



 AUSTRALIAN FOOD & GROCERY COUNCIL

ANNUAL REPORT

2018 – 2019



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Australian Food and Grocery Council Annual Report 2018 – 2019

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CONTENTS

Chair's Message	4
CEO's Message	6
AFGC Team	7
Strategic Framework 2019-2021	8
AFGC Board	9
Industry Snapshot	10
Our Members	11
Highlights	14
Health, Nutrition And Scientific Affairs	15
Industry Affairs	16
Sustainability	20
Economics And Trade	21
Corporate Affairs	22
Membership And Marketing	23
Major Events Summary	24
Directors' Report	26
Directors' Report	27
Independent Auditor's Declaration	32
Auditor's Report	33
Directors' Declaration	35
Financial Statements	37

CHAIR'S MESSAGE

There is no doubt 2019 has been a year of uncertainty.

Australia has seen a federal election, remains in the grip of crippling drought, and challenging global economic forces have seen business and investor confidence slump.

But amid this flux, the Australian Food and Grocery Council has remained focused on providing a strong voice for the industry, highlighting the key role that it plays in the health and wealth of our nation.

And, despite a myriad of challenges, our industry has continued to be resilient.

We remain one of Australia's largest manufacturing sectors, with a \$131 billion annual turnover that contributes to better lives for all Australians.

We represent a key source of manufacturing jobs, employing around 324,450 Australians, with 42 per cent in rural and regional areas.

And we are an export powerhouse, with about 25 per cent of annual turnover now derived from overseas markets.

Our sector never stops evolving and at a time when consumer demands are changing, we are ensuring the industry stays up to pace and relevant.

Consumers are more empowered and more informed. There is ever-growing scrutiny of our industry's products and processes, especially in regards to the environment, nutrition, ethical sourcing and supply chains.

And this has a knock-on effect politically, with new agendas and policy focus presenting challenges but also opportunities for innovation and diversification.

AFGC has continued to drive an ambitious agenda supporting policies that drive investment, cut red tape, support growth and employment, and help

members transform ingredients into the foods and consumer goods all Australians need.

At the same time, we have played a central role in helping to address some of the key social issues that face our sector, such as waste and obesity, presenting not only a voice for our members but also a voice of reason.

This year, the Board renewed the AFGC strategy for the next three years, with the objectives of proactively influencing the industry's agenda; facilitating pre-competitive collective action; delivering valuable insights and connectivity for members; and operating a sustainable, efficient and effective organisation.

The Board also commenced a governance review to ensure that the AFGC remains a strong and successful organisation for the future.

Some highlights from 2019 include:

- Strengthening ties between industry and government by providing sound evidence-based advice for policy;
- Representing the interests of members in the Review of the Food and Grocery Code of Conduct;
- Playing a partnership role on preventive health and circular economy issues; and
- Delivering the Sustaining Australia campaign in Northern Victoria and Western Sydney to demonstrate the value of the industry within these local communities and to the national economy.

In addition, the AFGC has continued to facilitate thought leadership and networking opportunities for members through successful events like Food and Grocery Australia, Future Leaders Forum and Industry Leaders Forum.

"Our sector never stops evolving and at a time when consumer demands are changing, we are ensuring the industry stays up to pace and relevant."

Under Tanya Barden's leadership, the secretariat continues to go from strength to strength.

Tanya is not afraid to stand up and speak out on issues confronting our industry, and is at the forefront of driving engagement across the industry, with government, other stakeholders and the public.

I look forward to continuing to work with the Board and Secretariat to deliver value for members in 2020, marking the AFGC's 25 years of success.

While the future is always uncertain, I have no doubt the AFGC and our industry will remain responsive and resilient to challenges, and a cornerstone of Australia's economy – helping improve the lives of all Australians.



Clive Stiff
Chair, AFGC



CEO'S MESSAGE

The food and grocery manufacturing industry touches the lives of all Australians every day.

From Brisbane to Bourke, from Canberra to Cairns, the products our sector produces are the essentials of life, a common thread between all people.

But there are challenges – and in 2019 we have certainly seen our share.

Food and grocery manufacturers remain under enormous pressure to be competitive and are constantly seeking new and innovative ways to deliver value for consumers.

Seven years of consecutive retail price deflation continues to take its toll, with product prices being forced down despite significant increases in the cost of manufacturing through rising energy prices, regulatory costs, and the impacts of the drought to name a few.

We know Australian companies can absorb mounting manufacturing costs for only so long before their viability is impacted. That is why we have been working hard – in public and in discussions with governments – to ensure that policy settings are right for the ongoing feasibility of our industry.

Despite several challenges, including economic, social and political pressures, the sector has remained resilient. It continues to grow, albeit only slowly, while other manufacturing sectors decline, and it has maintained its position as a vital and viable economic driver.

And it is vital.

The food and grocery manufacturing sector has an annual turnover of more than \$131 billion, a driving force in the Australian economy.

We employ about 324,450 people – representing almost 40 per cent of manufacturing jobs – and are a key employer in rural and regional areas.

And we are increasing our global footprint, with Free Trade Agreements opening up more and more export markets.

This year – while the industry faced political uncertainty, market pressures, and the ongoing impacts of drought – the Australian Food and Grocery Council continued to be an influential force.

Strengthening the Food and Grocery Code of Conduct has remained a key priority, with AFGC highly engaged throughout the code review.

We aim to achieve a framework that more fairly allocates risks and reward, and improves the standard of conduct for retailers' dealings with suppliers including through greater certainty and transparency.

Another highlight has been the launch of the Sustaining Australia campaign, which is focused on the positive and proud contribution the food and grocery manufacturing sector makes to Australia. So far, the campaign has been rolled out in Northern Victoria and Western Sydney, with economic snapshots of each area demonstrating the huge value of the industry within these local communities.

And in October, I was able to sit down in open dialogue with some of our nation's most influential politicians – including Prime Minister Scott Morrison and Opposition Leader Anthony Albanese – as part of the AFGC Industry Leaders Forum. This was a wonderful opportunity to convey our purpose and vision for a thriving, sustainable and trusted food and grocery supply industry, and all were receptive and willing to work with us to impact change.

I believe the word 'opportunity' aptly sums up the future of our sector – and when opportunity arises it must be harnessed.

"Despite several challenges, including economic, social and political pressures, the sector has remained resilient."

We have the opportunity to innovate but this must be supported by investment. To this end, we will continue to call on all levels of government to consider investment allowances or incentives to support and boost growth.

We have the opportunity to boost our international competitiveness and so will continue to advocate for a regulatory framework and policy reforms to help reduce costs and level the playing field.

