foods Pty Ltd	Vitality Brands Worldwide
Reckitt Benckiser (Australia) Pty Ltd	Ward McKenzie Pty Ltd
Red Bull Australia Pty Limited	Warmambool Cheese & Butter Factory Holdings Co.
Ridley Corporation	Wattle Health Australia Limited
Rivalea (Australia) Pty Ltd	Yakult Australia Pty Ltd



OUR MEMBERS

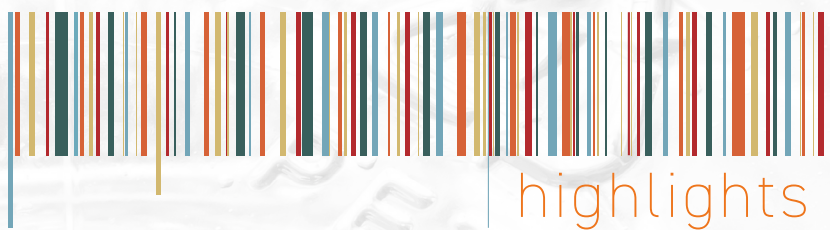
ASSOCIATE MEMBERS

A.T. Kearney Pty Ltd
 Addisons
 Advancy Pty Ltd
 Australia New Zealand Banking Group
 Australian Pork Limited
 Baker & McKenzie
 Brand Loyalty
 CHEP Asia – Pacific
 Chainalytics
 CROSSMARK Asia Pacific
 CSIRO Food and Nutritional Sciences
 Dassault
 Deloitte Touche Tohmatsu
 Detmold Australia Sales Pty Ltd
 Ernst & Young
 Foodbank Australia Ltd
 GRA Supply Chain Pty Ltd
 GS1 Australia Ltd
 Information Resources (Australia) Pty Ltd - IRI
 King & Wood Mallesons
 KPMG
 Labour Solutions Australia
 Linfox Australia Pty Ltd
 Loscam
 Meat and Livestock Australia
 Monsanto Australia Ltd
 Netget T/a Irexchange
 NextGen Group Pty Ltd
 Opmatrix Australia
 Orora Limited
 Real World Marketing Pty Ltd
 Rentokil Initial Pty Ltd (Rentokil Pest Control)
 Saleslink Australasia Pty Ltd
 Six Degrees Executive
 StayinFront Group Australia
 Strikeforce Alliance Pty Ltd
 SUEZ
 Swisslog Australia Pty Ltd
 Tetra Pak Marketing Pty Ltd

The Gap Partnership Australia Pty Ltd
 The Nielsen Company
 Touchstone Consulting Australia Pty Ltd
 Victual Pty Ltd
 Visy Pak
 Wiley & Co Pty Ltd

AFFILIATE MEMBERS

Australian Logistics Council
 Association of Sales and Marketing Companies Australasia
 Australian Self-Medication Industry
 Australian Coffee Traders Association
 Bedford Group
 CropLife Australia Limited
 Dairy Australia
 Food & Beverage Importers Association
 Food Industry Association Qld Inc
 Foodservice Suppliers Association of Australia
 Grains & Legumes Nutrition Council
 Private Label Manufacturers Association Australia/New Zealand



HEALTH, NUTRITION AND SCIENTIFIC AFFAIRS LEGAL AND REGULATORY

Advocates a positive role for the food, beverage and grocery industry in providing safe products to consumers and helping Australians make informed diet and lifestyle choices. It offers regulatory assistance to members and advocates for best practice regulatory standards throughout the industry and has developed a suite of compliance guidelines and regulatory tools for member use.

Geoffrey Annison (Director & Deputy CEO), Leigh Reeve (Director, ABCMF), Michele Walton (Manager Nutrition Policy), Suzanne Davies (Manager Industry Partnerships), Chris Preston (Director, Regulatory Affairs) and Fiona Fleming (Regulatory Affairs Advisor).

REGULATORY TOOLS

We refined the Product Information Form (PIF version 5) to greatly improve the quantity, quality and efficiency of information delivery accompanying food ingredients and products down the supply chain. A web-based PIF V6 was released in July 2017.

MEETINGS, REPRESENTATIONS AND PRESENTATIONS

The AFGC continued to support the *Responsible Children's Marketing Initiative* (RCMI) and *Quick Service Restaurant Initiative for Responsible Advertising and Marketing to Children* (QSRI) as very effective forms of self-regulation, guiding industry practice in advertising to children. Signatory compliance remains very high (greater than 98% for 2017).

We participated in the Commonwealth Government's *Healthy Food Partnership* which aims to improve the nutrition and health of Australians and continued planning activities for food reformulation, food service and portion size advice to industry.

We consulted with government and other industry organisations regarding the levels of food safety auditing in the dairy processing sector as part of work to establish a *National Approach to Food Safety Certification*.

We engaged in stakeholder consultations in response to the upcoming review of the legislation governing metrology to be conducted by the National Measurement Institute.

At the request of Food Standards Australia and New Zealand (FSANZ), we continued to participate in the APEC Food Safety Cooperation Forum (FSCF), seeking greater regulatory alignment across the APEC region.

The AFGC represented broad industry views collaboratively with a number of other organisations including the Grain Legumes Nutrition Council, Standards Australia, CSIRO, Meat and Livestock Australia, Dairy Australia, Horticulture Innovation Australia, Infant Nutrition Council, National Farmers Federation, National Heart Foundation and Universities on a wide range of scientific, technical and regulatory matters.

The AFGC continued to represent the sector on the Industry Reference Council – Food, Beverage and Pharmaceutical. We also had representations on the Food Regulation Standing Committee's stakeholder roundtable consultations.

SUBMISSIONS, REPORTS AND ARTICLES

In response to applications and proposals to amend the Food Standards Code, we made a number of submissions to Food Standards Australia New Zealand's (FSANZ) consultations, supporting evidence-based approaches consistent with best practice regulation.

