



2016 | 2017 ANNUAL REPORT

Queensland Fruit & Vegetable Growers Limited

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Chairman's Report

Dear Member,

In 2017 we reaped the rewards of our hard work from previous years. I am pleased to announce a profit of \$204,880, which is a culmination of organisational restructuring and the realignment of Growcom's strategy over the past two years. I am confident we have now turned the corner and will show a small profit in our next annual report.

I must acknowledge our staff members whose hard work and dedication has made this result a reality. I must also acknowledge the valuable contribution and leadership of our previous Chairman, Jonathan Shaw, who passed the Chair role over to me at the last annual general meeting (AGM).

Joe Morrow and Judy Shepherd were also elected as Directors at last year's AGM and they are assets to our board. They bring with them a wealth of knowledge and experience that has helped make my first year as Chair very rewarding. I would like to recognise all of the Board for their support and passion for Growcom and for the horticulture industry as a whole.

The year has not been without its challenges, namely Cyclone Debbie which devastated growing regions in-and-around Bowen, as well as across the Logan area. Growcom was proud to provide assistance and support to affected growers by helping them access disaster relief. The Backpacker Tax was another major issue that arose and our Chief Advocate Rachel Mackenzie did a remarkable job in helping achieve the best possible outcome for growers. We also welcomed the new Horticulture Code of Conduct delivering clear terms of trade for Australian fruit and vegetable farmers.

The good news is the year ahead looks promising and bright. Our Innovation Coach Program and Hort 360, the best management practice program

for horticulture, are expanding nationally and are continuing to deliver great benefits to farmers and the environment. We are looking to roll out a third party certified ethical employer module within Hort 360, giving the supply chain confidence that grower employers are complying with workplace laws.

Growcom will continue to assist growers build efficient sustainable production systems across our land and water portfolio and coordinate chemical access and information through our Infopest service. Currently, we are engaging with industry partners across the country to build an effective Multi-Peril Crop insurance product. We are also planning to stage our very own conference to showcase Queensland's wonderful range of fruit, vegetables and nuts.

Our current CEO Pat Hannan will be leaving us at the end of his contract in mid 2018. I would like to take this opportunity to thank him for all the fantastic contributions he has made during his time with us. He will be greatly missed, for not only his ability to deliver change, but for his commitment to all things horticulture. On behalf of the Board and staff, I wish him and his family all the very best in the future.

Growcom is always looking for opportunities to work more closely with regional and national representative bodies to deliver better representation and value to growers. The reputation of our organisation's service delivery remains second to none, enhancing our ability to be a service provider of choice. I believe this is a good sign of the overall health of our organisation and an indication of a positive future.



Les Williams
Chairman



About Growcom

Queensland is Australia's premier state for fruit and vegetable production. Horticulture is the state's second largest primary industry, worth more than \$2 billion per annum at the farm gate and employing around 25,000 people.

Queensland's 2800 farms produce more than 120 types of fruit and vegetables and are located from Stanthorpe in the State's south to the Atherton Tablelands in the far north. The state grows most of Australia's bananas, pineapples, mandarins and avocados.

There are 16 horticultural regions with a total area under fruit and vegetable production of almost 100,000 hectares.

Proud to support Queensland growers

Growcom represents Queensland's fruit and vegetable growers. Our growers supply more than a third of Australia's fresh produce – but staying viable in the production sector becomes tougher every year.

Growcom's main reason for existence is advocacy services on behalf of our members. We are proud to support Queensland horticultural growers and their families and to take production horticulture's needs to all level of government and supply chain participants.

We offer membership and services to individuals and industries with a stake in the successful future of the horticulture industry. Many of our services to horticulture are offered nowhere else.

Growcom is a public company limited by guarantee and registered under the Corporations Act 2001.

Growcom Strategic Plan 2016 – 2019

Growcom's Strategic Plan for 2016 - 2019 was approved by the Board in 2016.

Mission Statement and Vision

Growcom will work towards the profitable and sustainable future of the horticulture industry through effective advocacy, grower engagement and service delivery.

OUR OBJECTIVES

Deliver effective policy development and advocacy for horticulture

- Engage members, stakeholders and staff to identify issues and develop and improve Growcom policy development and activities.
- Identify and establish collaborative and partnership opportunities with government and industry bodies to promote awareness of, and seek solutions to, issues that affect the horticulture industry.
- Communicate policy development achievements effectively to broader industry and stakeholders.

Be a peak body for all production horticulture, representing all commodities and engaging with members

- Be the "go to" organisation for horticulture industry crisis management in Queensland.
- Develop and implement an effective member and industry engagement strategy.
- Be a proactive and effective Peak Industry Body for Pineapples.
- Provide support to, and assist in the growth of, the Queensland Horticulture Council.

Be a financially successful organisation with a commercial culture

- Be the lead delivery agent of choice for funded projects in horticulture.
- Provide relevant and cost-effective services of benefit to the industry.
- Develop and implement a commercial strategy that achieves a positive outcome each financial year.
- Pursue integration opportunities with other regional horticulture representative bodies.

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2016/2017 Highlights

GROWCOM WELCOMES NEW CHAIRMAN AND DIRECTOR

Growcom was proud to elect a new Chairman, pineapple grower, Les Williams at its first Board meeting for 2016/2017 in November.

Les has been a Board Director since 2013 and is a third generation Wamuran pineapple grower. He was a director of Elimbah Co-operative for 20 years until 2015. In 2007 he took on the role of Research and Development Representative for the Pineapple Growers Advancement Group (PGAG) which has been integral in the development of the pineapple industry.

The Board also welcomed new Director, Judy Shepherd. Ms Shepherd is co-owner and Farm Administrator for Shepherd Citrus Pty Ltd at Gayndah. She is also Secretary of the Gayndah & District Fruitgrowers Association.

FAIR FARMS TO ROLL OUT NATIONALLY

The Fair Farms Initiative, coordinated by Growcom and funded by the Fair Work Ombudsman, will be rolled out nationally over the next four years.

The focus of the Fair Farms Initiative is to ensure that growers not only have the tools and knowledge to

treat their workers fairly but also can demonstrate that to their customers and the wider community.

Under the Initiative, Growcom can arrange a farm visit to work through the Hort360 Workplace Relations module with growers free of charge.

UPDATED HORT CODE

Growcom welcomed the new Horticulture Code of Conduct, which came into effect on 1 April 2017.

Growcom was heavily involved in discussions relating to the Code and would like to particularly thank Assistant Minister for Agriculture and Water Resources, Senator Anne Ruston for her efforts in working with a range of stakeholders to develop a more workable Code.

By April 2018, all growers need to be operating under a Code compliant Horticulture Produce Agreement (HPA) which clearly sets out terms of trade such as payment terms and quality specifications

CYCLONE DEBBIE FUNDING FOR PRIMARY PRODUCERS

The Queensland and Australian Governments acted swiftly to announce Category C funding in the wake of Tropical Cyclone Debbie.