And we have the opportunity to be front and centre in sector reform, playing a partnership role on social and sustainability issues to better align with changing consumer demands and the challenges facing our world.

I thank the Board and staff for their unwavering commitment to fulfilling the AFGC's purpose, vision and mission, giving a voice to our members on matters of critical importance to our sector. In addition, I would like to thank them for supporting me in my role and allowing me to speak for our industry.

Without fear or favour, the AFGC will continue to be a vocal advocate for Australia's food and grocery manufacturing industry, helping shape a fair regulatory and trade framework for our members.

An organisation is the sum of its members. And as a result of your active contributions, the AFGC remains influential, resilient and relevant.




Tanya Barden
CEO, AFGC

AFGC TEAM As at 30 June 2019

Tanya Barden, CEO

Tonya Smith, EA to the CEO and Deputy CEO

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

Kim Tonnet, Manager, Regulatory, Scientific and Technical

Michele Walton, Manager, Nutrition Policy

Leigh Reeve, Director, Australian Breakfast Cereal Manufacturers Forum (ABCMF)

Maree Hall, ABCMF Nutrition Communications Adviser

Barry Cosier, Director, Sustainability

Samantha Blake, Director, Industry Affairs

John Cawley, Associate Director, Industry Affairs (Supply Chain, Trading Partner Forum)

Suzanne Davies, Associate Director, Industry Affairs (Sales, Commercial)

James Mathews, Director, Communications

Megan Jeremenko, Manager, Government Relations

Shalini Valecha, Manager, Economics and Trade

Jack Gevorgian, Director, Finance and Administration

Kerry Dawson, Reception and Administration Officer

Donna Alexander, Director, Membership and Marketing

Alyssa Handy, Manager, Events

Kim Riggans, Web and Secretariat Support Officer

Sarah Hope, Manager, Communications

David Hall, Director, Business Development

AFGC STRATEGIC FRAMEWORK 2019 – 2021

Going Forward



PURPOSE

Sustaining Australia



VISION

A thriving and trusted Australian food and grocery supply industry, delivering jobs, economic growth and helping people to live well



MISSION

To be the voice of the Australian food and grocery supply industry and a valued service provider to members



GOAL

To be a progressive, influential and sustainable organisation with the capacity and capability to create member value and drive industry outcomes



VALUES

Integrity
Collaboration
Innovation



STRATEGIC OBJECTIVES

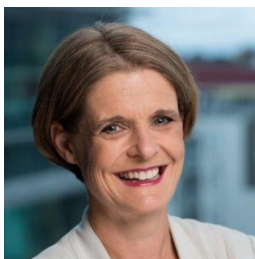
1. Proactively influence the industry's agenda
2. Facilitate pre-competitive collective action
3. Deliver valuable insights and connectivity for members
4. Operate a sustainable, efficient and effective organisation

AFGC BOARD

As at 30 June 2019



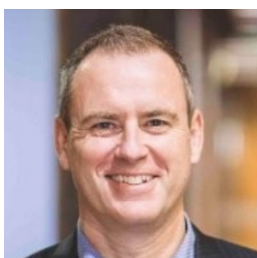
Clive Stiff (Chair)
Chief Executive Officer
Unilever Australia and New Zealand



Amanda Banfield (Deputy Chair)
Area VP Australia, NZ, Japan
Mondeléz International



Danny Celoni
Chief Executive Officer
PepsiCo ANZ



Doug Cunningham
Vice President and General Manager
ANZ, Kimberly-Clark



Jodie Goldsworthy
Director
Beechworth Honey Group



Kathy Karabatsas
Managing Director
Lion Dairy & Drinks



Sandra Martinez
Chief Executive Officer
Nestlé Australia Ltd



Reg Weine
Managing Director SPC
Coca-Cola Amatil



Andrew Loader
General Manager
Mars Wrigley Confectionery, Australia



Umit Subasi
President International
Campbell International

INDUSTRY SNAPSHOT 2016 – 2017

FOOD AND GROCERY MANUFACTURING

From 2018 State of the Industry



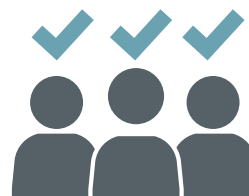
\$131.3bn
Total turnover
(-2.0%)



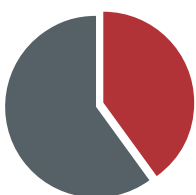
36%
Total Manufacturing
in Australia



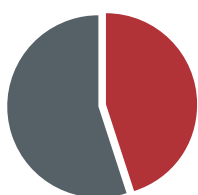
\$32.9bn
Industry Value
added (-4.7%)



324,450
Employment¹



39%
Total share
of manufacturing
employment



42%
Of all Rural
and Regional
employment²



\$32.6bn
Exports
(+1.9%)
(+3.9% over 5 years)



\$2.9bn
Capital Expenditure³
(-10.3%)



\$101,455
Productivity
per person employed
(-3.5%)

¹ This is total number of employees, head count basis and does not include seasonal employees.

² Food manufacturing only.

³ Only concerns the food and beverage manufacturing sub-sector as data is not available for the grocery and fresh product sub-sectors

AFGC MEMBER LIST

As at 30 June 2019

Full Members

3M Australia Pty Ltd	Coopers Brewery Ltd
A.Clouet (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	Dr Oetker
Bayer Australia	Earlee Products
Beak and Johnston Pty Ltd	Emma & Tom Foods Pty Ltd
Beechworth Honey Pty Ltd	Erskine Products
Beerenberg Pty Ltd	F. Mayer Imports
Bega Cheese	Ferrero Australia Pty Ltd
Bickfords Australia Pty Ltd	Fibrisol Service Australia Pty Ltd
Birch and Waite Foods Pty Ltd	Flujo Sanguineo Holdings Pty Ltd
Blackmores	Fonterra Australia Pty Ltd
Bronte Industries Pty Ltd	Forbidden Foods
Bulla Dairy Foods	Fortitude Brewing Co Pty Ltd
Bundaberg Brewed Drinks Pty Ltd	Freedom Foods Group
Bundaberg Sugar Ltd	Frucor Suntory (Australia) Pty Ltd
Byford Flour Mills T/As Millers Foods	General Mills Australia Pty Ltd
Calbee Australia Pty Ltd	George Weston Foods Ltd
Campbell Australasia	GlaxoSmithKline Consumer Healthcare
Cantarella Bros Pty Ltd	Go Natural
Cantire Foods Pty Ltd	Goodman Fielder Limited
Capilano Honey Limited	GrainCorp Limited
Carman's Fine Foods	Hakubaku Australia Pty Ltd
Cheetham Salt Limited	HealthFarm Fine Foods Pty Ltd
Chobani Pty Ltd	Henkel Au
Chr Hansen	Hoyt Food Manufacturing Industries Pty Ltd
Church & Dwight (Australia) Pty Ltd	Hungry Jack's Australia
Clorox Australia Pty Ltd	Jacobs Douwe Egberts
Co Yo Pty Ltd	Jalna Dairy Foods Pty Ltd
Coca-Cola Amatil Ltd	Johnson & Johnson Pacific Pty Ltd
Coca-Cola South Pacific Pty Ltd	Kellogg (Australia) Pty Ltd
Conga Foods Pty Ltd	Kentucky Fried Chicken
	Kerry Ingredients Australia Pty Ltd
	Kimberly-Clark Australia Pty Ltd