We continued our participation on the Commonwealth Government's Health Star Rating (HSR) Advisory Committee which oversees the HSR food labelling scheme. We also made submissions to the HSR five year review and the 'as prepared' issue review, which ran concurrently.

Geoffrey Annison made regular contributions on topical food policy and technical matters to the AIFST's Food Australia journal.

FORUMS

Australian Breakfast Cereal Manufacturers Forum (ABCMF)

The Australian Breakfast Cereal Manufacturers Forum (ABCMF) provides practical, evidence-based information, for the Australian public and professionals, about the value of eating breakfast and the benefits of breakfast cereal.

The ABCMF commissioned research into the impact of breakfast cereal consumption on the nutritional health of Australians and the results for children were published in the peer-reviewed journal *Nutrients*. This scientific report is publicly available to assist health professionals and policy makers assess the nutritional contribution of breakfast cereals.

The forum launched an Instagram channel and revamped website, to increase access to evidence based information on Australian breakfast cereals. Misinformation about breakfast cereals was addressed and corrections achieved in some cases.

Quick Service Restaurant (QSR) Forum

Provides a platform for coordinated action on issues pertaining to quick service restaurants and similar businesses operating as food service chains.

The AFGC's QSR Forum has continued to address technical and regulatory issues which are potentially challenging for the industry as they arise. The Forum explored opportunities to revise and refresh the Quick Service Restaurant Initiative for Responsible Advertising and Marketing to Children.

The QSR was also represented in consultations and forums including the:

- Minister of Agriculture's forum to discuss options for implementing Country of Origin Labelling (CoOL) in the QSR sector.
- The Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) review of menu labelling schemes in Australia.
- Commonwealth Government's Healthy Food Partnership
- ACT Government's Food Regulation Reference Group; and
- NSW Tidy Roads Steering Committee.

Non-Food Forum

The Non-Food Forum provides a means for grocery manufacturers and brand owners (including cosmetics, personal care, household goods and therapeutic goods and devices) to participate in relevant AFGC activities, including advocacy, regulatory consultations and industry best practice models.

The AFGC represented manufacturers of 'wet wipes' on the Standards Australia committee with view to developing a standard for flushable wet wipes.

INDUSTRY AFFAIRS

Serves members by working towards the development of an efficient and cost effective value chain, with fair and equitable access to market on reasonable commercial terms. Helps members drive efficiency improvements, reduce costs in the supply chain and collaborate effectively with retail trading partners.

Samantha Blake (Director), John Cawley (Associate Director) and Kim Riggans (Web and Secretariat Support Officer).

SUPPLY CHAIN

Secretariat Samantha Blake and John Cawley. **Chair** Doug Cunningham (Johnson & Johnson).

The Supply Chain area focuses on retailer driven initiatives, global industry best practice that impact Australian manufacturer's supply chains, and transport related regulation and legislation.

During the year we:

- Continued to engage on a broad range of issues with key trade partners; Coles, Costco, Metcash and Woolworths, including on the results from the 2017 Supply Chain Capability Survey.
- Worked proactively with Woolworths to ensure members understand the requirements for delivery into Melbourne South RDC.
- Provided regular updates to members on current and proposed transport and infrastructure related legislation and regulations such as Chain of Responsibility, the National Freight Supply Chain Priorities and ACCC National Pacific Aurizon purchase.
- Management Committee participation in the Australian Logistics Council's Retail Logistics Code of Practice, for the management of transport safety and Chain of Responsibility.
- Delivered the Supply Chain Survey, providing a unique understanding of the metrics, issues and opportunities within FMCG. Participating companies received benchmark reports.
- Worked in partnership with RMIT, engaging with undergraduate communities to highlight the profession via the website www.fmcgsupplychain.com.au.
- Hosted the highly successful Annual AFGC Supply Chain Seminar attracting over 100 supply chain professionals from the AFGC membership.
- Published the quarterly Supply Chain e-newsletter and monitored and responded to issues, representing member views.

TRADING PARTNER FORUM (TPF)

Secretariat Samantha Blake and John Cawley. **Co-Chairs** Belinda Tumbers (Kellogg's), Julie Coates (Goodman Fielder) and Paul Harker (Woolworths).

The Industry Affairs division acts as Secretariat to the TPF, the meeting place for FMCG suppliers and supermarket retailers focusing on delivering end-to-end value chain efficiency.

Highlights for the year included hosting the first ever highly successful Future Leaders Forum attracting 160 supplier and retailer aspiring leaders.

Other key achievements included:

- Delivered phase one of the Collaborative Physical Logistics project that seeks to improve transport and warehouse collaboration across the sector.
- Delivered phase one of the Future Proofing the Value Chain project, focused on driving data integrity and alignment between suppliers and retailers.

- Delivered a suite of checklists and tools for industry under the auspice of the Perfect Delivery Project, aimed at aligning standards for the delivery of product into retail DC's.
- Sponsored Joe Berry Australian Retail Industry Executive Awards through the provision of the TPF Scholarship Award. The successful candidate attended the prestigious Consumer Goods Forum Future Leaders Program in Berlin.



Linda Venables (Metcash) with Jon Stokes (Coca-Cola Amatil), recipient of the 2017 TPF Scholarship Award.

SME CEO FORUM

Secretariat Samantha Blake

Co-Chairs Jodie Goldsworthy (Beechworth Honey) and Anthony Paech (Beerenberg).

Established in 2012 the Small and Medium sized Enterprise (SME) CEO Forum is a peer group focused on exploring and discussing current and emerging issues that may impact SME members.

Highlights for the year include:

- Facilitating a series of meetings throughout the year targeted at CEO's from SME members. These involved discussion on issues impacting the industry, including those retail-related.
- Holding a workshop to unearth the key issues within the SME sector that directly relate to the Food and Grocery Code of Conduct (FGCC).

FOOD AND GROCERY INDUSTRY CODE OF CONDUCT (FGCC)

Secretariat Tanya Barden, Samantha Blake and James Matthews.

