

VICTORIAN STRAWBERRY

Industry Development Committee

2018 | 2019 ANNUAL REPORT





Victorian Strawberry Industry
Development Committee

25 September 2019

The Hon. Jaclyn Symes 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 2019.

Yours sincerely,

Chairperson
Victorian Strawberry Industry Development Committee

Contents

Brief History of the Victorian Strawberry Industry Development Committee (VSIDC)	Page 4
VSIDC Objectives and Functions	Page 5
The 2018-2019 Committee	Page 6
Chairperson's Report	Page 7
Executive Officer's Report	Page 8
Treasurer's Report	Page 9-10
Corporate Governance Statements	Page 11-14
Committee Meeting Statistics	Page 15
Five Year Financial Summary (2014/2015 – 2018/2019)	Page 16
Financial Report	Page 17 - 36
Independent Audit Report	Page 37-38
Disclosure Index - <i>Financial Management Act 1994</i>	Page 39 – 40
Legislation and Glossary	Page 41

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).

The VSIDC is responsible for administering a State levy for the advancement of research, development and promotion of the Victorian strawberry industry.

The Committee and Order have been continued and more recently, the Minister approved the remaking of the Order that endorsed the VSIDC for a further four-year period (1 July 2018 – 30 June 2022).

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 at the point of purchase of 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.

Responsible Minister for the reporting period (1 July 2018 to 30 June 2019):

The Hon. Jaala Pulford MP, Minister for Agriculture (1 July 2018 – 13 December 2018)

The Hon. Jaclyn Symes MP, Minister for Agriculture (14 December 2018 – 30 June 2019)

The Organisational Structure and Committee as at 30 June 2019

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 Committee at 30 June 2019 is comprised of the following members:

- Mr Antonino MOLLUSO Chairperson and grower representative
- Mr John FRISINA Treasurer and industry representative
- Mr Mauro DE'IULIO Grower representative
- Mr Dominic MOLLUSO Grower representative
- Mr Anthony MOLLUSO Grower representative
- Ms Dannielle SMALL Industry representative
- Dr Amanda ELLERY Victorian Government representative

All voting members have signed a declaration of pecuniary interests.

The VSIDC held eight meetings, plus the AGM, in 2018/19.

All correspondence should be addressed to:

Mr Tom Cosentino LLB, BComm
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

0450 040 634

Email address

tom@margoconsulting.com.au

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 2019. This is the twenty-sixth Annual Report of the VSIDC and my second as Chairperson.

The Season in Review

The 2018-19 growing season presented some unprecedented challenges for our industry in both Victoria and nationally. The food tampering crisis that occurred prior to the bulk of the Victorian harvest unfortunately directed our attention away from progress, and towards damage control. I am confident that, due to the collaboration of growers and their communities, and the assistance of a focused and effective public relations campaign, that the worst is behind us. I look forward to refocusing on research, development and promotions in the season ahead.

Plantings for 2019/2020 are expected to be around 19 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.
- Horticulture Innovation Ltd for their continued project funding support.

Finally, I express my gratitude to my fellow committee members for their dedicated and committed voluntary efforts over the past 12 months. There have been some personnel changes in recent times on the Committee and I would like to welcome Anthony Molluso and Amanda Ellery to the Committee. I wish Mara Putnis all the best for her new baby and thank her for her service to the Committee.

The Committee has also welcomed a new Executive Officer this financial year. Tom Cosentino joins us from an accounting and legal background, and the Committee has expressed their warm welcome. I can assure the Victorian growers that your current committee will work as hard and as diligently to continue the good work of past representatives.

Conclusion

As a result of the research and development undertaken by the VSIDC we continue to grow in knowledge and experience. I wish all growers a successful and prosperous strawberry season in 2019/2020. Our work ethic, resilience and the quality of our produce never ceases to amaze me.

Tony Molluso
Chairperson

Executive Officer's Report

I began my appointment with the Victorian Strawberry Industry Development Committee on the 1st of October 2018. The outgoing Executive Officer, Miffy Gilbert, has provided me with a solid platform on which to grow the research and development portfolio of the Committee. I thank her greatly for her time in handing the reigns over to me. As a newly appointed Executive Officer I have dedicated much of my time to learning about the industry's history. I have been warmly welcomed by the Committee and by the growers that I have been fortunate enough to meet so far.