AFGC MEMBER LIST

As at 30 June 2019

Kinrise Pty Ltd	Rivalea (Australia) Pty Ltd
Lactalis Australia	Sabrands Group
Laucke Flour Mills Pty Ltd	San Diego Tortilla Factory Pty Ltd
Level Beverages Pty Ltd	Sandhurst Fine Foods Australia
Life Health Foods AU	Sanitarium Health and Wellbeing Company
Lindt & Sprungli Australia	Saputo Dairy Australia
Lion Pty Ltd	SC Johnson & Son Pty Ltd
Long Table Group Ltd	Shanghai Freeman Australia Pty Ltd
L'oreal Australia and NZ	SI&D Group Holdings P/L
Loving Earth Pty Ltd	Simplot Australia Pty Ltd
Madura Tea Estates	Solaris Paper Pty Ltd
Manildra Harwood Sugars	Spicemasters Australia Pty Ltd
Mars Wrigley Confectionery	Stahmann Farms
McCormick Foods Australia Pty Ltd	Steric Pty Ltd
McDonald's Australia Ltd	Stuart Alexander & Co Pty Ltd
Mentholatum Australasia Pty Ltd	Subway Franchisee Advertising Fund of Australia
Merisant Australia Pty Ltd	Sugar Australia Pty Ltd
Mondelez International	SunRice
Mrs Mac's Pty Ltd	Swisse Wellness Pty Ltd
Murray River Organics Ltd	Tasmanian Flour Mills Pty Ltd
Myosyn Industries Pty Ltd	TATA Global Beverages Australia Pty Ltd
Nerada Tea Pty Ltd	Tegel Foods Limited
Nestle Australia Ltd	Teys Australia
Nutricia Australia Pty Ltd	The A2 Milk Co
Ocean Spray International, Inc	The Healthy Grain
One Harvest	The Infant Food Co Pty Ltd
Only Organic 2003 Pty Ltd	The Vege Chip Company
Patties Foods Ltd	Tixana Pty Limited
Peerless Foods	Unilever Australia & NZ
PepsiCo	Vitality Brands Worldwide
Peters Ice Cream	Ward McKenzie Pty Ltd
Pfizer Consumer Healthcare	Wattle Health Australia Limited
Primo Meats Pty Ltd	Yakult Australia Pty Ltd
Procter & Gamble	
PZ Cussons	
Reckitt Benckiser (Australia) Pty Ltd	
Red Bull Australia Pty Ltd	
Ridley Corporation	

Associate Members

A.T. Kearney Pty Ltd
 Advancy Pty Ltd
 Australia New Zealand Banking Group
 Australian Organic
 Australian Pork Limited
 Baker & McKenzie
 Brand Loyalty
 Chainalytics
 CHEP Asia – Pacific
 CROSSMARK Asia Pacific
 Dassault
 Deloitte Touche Tohmatsu
 Detmold Australia Sales Pty Ltd
 Ernst & Young
 EVision Pty Ltd T/As MessageXchange
 Foodbank Australia Ltd
 GRA Supply Chain Pty Ltd
 GS1 Australia Ltd
 Information Resources (Australia) Pty Ltd
 King & Wood Mallesons
 KPMG
 Linfox Australia Pty Ltd
 Loscam
 Meat and Livestock Australia
 netget Limited Trading As IR Exchange
 NextGen Group Pty Ltd
 Oliver Wyman Pty Ltd
 Orora Limited
 Pollen Consulting
 Real World Marketing Pty Ltd
 Rentokil Initial Pty Ltd
 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
 Touchstone Consulting Australia Pty Ltd
 Victual Pty Ltd
 Vistrak Pty Ltd
 Visy Pak
 Wiley & Co Pty Ltd

Affiliate Members

Australian Dairy Products Federation
 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

THANK YOU

The AFGC would like to thank Board and Committee members, CEO Forum participants, Advisory Group members, Briefing Group attendees and Working Group members for their input and participation into the broad range activities undertaken by the Secretariat on their behalf.

Your active participation and contribution provided over the past 12 months have greatly assisted the Secretariat in delivering real value to the industry.



HIGHLIGHTS

HEALTH, NUTRITION AND SCIENTIFIC AFFAIRS DIVISION

Dr Geoffrey Annison (Director and Deputy CEO), Michele Walton (Manager, Nutrition Policy), Kim Tonnet (Manager, Regulatory, Scientific & Technical), Leigh Reeve (Director, ABCMF), Maree Hall (Nutrition, Communications Adviser)

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

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- In response to applications and proposals to amend the Food Standards Code, the AFGC made a number of submissions to Food Standards Australia New Zealand's (FSANZ) consultations supporting evidence based approaches consistent with best practice regulation.
- Participated on the FSANZ Standards Development Advisory Group's consideration of appropriate amendments to the Food Standard Code in the area of novel foods and nutritive substances.
- Contributed to the meetings of FSANZ's Retailer and Manufacturers Liaison Group to discuss current and emerging food regulatory issues.
- Continued to participate on the Australian Government's Health Star Rating (HSR) Advisory Committee which oversees the HSR food labelling scheme, making a number of submissions to the HSR five year review.
- Supported 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 99% for 2018).
- Participated in the Australian Government's Healthy Food Partnership, which has the objective of improving the nutrition and health of Australians. Activities were finalised in the area of food service and serving size labelling advice to industry, with additional work continuing of reformulation targets for some food product categories.
- Worked to refine the AFGC's new web-based Product Information Form (PIF version 6). A number of training workshops were held in capital cities to support the implementation of the PIF system across the industry. The PIF V6 will greatly improve the quantity, quality and efficiency of information delivery accompanying food ingredients and products down the supply chain.
- Participated on the National Health and Medical Research Council's review of the definitions of discretionary foods, which remains ongoing.
- Represented manufacturers of 'wet wipes' on the Standards Australia committee which is developing a standard for flushable wet wipes.
- At the request of FSANZ the AFGC continued to participate in the APEC Food Safety Cooperation Forum (FSCF) to promote greater regulatory alignment across the APEC region.
- Participated in the Australian Government's Food Regulation Standing Committee's stakeholder roundtable consultation providing views on regulatory policy issues.
- Participated in meetings of the Imported Food Consultative Committee to discuss imported food regulations and administrative procedures.

