



ANNUAL REPORT

July 2016 to 30 June 2017

Supporting Victoria's strawberry industry



VICTORIAN
STRAWBERRY
INDUSTRY
DEVELOPMENT
COMMITTEE



VICTORIAN
STRAWBERRY
INDUSTRY
DEVELOPMENT
COMMITTEE

9 August 2017

The Hon. Jaala Pulford MP
Minister for Agriculture
1 Spring St,
MELBOURNE VIC 3000

Dear Minister,

Annual Report of the Victorian Strawberry Industry Development Committee

In accordance with the provisions of Part 7 of the *Financial Management Act 1994*, the Committee submits to you a report of its operations for the year ending 30 June 2017.

Yours sincerely,



John Hasan
Chairperson
Victorian Strawberry Industry Development Committee

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Brief history of the Victorian Strawberry Industry Development Committee

The Victorian Strawberry Industry Development Committee (VSIDC) was established in July 1992 for a period of four years by an Order of the Victorian Government under the *Agricultural Industry Development Act 1990* (Vic).

This Order was titled '*The Victorian Strawberry Industry Development Order*' (Order).

The Order was extended in 1996 for an additional four year period until 25 July 2000.

The Order was again extended for a period of four years (which was amended by the Minister to a period of 2 years, 4 months with a revised expiry date of 30 November 2002).

The Order was extended for an additional period of four years to 30 November 2006.

In May 2006 the Victorian Strawberry Growers Association (VSGA) petitioned the Minister seeking approval for an extension of the Order for a further period of four years. This was the fourth such request to the Victorian Minister.

The Minister agreed to the VSGA request and a poll of Victorian strawberry growers was conducted in July 2006. The result of the Poll was an overwhelming endorsement of the remaking of the Order and the continuation of the VSIDC.

The Order was subsequently extended by the Minister for an additional four year period from 1 December 2006 which concluded on 30 November 2010.

The VSGA again petitioned the Minister in December 2009 to remake the *Victorian Strawberry Industry Development Order* for a further period of four years and the Minister approved a poll of growers in June 2010.

The poll was conducted in late July 2010 for a further four year term concluding 30 November 2014.

The VSGA again petitioned the Minister in February 2014 to remake the *Victorian Strawberry Industry Development Order* for a further period of three years and seven months for the period 1 December 2014 to 30 June 2018 and the Minister approved a poll of growers in June 2014.

The poll was conducted shortly thereafter and the result was another endorsement of the remaking of the Order and continuation of the VSIDC.

The Minister approved the new Order in October 2014 and the committee members were duly appointed.

Victorian Strawberry Industry Development Committee Objectives and Functions

The objectives of the VSIDC are to:

- ✓ promote the best interests of the Victorian strawberry industry;
- ✓ improve the competitiveness of the Victorian strawberry industry; and
- ✓ provide the services of the committee efficiently, effectively and economically.

The VSIDC collects levies from all Victorian commercial strawberry growers when they purchase strawberry runner plants.

The VSIDC uses these funds to:

- ✓ carry out or fund research and development into the production, pest and disease control, post-harvest handling, plant breeding and variety evaluation of strawberries and advise growers about research findings; and
- ✓ carry out or fund domestic marketing and promotion of fresh strawberries grown in Victoria.

The responsible Minister/s for the reporting period (i.e. 1 July 2016 to 30 June 2017).

- The Hon Jaala Pulford MP, Minister for Agriculture, for the period from 1 July 2016 to 30 June 2017.

The Organisational Structure and Committee as at 30 June 2017

The VSIDC comprises six members nominated by the Victorian Strawberry Growers Association (VSGA), and one State Government appointee.

The VSGA may nominate four grower representatives and two industry representatives (non-growers) with specialist expertise appropriate to the needs of the strawberry industry.

The current VSIDC membership is appointed to 30 June 2018.

Members throughout 2016- 2017 were:

- | | |
|---------------------|--|
| ▪ Mr John HASAN | Chairman and grower representative |
| ▪ Mr Sam VIOLI | Treasurer and grower representative |
| ▪ Mr Mauro DE'IULIO | Grower representative |
| ▪ Mr John FRISINA | Industry representative |
| ▪ Mr Matthew WOODS | Industry representative |
| ▪ Mr Tony FAY | Victorian Government representative |
| ▪ Ms Anna Hasan | Grower representative – resigned 1 June 2017 |

All voting members have signed a declaration of pecuniary interests.

The VSIDC held seven meetings, plus the AGM, in 2016/17.

All correspondence should be addressed to:

Ms Miffy Gilbert

Executive Officer

Victorian Strawberry Industry Development Committee

**The Victorian Strawberry Centre
6A Union Road, WANDIN, Victoria, 3139**

Postal address - PO Box 145, WANDIN NORTH, Victoria, 3139

Mobile	0421 668 007
Email address	miffygilbert@gmail.com
Website	www.vicstrawberry.com.au

Chairperson's Report

Introduction

I am pleased to present the Victorian Strawberry Industry Development Committee's Annual Report for the year ending 30 June 2017. This is the twenty-fifth Annual Report of the VSIDC and my sixteenth as Chair.