On behalf of members the Secretariat has engaged with Government and key stakeholders seeking better regulation to create an environment that allows Australian companies to grow, prosper and maintain viable local business operations.

Since 2015 over 3,500 people across 300 FMCG companies have been trained by AFGC's nominated training partner, NextGen. A range of services to support members have been further developed and are available for download.

During the year we also conducted the fourth annual FGCC Member survey, results shared broadly with the industry, trade partners and key stakeholders.

The FGCC review commenced in March, and the AFGC undertook a range of activities to support the review process including:

- Extensive analysis of all the FGCC obligations.
- Broad engagement with members on what has and what has not worked in the first three years.
- In depth examination of past retail behaviours as they apply to the FGCC.
- Government and key stakeholder engagements.

The Industry Affairs Division would like to thank Committee members, CEO Forum participants, Advisory Group members, Briefing Group attendees and Working Group members for their input and participation in the broad range activities undertaken by the Secretariat on their behalf. Their active participation and contribution provided over the past 12 months has greatly assisted the Secretariat to deliver real value to the sector.

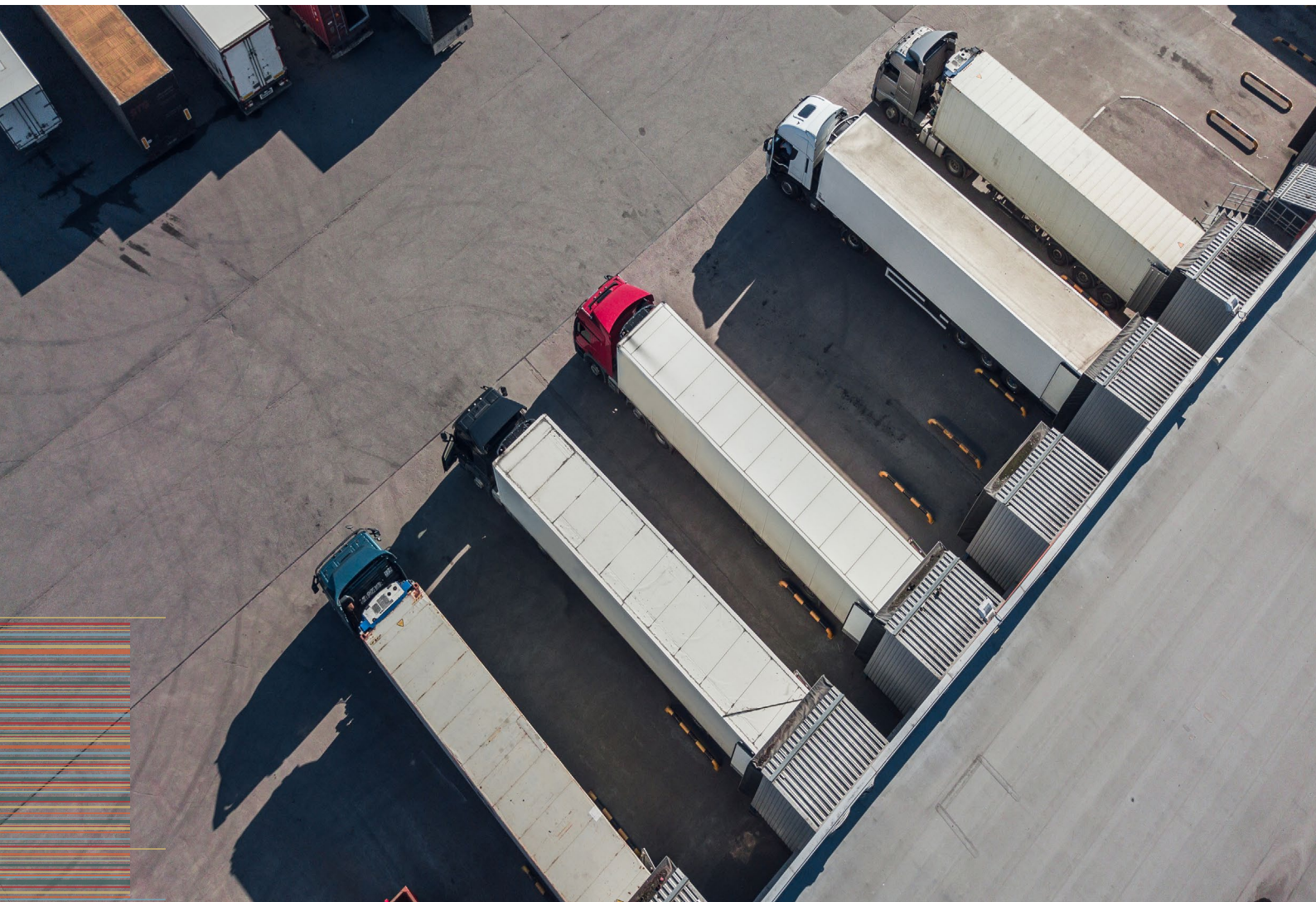
GROCERY INDUSTRY ADVISORY GROUP

Secretariat Samantha Blake and John Cawley.

A reference group focused on exploring emerging issues impacting the industry and specifically the FGCC. The group uses collective insight to identify and clarify current and emerging issues and deliver policy advice to the AFGC Board on industry issues relating to retailer relations within the FMCG industry and in accordance with the FGCC and applicable competition laws.

Highlights for 2017-18 include:

- Launched Australian Grocery Academy - a unique collaboration between industry, supplier and specialty training and leadership consultancies. The program has been developed for high potential commercial and sales leads working in the Australian industry, providing suppliers with the skills and capabilities to deal with today's retailers. Visit the Australian Grocery Academy website.
- Launched the inaugural Trade Investment Benchmarking Survey, a member survey to understand the levels and impact of trade spend and associated retailer charges within the supermarket retail sector.
- Partnered with UBS to deliver the fourth Profitability Survey with results shared at Food and Grocery Australia.