- Participated in the Industry Reference Council – Food, Beverage and Pharmaceutical which develops Vocational Education and Training packages.
- Contributed commentary on topical food policy and technical matters to each issue of the AIFST's Food Australia journal.
- Represented broad industry views in discussions with a number of other organisations including the Grain Legumes Nutrition Council, Standards Australia, CSIRO, Meat and Livestock Australia, Dairy Australia, Horticulture Australia, Infant Nutrition Council, National Farmers Federation, National Heart Foundation and Universities on a wide range of scientific, technical and regulatory matters.
- The Health, Nutrition and Scientific Affairs Division supported the Quick Service Restaurant Forum, Australian Breakfast Cereal Manufacturers' Forum, Non-Food Forum and the Allergen Forum.



INDUSTRY AFFAIRS DIVISION

Samantha Blake (Director), John Cawley (Associate Director) and Suzanne Davies (Associate Director).

The Industry Affairs Division 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 across the fast moving consumer goods (FMCG) sector. We help members drive efficiency improvements, reduce costs in the supply chain and collaborate effectively with retail trading partners.

SUPPLY CHAIN COMMITTEE

*Secretariat - Samantha Blake and John Cawley
Chair – Doug Cunningham, Kimberly Clark*

The Supply Chain Committee focuses on retailer driven initiatives; global industry best practice that impact the Australian manufacturers supply chains; and transport related regulation and legislation.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Continued to engage, on a broad range of supply chain issues, with key trade partners Aldi, Coles, Costco, Metcash and Woolworths.
- Collaborated with Six Degrees and the Australasian Supply Chain Institute (ASCI) to deliver an industry wide survey and report on the Future Skills and Capabilities for Supply Chains.
- Worked in partnership with RMIT to develop and host an industry led panel exploring careers within the FMCG supply chain sector.
- Hosted the highly successful Annual AFGC Supply Chain Seminar attracting more than 90 supply chain professionals from the membership.
- Published the quarterly Supply Chain e-newsletter.
- Provided regular updates to members on current and proposed transport and infrastructure related legislation and regulations such as Chain of Responsibility Master Code and the National Freight Supply Chain Priorities and Strategy.
- Monitored and responded to issues, representing member views.
- Worked proactively with Woolworths to ensure members understand the requirements for delivery into Melbourne South RDC.
- Engaged proactively with GS1 to assist in the roll out of the Freight and Transport labelling project.

TRADING PARTNER FORUM

Secretariat – Samantha Blake and John Cawley

The Industry Affairs Division acts as Secretariat to the Trading Partner Forum (TPF), the meeting place for FMCG suppliers and supermarket retailers focusing on delivering end-to-end supply chain efficiency.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Hosted the highly successful Future Leaders Forum attracting 160 aspiring leaders from suppliers and retailers.
- Key project deliverables:
 1. Collaborative logistics – released a report into the opportunity for collaborative transport and warehousing, aimed at providing thought leadership and provoking positive change within the industry through highlighting opportunities for industry-wide collaboration. This included a qualitative and quantitative study, undertaken in partnership with GRA, into current levels of capacity utilisation in the supplier-retailer warehousing and transport network.
 2. Perfect Delivery Project
 - Developed a suite of checklists, posters and reference guides to assist the industry deliver compliant product into retail distribution centers.
 - Common Delivery Guidelines – worked collaboratively with major supermarket retailers, wholesalers and suppliers to deliver a standard approach to requirements for delivering into retail/ wholesale distribution centres.
 - Provided thought leadership on the potential for paperless delivery into retail distribution centres.

3. Data Integrity and Alignment – released the Supply Chain Master Data Integrity and Alignment Guide providing straightforward, practical insight and information to help businesses achieve improved outcomes in managing data integrity and alignment between trading partners within FMCG and retail supply chains, including improved efficiency and reduced risk across operational and cost considerations.
- 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.

SME CEO FORUM

*Secretariat - Samantha Blake and Suzanne Davies
Chair – Jodie Goldsworthy, Beechworth Honey*

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 2018-2019 INCLUDE:

- Facilitated a series of meetings throughout the year targeted at CEOs from SME members.
- Meetings included discussion on topical and hot issues impacting the industry, including retail-related issues.

GROCERY INDUSTRY ADVISORY GROUP

Secretariat - Samantha Blake, Suzanne Davies and John Cawley

The Grocery Industry Advisory Group is a reference group focused on exploring emerging issues impacting the industry and specifically the Food and Grocery Code of Conduct (FGCC). The group identifies current and emerging issues and delivers policy advice to the AFGC Board on industry issues relating to retailer relations within the fast moving consumer goods (FMCG) industry and in accordance with the FGCC and applicable competition laws.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Managed a number of supermarket retail issues on behalf of the membership.
- Hosted a successful breakfast event on the FGCC.
- Second year of operation of the 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.
- Released a Trade Investment Benchmarking Report for members based on 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.

FOOD AND GROCERY CODE OF CONDUCT

Secretariat – Tanya Barden, Samantha Blake and James Matthews

On behalf of members the Secretariat has engaged with government and key stakeholders seeking a strengthened FGCC, to ensure greater certainty and clarity in dealings between suppliers and supermarket retailers in order to create an environment conducive for Australian companies to grow, prosper and maintain viable local business operations.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Since 2015 more than 3500 people across 300 FMCG companies have been trained by AFGC's nominated training partner, NextGen.
- A range of FGCC services to support members have been further developed and are available for download from the website.
- Conducted the fifth annual FGCC Member survey, results shared broadly with the industry, trade partners and key stakeholders.
- Continued to play a pivotal role in the FGCC review that commenced in March 2018. The AFGC has worked to strengthen key obligations including:
 - enhancing the good faith obligations in the code to make it clearer and more user friendly for the industry;
 - strengthening the dispute resolution and code oversight procedures to give suppliers more confidence in raising their complaints and having them resolved, and to provide guidance to suppliers and retailers on best practice;
 - prohibiting retailers or wholesalers from varying grocery supply agreements with retrospective effect under any circumstances; and
 - setting limits on acceptable conduct during price rise negotiations between parties to restore trust and cooperation between them.