The Season in Review

The 2016-17 growing season has been one of the most challenging I can remember. A wet winter and cool/wet start to spring with windy conditions impacting the Christmas period set the season back with low fruit numbers until after Christmas. Just as growers found their feet, and the season's sweet spot, the rain ceased and a prolonged dry period from mid January-April followed.

The weather conditions threatened to impact fruit size and taste – drawing out the grower's skills to deliver the amazing quality strawberries Victorian customers expect from their locally grown produce.

Plantings for 2017/2018 are expected to be around 18 million runners.

Acknowledgements

The VSIDC relies heavily on support provided by strawberry runner growers, who grow and sell strawberry runner plants and collect levies on the committee's behalf. Without this assistance we would be unable to operate as efficiently as we do.

I wish to thank:

- George Weda of Toolangi Certified Strawberry Runner Growers Cooperative Ltd, Toolangi, Victoria, and his staff;
- Shane and Kerrie Perry of S A and K L Perry Certified Strawberry Runner Growers, Toolangi, Victoria;
- Wally and Leanne Sweet of Sweets Strawberry Runners Pty Ltd, Stanthorpe, Qld; and
- Ian Mungall of Red Jewel Nurseries Pty Ltd, Ballandean, Qld.

The VSIDC also thanks Horticulture Innovation Australia Ltd for their continued project funding support. Our Treasurer, Sam Violi, diligently oversees the VSIDC's financial affairs. I thank him for performing this important task.

Finally, I express my gratitude to my fellow committee members for their dedicated and committed voluntary efforts over the past 12 months. I acknowledge the commitment of Mrs Anna Hasan who served diligently on the VSIDC for 10 years and has reluctantly decided that the time is right for new growers to have input at this level for their industry.

Conclusion

We are a relatively small horticulture industry by Australian and world standards, but we are growing in knowledge, experience and value, due in part to the excellent work of this committee and its dedicated employees.

I wish all growers a successful and prosperous strawberry season in 2017/2018.



John Hasan
Chairperson
VSIDC

Executive Officer's Report

The 2016-2017 growing season provided an excellent backdrop in which to consolidate the Victorian Strawberry Industry Development Committee (VSIDC) transition with new personnel.

My first full year as Executive Officer has been a steep but highly enjoyable and professionally rewarding learning curve. A new industry development officer (IDO) was successfully appointed at the end of September 2016 when the VSIDC welcomed Dr Angela Atkinson to the team. Angela has been highly active and productive in the industry development space facilitating the temperate node of the national project funded from strawberry grower levies via Horticulture Innovation Australia Limited (HIAL formerly HAL).

The VSIDC conducted a highly successful strategic planning day in mid-September, out of which came several useful proposals for practical research and development projects for consideration at the annual ballot.

So, after an active 12 month period, it is highly pleasing to be able to report that the VSIDC has been able to deliver positive outcomes in several key areas as directed by our growers.

In addition to the successful management of year one of the temperate region IDO project in partnership with HIAL, VSIDC projects included:

- **Pests & diseases: Charcoal Rot:**
Research into the incidence and severity of the disease across the entire Victorian growing region has resulted in invaluable data for each grower as well as industry –wide data that will inform future management decisions and research and development (R&D) projects;
- **Pests & diseases: Spotted Winged Drosophila:**
A proactive project investigating the overseas management experience in growing regions that are already having to manage this pest in soft fruit production and the viability of a pre-incursion management plan in keeping with integrated pest management (IPM) methodologies to aid Victorian growers' preparedness should an incursion occur in this growing region in the future;
- **Business Development: Benchmarking data collection:**
Another proactive R&D project that aims to collect and collate anonymous farm statistics so that Victorian growers can make comparisons and informed decisions designed to improve profitability. This project is ongoing with funding approval to collect two years worth of data.
- **Business Development: 'Strawberry Academy':**
A positive project designed to build capacity in the strawberry industry. A practical set of workshops designed around identified and grower-nominated needs. Early days suggest this project will carve out a niche for capacity-building as well as grower networking.
- **Targeted market development and promotion:**
The objectives of the promotions campaign are to raise the profile of Victorian strawberries, increase sales and improve grower returns. For a modest investment of \$50,000, the local strawberry industry obtains valuable coverage in print media, radio, television and social media to an estimated value in excess of \$150,000.

The VSIDC remains a dynamic and industry focused organisation that is open to industry input into new research, development, extension or promotion activities. We continue to work towards making the industry a stronger and more resilient one.

I thank all committee members for their knowledge, guidance and ongoing support.



Miffy Gilbert
Executive Officer, Secretary and Accountable Officer

Treasurer's Report

The VSIDC has managed its income carefully for the benefit of all Victorian strawberry growers. The VSIDC started the year with cash in the bank of **\$183,205** and finished the year with a bank balance of **\$188,118**. (*Please note that all financial figures in this report are exclusive of GST*).