Prior to my time working in the Victorian strawberry industry, I worked as an accountant, specialising in advising on small and family business structures with an emphasis on asset protection, tax effectiveness and management. As part of this role, I also assisted in the start-up phase of several businesses, including the acquisition of finance and future-proofing business structures. In 2015, I was admitted to the Supreme Court of South Australia as a solicitor and barrister, and have enjoyed applying my legal experience in assisting the strawberry industry.

The VSIDC enjoyed a financially and operationally successful year and made progress in both its research agenda and developing networks to renew its pool of service providers moving forward. It is 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.

Unfortunately, the growing season was marred by several food tampering incidents across the country. It is disappointing that the events had such a negative impact on our counterparts in Queensland, but the community response to come to the aid of farmers was heartwarming and I think that due to the VSIDC's quick public relations campaign reaction, Victoria avoided the eye of the storm. In a report later provided to the Department of Agriculture, surveys showed that the industry positively responded beyond expectations. If one achievement this year was to be applauded, I would select this one.

In addition to the successful management of the third and final year of the temperate region Industry Development Officer (IDO) project in partnership with Horticulture Australia Ltd, VSIDC projects included:

- **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.
- **Targeted market development and promotion:**
For a comparatively modest investment of \$45,000, the local strawberry industry obtains valuable coverage in print media, radio, television and social media to an estimated value in excess of \$150,000.

After becoming settled in the role, I look forward to expanding the research portfolio into modern technologies known to the world of agriculture. These includes robotics, supply chain engineering, traceability and machine learning. The VSIDC is a dynamic and industry focused organisation that encourages input into new research, development, extension or promotion activities. We continue to work towards a stronger and more resilient Victorian strawberry industry.

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

Tom Cosentino
Executive Officer, Secretary and Chief Financial 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 **\$205,265** and finished the year with a bank balance of **\$216,458**. *(Please note that all financial figures in this report are exclusive of GST).*

The Committee conducted a review of expense allocation practices to ensure VSIDC accounts align to best-practice accounting standards. This review was conducted by the Executive Officer, in conjunction with the appointed third-party VAGO auditors and an engaged professional accountant. The review has resulted in some expense allocation practices being realigned to best-practice standards in the 2019 financial year, which will continue into future years. Substantial variances in year on year expenditure within this report can be attributed to these new practices. It is noted that the variance in levy income is largely due to the prevalence of charcoal rot in the Victorian strawberry industry and the impact this has had on runner purchases throughout the growing season. In addition, the scheduled completion of the Horticulture Innovation Australia Ltd project in March 2019 accounts for the reduction in grant income in the 2019 financial year. The project has been extended to August, but on a reduced budget until the new national project takes effect.

The food tampering crisis also impacted on the investment focus of the VSIDC. The Committee elected to concentrate project funds on promotional and public relations campaigns and away from its immediate research needs. It is expected that as a result of the annual grower ballot in June 2019, that funds will be reallocated more heavily toward research in the 2019/2020 financial year and growing season.

Income

In 2018/19, the VSIDC received total income of **\$346,013** (\$373,957 in 2017/18). 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 \$210,455 (\$227,034 in 2017/18);
- Payment from Horticulture Innovation Limited (formerly Horticulture Australia Limited), for the industry development officer project of \$105,562 (\$140,000 in 2017/18);
- Bank interest of \$2,424 (\$1,222 in 2017/18); and
- Miscellaneous income of \$27,571 (\$5,701 in 2017/18).

It is noted that whilst levy receipts reduced this financial year, the Committee increased its miscellaneous revenue by catching up on several quarters of unreceived rental income from sub-tenants of the Strawberry Centre in Wandin North.

Expenditure

VSIDC expenditure for the financial year was **\$330,393** (\$382,466 in 2017/18). This reduced expenditure was primarily due to the change in investment direction as a result of the food tampering crisis early in the financial year.

Key categories of expenditure included:

Administration and Corporate Expenditure

- \$61,660 (\$66,259 in 2017/18) for all costs associated with administering and managing the VSIDC, including a consultancy fee paid to the contracted Executive Officer.
- \$17,466 (\$11,625 in 2017/18) for costs associated with office consumables and the gazettal of the Order renewing the term of the VSIDC.
- \$12,500 (\$12,500 in 2017/18) for costs associated with the annual VAGO audit.
- \$1,488 (\$753 in 2017/18) for costs associated with Committee expenses, fees and other charges.