SUSTAINABILITY DIVISION

Barry Cosier (Director, Sustainability)
Chair – Reg Weine

The Sustainability Division advocates a positive role for the food, beverage and grocery industry in addressing sustainability issues including across packaging, waste, energy and emissions, and ethical sourcing. It offers assistance to members and advocates for best practice regulatory approaches.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- A significant and major focus of work over the past twelve months has centred on policy issues related to packaging, including recycling and circular economy issues. At a state, territory and federal level work has progressed recycling, re-using and compostable packaging materials. The AFGC has keenly participated in a range of consultations and policy developments:
 - **NSW:** 30 years waste strategy
 - **QLD:** Problematic Plastics Reduction Plan, Energy from waste consultation
 - **VIC:** Circular Economy Policy (including single use plastics), Parliamentary Inquiry into Recycling and Waste Management, Essential Services Commission Review of waste services, Auditor General report into waste services, and Infrastructure Victoria - Advice on waste infrastructure in Victoria
 - **SA:** Single-use plastics consultation and regulations to be drafted, Parliamentary Inquiry into the Recycling Industry
 - **WA:** Single use plastics consultation
 - **ACT:** Single use plastics consultation
 - **TAS:** State waste strategy including focus on single-use plastics
- Hosted the highly successful inaugural Sustainability Seminar attracting more than 60 industry professionals from the membership.
- Represented the industry in consultations, and provided advice to members, regarding the Australian Government's Modern Slavery Act, which became law on 1 January 2019.
- Participated in the development of container deposit schemes in various jurisdictions.
- Participated in various consultations regarding food waste including the Australian Government's National Food Waste Strategy Food Innovation Australia Limited (FIAL), Food Waste Road Map and the establishment of a Cooperative Research Centre (CRC) – Fight Food Waste.



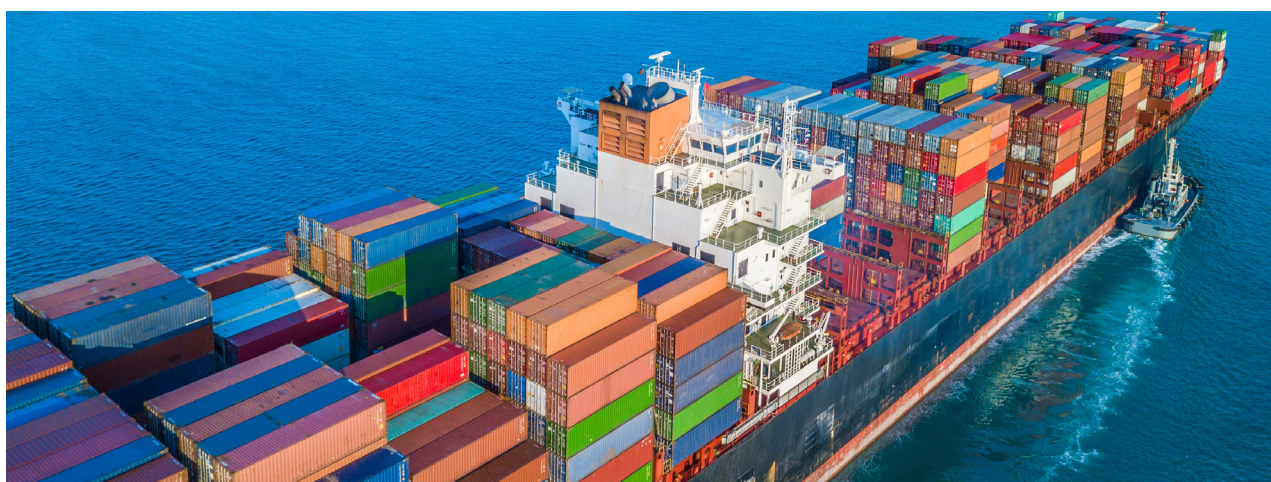
ECONOMICS AND TRADE DIVISION

Shalini Valecha (Manager, Economics & Trade)

The Economics and Trade Division has a broad remit covering the export trade agenda, along with the development of policy positions to support the competitiveness of, and investment in, the processing industry.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Delivered the State of Industry report, showcasing key metrics of the industry.
- Developed and delivered regional economic reports for Western Sydney and Northern Victoria as part of the AFGC's regional dialogues with key political decision makers.
- Participated in the ACCC Agriculture Consultative Committee, which considers competition issues in agricultural supply chains.
- Established the International Trade Advisory Group (ITAG) for members.
- Published the AFGC China Market Industry Guide for members, highlighting the market, the regulatory landscape, and a series of case studies. The project was funded by the Department of Agriculture and Water Resources Australian Trade and Market Access Cooperation program.
- Hosted China market access seminars in partnership with Austrade and Department of Agriculture and Water Resources. The seminars, held in six capital cities, engaged with food and beverage manufacturers and delivered an improved understanding of China market access issues.
- Developed and launched the AFGC China Market Industry Guide website for businesses interested in this market, providing useful and practical information to assist with exports of food and beverage to China.
- Developed food safety materials highlighting Australia's food safety and quality systems and mapping Australia's food regulation against three other countries.
- Published the quarterly Trade e-newsletter.
- Attended and participated in a workshop in Singapore on the ASEAN-Australia-New Zealand Free Trade Area to discuss practical ways to address non-tariff measures to facilitate trade across the region.
- Participated on the ASEAN-Australia business working group on agriculture and food, under the ASEAN-Australia-New Zealand Free Trade Agreement, to present perspectives on Non-Tariff Measures faced by processed food sector when exporting to ASEAN countries.



CORPORATE AFFAIRS DIVISION

James Mathews (Director), Megan Jeremenko (Manager, Government Relations)

The Corporate Affairs Division ensures industry's views are represented to political decision makers, media, stakeholders, industry and the broader community. The objective 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.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- The Corporate Affairs Division continued to work across the AFGC Divisions to support various policy work, including:
 - Advocacy for the Food and Grocery Code of Conduct.
 - Food Regulation (Health Star Rating Review, Healthy Food Partnership, establishment of an internal working group – Food and Consumer Nutrition Taskforce and advertising to children).
 - Advancing sustainability issues – waste, packaging and modern slavery.
 - Prepared policy positions for the 2019-2020 Pre-Budget submission, which included the food, beverage and grocery manufacturing site modernisation program – investment allowance or three year instant asset write off or grants program; upskilling workforce; support for packaging and innovation and digitising labelling.
- Presented major engagement activities for AFGC members with federal parliamentarians including:
 - Industry Leaders Forum – roundtable meeting for the AFGC Board to directly engage with a number of senior Ministers and members of the Opposition to discuss sector wide issues at a national level.
 - Regional Dialogues for Northern Victoria and Western Sydney member companies and their MPs to discuss issues for the sector at a regional level.
- Delivered the Sustaining Australia – We're From Here campaign, raising the profile of industry's economic and social contributions in Western Sydney and Northern Victoria.
- Maintained advocacy efforts on critical legislative and regulatory issues that affect the competitiveness of the sector. This also included submissions to various parliamentary committee inquiries.