Income

In 2016/17, the VSIDC received total income of \$373,907 (\$358,632 in 2015/16). This income was received from the following sources:

- Levy receipts at the rate of \$12.00 per 1,000 plants from four certified strawberry runner growers totalled \$222,423 (\$235,185 in 2015/16);
- Payment from Horticulture Innovation Australia Limited (formerly Horticulture Australia Limited), for the industry development officer project of \$140,000 (\$119,869 in 2015/16);
- Bank interest of \$1,598 (\$1,334 in 2015/16);
- Miscellaneous income of \$9,886 (\$1,944 in 2015/16).

Expenditure

VSIDC expenditure for the financial year was \$396,396 (\$269,336 in 2015/16).

Key items of expenditure included:

- \$135,293 for all costs associated in delivery of the temperate IDO project.
- \$72,685 (\$53,946 in 2015/16) for all costs associated with administering and managing the VSIDC, including a consultancy fee paid to the contracted Executive Officer.
- **Research and Development** projects in 2016/17 included:
 - **Pests & diseases: Charcoal Rot** – \$75,000 was invested in a comprehensive survey of the Victorian growing region on the incidence and severity of charcoal rot.
 - **Pests & diseases: Spotted Winged Drosophila** – \$30,000 was invested into an investigation on the development of a pre-incursion management plan to aid preparedness for Victorian growers if an incursion occurs.
 - **Strawberry Promotions** – The Marketing and Promotions Project represents a small component of the VSIDC's overall budget - \$45,250 in the year under review (\$62,193 in 2015/16).

VSIDC Reserve

The *Agricultural Industry Development Act 1990* requires the VSIDC to report its reserve. The VSIDC maintains a reserve so that emerging pest or disease outbreaks can be addressed in a timely manner. At 30 June 2017, the VSIDC had a bank balance of **\$188,118** (\$183,205 at 30 June 2016). With grower approval of proposed future projects, it is the VSIDC's intention to reduce the reserve by delivering new initiatives in 2017/18.

Conclusion

The current charge for service of \$12.00 per 1,000 runner plants is very small for what is achieved. For this small investment, growers are obtaining excellent advantages over other produce items that do not have an industry-based marketing, promotional, administrative and R&D funding mechanism.

The VSIDC is the envy of many other grower horticulture bodies, and I am proud to be its current Treasurer. I have no hesitation in recommending acceptance of the 2016/17 Financial Report and Statements.



Sam Violi
Treasurer

Corporate Governance Statements

Employment and Conduct Principles

The VSIDC is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

The VSIDC operates under the Code of Conduct for the Victorian Public Service which provides guidance addressing possible or perceived conflicts of interest. All employees are required to act with the utmost integrity and objectivity at all times in all dealings. Victorian Public Service guidelines for protecting merit and equity are observed.

Occupational Health and Safety

There were no OH&S incidents recorded during the reporting period.

Significant Changes in Financial Position

There were no significant changes to the financial position during the year.

Subsequent Events

There have been no quantifiable events subsequent to balance date.

Major Changes or Factors Affecting Performance

There have been no major changes or factors which have affected the achievement of the operational objectives for the year under review.

Statement of Pecuniary Interests

All members of the VSIDC have completed a statement of pecuniary interests, which is held by the accountable officer.

Freedom of Information Act 1982

Victoria's *Freedom of Information Act 1982* (FOI Act) gives members of the public the right to apply for access to documents held by ministers, Victorian Government departments, local councils, public hospitals, statutory authorities and most semi-government agencies.

The FOI Act allows people to apply for access to documents held by an agency. Documents include paper and electronic documents, maps, tapes and graphs. The majority of FOI requests are from individuals asking for their personal documents or requests for documents relating to the activities of government.

The FOI Act outlines general categories of information that are exempt from release. These include information relating to the personal affairs of third parties, information provided in confidence, information that if released might endanger the lives or physical safety of individuals, cabinet documents, information which would subject organisations to commercial disadvantage and internal working documents the release of which would be contrary to the public interest.

Making a freedom of information request

A request must be made in writing and accompanied by the application fee \$28.40 (as at 1 July 2017). The fee may be waived in cases where payment would cause an applicant financial hardship. Requests should be addressed to:

Ms Miffy Gilbert
Executive Officer
VSIDC
PO Box 145
Wandin North VIC 3139

An FOI request must be specific enough to allow an agency to identify documents considered relevant to a request. Where the terms of a request are not clear enough to undertake a search, assistance will be provided to applicants to help determine the type of documents sought.

No requests for access to VSIDC documents under the *Freedom of Information Act 1982* were received by the VSIDC in 2016/17. No requests for access to VSIDC documents were received by the Manager Freedom of Information, Department of Economic Development, Jobs, Transport and Resources in 2016/17.

Protected Disclosure Act 2012

The Protected Disclosure Act 2012 enables people to make disclosures about improper conduct within the public sector without fear of reprisal. It aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

You can make a protected disclosure about the VSIDC or its Committee members, officers or employees by contacting IBAC on the contact details provided below. Please note that the VSIDC is not able to receive protected disclosures.