Industry Promotion and Public Relations

- The Marketing and Promotions Project represents a small component of the VSIDC's overall budget - \$45,000 in the year under review (\$48,079 in 2017/18).
- The public relations campaign in response to the food tampering crisis amounted to \$48,000.
- \$5,157 of expenses were incurred in relation to media training and merchandise to support the PR campaign.

Research and Development projects in 2018/19 included:

- 'Strawberry Academy' – \$15,635 was invested into building capacity of industry participants via practical training and hands-on activities including media training.
- Industry Development Officer - \$96,831 was invested into the IDO project including wages and on costs and other items associated with its facilitation.
- Strawberry Centre - \$26,655 of costs were incurred in renting and maintaining the Strawberry Centre.

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 2019, the VSIDC had a bank balance of **\$216,458** (\$205,265 at 30 June 2018). With grower approval of proposed future projects, it is the VSIDC's intention to reduce the reserve by delivering new initiatives in 2019/120.

It is noted that the VSIDC reduced its year end liabilities by settling payables prior to 30 June.

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.

I am proud to be the current Treasurer of the VSIDC. I have no hesitation in recommending acceptance of the 2018/19 Financial Report and Statements.

John Frisina
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

The 2018-19 growing season presented some unprecedented challenges for our industry in both Victoria and nationally. The food tampering crisis that occurred prior to the bulk of the Victorian harvest unfortunately directed our attention away from progress, and towards damage control. Due to the collaboration of growers and their communities, and the assistance of a focused and effective public relations campaign, the worst is now behind us. A refocus back to research, development and promotions is planned for the coming financial year.

Statement of Pecuniary Interests

All members of the VSIDC have completed a statement of pecuniary interests, which are held by the accountable officer – Tom Cosentino.

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 personal documents or 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 of \$29.60. The fee may be waived in cases where payment would cause an applicant financial hardship. Requests should be addressed to the Executive Officer of the VSIDC.

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 2018/19. No requests for access to VSIDC documents were received by the Manager Freedom of Information, Department of Economic Development, Jobs, Transport and Resources/Department of Jobs, Precincts and Regions in 2018/19.

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.

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. The VSIDC is a public body for the purposes of the Act.

Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

The VSIDC has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the VSIDC, its board members, officers or employees. You can access the VSIDC's procedures on its website at: <https://vicstrawberry.com.au/>.

A person 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 2018/19.

Consultancy Expenditure

In 2018-19, there were four consultancies where the total fees payable to the consultants were

\$10,000 or greater. There were eight consultancies where total fees payable were less than \$9,999. The total expenditure incurred during 2018-19 in relation to all consultancies was \$183,118.47 (ex. GST).

Details of individual consultancies (valued at \$10,000 or greater) in 2018/ 2019:

MZ PR Pty Ltd (T/A Nominis)	Public Relations Consultancy	\$48,000.00
MarketMaker Pty Ltd	Annual Promotional Campaign	\$45,000.00
Thomas Cosentino	Executive Officer Services	\$48,877.65
Horticolour Pty Ltd	Executive Officer Services	\$20,898.30

All amounts approved by the VSIDC and expended. Amounts include disbursements paid.

Details of individual consultancies (valued at \$9,999 or less) in 2018/19:

QMS	Quality Assurance Services	\$4,520.00
TSA Accountants	Accounting Services	\$4,300.00
Celia Moriarty	Workshop Facilitation Services	\$3,500.00
Change Insights	Workshop Facilitation Services	\$2,300.00
Bentley McGuinness Media	Media Training Services	\$2,181.82
Genesis Horticultural Solutions	Workshop Facilitation Services	\$1,920.00
Iguana	Website Design Services	\$1,230.00
La D'Vine Pty Ltd	Website Design Services	\$390.70

Payment to Committee Members

Membership on the VSIDC is on a voluntary basis. No Committee members sought reimbursement for expenses during 2018/19 and as such, 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 2018/19 audit of accounts.