MEMBERSHIP AND MARKETING DIVISION

Donna Alexander (Director), David Hall (Director, Business Development), Alyssa Handy (Manager, Events), Sarah Hope (Manager, Communications) and Kim Riggans (Web and Secretariat Support Officer)

In February 2019, AFGC created a new membership and marketing team dedicated to deepening our member engagement and ensuring member companies and sponsorship partners can connect with people and services across the member community.

HIGHLIGHTS FOR 2018-2019 INCLUDE:

- Design and development of a membership strategy to support organisational goals, create member value and drive industry outcomes. The Board-approved strategy will be fully implemented to ensure that the value proposition is embedded into all aspects of the membership program.
- Continued growth in membership and solid sponsorship support.
- 14 companies and organisations joined the AFGC in the last year. These new members came from a variety of product and service categories. Our highly engaged member community includes industry, associate and affiliate members.
- Released an updated AFGC website, providing greater functionality for members.
- Reviewed and refreshed member materials and collateral ensuring the value proposition is embedded in all documentation.



MAJOR EVENTS SUMMARY

AFGC's events program is aligned to its strategy to engage and educate members and other key stakeholders to support the food and grocery supply industry. For details of future events please see the online events calendar.



FOOD AND GROCERY AUSTRALIA 2019

28 to 30 May – Sydney

The Australian Food and Grocery Council's flagship event for Australia's fast moving consumer goods (FMCG) sector and its stakeholders. The conference attracts the C suite, Senior Executives, global thought leaders and decision makers to discuss and debate the significant matters in our industry.



FUTURE LEADERS FORUM

20 September 2018 – Sydney

An initiative of the Trading Partner Forum, the Future Leaders Forum is the most relevant industry event toward fast-tracking young professionals and emerging leaders who will transform the future of our industry. The program inspires and develops leaders of today and tomorrow.

INDUSTRY LEADERS FORUM

19 October 2018 – Parliament House, Canberra

This annual event brought together a small group of CEO's from AFGC membership with key Government Ministers to discuss issues impacting the industry.



INDUSTRY SEMINARS

- *Supply Chain Seminar 27 June 2019 – Sydney.* This seminar offered supply chain professionals an opportunity to deep dive into the global and local trends by providing insights from thought leaders and key industry executives.



- *Sustainability Seminar 27 June 2019 – Sydney.* For the first time this year the AFGC offered an opportunity for the industry to come together to discuss and debate topical issues such as modern slavery, the circular economy and recycling.
- *Accessing the China Market Seminars February 2019 – Adelaide, Perth & Hobart.* This series of seminars provided members and interested stakeholders with an overview of the different pathways available for exporting food to China. Following the events, AFGC's China Market Access Guide produced with the support of the Department of Agriculture and Water Resources was released, along with a dedicated Exporting to China website.



BREAKFAST SERIES

In 2019 the AFGC introduced the Breakfast Series, providing insights into topical areas of industry focus. The series was kicked off with the Food and Grocery Code of Conduct and Price negotiations, which explored using the FGCC to frame discussions between suppliers and retailers achieving satisfactory negotiations and win-win outcomes.

ADVERTISING TO CHILDREN

RCMI AND QSRI ADVERTISING TO CHILDREN TRAINING WORKSHOPS

AFGC hosted a series of workshops to assist members and industry stakeholders to understand the Responsible Children's Marketing Initiative (RCMI) and Quick Service Restaurant Initiative (QSRI).

TRAINING AND EDUCATION

The Food and Grocery Code of Conduct training program has been specifically designed for suppliers to help them understanding of Code obligations, legal requirements and how to use it effectively in negotiations. The AFGC training provider is NextGen.

Australian Competition Law is a critical to FMCG businesses. This program, led by NextGen, details why it is important to your business, how to avoid compliance issues, and how it intersects with the Food and Grocery Code of Conduct.

Australian Grocery Academy accelerates the development and performance of sales, commercial and category teams into future commercial leaders. Developed by the AFGC and Real World Marketing, in consultation with industry, feedback on the program has been outstanding.

Product Information Form is an industry-agreed questionnaire originally developed by the food industry, for the food industry in Australia and New Zealand. AFGC held a training sessions to help industry stakeholders and members understand the functions and benefits of the system.





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 2019.

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 Jane Banfield	
Mr Clive Manning Sanders Stiff	
Mr Douglas Stuart Cunningham	
Mrs Jodie May Goldsworthy	
Ms Katina Karabatsas	
Mr Umit Subasi	
Mr Reginald William Weine	
Ms Sandra Edit Martinez Penaloza	Appointed 8 November 2018 at the AGM
Ms Julie Coates	Resigned 29 January 2019
Mr Danilo Celoni	Appointed 1 February 2019
Mr Andrew John Loader	Appointed 1 February 2019
Mr Anthony John Paech	Resigned 8 November 2018 at AGM
Ms Belinda Tumbers	Resigned 8 November 2018 at AGM
Mr Samuel Robson	Resigned 8 November 2018 at AGM

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
Mondelez International
Director since: 21 June 2016

Mr Clive Manning Sanders Stiff

Chief Executive Officer
Unilever Australia and New Zealand
Director since: 11 October 2012

Mr Douglas Stuart Cunningham

Vice President and General Manager, ANZ
Kimberly-Clark Australia
Director since: 8 November 2016

Mrs Jodie May Goldsworthy

Director
Beechworth Honey Group
Director since: 31 August 2015

Ms Katina Karabatsas

Managing Director
Lion Dairy & Drinks
Director since : 16 April 2018

Mr Reginald William Weine

Managing Director SPC
Coca-Cola Amatil
Director since: 19 October 2017

Mr Umit Subasi

President International
Campbell International
Director since: 19 October 2017

Ms Julie Coates

Managing Director Australia
Goodman Fielder Pty Ltd
Director: 21 June 2016 – 29 January 2019

Mr Samuel Robson

Chief Executive Officer
OneHarvest Group of Companies
Director: 21 October 2015 – 8 November 2018

Mr Anthony John Paech

Managing Director
Beerenberg Pty Ltd
Director: 5 July 2013 – 8 November 2018

Ms Belinda Tumbers

Managing Director
Kellogg Australia and New Zealand
Director: 21 October 2015 – 8 November 2018

Ms Sandra Edit Martinez Penaloza

Chief Executive Officer
Nestlé Australia Ltd
Director since: 8 November 2018

Mr Danilo Celoni

Chief Executive Officer
PepsiCo ANZ
Director since: 1 February 2019

Mr Andrew John Loader

General Manager
Mars Wrigley Confectionery, Australia
Director since: 1 February 2019

DIRECTORS' REPORT cont...