The areas activated for Category C are:

- Whitsunday Regional Council
- Mackay Regional Council
- Part of Isaac Regional Council
- Part of Livingstone Regional Council
- Part of Central Highlands Regional Council
- Part of Woorabinda Aboriginal Shire Council
- Logan City Council
- Scenic Rim Regional Council
- Part of Gold Coast City Council

Eligible producers can apply for grants of up to \$25,000 as well as other support.

Securing this funding was the result of a joint effort between local grower groups like the Bowen-Gumlu Growers Association and the Lockyer Valley Growers Association, Growcom staff, and the Queensland Farmers' Federation.

Bodies like DAF and QRAA have also been extremely helpful during this process, and Growcom has appreciated the assistance of local government bodies as well as state and federal elected representatives.

FRESHCARE FOOD SAFETY (FSQ4) TRAINING NOW AVAILABLE

Freshcare is the industry owned on-farm Quality Assurance program which provides a

practical way for fruit, vegetable and nut growers to demonstrate food safety and quality compliance and good land management credentials to customers and suppliers.

It upgraded its food safety and quality code to a fourth edition at the start of this year. The revised code brings Freshcare into line with the Global Food Safety Initiative (GFSI), an international program to ensure safe food production worldwide. Work being conducted by Freshcare will hopefully see Freshcare Food Safety Quality (FSQ) fully accredited under the GFSI by late 2017.

As a trainer of Freshcare, Growcom provides group training sessions in FSQ4 across Queensland.

FOCUS ON FARMING TOGETHER

Since becoming a registered consultant to the \$14.9m Farming Together



program, Growcom has been delivering services to help growers collaborate more closely with one another and with industry.

The Farm Co-Operatives and Collaboration Pilot Program (Farming Together) is a resource to help primary producers value-add, build marketplace strength and boost returns.

The program, which is managed by Southern Cross University using federal government funding, is open to primary producer groups who want to develop a collaborative project to improve farm gate returns.

INNOVATION COACH PROGRAM HELPS GROWERS IMPLEMENT CHANGE

Since its launch in June 2016, Growcom's Hort360 Innovation Coach Program has gained industry acceptance with 25 state-wide enquiries and projects in various stages of progress.

Innovation Coach makes it easy to access a range of programs and incentive grants through its network of industry and government contacts. Projects to date include value adding product waste, packing shed technology, precision agriculture, digital marketing, setting up R&D tax concessions and integrated technology solutions.

INFOPEST GETS A MAKEOVER

Growcom's online agvet chemical searchable database, Infopest, underwent a revamp with the introduction of an annual subscription cost in June. The database search site has been upgraded to make it more user-friendly and to incorporate feedback from its users. The good news is Growcom Grower Members' annual subscriptions will continue

to be included in their Growcom memberships.

For others to access the Infopest resource:

- individuals will pay \$55 (incl gst) per annum
- students will be charged \$22 (incl gst) per annum, and
- special rates will be negotiated with educational institutions, corporate and government agencies for bulk subscriptions.

QLD VEGGIE FARMER WINS GROWER OF THE YEAR

A Queensland vegetable farmer who grows lettuce varieties and broccoli at Gatton was named the 2017 AUSVEG Grower of the Year.

Anthony Staatz of Koala Farms received the prestigious award, sponsored by Syngenta, which commends outstanding achievement across all aspects of vegetable and potato production, including growing, environmental management, staff management and quality of produce.



NATIONAL VEGETABLE EXTENSION NETWORK NOW UNDER WAY

Bowen Gumlu Growers Association together with the Bundaberg Fruit & Vegetable Growers and Lockyer Valley Growers Incorporated, are delivering the National Vegetable Extension Network in Queensland.

The National Vegetable Extension Network is a \$6 million national program funded by Horticulture Innovation Australia (HIA) using the vegetable industry levy and matched funds from the Australian Government.

The National Vegetable Extension Network has been created to assist growers across Australia access current research and development information and help them adopt best practice.



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VALUE OF TABLELANDS' AGRICULTURE SECTOR CONTINUES TO SOAR

The value of Atherton Tablelands' agricultural sector continues to grow, with a 30 per cent increase over the past four years despite the impact of a prolonged drought in some parts of the region.

There have been significant expansions in avocado, citrus and sugar, the emergence of new commodities like blueberries and new varieties of traditional crops such as mangoes.

The three most valuable agricultural industries on the Tablelands are:

- Bananas - \$91 million
- Avocados - \$83 million
- Mangoes - \$52 million

\$15.9 MILLION TO SAFEGUARD QUEENSLAND'S BANANAS

Queensland's banana industry is safeguarding future crops from pests and disease through a \$15.9 million project in partnership with the State government.

The Improved Plant Protection for the Banana Industry project, managed by the Department of Agriculture and Fisheries, will bolster support to banana producers with trials of varieties for improved pest and disease resistance.

This research will ensure the industry's vitality for years to come by strengthening its biosecurity defences through the development of new varieties while focussing on even lower chemical usage in line with consumer expectations.

The project is expected to be completed by December 2021.

WELLCAMP AIRPORT SIGNS UP ITS FIRST ASIAN FREIGHT SERVICE

Brisbane West Wellcamp Airport, near Toowoomba negotiated its first dedicated international freighter service to Hong Kong and Asia.

Cathay Pacific Airways is expanding its freighter services in the South West Pacific with the addition of the weekly scheduled service to Wellcamp.

With growing demand from Mainland China for Australia's agricultural products, the service will provide

local businesses with a competitive advantage as the benefits of the new China-Australia Free Trade Agreement increase.

ROBOTICS CENTRE OPENS AT UNIVERSITY OF SYDNEY

Australia's first horticultural robotics learning and development hub has opened at the University of Sydney.

Located within the University's Australian Centre for Field Robotics (ACFR), the Horticulture Innovation Centre for Robotics and Intelligent Systems (HICRIS) will initially host two projects, funded by Horticulture Innovation Australia (HIA). The two projects, worth \$9 million, aim to increase farm efficiencies.

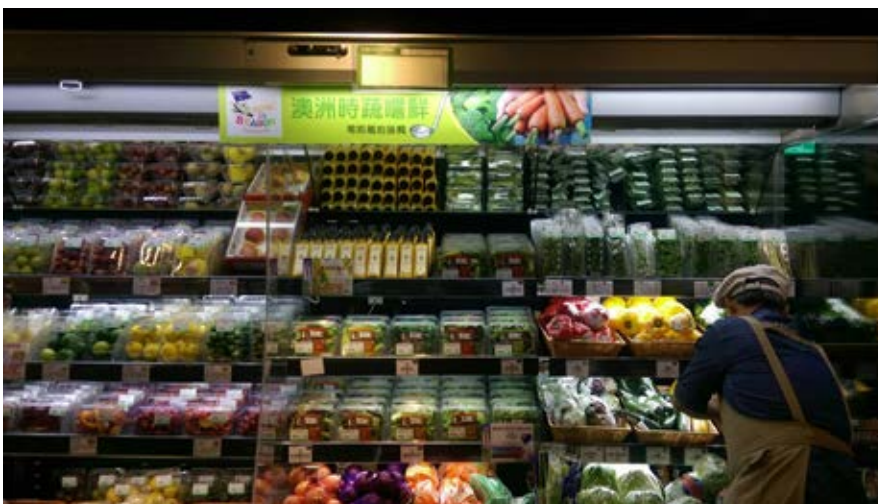
Both projects will build upon previous work by the ACFR, which developed the Ladybird robotic system - an engineering prototype that has been successfully deployed on-farm to demonstrate crop intelligence and crop manipulation.