ECONOMICS, TRADE AND SUSTAINABILITY

Economics and trade has a broad remit covering AFGC's export trade agenda and policy positions to support competitiveness of, and investment in, the agrifood processing industry. Sustainability informs members of the latest developments in issues affecting the industry, offering tools, guidance and intelligence on best practice examples to improve environmental and social performance.

Peter Keogh (Director, Economics, Trade & Sustainability), Kylie Ruth (Manager, Sustainability)

ECONOMICS AND TRADE

Highlights for 2017 -18 include:

- Provided submissions and other input to the Government's negotiation of various free trade agreements.
- Participated in Parliamentary Inquiries related to various trade related matters.
- Raised the need for transport infrastructure issues such as high performance vehicle access in regional areas, increasing weight limits for road use and improving access to existing rail infrastructure, to be reflected in the Government's National Freight and Supply Chain Strategy.
- Collaborated with other agri-bodies to raise awareness of the increased level of non-tariff barriers to international trade in agri-food products.

- Awarded grant funding from the Department of Agriculture and Water Resources Australian Trade and Market Access Cooperation program. This funding will support two projects:
 - 1) the development of food safety materials that can be used in market to promote the system of government regulation and industry assurance programs that ensure the safety and quality of Australian agri-food exports, and mapping Australia's system of food regulation against three other countries;
 - 2) creating guides for industry on how to navigate the regulatory systems for exporting into China.
- Engaged with Federal and State Members of Parliament on specific transport infrastructure needs in their electorates (such as upgrading weight limits on a specific bridge) that would reduce costs and increase efficiency for businesses in regional areas.
- Participated in the ACCC Agriculture Consultative Committee, which considers competition issues in agricultural supply chains.

SUSTAINABILITY

FOOD WASTE

In November 2017 the Federal Government released its national food waste strategy which aims to reduce food waste by 50% by 2030. To support this strategy, they tasked Food Innovation Australia Limited (FIAL) to develop an implementation plan. We have representation on a steering committee to help drive that process.

The Government approved the establishment of a Cooperative Research Centre (CRC) called Fight Food Waste in April 2018. The bid for the CRC was supported by the AFGC and we will facilitate conversations between the CRC and members.

ENERGY

AFGC has demonstrated the impact of high energy costs on the sector through direct engagement with Government, emphasising the need to support industry to move to clean and efficient technologies.

PACKAGING REGULATION

In April, State, Territory and Federal Environment Ministers endorsed a target of 100 per cent of Australian

packaging being recyclable, compostable or reusable by 2025 or earlier.

The Australian Packaging Covenant Organisation (APCO) was tasked by the Ministers to help achieve this target. The AFGC is engaging with the APCO about their activities to ascertain a complementary, not duplicative role to help AFGC members achieve this target.

CONTAINER DEPOSIT SCHEME (CDS)

The NSW and ACT CDS commenced during the year. The AFGC has been facilitating information to members during the development of QLD's Container Refund Scheme, which is scheduled to launch in November 2018.

HUMAN RIGHTS

The Federal Government introduced the Modern Slavery Bill after a comprehensive consultation process. The Bill requires businesses with an annual turnover of at least \$100mil to provide annual Modern Slavery statements which will be publicly accessible in a central repository. The Bill adopted the AFGC's recommendation of aligning the annual reporting period to an individual company's financial year.



CORPORATE AFFAIRS & EVENTS

Ensures that industry's views are represented to political decision makers, media, stakeholders and industry. The objective of the division is to provide strategic and tactical advice that assists in achieving good public policy outcomes. It is also responsible for representing industry's views in the media and other public communication channels. The Events Manager is integral to planning and implementing the AFGC's vast array of member meetings, events, seminars and forums.

James Mathews (Director), Alyssa Handy (Events Manager), Megan Jeremenko (Government Relations Manager)

Highlights for 2017-18:

- Continued to drive ongoing political engagement with regulation reform, which has seen ongoing consultation with the Department of Industry to address conflicting regulatory positions between FSANZ and the ACCC.
- AFGC continues to work with Government to ensure that regulators recognise appropriate international standards, which has been accepted as part of the Government's Competitiveness Agenda.
- Maintained advocacy efforts on critical legislative and regulatory issues that affect the competitiveness of the sector.
- Established and implemented AFGC's Sustaining Australia program to better represent and advocate on behalf of its members' interests. It achieves this by engaging public affairs techniques to increase awareness of the sector's contribution to Australia's economy, communities and environment.
- Establishing a number of Parliamentary regional dialogues to discuss key policy issues for political decision makers.
- Hosting member delegations to Parliament.
- Healthy Food Partnership – AFGC is one of 12 industry and health groups working with the Government to improve the dietary habits of Australians by making healthier food choices easier and more accessible and by raising awareness of better food choices and portion sizes.
- Continuing support for reform of mandatory reporting regulations. While the Government acknowledged the AFGC's argument that reform is required in this area, we continued to support this policy through the Senate.
- Health Star Rating (HSR) - AFGC has participated on the Commonwealth Government's HSR Advisory Committee and the HSR Social Marketing Group providing industry perspective on the Government's consumer education campaign promoting the new labelling, and plans for the scheme's monitoring and evaluation.
- Product Stewardship - supported the Sustainability Division in addressing Product Stewardship policy at State and Federal levels.
- Advocacy – AFGC worked with other industry associations along the supply chain to coordinate a unified policy position on key issues.
- Ongoing media engagement.

EVENTS

2018 SUPPLY CHAIN SEMINAR

27 June 2018 - Sydney

Attracted 110 delegates, a record number for this annual event offering senior supply chain executives of Australian food, beverage and grocery manufacturers and suppliers, insights from thought leaders and industry executives.

FOOD AND GROCERY AUSTRALIA 2018

22 - 24 May 2018 - Melbourne

The Australian Food and Grocery Council's flagship event for Australia's FMCG sector and its stakeholders. The conference attracted a record 450 delegates. Food and Grocery Australia 2019 is being held on 28 - 30 May 2019 at the Hilton Sydney.