MEETING OF DIRECTORS

During the financial year six meetings of directors were held on the following dates:

1. 08 August 2018
2. 17 October 2018
3. 8 November 2018
4. 20 February 2019
5. 27 March 2019
6. 28 May 2019

Attendances by each director were as follows:

		Total meetings held during appointment	Total meetings attended during appointment
Mr Clive Manning Sanders Stiff (Chair)		6	6
Ms Amanda Jane Banfield		6	5
Mr Douglas Stuart Cunningham		6	4
Mrs Jodie May Goldsworthy		6	6
Ms Katina Karabatsas		6	4
Mr Reginald William Weine		6	6
Mr Umit Subasi		6	5
Ms Julie Coates	Resigned 29 January 2019	3	3
Ms Sandra Edit Martinez Penaloza	Appointed November 2018 (AGM)	4	3
Mr Danilo Celoni	Appointed 1 February 2019	3	2
Mr Andrew John Loader	Appointed 1 February 2019	3	2
Ms Belinda Tumbers	Resigned November 2018 (AGM)	2	1
Mr Anthony John Paech	Resigned November 2018 (AGM)	2	2
Mr Samuel Robson	Resigned November 2018 (AGM)	2	1

Results

The net result of the operations of the Council was a deficit of \$158,945 (2018: surplus \$492,077). Subscription revenue was \$3,825,991 (2018: \$3,845,636).

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:

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

The Council's long term objectives are to:

7. Secure a growing, profitable and economically, socially and environmentally sustainable industry.
8. Ensure a secure source of safe food and groceries to Australians.
9. Foster an industry that partners in educating and empowering consumers.
10. 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:

11. Policy: Disseminate policy to ensure our members have a credible voice in areas of common interest.
12. Member Services: Tailored services meeting the needs of our members.
13. Programs: Programs to deliver solutions for members and stakeholders.
14. Communication: Provide relevant, up to date information to members. Promote the industry and its achievements.
15. 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 2019 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 2019.

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 2019 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 2019.

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 2019 has been received and can be found on page 7 of the financial report.

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



Clive Manning Sanders Stiff
Chair

24 October 2019

INDEPENDENT AUDITOR'S DECLARATION

**RSM Australia Partners**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
GPO Box 200 Canberra ACT 2601

T +61 (0) 2 6217 0300

F +61 (0) 2 6217 0401

www.rsm.com.au

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 2019, 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



Ged Stenhouse
Partner

Canberra, Australian Capital Territory
Dated: 25 October 2019

AUDITOR'S REPORT



RSM Australia Partners

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600
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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 2019, 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 2019 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 2019, 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.

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: 25 October 2019

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements and notes, as set out on pages 11 to 24 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 2019 and of the performance for the year ended on that date of the Council.
2. In the directors' opinion there are reasonable grounds

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



Clive Manning Sanders Stiff
Chair

24 October 2019





FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	2	5,754,683	5,813,324
Employee benefits		(3,079,755)	(2,857,669)
Depreciation		(19,079)	(32,121)
Rental		(207,703)	(159,796)
Program expenses		(1,143,026)	(974,619)
Administration costs		(1,464,065)	(1,281,226)
Loss on disposals of assets		-	(15,816)
SURPLUS/(LOSS) ATTRIBUTABLE TO MEMBERS		(158,945)	492,077
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS		(158,945)	492,077

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

FINANCIAL STATEMENTS cont...

For the Year Ended 30 June 2019

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,662,531	5,921,167
Trade and other receivables	4	168,595	86,710
Other assets	5	267,130	151,377
TOTAL CURRENT ASSETS		6,098,256	6,159,254
NON-CURRENT ASSETS			
Plant and equipment	6	24,061	28,176
TOTAL NON-CURRENT ASSETS		24,061	28,176
TOTAL ASSETS		6,122,317	6,187,430
CURRENT LIABILITIES			
Accounts payable	7	725,987	330,967
Other payables	8	225,728	555,095
Provisions	9	552,511	430,905
TOTAL CURRENT LIABILITIES		1,504,226	1,316,967
NON-CURRENT LIABILITIES			
Provisions	9	12,162	105,589
TOTAL NON-CURRENT LIABILITIES		12,162	105,589
TOTAL LIABILITIES		1,516,388	1,422,556
NET ASSETS		4,605,929	4,764,874
Retained earnings		4,605,929	4,698,906
Asset revaluation reserve		-	65,968
TOTAL EQUITY		4,605,929	4,764,874

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

FINANCIAL STATEMENTS cont...

For the Year Ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2019

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance as at 1 July 2018	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
Balance as at 1 July 2019	4,698,906	65,968	4,764,874
Deficit for the year	(158,945)	-	(158,945)
Adjustments to reserves	65,968	(65,968)	-
Balance as at 30 June 2019	4,605,929	-	4,605,929

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 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		6,034,546	6,365,588
Payments to suppliers and employees		(6,367,279)	(6,155,720)
Interest received		89,061	90,169
Net cash provided by/ (used in) operating activities	11	(243,672)	300,037
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(14,964)	(16,460)
Net cash used in by investing activities		(14,964)	(16,460)
Net increase/ (decrease) in cash held		(258,636)	283,577
Cash at the beginning of the financial year		5,921,167	5,637,590
Cash at the end of the financial year	3	5,662,531	5,921,167

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2019

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the council.

The following Accounting Standards and Interpretations are most relevant to the council:

AASB 9 Financial Instruments

The council has adopted AASB 9 from 1 July 2018. The standard introduced 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 that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are 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 or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, 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 use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using 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. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2018.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the 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.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont...

Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Comparatives

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

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont...

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value measurement is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

New Accounting Standards and Interpretations not yet mandatory or early adopted

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 services can be measured reliably. The council will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the council.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an

entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are 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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

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-to-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 expenses 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 principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Foundation will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Foundation.