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Vic 3001

Website: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Multi-Cultural Statement

The VSIDC is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorians. No special initiatives were needed by the VSIDC to meet its statutory obligations and ensure that the outcomes of the VSIDC's deliberations were adequately communicated to the culturally and linguistically diverse participants in the Victorian strawberry industry.

Compliance with Building Act 1993

The VSIDC does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

Disclosure of Major Contracts

The VSIDC did not award any major contracts (valued at \$10 million or more) during 2016/17.

Consultancy Expenditure

In 2016-17, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016-17 in relation to these consultancies was \$128,116 (ex. GST).

Details of individual consultancies (valued at \$10,000 or greater) in 2016/ 2017:

- Horticolour Pty Ltd for VSIDC administration - \$55,366 as approved & expended.
- VSICA for pests & diseases research & development into Charcoal Rot incidence & severity in Victorian growing region - \$75,000 as approved & expended.
- IPM Technologies – for pests & diseases research & development into Spotted Wing Drosophila pre-incursion management plan - \$30,000 as approved and expended.
- MarketMakers PR for strawberry promotions - \$42,750 as approved and expended.

Details of individual consultancies (valued at \$9,999 or less) in 2016/ 2017:

- Iguana Graphics for website design and development as well as Victorian Strawberries re-branding for print and social media - \$5,000 as approved and expended.

Payment to Committee Members

There were no payments made to committee members in the reporting period.

External Auditors

DFK Kidsons, Chartered Accountants of Level 6, 30 Collins Street, Melbourne, Victoria are agents for the Auditor General Victoria for the 2016/17 audit of accounts.

National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The VSIDC continues to implement and apply this principle in its business undertakings.

Additional information

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the VSIDC and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) Details of publications produced by VSIDC about itself, and how these can be obtained;
- (b) Details of any major external reviews carried out on the VSIDC;
- (c) Details of major research and development activities undertaken by the VSIDC;
- (d) Details of major promotional, public relations and marketing activities undertaken by the VSIDC to develop community awareness of the entity and its services; and
- (e) Details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Miffy Gilbert
Executive Officer
VSIDC
Phone: 0421 668 007
Email: miffygilbert@gmail.com

Information that is not applicable

The following information is not relevant to the VSIDC for the reasons set out below:

A declaration of shares held by senior officers (no shares have ever been issued in the VSIDC).

Office-Based Environmental Impacts

There were no significant office-based environmental impacts during the reporting period.

Victorian Industry Participation Policy Disclosure

Victorian Industry Participation Policy (VIPP) aims to foster industry development, by encouraging Victorian government departments and public bodies to genuinely consider Victorian, Australian and New Zealand supply. In 2016/17, no VSIDC contracts were commenced to which the VIPP applied.

Disclosure Index

An index identifying the VSIDC's compliance with statutory disclosure requirements is contained at the end of this report.

Committee Meeting Attendance

Seven ordinary meetings of the VSIDC were held in 2016/17.

Committee Member	Meetings attended
John Hasan	7
Sam Violi	6
*Anna Hasan	3
John Frisina	5
Tony Fay	7
Matthew Woods	5
Mauro De'Iulio	4
Ex-officio	
Miffy Gilbert	7
Slobodan Vujovic	2
Angela Atkinson	5

*Resignation received 1/6/2017

Comparative Workforce Data

	2016/17	2015/16
Executive Officer	1	1
Industry Development Officer	1	1
Total	2	2

Employees have been correctly classified in workforce data collections.

Five Year Financial Summary

	2016-2017 \$	2015/2016 \$	2014/2015 \$	2013/2014 \$	2012/2013 \$
Operating Revenue	222,423	235,485	228,046	211,805	225,901
Government Contribution	140,000	119,869	142,415	137,400	134,617
Other Revenue	11,484	3,278	2,124	26,948	46,157
Total Revenue	373,907	358,632	372,585	376,153	406,675
Administration	16,018	11,084	15,084	19,141	11,258
Corporate Expenditure	85,601	43,847	60,678	58,054	56,149
Project Expenditure	294,777	214,404	272,346	339,784	326,182
Total Expenditure	396,396	269,335	348,108	416,979	393,589
Current Assets	338,140	379,751	267,651	242,205	281,692
Non-Current Assets	720	1,706	2,692	2,843	3,920
Total Assets	338,860	381,457	270,343	245,048	285,612
Current Liabilities	17,676	37,784	15,967	15,149	14,887
Non-Current Liabilities	Nil	Nil	Nil	nil	nil
Total Liabilities	17,676	37,784	15,967	15,149	14,887
Retained Earnings at End of Year	115,910	138,399	254,376	229,899	270,725
Cash at End of Year	188,118	183,205	89,485	58,159	78,123