Victorian Competitive Neutrality 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 Assistant Treasurer, 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*:

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

The information is available on request from:
Tom Cosentino

Executive Officer
VSIDC
Phone: 0450 040 634
Email: tom@margoconsulting.com.au

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.

Local Jobs First

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately. The VSIDC is required to apply the Local Job First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

In 2018/19, no VSIDC contracts were commenced to which the Local Jobs First Standard applied.

Disclosure Index

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

Financial Management Compliance Attestation Statement (SD 5.1.4)

We, on behalf of the Responsible Body, certify that the Victorian Strawberry Industry Development Committee has complied with the applicable Standing Directions of Assistant Treasurer 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 2019 and the financial position of the Committee as at 30 June 2019.

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.

Signature	Name	Position	Date
	Tony Molluso	Chairperson (Accountable Officer)	25/9/19
	John Frisina	Treasurer (Responsible Body Member)	25/9/19
	Tom Cosentino	Chief Financial Officer	25/9/19

Committee Meeting Attendance

<u>Name of Committee member</u>	<u>Term</u>	<u>No of meetings attended</u> (from a possible 8 held during 2018/2019 financial year)
Tony Molluso (Chairperson)	<u>1/7/2018 – 30/6/2019</u>	<u>8</u>
John Frisina (Treasurer)	<u>1/7/2018 – 30/6/19</u>	<u>8</u>
Anthony Molluso	<u>19/3/18 – 30/6/19</u>	<u>5</u>
Dominic Molluso	<u>1/7/19 – 30/6/19</u>	<u>7</u>
Mara Putnis (DJPR)	<u>1/7/18 – 19/12/18</u>	<u>4</u>
Amanda Ellery (DJPR)	<u>19/3/18 – 30/6/19</u>	<u>4</u>
Dannielle Small	<u>1/7/18 – 30/6/19</u>	<u>4</u>
Mauro De'Iulio	<u>1/7/18 – 30/6/2019</u>	<u>6</u>
John Calle	<u>Concluded 10/10/18</u>	<u>1</u>

<u>Other Attendees</u>	<u>Term</u>	<u>No of meetings attended</u> (from a possible 8 held during 2018/2019 financial year)
Dr Angela Atkinson (Strawberry IDO)	<u>Ongoing</u>	<u>6</u>
Tom Cosentino (Consultant Executive Officer)	<u>Commenced 1/10/18</u>	<u>5</u>
Miffy Gilbert (Consultant Executive Officer)	<u>Concluded 4/10/18</u>	<u>3</u>

Dr Atkinson is responsible for the extension of research to the Victorian Strawberry growing community. Her work overlaps the research, development and promotional activities carried out by the Committee under the Order. As such, she attends Committee meetings to provide an 'IDO Activity Summary'. She is employed on a full-time basis by the VSIDC with funds provided by Hort Innovation (formerly Horticulture Innovation Australia Limited).

Comparative Workforce Data

<u>Position Details</u>	<u>2018/19</u>	<u>FTE</u>	<u>2017/18</u>	<u>FTE</u>
Industry Development Officer	<u>1</u>	<u>1.0</u>	<u>1</u>	<u>1.0</u>
Total	<u>1</u>	<u>1.0</u>	<u>1</u>	<u>1.0</u>

<u>Demographic Data</u>	<u>2018/19</u>	<u>FTE</u>	<u>2017/18</u>	<u>FTE</u>
Female	<u>1</u>	<u>1.0</u>	<u>1</u>	<u>1.0</u>
Total	<u>1</u>	<u>1.0</u>	<u>1</u>	<u>1.0</u>

Employees have been correctly classified in workforce data collections.

Five Year Financial Summary

	2018-2019¹ \$	2017-2018 \$	2016-2017 \$	2015/2016 \$	2014/2015 \$
Operating Revenue	210,455	227,034	222,423	235,485	228,046
Government Contribution	105,562	140,000	140,000	119,869	142,415
Other Revenue	29,995	6,923	11,484	3,278	2,124
Total Revenue	346,012	373,957	373,907	358,632	372,585
Administration	17,466	11,624	16,018	11,084	15,084
Corporate Expenditure	75,647	79,732	85,601	43,847	60,678
Project Expenditure	237,281	291,110	294,777	214,404	272,346
Total Expenditure	330,394	382,466	396,396	269,335	348,108
Current Assets	348,441	355,120	338,140	379,751	267,651
Non-Current Assets	Nil	Nil	720	1,706	2,692
Total Assets	348,441	355,120	338,860	381,457	270,343
Current Liabilities	20,147	42,445	17,676	37,784	15,967
Non-Current Liabilities	Nil	Nil	Nil	Nil	Nil
Total Liabilities	20,147	42,445	17,676	37,784	15,967
Retained Earnings at End of Year	123,020	107,401	115,910	138,399	254,376
Cash at End of Year	216,458	205,265	188,118	183,205	89,485