PIF AND FOOD REGULATION WORKSHOPS

March - April 2018 - Sydney, Melbourne & Brisbane

Update on the current status of food regulation in Australia and New Zealand and AFGC's latest version of the Product Information Form.

FOOD AND GROCERY CODE OF CONDUCT TRAINING & COMPETITION AND CONSUMER LAW TRAINING

August 2017 and February 2018

The AFGC conducted four open training sessions of the Food and Grocery Code of Conduct (FGCC) and the Competition and Consumer Law training program. Eight in house training sessions were also conducted. To date over 3,500 participants have completed the FGCC training program.

HEALTH STAR RATING 5 YEAR REVIEW - INDUSTRY MEETINGS

December 2017 - Sydney & Melbourne

The AFGC held two industry meetings to provide the food and beverage industry with clear, evidence-based messages to impart to stakeholders around the Health Star Rating.

DEMYSTIFYING AUSTRALIA'S ENERGY CHALLENGES

November 2017 - Sydney & Melbourne

A joint project with Gold Sponsors EY, these member-only workshops demystified the energy market, policy settings and consequential consumer price impacts.

INDUSTRY LEADERS FORUM

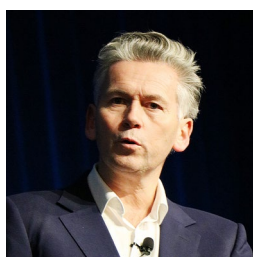
19 October 2017 - Parliament House, Canberra

This annual event brings together senior executives from AFGC membership with key Government Ministers, decision makers and public policy influencers in Canberra.

FUTURE LEADERS FORUM

21 September 2017 - Melbourne

An initiative of the Trading Partner Forum, the event attracted 130 high-potential young leaders and managers from the FMCG and Supermarket retail industry.



2018 Food & Grocery Australia: (top left clockwise) Professor Graeme Samuel, AC; FGA delegates; Claire Peters (Woolworths); John Durkan (Coles); Sarah Prescott (Thankyou) & Christopher Zinn

BUSINESS DEVELOPMENT

Responsible for member and sponsor acquisition and collaboration.

David Hall (Director)

The year saw continued growth in membership and solid sponsorship support.

- Thirteen companies and organisations joined the AFGC in the twelve months to June 2018. These new members came from a variety of product and service categories. The growth in membership continues to build the breadth and depth of AFGC's industry representation.
- Sponsorship revenue was in line with the previous year reflecting the strategy and plan of working with a limited number of longer-term partners. AFGC collaborates with sponsor partners to deliver mutual benefit. Sponsorship remains a significant part of AFGC revenue.





directors' report

DIRECTORS' REPORT

Your Directors present this report on the financial report of the Australian Food and Grocery Council (the Council) for the year ended 30 June 2018.

DIRECTORS

The names of each person who has been a Director during the year and to the date of this report are:

NAME	APPOINTED/RESIGNED
Ms Amanda Banfield	
Mr Trevor Perry Clayton	Resigned 28 November 2017
Mr Doug Cunningham	
Ms Julie Coates	
Mrs Jodie Goldsworthy	
Ms Katina Karabatsas	Appointed 16 April 2018
Mr Alexander Mellis	Resigned 19 October 2017
Mr Terrence Xavier O'Brien	Resigned 12 August 2017
Mr Anthony John Paech	
Mr Robbert Edgar Rietbroek	Resigned 17 April 2018
Mr Samuel Robson	
Mr Clive Manning Sanders Stiff	
Mr Umit Subasi	Appointed 19 October 2017
Ms Belinda Tumbers	
Mr Reginald Weine	Appointed 19 October 2017
Mr Peter Michael West	Resigned 19 October 2017

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS' REPORT *cont...*

INFORMATION ON DIRECTORS

Ms Amanda Banfield

Area VP Australia, NZ, Japan

Mondelēz International

Director since: 21 June 2016

Ms Julie Coates

Managing Director Australia

Goodman Fielder Pty Ltd

Director since: 21 June 2016

Mr Doug Cunningham

Managing Director

Johnson & Johnson Pacific

Director since: 8 November 2016

Mrs Jodie Goldsworthy

Director

Beechworth Honey Group

Director since: 31 August 2015

Ms Katina Karabatsas

Managing Director

Lion Dairy & Drinks

Director since : 16 April 2018

Mr Anthony John Paech

Managing Director

Beerenberg Pty Ltd

Director since: 5 July 2013

Mr Samuel Robson

Chief Executive Officer

OneHarvest Group of Companies

Director since: 21 October 2015

Mr Clive Manning Sanders Stiff

Chairman & Chief Executive Officer

Unilever Australia and New Zealand

Director since: 11 October 2012

Mr Umit Subasi

President International

Campbell International

Director since: 19 October 2017

Ms Belinda Tumbers

Managing Director

Kellogg Australia and New Zealand

Director since: 21 October 2015

Mr Reginald Weine

Managing Director SPC

Coca-Cola Amatil

Director since: 19 October 2017

DIRECTORS' REPORT *cont...*

MEETING OF DIRECTORS

During the financial year four meetings of Directors were held on the following dates:

9 August 2017

19 October 2017

22 February 2018

22 May 2018

Attendances by each Director were as follows:

		# MEETINGS HELD DURING APPOINTMENT	TOTAL MEETINGS ATTENDED DURING APPOINTMENT
Mr Clive Manning Sanders Stiff (Chair)		4	4
Mr Terrence Xavier O'Brien (Outgoing chair)	Resigned August 2017	1	1
Ms Amanda Banfield		4	4
Mr Trevor Perry Clayton	Resigned November 2017	2	1
Mr Doug Cunningham		4	3
Ms Julie Coates		4	3
Mrs Jodie Goldsworthy		4	4
Ms Katina Karabatsas	Appointed April 2018	1	1
Mr Alexander (Sandy) Mellis	Resigned October 2017 (AGM)	1	1
Mr Anthony John Paech		4	4
Mr Robbert Edgar Rietbroek	Resigned April 2018	4	4
Mr Samuel Robson		4	4
Mr Umit Subasi	Appointed October 2017 (AGM)	3	3
Ms Belinda Tumbers		4	3
Mr Reginald Weine	Appointed October 2017 (AGM)	3	2
Mr Peter Michael West	Resigned October 2017 (AGM)	1	0

RESULTS

The net result of the operations of the Council was a surplus of \$492,077 (2017: surplus \$433,749). Subscription revenue was \$3,845,636 (2017: \$3,823,745).