CHANGES TO QUAD BIKE LEGISLATION

Children under the age of eight are now prohibited from being carried as passengers on quad bikes and utility off-road vehicles being used on a road, as well as any child of any age if they are unable to sit with their feet flat on the floor and hands on handholds.

Additionally, the requirement for the operator of a quad bike or utility off-road vehicle and their passengers to wear a motorcycle helmet has been legislated in the Transport Operations (Road Use Management—Road Rules) Regulation 2009.

These new requirements apply on roads and road related areas only and are enforced by the Queensland Police Service.



QUEENSLAND HORTICULTURE EYEING ASIAN MARKET EXPANSION

The Queensland Government is partnering with Horticulture Innovation Australia (HIA) to deliver a \$16.5 million investment in the future of the state's horticulture exports.

The national four-year project will explore a tightening of export operations along all stages of the supply chain – from the way produce is packed, to how it is stored, to shortening the time from picking to arriving on supermarket shelves.

The project will help growers and producers better understand the condition of their products on arrival and their products' ability to withstand in-country distribution to the retailer and consumer.

FIRST NATIONAL ONLINE MARKETPLACE FOR FRESH PRODUCE

The HiveXchange was launched at the Produce Marketing Association's Fresh Connections conference and it is the first national online marketplace for fresh produce.

The digital marketplace has been specifically developed to meet the needs of buyers and sellers of Australian fresh produce across Australia, after 18 months of research into customer requirements in the field.

It works on the same basic principles as well known online markets such as eBay, Paypal and Gumtree and follows global trends in fresh produce buying already established in countries such as China and Europe.

MELONS AND PUMPKINS TO JAPAN

Australian melons and pumpkins can now be exported to Japan, with phytosanitary certificates being the only protocol for market access.

The Japanese-Australia Economic Partnership Agreement saw the elimination of tariffs on pumpkins and watermelons, with other melon tariffs due to disappear in 2019.

Japan is one of Australia's largest export markets for horticultural produce, with total vegetable exports worth AUD\$44 million in 2015-16, up five per cent on the previous year.

FIRST SHIPMENTS OF AUSTRALIAN NECTARINES TO CHINA

The iFresh China International Fruit and Vegetable Expo in Shanghai officially welcomed the first shipments of Australian nectarines to China, after 13 years of market access negotiations and the signing of the China-Australia Free Trade Agreement (ChAFTA).

The protocol is the first the Chinese have agreed to for any Australian horticultural product – a 3.0 degrees C treatment for Queensland Fruit Fly and Lesser Queensland Fruit Fly. It is also the first time China has recognised a Fruit Fly Pest Free Area on mainland Australia – the Riverland region of South Australia, allowing airfreight without fumigation and temperature controls.

ENHANCED WORKER ASSIST APP RELEASED

WorkCover Queensland has released an enhanced version of the Worker Assist app, which helps injured workers track the progress of their workers' compensation claims in real time.

New features released in the latest version include:

- workers with a claim can now register for the service straight from the app
- new welcome screen guides workers towards key information about the claims process
- faster login, personalised homepage and a streamlined menu makes it easier for workers to find what they need to fast
- workers can submit their tax file number and easily upload receipts/work capacity certificates through the app

HORT'S ROLE IN REEF

The Queensland Government announced it will commit a further \$90 million over four years to implement 10 recommendations from the Great Barrier Reef Water Science Taskforce report.

The aim is to deliver improved farm management practices across 2.1 million hectares of agricultural land in the Great Barrier Reef catchments, which will improve the quality of water leaving properties and entering the Reef Lagoon.

The horticulture industry's component delivered by Growcom, will build on the last eight years of credible gains in both environmental outcomes and financial gain to industry through the adoption of best management practice.

Under the program, one on one extension and training services, along with comprehensive support networks across all field production systems including administration and compliance, will be delivered via Growcom's Hort360 program, the best management practice program for horticulture.



Raising our voice for horticulture

VICTORY ON THE BACKPACKER TAX

Growcom, along with other industry bodies, was instrumental in working with the Federal Government and Greens Senators to get a sensible resolution to the backpacker tax issue.

On the last sitting day of 2016, the Greens agreed to support the government's proposed 15% tax rate for working holiday makers which was consistent with the position put forward by Growcom at the beginning of the debate.

The Federal Government's decision to scrap the tax-free threshold for Working Holiday Makers (backpackers) working in Australia and impose a 32.5 per cent tax rate on every dollar earned was the biggest issue for the industry during 2016.

The decision was made by the Government to "close a loophole", without consultation with industry.

Growcom was certainly the loudest horticulture voice in Australia on this issue and countless hours were spent responding to multiple Inquiries, media requests and direct lobbying of politicians.

We worked closely with our regional colleagues through the Queensland Horticulture Council, our umbrella organisation the Queensland Farmers' Federation (QFF) and the National Farmers' Federation (NFF) to maintain consistent pressure on government to reverse this short-sighted decision.

It was disappointing to see an issue of such significance to the horticulture industry be treated as a political football by the major parties but, on a positive note, it forged greater cooperation between the various agricultural lobby organisations and demonstrated the value of working together.

NEW HORT CODE WELCOMED

The new Horticulture Code of Conduct, which came into effect in April, was developed after a major independent review and months of negotiation with the Australian Government and the wholesale sector.

Growcom is largely happy with the new Code as it deals with some major issues which prevented widespread uptake of the previous Code, and the inclusion of Civil Penalties means it has some actual teeth

Chief Advocate Rachel Mackenzie said the biggest change is all transactions in the wholesale markets will be covered by the new Code regardless of the existing trading relationship.

She said all contracts must be compliant with the new Code by April 2018 and all transactions must be made under a Horticulture Produce Agreement (HPA).

"The purpose of the Code is to improve transparency, not obstruct normal healthy business relationships, and for that reason additional flexibility has been added to the Code to reflect what happens on the market floor," she said.

"There is still a requirement to differentiate between merchant and agent transactions but growers and



wholesalers now have the option to negotiate a method or formula for calculating a price under merchant transactions prior to the produce being sent to market.

"There are also additional information requirements for merchants who use a method or formula for calculating a price.

"Whilst we do have some concerns with this hybrid model of trading, the additional information requirements along with the requirement to act in good faith and the financial penalties built into the Code provide additional protections for growers.

"We are working with the ACCC to help them develop education materials to educate growers on their rights and obligations under the new Code and to develop an HPA template."