¹ Significant variations are explained in Treasurer's Report (pages 9-10)



**VICTORIAN STRAWBERRY INDUSTRY
DEVELOPMENT COMMITTEE**

ANNUAL FINANCIAL REPORT

YEAR ENDED 30 JUNE 2019

**COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Revenue from Operations			
Levies		210,455	227,034
Grants and Contributions: Industry		105,562	140,000
Interest		2,424	1,222
Other Income		27,571	5,701
Total Revenue		<u>346,012</u>	<u>373,957</u>
Expenditure from Operations			
Administration		(17,466)	(11,625)
Audit Fees	8	(12,500)	(12,000)
Bank Fees		(121)	(92)
Committee Expenses		(1,367)	(661)
Depreciation	2.1	-	(720)
Industry Promotion & Public Relations		(98,157)	(48,079)
Research & Development		(139,120)	(243,031)
Secretarial Services		(61,660)	(66,259)
Total Expenditure		<u>(330,391)</u>	<u>(382,467)</u>
Net result for the year		<u>15,621</u>	<u>(8,510)</u>
Comprehensive result for the year		<u>15,621</u>	<u>(8,510)</u>

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

**BALANCE SHEET AS
AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents		216,459	205,265
Receivables		124,148	142,411
Prepayments		<u>7,834</u>	<u>7,444</u>
Total Current Assets		<u>348,441</u>	<u>355,120</u>
Non-Current Assets			
Office Equipment	2	<u>-</u>	<u>-</u>
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>348,441</u>	<u>355,120</u>
Current Liabilities			
Payables		16,615	36,684
Employee Provisions		<u>3,531</u>	<u>5,762</u>
Total Liabilities		<u>20,146</u>	<u>42,446</u>
Net Assets		<u>328,295</u>	<u>312,674</u>
Equity			
Contributed Capital		205,274	205,274
Accumulated Surplus (Deficit)		<u>123,021</u>	<u>107,400</u>
Total Equity		<u>328,295</u>	<u>312,674</u>
Commitments	3		
Contingent Assets & Liabilities	4		

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
EQUITY			
Balance at beginning of the financial year		312,674	321,184
Net result for the year		15,621	(8,510)
Balance at end of the financial year		328,295	312,674
Represented by:			
Contributed Capital			
Balance at beginning of the financial year		205,274	205,274
Balance at end of the financial year		205,274	205,274
Accumulated Surplus/(Deficit)			
Balance at beginning of the financial year		107,400	115,910
Net result for the year		15,621	(8,510)
Balance at end of the financial year		123,021	107,400

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

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts^(a)			
Levies		228,718	235,984
Contributions & Grant		116,118	154,000
Interest		2,424	1,222
Other		30,329	3,698
Net GST refund from ATO		11,185	13,065
		<u>388,774</u>	<u>407,969</u>
Payments^(a)			
Payments to suppliers and service providers		<u>(377,580)</u>	<u>(390,822)</u>
		(377,580)	(390,822)
Net Cash Inflow from Operating Activities	5	11,194	17,147
		<hr/>	<hr/>
Net Increase in Cash Held		11,194	17,147
Cash at Beginning of Year		205,265	188,118
		<hr/>	<hr/>
Cash at End of Year		216,459	205,265

(a) Amounts presented are inclusive of applicable GST.

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).

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.

A ballot was undertaken in April 2018 to determine whether growers wanted the Committee to continue and sought Ministerial approval to continue the Order. The result was an endorsement of the VSIDC and the former Minister signed the documentation for the continuation of the Order in June 2018 to conclude on 30 June 2022 and as such, management consider the VSIDC to be a going concern.