**VICTORIAN
STRAWBERRY
INDUSTRY DEVELOPMENT COMMITTEE
(VSIDC)**

**ANNUAL FINANCIAL REPORT
YEAR ENDED 30 JUNE 2017**



**COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$ Restated*
Revenue from Operations			
Levies		222,423	235,485
Grants and Contributions: Industry		140,000	119,869
Interest		1,598	1,334
Other Income		9,886	1,944
Total Revenue		<u>373,907</u>	<u>358,632</u>
Expenditure from Operations			
Administration		16,018	11,084
Audit Fees	10	11,000	6,600
Bank Fees		73	137
Committee Expenses		857	1,856
Depreciation	2.1	986	986
Industry Promotion		45,162	62,193
Research & Development		249,615	152,211
Secretarial Services		72,685	34,268
Total Expenditure		<u>396,396</u>	<u>269,335</u>
Net result for the year		<u>(22,489)</u>	<u>89,297</u>
Other economic flows – other comprehensive income		-	-
Comprehensive result for the year		<u>(22,489)</u>	<u>89,297</u>

*Restatement of prior year comparatives is outlined in Note 9

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

**BALANCE SHEET AS
AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$ Restated*
Current Assets			
Cash and Cash Equivalents		188,118	183,205
Receivables		150,022	191,221
Prepayments		-	5,325
Total Current Assets		<u>338,140</u>	<u>379,751</u>
Non-Current Assets			
Office Equipment	2	720	1,706
Total Non-Current Assets		<u>720</u>	<u>1,706</u>
Total Assets		<u>338,860</u>	<u>381,457</u>
Current Liabilities			
Payables		13,494	37,784
Employee Provisions		4,182	-
Total Liabilities		<u>17,676</u>	<u>37,784</u>
Net Assets		<u>321,184</u>	<u>343,673</u>
Equity			
Contributed Capital		205,274	205,274
Accumulated Surplus (Deficit)		115,910	138,399
Total Equity		<u>321,184</u>	<u>343,673</u>
Commitments	3		
Contingent Liabilities	4		

*Restatement of prior year comparatives is outlined in Note 9

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$ Restated*
EQUITY			
Balance at beginning of the financial year		343,673	254,376
Net result for the year		(22,489)	89,297
Balance at end of the financial year		321,184	343,673
Represented by:			
Contributed Capital			
Balance at beginning of the financial year		205,274	205,274
Additional/(Repayment) of Contributed Capital		-	-
Balance at end of the financial year		205,274	205,274
Accumulated Surplus/(Deficit)			
Balance at beginning of the financial year		138,399	49,102
Net result for the year		(22,489)	89,297
Balance at end of the financial year		115,910	138,399

*Restatement of prior year comparatives is outlined in Note 9

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

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts			
Levies		263,402	204,041
Contributions & Grants		140,000	119,869
Interest		1,598	1,334
Other		10,086	1,944
		<u>415,086</u>	<u>327,188</u>
Payments			
Operating Expenses (inclusive of GST)		<u>(410,173)</u>	<u>(233,468)</u>
Net Cash (Outflow) / Inflow from Operating Activities	5	4,913	93,720
Cash (Outflow) / Inflow from Investing Activities		-	-
Cash (Outflow) / Inflow from Financing Activities		<u>-</u>	<u>-</u>
Net (Decrease) / Increase in Cash Held		4,913	93,720
Cash at Beginning of Year		183,205	89,485
		<u>188,118</u>	<u>183,205</u>
Cash at End of Year		188,118	183,205

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

The financial statements also comply with relevant Financial Reporting Directions (FRD) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SD) authorised by the Minister for Finance.

In complying AASs, the entity has, where relevant, applied those paragraphs applicable to not-for-profit entities.

Going Concern:

The VSIDC was established by an Order of the Victorian Government under the Agricultural Industry Development Act 1990, whereby the "Order" will be extended on a four year term basis, if every four years the Victorian Strawberry Growers Association (VSGA) seeks the Ministers approval and a ballot of strawberry growers is conducted.

The current and fifth new term of the Order commenced on 1 December 2014 and expires on 30 June 2018 (a period of 3 years and seven months) – so as to bring the period of the Order in line with the end of each financial year, in future.

A ballot was undertaken in September 2014 to determine whether growers wanted the Authority to continue and sought Ministerial approval to extend the Order. The result was an overwhelming endorsement of the VSIDC and the former Minister signed the documentation for the continuation of the Order in October 2014 to conclude on 30 June 2018.

1 (a) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The accrual basis of accounting has been used with revenues and expenses being recognised as they are earned or incurred, and are brought to account in the period to which they relate.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of office equipment (refer to Note 1(b)); and
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(e)).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1. Statement of Accounting Policies

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 Fair Value Measurement, VSIDC determines the policies and procedures for both recurring fair value measurements such as plant and equipment, and financial instruments in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, VSIDC has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

No transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2017 and the comparative information presented for the year ended 30 June 2016.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1. Statement of Accounting Policies

(b) Assets

The Committee is not a body corporate, and does not have power under its legislation to purchase, hold, or dispose of real and personal property.

The items reported as assets of the Committee are owned by the responsible State Government Department, but are disclosed in these financial statements on the basis that the assets represent a significant resource controlled and utilised by the Committee.

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Office equipment assets are recognised initially at cost, and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

(c) Depreciation

Depreciation of office equipment is provided for using the straight line method at rates which will write them off over their expected useful life to the Committee. Estimates of remaining useful lives are made on an annual basis and have remained unchanged.