The new Code represents an opportunity for growers and the



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wholesale sector to work closely together to ensure our members all benefit from the protections built into this Code but also understand the flexibility it brings to the table.

“The bottom line is that by April 2018 everyone needs to be operating under a Code compliant HPA which clearly sets out terms of trade such as payment terms and quality specifications,” Ms Mackenzie said.

“We would like to thank Senator Ruston and her team for their ongoing input and interest in brokering a reasonable outcome for both growers and wholesalers.”

Growcom hopes the new Code will enable long-term positive trading relationships in the marketplace to prosper and give growers the tools to develop new trading relationships on fair terms.

BIOSECURITY IS A SHARED RESPONSIBILITY

July 2016 represented a new era for Biosecurity in Australia and it is important for growers to understand their obligations.

The new Federal Biosecurity Act came into force along with new Queensland legislation. Both of these Acts are underpinned by the principle that biosecurity is a shared responsibility between government, industry and the general community.

The new Queensland Biosecurity Act replaces a number of different Acts and according to the Department, allows a consistent, modern, risk-based and less prescriptive approach to biosecurity in Queensland.

What this means in real terms is that there is more capacity for the government to take immediate action to manage biosecurity risks without having to wait for scientific confirmation. There is also a greater legal responsibility on growers to take



an active role in managing biosecurity risks under their control.

This new general biosecurity obligation (GBO) means growers must take all reasonable steps to ensure they do not spread a disease, risk or contamination. The GBO is broader than the prescriptive provisions under the current legislation, but it also allows the new Act to be simpler than the current legislation. In many ways, it is similar to a work health and safety duty of care.

You will not be expected to know about all possible biosecurity risks, but you will be expected to know about those associated with your day-to-day work and your hobbies. If you are a commercial grower, you will be expected to stay informed about the pests and diseases that could affect or be carried by your crops, as well as weeds and pest animals that could be on your property.

You will also be expected to manage them appropriately. In some cases, regulations have been developed to specify how to meet your GBO. However, this will only occur for very high biosecurity risks. In most cases,

there will be no prescribed way of meeting your GBO. Instead, there will be simple requirements to reduce potential biosecurity risks, giving you flexibility in the way you manage these risks.

Queensland’s existing plant health certification system will continue under the Act. There will be some changes to the terminology used and to the system itself; however this should not result in any disruption to trade arrangements that are in place.

A person or business can still apply to become accredited under the ICA scheme, or other non-ICA accreditation, and issue certificates. Alternatively, Biosecurity Queensland inspectors can inspect and certify produce and other plant material as required. A Plant Health Certificate issued by an inspector and Plant Health Assurance Certificate by an accredited business are both forms of acceptable biosecurity certificates under the Act.

Where the legislation establishes movement restrictions on commodities coming into Queensland, a certificate issued by an interstate authority is recognised as a biosecurity certificate

and can facilitate the movement into Queensland, provided the requirements of the 'Queensland Biosecurity Manual' have been met.

There will still be zone and movement restrictions for high risk areas and pests, and we urge growers who operate in these regions or with these pests/commodities to check their obligations. The proposed restricted zones are the Far Northern Biosecurity Zone, Northern Banana Biosecurity Zone, Southern Banana Biosecurity Zone, Papaya ringspot virus zones, and Grape Phylloxera Zones.

Growcom has ongoing concerns about the lack of capacity within the Queensland department to deal with new incursions of plant pests and, while we welcome the concept of shared responsibility it should not be seen as a means for cost shifting.

We also have concerns relating to the inequity between the fees charged for plant and animal inspections and will continue to raise these with the Department.

FAIR FARMS LAUNCHED

Growcom and Senator Anne Ruston officially launched the Fair Farms Initiative at an event attended by more than 80 conference delegates at

the Hort Connections conference in Adelaide.

The Senator described the national project as "bottled gold" and praised the horticulture industry for taking responsibility for addressing the exploitation of workers on farms.

The Fair Farms Initiative focuses on fostering good employment practices across the Australian horticulture industry.

Coordinated by Growcom and funded by the Fair Work Ombudsman, the initiative will be rolled out over four years.

Following Senator Ruston's opening remarks, Growcom's Rachel Mackenzie emphasised that poor treatment of farm workers had attracted damaging media coverage and warned the issue could become horticulture's "live exports" moment.

She gave an overview of the key elements of the Initiative and said it provided a timely opportunity for the industry to work together to progress significant improvements in employment practices.

Clare Hamilton-Bate from Freshcare outlined the efforts under way to develop certification options which enable market recognition

for businesses that meet industry standards and comply with legal requirements.

A new certification under Freshcare will recognise fair work practices amongst farm businesses while the RCSA is working towards launching a certification for labour hire companies.

The launch also featured an update from Kimberly Pearsall from the National Farmers Federation (NFF) regarding the Fair Work Commission's review of the Horticulture Award.

Kimberly offered great insight into the complexity of the issues and the invaluable advocacy and careful representation the NFF continues to provide for growers.

Following the launch, horticulture workplace relations specialist, Donna Mogg, and Growcom's Annabel Hutch ran a practical workshop for grower employers, based on the Workplace Essentials seminars offered to Queensland growers.

Growcom established a Workplace Relations (WR) Hub at the Hort Connections trade show and the team was kept busy discussing Hort360 and the Fair Farms Initiative with conference delegates. It was heartening to see such strong interest in the Initiative amongst industry members.

There were many positive conversations between Growcom, Freshcare and a number of national commodity and state-based industry associations to progress opportunities for collaboration.

GOVERNMENT TO INTRODUCE REEF REGULATIONS ON HORTICULTURE GROWERS

The Queensland Government has announced plans to implement reef regulations in a new discussion paper.



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The regulations will include banana, other horticulture and grains, as well as increasing the regulation levels that already apply to sugarcane and grazing. The aim of the proposed regulation is to minimise nutrient and sediment runoff, thereby improving reef water quality.

Growcom remains opposed to regulation on the horticulture industry, in particular when there has been a failure by the State Government to adequately fund and support roll out of industry-led best management practice (BMP) programs like Hort360 in the reef catchment. We have been consistently told that there is less investment in horticulture as it is not a high risk, due to its small geographic footprint. If the risk presented by horticulture supposedly requires regulatory intervention, then investment needs to be consistent with other industries and include incentive funding.

Horticulture comprises more than 120 different commodities, each with different agronomic requirements. For many commodities there are no meaningful guidelines on optimal levels of fertiliser application.

Due to Federal Government investment, 595 horticulture businesses within the reef catchment have completed water quality modules to improve their practice. Many of these changes were significantly funded by growers. To date, horticulture growers have invested \$3.20 (cash and in kind) for every \$1 provided by the Australian Government's Reef Trust.

If the Queensland Government is serious about reducing the horticulture industry's impact on the Reef, the only feasible way is through long term, adequate support for BMP programs like Hort360 and the science that underpins it.

Whilst we do not support a regulatory



approach, Growcom will work constructively with governments to ensure our members and industry will get a regulatory framework that is relevant, achievable and meets community expectations. We do acknowledge the Queensland Government's effective investment in water quality in South East Queensland and improvements to the Hort360 BMP program as a whole.