DIRECTORS' REPORT *cont...*

PRINCIPAL ACTIVITIES

The principal continuing activity of the Council is to be the peak national representative organisation for the Australian processed food, grocery and beverage products industry.

The Council aims to foster a world class food, beverage and grocery industry that is responsive to consumer needs and can profitably compete locally and internationally.

OBJECTIVES

The Council's short term objectives are to:

- Shape Government food and grocery policy development to reflect priorities of the manufacturing sector.
- Deliver a collective industry commitment to action supporting preventative health objectives.
- Lead development of industry sustainability indicators to drive reductions in carbon, water and waste streams.
- Promote high levels of adoption and compliance with AFGC industry codes.
- Foster trading environments where members can compete, innovate and sustain growth.
- Encourage member engagement with AFGC through relevant, responsive member services.

The Council's long term objectives are to:

- Secure a growing, profitable and economically, socially and environmentally sustainable industry.
- Ensure a secure source of safe food and groceries to Australians.
- Foster an industry that partners in educating and empowering consumers.
- Promote a best practice regulatory framework that demands the highest food and grocery standards.

To achieve these objectives, the Council has adopted the following strategies:

Policy: Disseminate policy to ensure our members have a credible voice in areas of common interest.

Member Services: Tailored services meeting the needs of our members.

Programs: Programs to deliver solutions for members and stakeholders.

Communication: Provide relevant, up to date information to members. Promote the industry and its achievements.

Representation and Advocacy: Present a united voice to Government, retailers and stakeholders. Advocate to decision makers the nature and needs of the industry.

REVIEW OF OPERATIONS

The operations of the Council and the results of those operations for the year ended 30 June 2018 were satisfactory.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Council during the year ended 30 June 2018.

LIKELY DEVELOPMENTS

There are no likely developments that may affect the operation of the Council in subsequent financial years.

ENVIRONMENTAL REGULATION

The Council has assessed that there are no particular or significant environmental regulations that apply to it.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2018 that has or may have a significant effect on the operations of the Council, the results of its operations or the state of affairs of the Council in financial years subsequent to 30 June 2018.

DIRECTORS' REPORT *cont...*

DIVIDENDS

The Council is a company limited by guarantee and as such is prohibited from paying dividends.

DIRECTORS' BENEFITS

No Director of the Council has received or become entitled to receive a benefit by reason of a contract made by the Council or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

INSURANCE OF OFFICERS

During the financial year, the Council paid a premium to insure officers of the Council.

The officers of the Council covered by the insurance policy include all staff and non-working Directors of the Council and members of Committees established by the Council, both past and present.

The liabilities insured include costs and expenses that may be incurred in successfully defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Council.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 32 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Sam Robson
Director & Treasurer

Wacol, Qld
17 September 2018



Tanya Barden
Chief Executive Officer

Canberra, ACT
17 September 2018

INDEPENDENT AUDITOR'S REPORT



RSM Australia Partners

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GPO Box 200 Canberra ACT 2601

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F +61(0) 2 6217 0401

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Food and Grocery Council for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM Australia Partners



Canberra, Australian Capital Territory
Dated: 17th September 2018

GED STENHOUSE
Partner

INDEPENDENT AUDITOR'S REPORT *cont...*



RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN FOOD AND GROCERY COUNCIL

Opinion

We have audited the financial report of Australian Food and Grocery Council, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a statement of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Australian Food and Grocery Council is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Australian Food and Grocery Council's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Australian Food and Grocery Council in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Australian Food and Grocery Council, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in Australian Food and Grocery Council's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT *cont...*



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of Australian Food and Grocery Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine 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 directors are responsible for assessing the ability of Australian Food and Grocery Council to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Australian Food and Grocery Council or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM Australia Partners



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 17th September 2018

DIRECTORS' DECLARATION

The Directors of the Council declare that:

1. The financial statements and notes, as set out on pages 38 to 54, are in accordance with the *Corporations Act 2001*:

a. comply with Australian Accounting Standards; and

b. give a true and fair view of the financial report as at 30 June 2018 and of the performance for the year ended on that date of the Council.

2. In the Directors' opinion there are reasonable grounds to believe that the Council will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Sam Robson
Director & Treasurer

Wacol, Qld
17 September 2018



Tanya Barden
Chief Executive Officer

Canberra, ACT
17 September 2018





FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
Revenue	2	5,813,324	5,949,222
Employee benefits		(2,857,669)	(2,792,993)
Depreciation expense		(32,121)	(77,606)
Rental expense		(159,796)	(155,533)
Program expenses		(974,619)	(1,150,324)
Administration costs		(1,281,226)	(1,339,017)
Loss on disposal of assets		(15,816)	-
SURPLUS ATTRIBUTABLE TO MEMBERS	3	492,077	433,749
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS		492,077	433,749

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

FINANCIAL STATEMENTS *cont...*

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,867,761	2,584,184
Investments	5	3,053,406	3,038,257
Trade and other receivables	6	86,710	173,491
Other assets	7	151,377	148,071
TOTAL CURRENT ASSETS		6,159,254	5,944,003
NON-CURRENT ASSETS			
Plant and equipment	8	28,176	59,653
TOTAL NON-CURRENT ASSETS		28,176	59,653
TOTAL ASSETS		6,187,430	6,003,656
CURRENT LIABILITIES			
Accounts payable	9	330,967	432,437
Other payables	10	555,095	747,596
Short term provisions	11	430,905	422,390
TOTAL CURRENT LIABILITIES		1,316,967	1,602,423
NON-CURRENT LIABILITIES			
Other payables	10	-	22,379
Long term provisions	11	105,589	106,057
TOTAL NON-CURRENT LIABILITIES		105,589	128,436
TOTAL LIABILITIES		1,422,556	1,730,859
NET ASSETS		4,764,874	4,272,797
Retained earnings		4,698,906	4,206,829
Asset revaluation reserve		65,968	65,968
TOTAL EQUITY		4,764,874	4,272,797