1 (a) Basis of preparation

The financial statements have been prepared on a historical cost basis. 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 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.

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 2019 and the comparative information presented for the year ended 30 June 2018.

(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 current replacement cost because of the short lives of the assets concerned.

(c) Depreciation

All office equipment have finite useful lives and are depreciated. The exceptions to this rule include items under operating leases.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

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 Horticulture Innovation Australia Ltd. 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.

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

1. Statement of Accounting Policies

(e) Employee Benefits

Employee benefits are disclosed in the line item Research & Development. These include:

	2019	2018
	\$	\$
Wages & Salaries	70,269	72,500
Superannuation	6,887	6,887
Other Employee Costs	<u>695</u>	<u>718</u>
	77,851	80,105

Employee expenses include all costs related to employment including wages and salaries, leave entitlements and WorkCover premiums.

Liabilities for wages and salaries (including non-monetary benefits annual leave and on-costs), are all recognised in the employee provisions as 'current liabilities', because the Committee does not have an unconditional right to defer settlements of these liabilities.

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.

(f) Receivables

Debtors are recognised at the amounts receivable as they are due for settlement at no more than 180 days from the date of recognition.

(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 cash on hand is subject to an insignificant risk of changes in value.

(k) Taxation

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

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

1. Statement of Accounting Policies (Continued)

(l) 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.

(m) Comparatives

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

(n) Rounding of amounts

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

(o) Effects of changes in accounting policies – AASB 9

On initial application of AASB 9 on 1 July 2018, the VSIDC's management has assessed for all financial assets based on the VSIDC's business models for managing the assets. The following are the changes in the classification of the VSIDC's financial assets:

- Debtors previously classified as *other loans and receivables* under AASB 139 are now reclassified as *financial assets at amortised cost* under AASB 9.

Changes to the impairment of financial assets

Under AASB 9, all loans and receivables are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, the VSIDC applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method has resulted in no changes to the impairment loss allowances as at 1 July 2018, or during the 2019 financial year.

(p) Australian Accounting Standards issued that are not yet effective

The following AASs became effective for reporting periods commencing after 1 July 2019:

- AASB 1059 Service Concession Arrangements: Grantors;
- AASB 16 Leases;
- AASB 15 Revenue from Contract with Customers; and
- AASB 1058 Income of Not-for-Profit Entities.

A summary of the effects of the standards is reflected on the following page.

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>
<i>AASB 15 Revenue from Contracts with Customers</i>	<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	Given the nature of revenue items, in the form of levies and grants, this accounting standard is determined to have no significant impact to VSIDC.
<i>AASB 16 Leases</i>	<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	The VSIDC has only one lease arrangement which is considered a short-term lease. The treatment of this under AASB 16 is not expected to change.
<i>AASB 1058 Income of Not-for-Profit Entities</i>	<p>AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective</p>	1 Jan 2019	<p>Given the nature of revenue items, it is assessed that the majority of VSIDC's revenue will be recognised under this standard, when applicable.</p> <p>There is assessed to be no significant changes to the recognition of revenue under the new standard for VSIDC.</p>

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

	2019 \$	2018 \$
2. Office Equipment		
Office Equipment	7,675	7,675
Less: Accumulated Depreciation	(7,675)	(7,675)
	<u>-</u>	<u>-</u>

2.1 Reconciliation of Asset Movements

Office Equipment		
Opening Balance	-	720
Less: Depreciation	-	(720)
Closing Balance	<u>-</u>	<u>-</u>

2.2 Level 3 - Fair value determinations

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 2019.

3. Commitments

At 30 June 2019, the VSIDC did not have any commitments (commitments at 30 June 2018 were nil).

4. Contingent Assets and Liabilities

At 30 June 2019, the Committee members were unaware of any liabilities of a contingent nature (Contingent liabilities at 30 June 2018 were nil).