A NATIONAL APPROACH NEEDED

Growcom and the Queensland Horticulture Council have expressed strong support for better oversight of the labour hire industry in horticulture.

In our submission to the Queensland Government's inquiry into the regulation of the labour hire industry, we recognised that labour hire operators are vitally important in the horticulture industry and many run honest and ethical businesses. However, it is the growing number of 'fly by night' operators that is a serious and growing concern.

The ease with which anyone can register for an Australian Business Number (ABN) and then set themselves up as a labour hire contractor is a real issue.

Problems arise when a grower fails to undertake proper due diligence on the labour hire contractor's operations.

Growcom is continuing to work with the Fair Work Ombudsman to ensure our members are fully informed of their obligations to their workers.

We commended the Queensland Government for its proactive approach to advocating a licensing scheme for the state. That said, however, we are not supportive of individual states developing legislation.

Instead, we have asked the Queensland Government to promote a national approach via the Council of Australian Governments (COAG).

One of the issues we have with the Government's proposed state system is that many rogue operators work across state borders, as do many growers. Having to navigate multi-

jurisdictional requirements in running their businesses is an on-going issue for many growers. A state-based regulatory system for labour hire would add more difficulties.

The national peak body for the labour hire industry, the Recruitment and Consulting Services Association (RCSA), is developing an Employment Services Provider Certification program. This national assurance audit program will provide assurance to purchasers of employment services and will be open to all employment service providers.

The RCSA certification program is already well advanced and has the support of Growcom and other agricultural bodies, the unions and the Australian Government.

We have asked the Queensland Government to work with the labour hire industry to complement the industry-led national certification process rather than imposing a top-down regulatory approach.

Growcom is also developing an 'ethical treatment of workers' certification

through funding from the Fair Work Ombudsman. These two certifications will provide the mechanisms for all players in the supply chain to demand and be able to supply evidence of good practice.

QLD HORT LEADS AG EMPLOYMENT GROWTH

Queensland horticultural industries are leading the way when it comes to job creation and growth according to recent Australian Bureau of Statistics (ABS) figures. Jobs associated with fruit and nut production were up 61 per cent statewide between February 2016 and February 2017. In the same period, there was a growth of 34 per cent in jobs associated with the production of vegetable commodities. More than 3000 new jobs were created in Queensland's horticulture industries in this 12 month time period alone.

The growth in horticulture jobs can be attributed to a few regions in particular experiencing resurgent growth in horticulture based industries. Mackay,

Wide Bay and Greater Brisbane were the areas of major growth in overall employment and that growth can largely be attributed to horticulture.

The Queensland horticulture sector continues to be one of the major employers in agriculture, making up more than 18 per cent of all state agricultural jobs and contributing more than \$2 billion to the Queensland economy.

The Australian and Queensland Governments have committed to a suite of initiatives aimed at driving increased employment of local jobseekers in regional areas and on farms. This includes the Queensland Government's Back to Work Regional Employment Package, funding of the Growcom managed Queensland Agriculture Workforce Network (QAWN), and the Federal Government's soon-to-be-launched Seasonal Worker Incentive Program (SWIP).

The QAWN has six industry officers working across Queensland offering farm businesses practical help to address labour and skilling issues that could boost their capacity. For the 2016 Sweetest Job Campaign, QAWN partnered with Regional Development Australia - Moreton Bay, Sunshine Coast and Moreton Bay councils and Queensland Strawberry Growers Association to launch a massive media campaign. This campaign attracted more than 2200 local jobseekers registering their interest in harvest work in the strawberry industry. Initiatives such as this across the state have been crucial for driving employment within the horticulture sector.

Growcom looks forward to continuing its role in promoting the horticulture sector and in turn driving job creation that benefits our regional communities and the state as a whole.





Growcom projects & services

Growcom maintains its position as a go-to organisation for government and R&D agencies to deliver industry projects because of our strong reputation for industry leadership, our quality programs such as Hort360, our excellent record for project management, and our team of talented and passionate staff.

Throughout 2016-17, Growcom has maintained a portfolio of projects that have enabled us to deliver services to growers in most critical areas of horticulture business – including land and water management, people management and employment matters, chemical access, industry development and the innovation process.

Recognition of our capabilities is growing and Growcom is increasingly being called upon to lead the delivery of national scale projects.

FOSTERING FAIR EMPLOYMENT PRACTICES ACROSS AUSTRALIA

February 2017 saw the start of the Fair Farms Initiative – a national, four year project funded by the Fair Work Ombudsman to improve employment practices in the Australian horticulture industry and, in particular, to stamp out exploitation of vulnerable farm workers. Growcom secured this project because of its strong record working with Queensland growers on employment issues over many years.

This project is an exciting opportunity for Growcom to continue and expand our efforts to help horticulture businesses understand, meet and exceed their legal obligations around employing farm workers. We were delighted to have Assistant Minister for Agriculture and Water Resources, Senator Anne Ruston, formally launch the Fair Farms Initiative at the HortConnections conference in Adelaide on 15 May 2017.

Through the Initiative Growcom will support at least 120 growers across Australia to complete the Hort360 Workplace Relations module, which provides employers with a risk assessment of their employment systems and actions to take to achieve full compliance with Australia's fair work laws. Growcom will also deliver 'Getting fair work compliant on farm' workshops and seminars in major production regions around the country. Project partner, Freshcare, is working with Growcom to translate the Hort360 Workplace Relations module into a new auditable Fair Employment

certification – providing businesses with market recognition of their good employment practices. A Fair Employer award will be established at HortConnections 2018 to recognise leaders in positive employment practices in the Australian horticulture industry.

The Initiative is also a fantastic opportunity for Growcom to strengthen its links with national industry peak bodies, such as AUSVEG as we coordinate an information and awareness campaign through major industry publications and communications channels.



COORDINATING CHEMICAL ACCESS AND INFORMATION

Infopest is a national database for agricultural and veterinary chemicals, enabling users to determine what pesticide products are legally available for use in their crop or animal pest situation. Growcom began their ownership of Infopest in 2012, taking it from a disc which was distributed quarterly to a free online database,

to the online annual subscription database that it is at present. Prior to becoming a user paid subscription, Infopest boasted over 4500 registered users, approximately 4200 of those remain subscribed to our quarterly newsletter and 200 users have signed up or re-joined since 13 June 2017 with numbers growing steadily.

Infopest displays labels which are approved by the Australian Pesticides and Veterinary Medicines Authority (APVMA) along with marketed product labels and safety data sheets provided by chemical registrants.

Annual subscriptions are available for purchase online for \$55 (inc GST) and are included in Growcom Grower Memberships. Corporate discounts are available for larger companies with 20 or more users.

MANAGEMENT OF THE AGVET COLLABORATIVE FORUM

Growcom has been appointed as the facilitator for Agrifutures Australia's three-year project PRJ-010722. The AgVet Collaborative Forum was established in 2015 to promote information sharing and prioritise industry needs when accessing AgVet technologies. Now named, the AgChem Access Priorities (ACAP) Forum, it is funded by eight partners, seeking to consider options for more efficient and effective AgVet investment for the benefit of Australia's rural industries.