NOTE 2. REVENUE

	2019 \$	2018 \$
Subscription revenue	3,825,991	3,845,636
Special project and forum revenue	683,563	730,985
Sponsorship income	432,364	308,227
Food and Groceries Australia conference revenue	604,516	718,348
Other member function revenue	72,933	46,146
Interest received	89,061	105,318
Other income	46,255	58,664
Total Revenue	5,754,683	5,813,324

Accounting Policy

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.

NOTE 3. CASH AND CASH EQUIVALENTS

	2019 \$	2018 \$
Cash at bank	2,609,125	2,867,761
Term deposits	3,053,406	3,053,406
	5,662,531	5,921,167

Accounting Policy

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.

NOTE 4. TRADE AND OTHER RECEIVABLES

	2019 \$	2018 \$
Interest received	149,345	15,854
Other income	19,250	70,856
	168,595	86,710

Accounting Policy

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.

NOTE 5. OTHER ASSETS

	2019 \$	2018 \$
Interest received	222,474	113,184
Other income	44,656	38,193
	267,130	151,377

NOTE 6. PLANT AND EQUIPMENT

	2019 \$	2018 \$
Furniture, fittings and equipment –at cost	188,843	173,879
Less: accumulated depreciation	(173,844)	(171,419)
	14,999	2,460
Leasehold improvements –at cost	29,279	29,279
Less: accumulated depreciation	(29,279)	(21,681)
	-	7,598
Software – at cost	351,417	351,417
Less: accumulated depreciation	(342,355)	(333,299)
	9,062	18,118
Total plant and equipment	569,539	554,575
Less: accumulated depreciation	(545,478)	(526,399)
	24,061	28,176

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 improvements	Software	Total
	\$	\$	\$	\$
Balance as at 30 June 2018	2,460	7,598	18,118	28,176
Additions	492,077	-	-	4,272,797
Disposals	-	-	-	-
Depreciation	(2,425)	(7,598)	(9,056)	(19,079)
Balance as at 30 June 2019	14,999	-	9,062	24,061

Accounting policy

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

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.

NOTE 6. PLANT AND EQUIPMENT cont...

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Council commencing from the time the asset is held ready for use. The depreciable rates used for each class of depreciable asset are:

<u>Class of fixed asset</u>	<u>Rate</u>
Plant and equipment	10% – 25%
Leasehold Improvements	20% – 50%
Software	20% – 25%

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.

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.

NOTE 7. ACCOUNTS PAYABLE

Trade creditors
Accrued expenses

2019 \$	2018 \$
438,764	74,919
287,223	256,048
725,987	330,967

Accounting policy

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.

NOTE 8. OTHER PAYABLES

Membership subscriptions received in advance
Project and other income in advance
Lease incentive
Other liabilities

2019 \$	2018 \$
69,031	58,319
147,357	465,057
-	22,379
9,340	9,340
225,728	555,095

Accounting policy

The Council receives monies in advance for membership and projects. It is the policy of the Council to treat these monies as project revenue and membership subscriptions revenue in advance within the statement of financial position where the Council is contractually obliged to provide the service in a subsequent financial period.

NOTE 9. PROVISIONS

Current

Long service leave

Annual leave

Non-current

Long service leave

	2019 \$	2018 \$
	339,555	220,345
	212,956	210,560
	552,511	430,905
	12,162	105,589
	564,673	536,494

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 is set out below.

Accounting policy

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.

NOTE 10. COMMITMENTS FOR EXPENDITURE

Lease commitments

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

	2019 \$	2018 \$
Within one year	136,530	155,420
More than one year but not later than 5 years	819,180	-
	955,710	155,420

The property lease was renewed on 1 August 2019 and is a non-cancellable lease with a seven year term. From 2020 there is an annual CPI increment and an option to renew for three years subsequent to this. Rent is payable monthly in advance.

NOTE 11. CASH FLOW INFORMATION

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

	2019 \$	2018 \$
Operating surplus/ (deficit)	(158,945)	492,077
Depreciation and amortisation	19,079	32,121
Loss on disposal of assets	-	15,816
Non-cash investing activities:		
Change in operating assets and liabilities		
Increase/(decrease) in receivables	(81,885)	86,781
Increase in other assets	(115,753)	(3,306)
(Increase)/decrease in investments	395,020	(15,149)
(Decrease)/Increase in accounts payable	(329,367)	(101,470)
(Decrease) in other creditors	-	(214,880)
(Decrease)/Increase in provision for employee benefits	28,179	8,047
Net cash inflow/(outflow) from operating activities	(243,672)	300,037

NOTE 12. 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 196 full, associate and affiliate members.

NOTE 13. 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)	Ms Julie Coates
Ms Amanda Jane Banfield	Ms Sandra Edit Martinez Penaloza
Mr Douglas Stuart Cunningham	Mr Danilo Celoni
Mrs Jodie May Goldsworthy	Mr Andrew John Loader
Ms Katina Karabatsas	Ms Belinda Tumbers
Mr Reginald William Weine	Mr Anthony John Paech
Mr Umit Subasi	Mr Samuel Robson

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

NOTE 14. 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:

	2019 \$	2018 \$
Aggregate benefits	866,713	882,526

NOTE 15. FINANCIAL INSTRUMENTS

a. Policies

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

The Council does not have any derivative instruments at 30 June 2019.

i. Treasury Risk Management

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 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.

vi. Credit risk

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 exposure to customers as well as through deposits with financial institutions.

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 Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets										
Cash at bank	0.1	0.1	2,609	2,868	-	-	-	-	2,609	2,868
Receivables	-	-	-	-	-	-	169	87	169	87
Investments	2.5	2.5	-	-	-	-	-	-	-	-
			2,609	2,868	-	-	169	87	2,778	2,954
Financial liabilities										
Trade and sundry payables			-	-	-	-	726	331	726	331
			-	-	-	-	726	331	726	331

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

	2019 \$	2018 \$
Account payables		
Less than 12 months	725,987	330,967
	725,987	330,967

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.

c. Net Fair Values

As at 30 June 2019, 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:

	2019 \$	2018 \$
Change in profit		
Increase in interest rate by 1%	1,589	4,921
Decrease in interest rate by 1%	(1,589)	(4,921)
Change in equity		
Increase in interest rate by 1%	1,589	4,921
Decrease in interest rate by 1%	(1,589)	(4,921)

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

NOTE 16. REMUNERATION OF AUDITOR

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

	2019 \$	2018 \$
Amounts received, or due and receivable by the auditor of the Council for:		
Audit services	20,700	20,000

NOTE 17. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to 30 June 2019 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 2019 or referred to in the notes to the accounts.



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