5. Reconciliation of result for the year to net cash inflow from operating activities

	2019 \$	2018 \$
Comprehensive result for the year	15,621	(8,510)
Non-Cash Movements		
Depreciation	-	720
Movements in assets & liabilities		
Increase/(decrease) in Payables	(20,068)	23,190
Increase/(decrease) in Provisions	(2,231)	1,580
(Increase)/decrease in Receivables	18,262	7,611
decrease in Prepayment	(390)	(7,444)
Net Cash (Outflow) / Inflow in Operating Activities	<u>11,194</u>	<u>17,147</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 Committee at any time during the financial year are as follows:

Responsible Minister

The responsible ministers during the 2018-19 reporting period were the Hon. Jaala Pulford MP, Minister for Agriculture from July 2018 – December 2018 and the Hon. Jaclyn Symes MP, Minister for Agriculture from December 2018 to June 2019.

Committee Members

Mr Tony Molluso	<i>Chairperson</i> (1 July 2018 – 30 June 2019)
Mr Dominic Molluso	(1 July 2018 – 30 June 2019)
Mr Anthony Molluso	(19 March 2019 – 30 June 2019)
Mr John Frisina	(1 July 2018 – 30 June 2019)
Ms Mara Putnis	(1 July 2018 – 19 March 2019)
Dr Amanda Ellery	(19 March 2019 – 30 June 2019)
Ms Dannielle Small	(1 July 2018 – 30 June 2019)
Mr Mauro De'lulio	(1 July 2018 – 30 June 2019)

Accountable Officers

Ms Miffy Gilbert	(1 July 2018 – 30 September 2018)
Mr Tom Cosentino	(1 October 2018 – 30 June 2019)

Remuneration of Responsible Persons

Remuneration received or receivable by the Accountable Officers in connection with the management of the VSIDC during the reporting period were in the following ranges:

Remuneration band:	<u>2019</u>	<u>2018</u>
\$10,000 - \$19,999	1	-
\$40,000-\$49,999	1	-
\$60,000-\$69,999	-	1

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

6.2 Remuneration of Executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table on the following page. Total annualised employee equivalents (AAE) provides a measure of full-time equivalent executive officers over the reporting period.

Remuneration	2019	2018
Short-term benefits	\$61,660	\$66,259
Total remuneration	\$61,660	\$66,259
Total number of responsible persons	10	8
Total number of responsible persons (AAE)	1	1

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.

6.3 Related Parties

The Committee is a wholly owned and controlled entity of the State of Victoria.

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 include all Responsible persons as listed in Note 6.1.

Compensation of KMPs

	2019	2018
	\$	\$
Short term employee benefits	61,660	66,259
Total	61,660	66,259

Transactions with government related entities

The Committee has not received any funding from any State government related entity.

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

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 immediate former Chairperson of the VSIDC) received \$22,073 (2018: \$22,073), 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 for the use of the Victorian strawberry industry and its staff.
- Dominic Molluso (Director, Sweet Berries Pty Ltd) received \$540.00 for strawberries as part of the PR project merchandise expenditure. This involved the sending of 12 trays of strawberries in November and December 2018 to various social media influencers to promote the consumption of Victorian strawberries. The PR project was carried out to minimise the impact on industry following the national food tampering crisis.

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.

	2019	2018
	\$	\$
8. Audit Fees		
VAGO for Audit of Financial Statements:	12,500	12,000

9. Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

From 1 July 2018, the VSIDC applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost arise both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the VSIDC to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The VSIDC recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

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

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The VSIDC recognises the following assets in this category:

- cash and deposits; and
- receivables.

(b) Categorisation of financial instruments

Financial assets	Category	Carrying amount 2019 \$	Carrying amount 2018 \$
Cash and cash equivalents	Cash and deposits	216,459	205,265
Receivables (non-Statutory)	Financial assets measured at amortised cost (previously loans and receivables)	124,148	142,411
Financial liabilities			
Payables (non-Statutory)	Financial liabilities measured at amortised cost	12,500	27,977

(c) Risk Assessment

The VSIDC's main financial risks include market risk and interest rate risk. The VSIDC manages these financial risks in accordance with its financial risk management policy.

The VSIDC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Committee.

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.

Interest rate risk

Exposure to interest rate risk might arise primarily through the VSIDC's cash & deposits (receivables and payables are non-interest bearing). 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 tables below.

	<i>Weighted average</i>	<i>Interest Rate Exposure</i>		
	<i>Effective interest rate %</i>	<i>Carrying amount</i>	<i>Variable interest rate</i>	<i>Non- interest bearing</i>
2019				
Financial Assets				
Cash & Cash Equivalents	0.01	216,459	216,459	-
2018				
Financial Assets				
Cash & Cash Equivalents	0.6	205,265	205,265	-

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the VSIDC has assessed that movements in interest rates over the next 12 months will have insignificant impacts on net operating result and equity.