Depreciation rate: 20% p.a.

(d) Revenue

Levy income is recognised when the right to receive it has been established.

Grant income represents grants received from state government. Revenue from non-reciprocal grants is recognised when the Committee obtains control of the funds.

Interest income is recognised as it accrues, using the effective interest method.

(e) Employee Benefits

Wages and Salaries, and Annual Leave

Wages and salaries are disclosed in the expenditure line item Research and Development. The total amount for the year was \$65,863 (2016, \$31,038).

Liabilities for wages and salaries, including non-monetary benefits annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Department does not have an unconditional right to defer settlements of these liabilities.

Depends on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1. Statement of Accounting Policies (Continued)

- undiscounted value - if the Committee expects to wholly settle within 12 months; or
- present value- if the Committee does not expect to wholly settle within 12 months.

As at reporting date, employees annual leave provision is as disclosed in the balance sheet. There are no long service leave liabilities at reporting date.

Superannuation contributions of \$5,800 (2016, \$5,603) have been made to complying superannuation funds and expensed as incurred.

(f) Receivables

Debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days from the date of recognition. Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(g) Prepayments

Prepayments include payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(h) Payables

These amounts represent liabilities for goods and services provided to the Committee prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the balance sheet. GST has been included in the cash flow statement.

(j) Cash and Cash Equivalents

For purposes of the cash flow statement, cash includes short-term deposits that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding cheques yet to be presented by the Committee's suppliers and creditors.

(k) Contributed Capital

Consistent with FRD 119 *Transfers through Contributed Capital*, appropriations from additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

(l) Taxation

The activities of the Committee are exempt from Income Tax under Section 50-25 of the Income Tax Assessment Act 1997.

(m) Leases

Operating lease payments are recognised as an expense in the Comprehensive Operating Statement on a straight line basis over the lease term. There are no finance leases.

(n) Comparatives

Where necessary the figures for the previous year have been reclassified to facilitate comparison.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)**1. Statement of Accounting Policies (Continued)****(o) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 3 *Commitments for expenditure*) at their nominal value and inclusive of the GST payable.

(p) Contingencies

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 4 *Contingent liabilities*) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(q) Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

**(r) New standards and interpretations not yet adopted
New Accounting Standards for Application in Future Periods**

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting period. As at 30 June 2017, the VSIDC has not and does not intend to adopt these standards early.

The only new/revised standard expected to be relevant to VSIDC is as follows

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
<i>AASB 9 Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

1. Statement of Accounting Policies (Continued)

<i>Standard/Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on public sector entity financial statements</i>
AASB 15 Revenue from Contracts with Customers	<p>The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.</p> <p>Note that amending standard <i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 Not-for-Profit Entities</i> defers the mandatory effective date of AASB 15 for not-for – profit entities from 1 January 2018 to 1 January 2019.</p>	1 Jan 2019	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licences that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.</p>
AASB 16 Leases	<p>The key changes introduced by AASB 16 included the recognition of most operating leases (which are currently not recognised) on the balance sheet.</p>	1 Jan 2019	<p>The changes in recognition requirements in AASB 16 may result in changes to the timing and amount of expenses recorded in the financial statements.</p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	2017	2016
	\$	\$
2. Office Equipment		
Office Equipment	7,675	7,675
Less: Accumulated Depreciation	(6,955)	(5,969)
	<u>720</u>	<u>1,706</u>

2.1 Reconciliation of Asset Movements

Office Equipment		
Opening Balance	1,706	2,692
Less: Depreciation	(986)	(986)
Closing Balance	<u>720</u>	<u>1,706</u>

2.2 Level 3 - Fair value unobservable inputs

Office equipment is held at fair value. When office equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2017.

For all assets measured at fair value, the current use is considered the highest and best use.

Asset Type	Valuation technique	Significant unobservable inputs
Office Equipment	Depreciated replacement cost	Useful life of office equipment

2.3 Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 ¹	Level 3
Office equipment at fair value	720			720
Total office equipment at fair value	<u>720</u>			<u>720</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

3. Commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2017	2016
	\$	\$
Payable:		
Not later than 12 months	23,757	21,070
Between 12 months and 5 years	2,580	26,337
	<u>26,337</u>	<u>47,407</u>

Lease commitment relates to VSIDC office for 2 years expiring 28/9/2018 with no CPI increase.

4. Contingent Liabilities

At 30 June 2017, the Committee members were unaware of any liabilities of a contingent nature (Contingent liabilities at 30 June 2016 were nil).

5. Reconciliation of result for the year to net cash (outflow) / inflow from operating activities

	2017	2016
	\$	\$
Comprehensive result for the year	(22,489)	89,297
Non-Cash Movements		Restated
Depreciation	986	986
Movements in assets & liabilities		
Increase/(decrease) in Payables	(24,290)	24,012
Increase/(decrease) in Provisions	4,182	(2,195)
(Increase)/decrease in Receivables	41,198	(22,007)
(Increase)/decrease in Prepayment	5,325	3,627
Net Cash (Outflow) / Inflow in Operating Activities	<u>4,913</u>	<u>93,720</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)**6. Key Management Personnel and Related Party Transactions****6.1 Responsible Persons**

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act 1994, the following disclosures are made regarding responsible persons for the reporting period.