Access to safe and effective agricultural and veterinary (AgVet) technologies is critical to Australia's farming success. With Australia representing less than

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three per cent of the global crop pesticide market, accessing a wider range of AgVet technologies gives Australian agricultural producers a broader suite of solutions to assist them in producing clean, healthy food in a sustainable manner.

The focus of the recent ACAP Forum was on increasing access to agricultural chemicals, undertaken as a collaborative process held in Canberra in July 2017. At the forum, plant-based Research and Development Corporations (RDCs) and commercial chemical registrants came together to deliver a cross-industry agreed list of priority needs for uses of agricultural chemicals.

Funded by plant-based Rural RDCs and CropLife Australia, the forum aimed to promote information sharing, industry prioritisation and co-investment opportunities for supporting applications for AgChem uses. The forum coincided with the third round of grants for the Improved Access to Agvet Chemicals initiative announced in July by The Hon. Barnaby Joyce, Deputy Prime Minister and Minister for Agriculture and Water Resources. The program funds industry projects to generate sufficient data to support applications to the APVMA for AgVet chemical uses. Applications for the grant round close 31 October 2017 and only those uses prioritised through the ACAP Forum are eligible to apply.

The forum facilitated the prioritisation of plant-based industry issues requiring AgChem solutions. These issues, raised by the respective RDCs on behalf of industry, were allocated a priority at the forum according to the technical viability of a solution and commercial registrant support.

In total, 665 issues were identified with chemical solutions found for 541 of them. A summary of the outcomes of the forum is highlighted below. The final agreed list of industry ranked plant priority pest issues is also publicly available via the AgriFutures Australia website.

Forum outcomes:

- 360 unique crop/pest issues were identified by grower industries, with an additional 122 solutions also put forward by industry.
- Of these, 160 had no identified solution, 51 new potential solutions were identified by registrants.
- An additional 64 new solutions were identified at the forum by registrants adding to existing options previously put forward.
- This left 69 crop/pest issues without a solution proposed by either industry or registrants.

A total of 541 solutions were agreed between industry and chemical registrants:

- 375 were category AL being pursued to label registration.
- 107 were category AP being pursued to off label permits.
- 59 were category B with solutions being more than three to five years away from registration in Australia.

Of the 665 entries put forward, 55 were not supported due to technical or commercial reasons and 69 had no known solution being marked as category C or deliberately left blank pending further discussions between industry and registrants.

BETTER MANAGEMENT OF WATER RESOURCES

Growcom began the Rural Water Use Efficiency Irrigation Futures (RWUE-IF) program in December 2013 and completed the project in June 2017. This project focused on assisting growers to better manage water resources, within the Queensland Government planning guidelines, through on-farm technical advice, irrigation system evaluations, farm water use reports and training in irrigation scheduling and fertigation.

Following the success of the program in Lakeland, the Wet Tropics, Mareeba-Dimbulah, Callide, Central Highlands and Burnett regions; the program has been delivered in the Lockyer Valley. The Hort360 irrigation module provided individual grower risk assessment outcomes and a framework for addressing the on-farm assessments that best assist growers.

Producers in the Lockyer Valley region have actively participated in fertigation, irrigation and pump performance tests. On-farm extension advice and training in these areas has further emphasised the knock-on effects irrigation system efficiency can have on scheduling, pump run times, deep drainage, run off, nutrient management, chemical management and crop productivity.

The RWUE-IF program has been integral in helping growers gain a



broader view of key issues in pump, irrigation and fertigation performance, how they interrelate and the best steps forward. Growcom will continue to engage with growers and collaborate with local industry groups and professionals to deliver water and energy use efficiencies in the Granite Belt and Eastern Darling Downs while promoting water and energy savings already achieved by the program through a series of case studies, articles and workshops.

RURAL SKILLS AND JOBS ALLIANCE (RJSA)

The Rural Jobs and Skills Alliance (RJSA) was formed to provide information and advice on Queensland agriculture's employment, skills and workforce planning issues to government, service providers and other organisations. Consisting of industry members Agforce, Queensland Farmers' Federation (QFF), Growcom, Canegrowers, Queensland Dairyfarmers Organisation, Queensland Chicken Growers Association and Cotton Australia and a representative from QDAF, the RJSA plays a pivotal role in sharing industry intelligence on workforce employment and training gaps to key stakeholders such as Jobs Queensland, Queensland Department of Education and Training (QDET) and registered training organisations (RTOs).

In the last year, the RJSA continued to regularly engage with QDET to inform the department of opportunities and issues of concern, with the intention of guiding policies and investment to better meets industry's needs. Using data and market intelligence obtained from its networks including the Queensland Agricultural Workforce Network (QAWN), the RJSA also contributed to discussion papers and made submissions to a variety of state and federal enquiries, including:

- Jobs Queensland Positive Futures: Apprenticeships and Traineeships in Queensland (November 2016),

- DET Advancing Skills for the Future (February 2017),
- DET Annual Queensland VET Quality Framework (March 2017),
- DET Statement of Benefit - VETIAO (June 2017),
- DET Industry business case to amend the Queensland Higher Level Skills Policy – eligibility to access Farm Business Management Skills Set (June 2017),
- the Skills Impact four-year work-plan, and
- the Australian Skills Quality Authority's ongoing audit reviews.

SECURING AND SKILLING THE HORTICULTURE WORKFORCE

The Queensland Agriculture Workforce Network (QAWN) is part of a suite of Queensland Government funded initiatives including the RJSA, Agforce School to Industry Partnership Program (SIPP) and Gateway Schools to Agribusiness, all of which aim to address agriculture's labour and skill needs. QAWN's focus is to assist farm businesses across all agriculture sectors with information on employment and training opportunities. The network consists of six industry-based officers and one officer located within the Queensland Department of Agriculture and Fisheries (QDAF). In early 2017, it was announced the Queensland Government's funding for the QAWN had been extended until June 2018. Since the network commenced in February 2016, the officers have continued to develop extensive networks with industry, government, employment and training stakeholders and are fast growing their influence as a key contact for information about agriculture employment and training. The network has recorded contacts with 1600+ farm businesses, 2925+ contacts with stakeholders including training and employment

service providers, and 1931+ contacts with potential employees including jobseekers and students.

A partnership approach has resulted in the network helping to facilitate increased local employment and training within agriculture, with more than 170 positive employment outcomes and 456 people assisted to take up training opportunities.

One such collaboration saw QAWN and Growcom partner to deliver the 2016/2017 Workplace Essentials Workshop series funded by the State Government. Held in 15 agricultural regions across Queensland, the workshops benefited more than 230 participants from a wide range of sectors including production horticulture, turf, poultry, nurseries, beef, sugar cane, dairy, wineries, cotton and pork.