Fair value

The VSIDC currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018-19 reporting period.

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 Assistant Treasurer 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 2019 and the financial position of the Committee as at 30 June 2019.


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.



Chairperson

Date: 25 September 2019



Treasurer

Date: 25 September 2019



Tom Cosentino
Executive Officer and Chief Financial Officer

Date: 25 September 2019

Independent Auditor's Report

To the Members of the Victorian Strawberry Industry Development Committee

Opinion	<p>I have audited the financial report of the Victorian Strawberry Industry Development Committee (the committee) which comprises the:</p>
	<ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • 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 significant accounting policies • financial management compliance attestation statement.
	<p>In my opinion the financial report presents fairly, in all material respects, the financial position of the committee as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
	<p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p>
	<p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Members' responsibilities for the financial report	<p>The Members of the committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the 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.</p>
	<p>In preparing the financial report, the Members are responsible for assessing the committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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 my 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 Members
- conclude on the appropriateness of the 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 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.



Simone Bohan

as delegate for the Auditor-General of Victoria

MELBOURNE
30 September 2019

Risk Management Attestation

I, Tom Cosentino, certify that the VSIDC has complied with Ministerial Standing Direction 3.7.1 – *Victorian Government Risk Management Framework (VGRMF)*.



Tom Cosentino
Secretary / Executive Officer, and Accountable Officer

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.

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
<i>Report of operations</i>		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Page 5
FRD 22H	Purpose, functions, powers and duties	Page 5
FRD 8D	Objectives, indicators and outputs	Page 5
FRD 22H	Key initiatives and projects	Page 8
FRD 22H	Nature and range of services provided	Page 5
Management and structure		
FRD 22H	Organisational structure	Page 6
Financial and other information		
FRD 8D	Performance against output performance measures	Page 7-10
FRD 8D	Budget portfolio outcomes	N/A
FRD 10A	Disclosure index	Page 37-38
FRD 12B	Disclosure of major contracts	Page 13
FRD 15E	Executive officer disclosures	Page 30
FRD 22H	Employment and conduct principles	Page 11
FRD 22H	Occupational health and safety policy	Page 11
FRD 22H	Summary of the financial results for the year	Page 9
FRD 22H	Significant changes in financial position during the year	Page 9-10
FRD 22H	Major changes or factors affecting performance	Page 11
FRD 22H	Subsequent events	Page 11
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	Page 11
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 12
FRD 22H	Competitive Neutrality Policy	Page 13
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	Page 12
FRD 22H	Details of consultancies over \$10 000	Page 13
FRD 22H	Details of consultancies under \$10 000	Page 13
FRD 22H	Disclosure of government advertising expenditure	N/A
FRD 22H	Disclosure of ICT expenditure	N/A
FRD 22H	Statement of availability of other information	Page 12
FRD 24D	Reporting of office-based environmental impacts	Page 13
FRD 25D	Local Jobs First	Page 13
FRD 29C	Workforce Data disclosures	Page 15
SD 5.2	Specific requirements under Standing Direction 5.2	N/A
Compliance attestation and declaration		
SD 3.7.1	Attestation for compliance with Ministerial Standing Direction	Page 36
SD 5.1.4	Financial Management Compliance Attestation	Page 14, 35
SD 5.2.3	Declaration in report of operations	Page 2
<i>Financial statements</i>		
Declaration		
SD 5.2.2	Declaration in financial statements	Page 35

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 22
SD 5.2.1(a)	Compliance with Ministerial Directions	Page 22
Other disclosures as required by FRDs in notes to the financial statements ^(a)		
FRD 9B	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 30
FRD 103H	Non-Financial Physical Assets	Page 28
FRD 110A	Cash Flow Statements	Page 21
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 12
	<i>Building Act 1993</i>	Page 13
	<i>Protected Disclosure Act 2012</i>	Page 13
	<i>Local Jobs First Act 2003</i>	Page 15
	<i>Financial Management Act 1994</i>	Page 2, 22

Glossary

EO	Executive Officer
FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Directions
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