Names

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

Responsible Minister

The Hon Jaala Pulford MP, Minister for Agriculture for the period 1 July 2016 to 30 June 2017

Committee Members

Mr John Hasan	- <i>Chairperson</i> (1 July 2016 – 30 June 2017)
Mr Sam Violi	(1 July 2016 – 30 June 2017)
Mrs Anna Hasan	(1 July 2016 – 1 June 2017)
Mr John Frisina	(1 July 2016 – 30 June 2017)
Mr Tony Fay	(1 July 2016 – 30 June 2017)
Mr Matthew Woods	(1 July 2016 – 30 June 2017)
Mr Mauro De'ulio	(1 July 2016 – 30 June 2017)

Accountable Officer

Ms Miffy Gilbert (1 July 2016 – 30 June 2017)

Remuneration of Responsible Persons

The Responsible Persons received remuneration for the financial year ended 30 June 2017. The number of Responsible Persons, excluding Ministers, whose total remuneration in connection with the affairs of Victorian Strawberry Industry Development Authority as shown in the following bands, were:

Remuneration band:	<u>2017</u>	<u>2016</u>
\$0 – 9999	7	7
\$11,000-\$19,999	-	1
\$30,000-\$39,999	-	1
\$70,000-\$79,999	1	-
Total number of responsible persons	8	9
<hr/>		
Total remuneration received or due and receivable		
By Responsible Persons for the financial year	\$72,685	\$47,500

The remuneration detailed above excludes the salaries and benefits the Portfolio Minister receives. The Ministers' remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services Financial Report.

6.2 Remuneration of Executives

There were no other executive officers or contractors with key management responsibilities in the 2016-17 financial year (2016: nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

6.3 Related Parties

Related parties of the Committee include:

- All key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have a significant influence over);
- All cabinet members and their close family members
- All departments and public sector entities that are controlled and consolidated in the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key Management Personnel

Key management personnel of the Committee includes all Responsible persons as listed in Note 6.1.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Ministers' remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services Financial Report.

Compensation of KMPs

	2017
	\$
Short term employee benefits	72,685
Post employment benefits	-
Other long term benefits	-
Total	72,685

Transactions with government related entities

The Authority has not received any funding from any government related entity.

Transactions with key management personnel and other related parties

The following transactions with key management personnel and other related parties are noted:

- John Hasan Family Trust, (John Hasan being the Chairman of the VSIDC) received \$26,922 (2016, \$21,070), as rent paid by the VSIDC for property rented at 6A Union Road, Wandin and classed as the Victorian Strawberry Centre.

This office complex consists of offices, Boardroom, kitchen and other facilities used for the use of the Victorian strawberry industry and its staff.

- Sam Violi received \$2,249 for strawberries as part of the PR project.

7. Events Subsequent to Balance Date

There are no subsequent events of which the Committee is aware that would affect the information provided within the financial report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

8. Segment Reporting

The Committee operates in the strawberry industry in Victoria.

9. Correction of prior period error

An accounting error was made in the 30 June 2016 financial report in relation to incorrect calculation of levies receivable.

The impact of this error on the prior period is set out below:

Comprehensive Operating Statement (Extract)

Account	30 June 2016	Increase / (decrease)	30 June 2016 (restated)
Revenue			
Levies	271,160	(35,675)	235,485
Other revenue	123,147	-	123,147
Total Revenue	394,307	(35,675)	358,632
Expenses	269,335	-	269,335
Result for the year	124,972	(35,675)	89,297

Balance Sheet (Extract)

Account	30 June 2016	Increase / (decrease)	30 June 2016 (restated)
Assets			
Receivables	226,896	(35,675)	191,221
All other assets	190,236	-	190,236
Total Assets	417,132	(35,675)	381,457
Liabilities	37,784	-	37,784
Net Assets	379,348	(35,675)	343,673
Equity	379,348	(35,675)	343,673

	2017 \$	2016 \$
10. Audit Fees		
VAGO for Audit of Financial Statements:	<u>11,000</u>	<u>6,600</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

Financial assets	Category	Carrying amount 2017	Carrying amount 2016
Cash and cash equivalents	Cash and cash equivalents	188,118	183,205
Receivables (non-Statutory)	Receivables (at amortised cost)	150,022	191,221
Financial liabilities			
Payables	Financial liabilities measured at amortised cost	13,494	37,784

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Committee's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

Financial assets that are either past due or impaired

Currently the Committee does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no indication that the financial assets have been impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
Interest rate exposure and ageing analysis of financial assets

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Past due by		
			Fixed interest rate	Variable interest rate	Non- interest bearing	Less than 1 month	3 months – 1 year	1-5 years
2017	%							
Cash assets	1.05	188,118	-	188,118	-	-	-	-
Receivables	-	150,022	-	-	150,022	150,022	-	-
		338,140	-	188,118	150,022	150,022	-	-
2016	%							
Cash assets	1.05	183,205	-	183,205	-	-	-	-
Receivables	-	191,221	-	-	191,221	191,221	-	-
		374,426	-	183,205	191,221	191,221	-	-