The training aimed to help agricultural businesses achieve Fair Work compliance, better manage employment risks, and adopt a best management approach. It included a practical risk assessment activity, industrial relations updates, advice and resources to help farmers better manage employment challenges and obligations, as well as information about employment options such as the Seasonal Worker Program, employment and wage incentives and the assistance that QAWN officers can provide. The year of 2016/2017 was a resounding success with 98 per cent of participants rating the overall value of the workshops eight or more out of 10 and 90 per cent saying that they implemented positive practice changes in their workplace as a result of what they learned at a workshop.

SEQ BEST MANAGEMENT PRACTICE PROGRAM (HORT360)

The SEQ Best Management Practice Program (Hort360) has been successfully delivering water quality and soil management outcomes across

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Southeast Queensland for the past three years and will continue to do so over the next two years.

The key aim of the project is to reduce soil and nutrients entering local waterways, the Brisbane River and Moreton Bay. Hort360, is the platform used to address these issues and improve farming practices. Soil runoff is the primary issue with a more localised concern being nutrient and pesticide runoff.

The sound management of soil and water on farmland are central to achieving optimum productivity and sustainability. Hort360 has been identifying sub-optimal soil and nutrient management and how tackling these issues can result in a more efficient use of inputs. Losses of soil and nutrients cost money and can be tackled in a range of ways that need not be expensive which has become a key message of the program.

With a focus on innovation and technology, the project is delivering management tools and solutions in the form of Light Detection and Ranging (LiDAR), Electro Magnetic (EM) Soil Mapping and the Normalised Difference Vegetation Index (NDVI).

LiDAR is identifying erosion hotspots, water flow accumulation and areas prone to water logging with growers receiving Erosion Management Action Plans (EMAP) to better inform their decisions on soil and water

quality planning including optimal drain locations. EM soil mapping measures the soil's moisture-holding capacity, identifies soil health issues, waterlogging and high-erosion areas for the use in development planning, optimal irrigation design and drainage and runoff management.

The trends to date indicate that there is room for improvement in the areas of soil buffers, nutrient management and soil chemistry as well as fertiliser application rates and cultivation methods.

These trends will be used to help better target on-ground activities to meet and exceed best management practices over the next two years.

HORT360 INNOVATION COACH DELIVERING TECHNOLOGY AND INNOVATION TO HORTICULTURE

During 2015/16 Growcom launched a new service designed to help fruit, vegetable and nut growers work through the process of integrating new technology into their farm businesses. The Hort360 Innovation Coach project begins with a full business evaluation through the Hort360 program and follows with identification of available support and engagement of industry experts to help realise the business plans.

In 2016-2017, Innovation Coach received 54 expressions of interest for support and the program now has a number of growers in stage one of the process. HIA vegetable fund have seen the merit in the project and is now supporting 16 vegetable growers in Queensland.

Innovation Coach helps growers maximise their access to grants and support mechanisms to realise their plans to implement innovation on their farms. HIA are interested to roll out the project nationally in the coming year.

PROGRESS FOR THE AUSTRALIAN GOVERNMENT REEF TRUST

This financial year Growcom commenced the third phase of the Reef Trust program in collaboration with the Australian Government, QFF, industry and NRM regional partners. Funding for other horticulture has been severely reduced compared to previous years and Growcom has had difficulty engaging growers in a pure extension program.

A successful soil health and composting workshop was held in late 2016 with several growers since implementing trials on farm.

In early 2017, the Queensland Government released a Reef Regulations discussion paper which included horticulture. Initially, this raised concerns with growers and their involvement with the Reef Trust program. Given there has been no further regulation development, growers have relaxed a bit and have become more engaged. Growcom is opposed to the implementation of reef regulations for horticulture especially given the reduced funding for our sector and the lack of scientific evidence to support such a mechanism.

Part way through the year, Growcom adjusted its funding to enable growers to access a small amount of incentive funding.





Unfortunately, for growers and the program, Cyclone Debbie impacted the reef catchment region in late March affecting engagement whilst growers dealt with re-establishing crops and farm infrastructure. Growcom staff have continued to provide technical support where required to assist growers through this period.

HORT360 TEAMS UP WITH FRESHCARE AND ENVIROVEG

In late 2016, Growcom Hort360 entered into an agreement with EnviroVeg and Freshcare to improve the structure of EnviroVeg and to improve the alignment of the three systems for the benefit of the horticulture industry. This is a five year project which will result in an updated EnviroVeg manual, restructure of EnviroVeg self assessment into Hort360 platform, and the alignment of EnviroVeg and Hort360 with Freshcare Environmental. A national pilot will also enable 30 growers to undertake Hort360 to achieve Freshcare Environmental along with the development of a marketing strategy for growers seeking environmental certification.

BUILDING ADAPTABILITY AND RESILIENCE IN A CHANGING CLIMATE

The last decade has demonstrated there is an increasing need for a re-appraisal of the climatic risks

affecting farm business in Queensland. Growcom has commenced the development of a climate risk module within our successful Hort360 program. The module will cover all aspects of the farm business that can be impacted by extreme weather events and shifting climatic hazards such as increasing temperature and drought. The process will alert growers to climate trends and useful management actions and support growers in taking long term decisions to adapt to climate change. Growers affected by Cyclone Debbie in March 2017 will be amongst the first to trial the use of the new module, which will inform their decision making around recovery, future disaster preparedness improved resilience to climate risks.

Agriculture Sector Adaptation Plan (Ag-SAP)

The Queensland Climate Adaptation Strategy was launched by the Department of Environment and Heritage Protection in Month, 2017. Agriculture was selected as one of four sectors to pilot the development of sector plans under the strategy. The Queensland Farmers' Federation, AgForce and Growcom formed a partnership to develop the Agriculture Sector Adaptation Plan (Ag-SAP), with Growcom coordinating the industry consultation, research and plan preparation. Six key findings and recommendations were highlighted as essential for building a platform for sustainable adaptation action in the agriculture sector. Growcom is pleased

to see the Queensland Government's efforts to address climate change and looks forward to further action and investment to support adaption in agricultural and horticultural industries.

National Climate Change Adaptation Research Facility (NCCARF)

Growcom's expertise in the climate adaptation field has also been recognised through an invitation to partner with the National Climate Change Adaptation Research Facility (NCCARF). Growcom and other partners have provided industry input and advice to support NCCARF in the development of Coast Adapt - a support tool for adaptation action in coastal planning and development. The tool includes an extensive range of adaptation resources that can assist agricultural industries to plan adaptation actions.

SUCCESSFUL FIRST YEAR FOR THE GROWCOM SHOP

The 16/17 financial year saw the launch of Growcom's new online shopping platform. This platform (or portal) was developed to provide Growcom employer members and employer non-members with easy access to workplace relations and workplace health and safety templates, policies and other information (products). This portal has provided a more convenient way for employers to maintain, introduce and improve their workplace employment practices to ensure they are complying with their obligations. It was also introduced to provide the Growcom workplace relations department with an income stream, with 16/17 income of approximately \$14,000 from the portal. This income contributed to develop, improve and maintain this portal and its products to ensure grower employer have the best quality and most up to date information.