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

FINANCIAL STATEMENTS *cont...*

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	RETAINED EARNINGS	ASSET REVALUATION RESERVE	TOTAL
	\$	\$	\$
Balance at 1 July 2016	3,773,080	65,968	3,839,048
Surplus for the year	433,749	-	433,749
Balance as at 30 June 2017	4,206,829	65,968	4,272,797
Balance as at 1 July 2017	4,206,829	65,968	4,272,797
Surplus for the year	492,077	-	492,077
Balance as at 30 June 2018	4,698,906	65,968	4,764,874

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

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		6,365,588	6,660,240
Payment to suppliers and employees		(6,155,720)	(5,944,222)
Interest received		90,169	36,650
Net cash provided by operating activities	13	300,037	752,668
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(16,460)	(9,690)
Net cash used in investing activities		(16,460)	(9,690)
Net increase in cash held		283,577	742,978
Cash at the beginning of the financial year		2,584,184	1,841,206
Cash at the end of the financial year	4	2,867,761	2,584,184

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Australian Food and Grocery Council as an individual entity, incorporated and domiciled in Australia. Australian Food and Grocery Council is a company limited by guarantee.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement after no more than 30 days from the date of recognition. Outstanding trade debts are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

b) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and equipment and leasehold improvements

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. Independent valuations are undertaken on a periodic basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Leasehold improvements

The cost of improvements to or on leasehold property is amortised over the unexpired period of the expected renewed lease or the estimated useful life of the improvement to the Council, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 5 years.

c) Depreciation

The depreciable amount of all fixed assets are depreciated on both a straight line or diminishing value basis over the useful lives of the assets to the institute commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The depreciable rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate
Plant and equipment	10 – 25%
Leasehold improvements	20 - 50%
Software	20 – 25%

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 1. *cont...*)

d) Leases

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Council during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

f) Employee benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

g) Impairment of assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

h) Leased non-current assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Operating lease payments are charged to the income statement in the period

in which they are incurred as this represents the pattern of benefits derived from the leased asset.

i) Cash and cash equivalent

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j) Income tax

No provision for income tax has been raised as the Council is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

k) Revenue recognition

Annual subscription receipts are brought to account as income in the period to which the membership fee relates.

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

l) Comparatives

Comparative figures have been adjusted to conform to changes in the presentation of these financial statements where required.

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 1. *cont...*)

m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST where GST is claimable from the Australian Taxation Office. Accounts receivable and creditors in the balance sheet are shown inclusive of GST. GST is disclosed in the cash flow statement as operating cash flows.

n) Critical accounting estimates

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the organisation. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

o) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the

instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed

by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains or losses) being recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 1. (o) *cont...*)

for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party

whereby the Council no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

p) *New standards and interpretations issued but not yet effective*

New, revised or amending Accounting Standards and Interpretations adopted
The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment

of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 *Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL')

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 1. (p) *cont...*)

model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no

distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the company.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard

replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities)

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 1. (p) *cont...*)

component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

services can be measured reliably.

The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 1004 Contributions and clarifies the treatment of the receipt of income by not-for-profit entities.

Income received where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately. In cases where assets or services that were received below market value, such assets or services should be recognised at fair value. When an entity receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense.

Local governments, government departments, general government sectors (GGSs) and whole of governments are required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 2. REVENUE

	2018	2017
	\$	\$
Subscription revenue	3,845,636	3,823,745
Special project and forum revenue	730,985	1,071,657
Sponsorship income	308,227	302,273
Highlands conference revenue	718,348	545,568
Other member function revenue	46,146	77,332
Interest received	105,318	74,907
Other income	58,664	53,740
Total Revenue	5,813,324	5,949,222

NOTE 3. OPERATING SURPLUS

The operating surplus includes the following specific expenses

Depreciation expenses	32,121	77,606
Rental expenses	159,796	155,533
Loss on disposal	15,816	-
Administration, Program & Employee expenses	5,113,514	5,282,334
	5,321,247	5,515,473

NOTE 4. CASH AND CASH EQUIVALENTS

Cash at bank	2,867,761	2,583,873
Cash on hand	-	311
	2,867,761	2,584,184

NOTE 5. INVESTMENTS

Term deposit	3,053,406	3,038,257
	3,053,406	3,038,257

NOTE 6. TRADE AND OTHER RECEIVABLES

Accounts receivable	15,854	136,968
Other receivables	70,856	36,523
	86,710	173,491

NOTE 7. OTHER ASSETS

Prepayments	113,184	143,799
GST Receivable	38,193	4,272
	151,377	148,071

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 8. PROPERTY PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Furniture, fittings and equipment - at cost	173,879	397,802
Less: accumulated depreciation	(171,419)	(378,628)
	2,460	19,174
Leasehold improvements - at cost	29,279	41,763
Less: accumulated depreciation	(21,681)	(40,663)
	7,598	1,100
Software - at cost	351,417	350,678
Less: accumulated depreciation	(333,299)	(311,299)
	18,118	39,379
Total plant and equipment	554,575	790,243
Less: accumulated depreciation & amortisation	(526,399)	(730,590)
	28,176	59,653

Reconciliations

Reconciliations of carrying amounts of each class of property, plant and equipment at the beginning and the end of the current financial year are set out below:

	Furniture, fittings and equipment	Leasehold im- provements	Software	Total
	\$	\$	\$	\$
Balance as at 30 June 2017	19,174	1,100	39,379	59,653
Additions	524	15,197	739	16,640
Disposals	(15,816)	-	-	(15,816)
Depreciation	(1,422)	(8,699)	(22,000)	(32,121)
Balance as at 30 June 2018	2,460	7,598	18,118	28,176

NOTE 9. TRADE PAYABLES

	2018	2017
	\$	\$
Trade creditors	74,919	159,674
Accrued expenses	256,048	272,763
	330,967	432,437

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 10. OTHER PAYABLES

	2018	2017
	\$	\$
<i>Current</i>		
Membership subscriptions received in advance	58,319	-
Project and other income in advance	465,057	716,082
Lease incentive	22,379	22,378
Other liabilities	9,340	9,136
	555,095	747,596
<i>Non-current</i>		
Lease incentive	-	22,379
	555,095	769,975

NOTE 11. PROVISIONS

<i>Current</i>		
Long service leave	220,345	158,379
Annual leave	210,560	264,011
	430,905	422,390
<i>Non-current</i>		
Long service leave	105,589	106,057
	536,494	528,447

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 12. COMMITMENTS FOR EXPENDITURE

Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

	2018	2017
	\$	\$
Within one year	155,420	155,420
More than one year but not later than 5 years	-	155,420
	155,420	310,840

The property lease is a non-cancellable lease with five year term with annual CPI increments and an option to renew for five years subsequent to this. Rent is payable monthly in advance.

NOTE 13. CASH FLOW INFORMATION

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities:

	2018	2017
	\$	\$
Operating Surplus	492,077	433,749
Depreciation and amortisation	32,121	77,606
Loss on disposal of assets	15,816	-
Non-cash investing activities		
Change in operating assets and liabilities		
Increase/(decrease) in receivables	86,781	198,494
Increase in other assets	(3,306)	(61,077)
(Increase)/decrease in investments	(15,149)	(38,257)
(Decrease)/increase in accounts payable	(101,470)	(5,188)
(Decrease) in other creditors	(214,880)	165,869
Increase in provision for employee benefits	8,047	(18,528)
Net cash inflow/(outflow) from operating activities	300,037	752,668

NOTE 14. COMPANY LIMITED BY GUARANTEE

The Council is a company incorporated under the Corporations Act 2001 as a company limited by guarantee to the amount of \$100 a member. There are 195 full, associate and affiliate members.

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 15. RELATED PARTIES

The names of persons who were Directors at any time during the financial year are as follows:

Mr Clive Manning Sanders Stiff (Chair)	Mr Anthony John Paech
Mr Terrence Xavier O'Brien	Mr Robbert Edgar Rietbroek
Ms Amanda Banfield	Mr Samuel Robson
Mr Trevor Perry Clayton	Ms Belinda Tumbers
Mr Doug Cunningham	Mr Peter Michael West
Ms Julie Coates	Mr Umit Subasi
Mrs Jodie Goldsworthy	Mr Reginald Weine
Mr Alexander Mellis	Ms Katina Karabatsas

There were no related party transactions entered into during the year.

NOTE 16. REMUNERATION AND RETIREMENT BENEFITS

Directors

The Directors are not entitled to any remuneration or retirement benefits for their services.

Key Management Personnel

The aggregate compensation of key management personnel of the company is set out below:

	2018	2017
	\$	\$
Short-term benefits	691,360	704,935
Other long-term benefits	141,165	51,525
Post-employment benefits	50,000	52,733
Total benefits	882,526	809,193

NOTES TO THE FINANCIAL STATEMENTS *cont...*

NOTE 17. FINANCIAL INSTRUMENTS

Financial Risk Management

a. Policies

The Council's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The Council does not have any derivative instruments at 30 June 2018.

i. Treasury Risk Management

AFGC Board Members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risk Exposures and Management

The main risks the Council is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

iii. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating cash investments.

iv. Foreign currency risk

The entity Council is not exposed to fluctuations in foreign currencies.

v. Liquidity risk

The Council manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Council does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

Credit risk is managed by the Council and reviewed regularly by the Board. It arises from exposures to customers as well as through deposits with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 17. *cont...*)

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Cash at bank	0.1	0.1	2,868	2,584	-	-	-	-	2,868	2,584
Receivables	-	-	-	-	-	-	87	173	87	173
Investments	2.5	2.5	-	-	3,053	3,038	-	-	3,053	3,038
Total			2,868	2,584	3,053	3,038	87	173	6,008	5,796
Financial liabilities										
Trade and sundry payables			-	-	-	-	331	432	331	432
Total			-	-	-	-	331	432	331	432

Trade and sundry payables are expected to be paid as follows:

	2018 \$	2017 \$
Account payables		
Less than 12 months	330,967	432,437
Total	330,967	432,437

Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis

Interest rate risk

The council has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

NOTES TO THE FINANCIAL STATEMENTS *cont...*

(NOTE 17. *cont...*)

c. Net Fair Values

As at 30 June 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2018 \$	2017 \$
Change in profit		
Increase in interest rate by 1%	4,921	4,337
Decrease in interest rate by 1%	(4,921)	(4,337)
Change in equity		
Increase in interest rate by 1%	4,921	4,337
Decrease in interest rate by 1%	(4,921)	(4,337)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTE 18. REMUNERATION OF AUDITOR

During the year the following services were paid to the auditor and its related practices:

	2018 \$	2017 \$
Amounts received, or due and receivable by the auditor of the Council for:		
Audit services - financial statement and audit preparation	20,000	19,500
	20,000	19,500

NOTE 19. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to 30 June 2018 and prior to the adoption of these accounts which in the opinion of the Board Members need to be included in these accounts either by amending accounts at 30 June 2018 or referred to in the notes to the accounts.

NOTE 20. COUNCIL DETAILS

The principal place of business of the Council is:
Australian Food and Grocery Council
Level 2, 2-4 Brisbane Avenue
BARTON ACT 2600





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BARTON ACT 2600
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