(d) Liquidity risk

Liquidity risk arises when the Committee is unable to meet its financial obligations as they fall due. The Committee operates under the policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The Committee's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted average effective interest rate	Nominal amount	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non- interest bearing	Less than 1 month	1-3 months – 1 year	3 months – 1 year 1-5 years
2017	%							
Payables	-	13,494	-	-	13,494	13,494	-	-
2016	%							
Payables	-	37,784	-	-	37,784	37,784	-	-

(e) Market risk

The Committee's exposure to market risk is primarily through interest rate risk with currently no exposure to other price risk or foreign currency risk. Objectives, policies and processes used to manage these risks are disclosed in the paragraph below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
(f) Interest rate risk

Exposure to interest rate risk might arise primarily through the Committee's cash & deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

The Committee's exposure to interest rate risk is set out in the table below.

(g) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the committee believes the movements in the table below are 'reasonably possible' over the next 12 months. The table discloses the impact on net operating result and equity for each category of financial instrument held by the Committee at year-end as presented to key management personnel, if the above movements were to occur.

Market risk exposure					
	<i>Carrying amount</i>	<i>Interest rate risk</i>			
		<i>-1% (100 basis points)</i>		<i>+0.5% (50 basis points)</i>	
		<i>Profit</i>	<i>Equity</i>	<i>Profit</i>	<i>Equity</i>
2017					
Financial assets:					
Cash assets	188,118	(1,881)	(1,881)	941	941
2016					
Financial assets:					
Cash assets	183,205	(1,832)	(1,832)	916	916

(h) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The committee considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the availability of accurate market prices or their short-term nature and the expectation that they will be paid in full.

Financial Management Compliance Attestation Statement

We, on behalf of the Responsible Body, certify that the Victorian Strawberry Industry Development Committee has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2017 and the financial position of the Committee as at 30 June 2017.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



John Hasan
Chairperson

Date: 9 August 2017



Sam Violi
Chief Finance Officer

Date: 9 August 2017



Miffy Gilbert
Secretary/Executive Officer and Accounting Officer

Date: 9 August 2017

Risk Management Attestation

I, Miffy Gilbert, certify that the VSIDC has complied with Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes.

A handwritten signature in black ink, appearing to read 'Miffy Gilbert', with a long horizontal stroke extending to the right.

Miffy Gilbert
Secretary / Executive Officer, and Accountable Officer



Victorian Auditor-General's Office

Independent Auditor's Report

To the Committee Members of the Victorian Strawberry Industry Development Committee

Opinion I have audited the financial report of the Victorian Strawberry Industry Development Committee (the committee) which comprises the:

- balance sheet as at 30 June 2017
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- financial management compliance attestation statement.

In my opinion the financial report presents fairly, in all material respects, the financial position of the committee as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the committee in accordance with 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 my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Committee Members' responsibilities for the financial report The Committee Members of the committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Committee Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee Members are responsible for assessing the committee's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the committee's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee Members
- conclude on the appropriateness of the Committee Members use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the committee's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the committee to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Committee Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Anna Higgs

as delegate for the Auditor-General of Victoria

DISCLOSURE INDEX

The annual report of the Victorian Strawberry Industry Development Committee is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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FRD 8D	Budget portfolio outcomes	N/A
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FRD 22H	Occupational health and safety policy	Page 10
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FRD 22H	Details of consultancies under \$10 000	Page 11-12
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FRD 22H	Disclosure of ICT expenditure	N/A
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Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 20
SD 5.2.1(a)	Compliance with Ministerial Directions	Page 20
Other disclosures as required by FRDs in notes to the financial statements ^(a)		
FRD 9A	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11A	Disclosure of Ex gratia Expenses	N/A
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 28
FRD 103F	Non-Financial Physical Assets	Page 26
FRD 110A	Cash Flow Statements	Page 19
FRD 112D	Defined Benefit Superannuation Obligations	N/A
<i>Note:</i>		
<i>(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.</i>		
Legislation		
	<i>Freedom of Information Act 1982</i>	Page 10
	<i>Building Act 1993</i>	Page 11
	<i>Protected Disclosure Act 2012</i>	Page 11
	<i>Victorian Industry Participation Policy Act 2003</i>	Page 12
	<i>Financial Management Act 1994</i>	Page 2, 20

Glossary

EO	Executive Officer
FMA	<i>Financial Management Act 1994</i>
HIAL	Horticulture Innovation Australia Ltd
HAL	Horticulture Australia Ltd
IDO	Industry Development Officer
IPM	Integrated Pest Management
OH&S	Occupational Health and Safety
Order	Victorian Strawberry Industry Development Order
QLD	Queensland
R&D	Research and Development
SAI	Strawberries Australia Inc.
VIC	Victoria
VIPP	Victorian Industry Participation Policy
VSGA	Victorian Strawberry Growers Association
VSIDC	Victorian Strawberry Industry Development Committee