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Directors' report

Your directors present this report on the entity for the financial year ended 30 June 2017.

Directors

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

Les Williams - Chairman

Derek Lightfoot - Vice Chairman

Colin Jeacocke

Jonathan Shaw

Belinda Adams

Sharron Windolf

Judy Shepherd - elected 23 November 2016

Joe Moro - elected 23 November 2016

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

Principal activities

The principal activities of the entity during the financial year were services offered on behalf of our members, partners and clients as follows:

- lobbying and policy development
- product promotions and advertising services to industry and industry development
- market access and value-chain development
- funding and managing research and development
- industrial relations and human resources consulting
- strategic plans and project management
- creative communications and marketing
- administration and secretariat

The company's short-term objectives are to:

- provide targeted services to industry where the company has a competitive advantage
- maintain industry expertise to support the agri-political activities
- continue the improvement in financial performance to ensure a sustainable base for the future operation

THE COMPANY'S LONG-TERM OBJECTIVES ARE TO:

- deliver effective policy development and advocacy for horticulture
- be a truly peak body for all production horticulture which represents all commodities and is engaged with its members
- provide a range of valuable services to industry, and
- be a financially successful organisation with a commercial culture

TO ACHIEVE THESE OBJECTIVES, THE COMPANY HAS ADOPTED THE FOLLOWING STRATEGIES:

- engage with members, stakeholders and staff to identify issues and develop and improve Growcom policy and activities
- identify and establish collaborative and partnership opportunities with government and industry bodies to promote awareness of, and seek solutions to, issues that affect the horticulture industry
- effectively communicate policy development achievements to the broader industry and our stakeholders
- become the "go to" organisation for horticulture industry crisis management in Queensland
- proactively and effectively deliver outcomes for the pineapple industry, as their peak body
- become the lead delivery agent of choice for funded projects to horticulture
- provide relevant and cost-effective services of benefit to the industry,
- develop and implement a 'commercial culture'

REVIEW OF OPERATIONS AND RESULTS OF ACTIVITIES

The results of operations were as follows: profit after tax of the entity for the year ended 30 June 2017 was \$204,880 (2016 loss: \$322,727).

PERFORMANCE MEASUREMENT

The company measures its performance against the objectives outlined in the company's strategic plan.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year, the Company paid a premium to insure current directors or officers of the Company against certain liabilities. The insured perils under the policy are:

Directors and officers

The insurer agrees to pay (unless otherwise stated) on behalf of each director or officer all losses which he/she becomes legally obligated to pay on account of any claims first made against him/her during the policy period for a wrongful act committed before or during the policy period.

Company reimbursement

To reimburse the company for payments, it is legally entitled or obliged to indemnify directors or officers for claims made against them whilst acting in their capacity as directors or officers. It will not reimburse the company for claims made against the company.

Limit of liability is \$10,000,000 for any one incidence.

Premium for the year was \$10,000 (2016:\$16,500).

INDEMNIFYING AUDITOR

No indemnities have been given or insurance or premiums paid, during or since the end of financial year, for any person who is or has been an auditor of the entity.

PROCEEDINGS ON BEHALF OF THE ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any such proceedings during the year.

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Information on Directors



Les Williams

Non-Executive Director since 14 November 2013
Chairman since 23 November 2016

Les Williams is a third generation Wamuran pineapple grower. He was a director of Elimbah Co-operative for 20 years finishing in 2015. In 2007 he took on the role of Pineapple Growers Advancement Group (PGAG) Research and Development Representative.

PGAG has been integral in the development of the pineapple industry. As part of his PGAG role, Les helped develop the Pineapple Industry strategic Plan and the pineapple levy. He was voted the Pineapple Grower of the Year by the industry in 2012. Les completed the Building Rural Leader's program in 2007 and the Next Generation Leadership program in 2013.

Mr Williams is a Director of the Queensland Farmers' Federation. He is the Chairman of Queensland Horticultural Council and a member of Queensland Farmers' Federation Policy Council. He is also a member of the Finance and Audit sub-committee.



Sharron Windolf

Appointed as Director at AGM on
11 November 2015

Sharron Windolf plays an integral role in the management and success of Windolf Farms in partnership with husband and dedicated vegetable farmer, Paul, and other family members.

Windolf Farms produces lettuce, broccoli, parsnips, washed potatoes, pumpkins and watermelons for supermarkets, local and overseas markets.

Sharron has lived in farming areas of South East Queensland for most of her life and became involved in production horticulture on marrying Paul. They have four children.

She has a Bachelor of Commerce from the University of Southern Queensland and a committee member of the Lockyer Valley Growers Association.

Sharron is Growcom's nomination as board member of Austsafe Superannuation Fund

She was awarded the Ausveg Woman in Horticulture Award in 2016 and is a member of the Finance and Audit sub-committee.



Derek Lightfoot

Non-Executive Director since 14 November 2013
Vice-Chairman since 14 November 2013

Derek Lightfoot is the Managing Director of Tropical Pines Pty Ltd and has a keen interest in the welfare, growth and profitability of all grower enterprises across the industry.

Mr Lightfoot has a strong domestic and international background in business management, finance and risk management having held senior positions with such organisations as KPMG, Bank of Queensland (BOQ), Brisbane City Council, and The Rock Building Society.

Derek is a member of the Biosecurity Queensland Ministerial Advisory Committee and the Queensland Small Business Advisory Council. He is a Fellow of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia. Derek holds a Bachelor of Commerce.

He is the Chair of the Finance and Audit sub-committee.



Judy Shepherd

Appointed Casual Director 15 September 2016
Non-Executive Director since 23 November 2016

Judy Shepherd is a Citrus Orchardist in Gayndah. She operates three Mandarin orchards with her husband and son for the Australian Domestic markets and export markets throughout the world.

Judy's focus is on the strategic operational direction of the enterprise with an emphasis on emerging Asian Markets and establishing strong relationships with export customers. Through her role as Secretary of the Gayndah & District Fruitgrowers Association, she has worked locally in the industry for many years to ensure growers have access to best practice models and support in WHS, HR and IR processes and compliance.

She has a Bachelor of IT, Computer Software Engineering, and a Diploma of Agribusiness. She was an enthusiastic participant in the Growcom Women in Horticulture Program and received a bursary in 2012 to pursue further Professional Development.

Judy is a member of the Queensland Horticultural Council. She is also the Manager of a successful Regional Disability Employment site and works in this role as an advocate for people with a disability in their employment and training goals throughout the North Burnett Region.



Jonathan Shaw

*Non-Executive Director since 14 November 2013
Chairman until 23 November 2016*

Jonathan Shaw's family originally farmed sugar and dairy in the Bundaberg area, however, their rural activities are now based in south east Queensland. Mr Shaw's interests are in all aspects of agribusiness and include an agribusiness consulting practice (including clients such as Northern Cooperative Meat Company) and Mt Nimmel Blueberry farm at Austinville which he and his wife have owned for the past eleven years.

Jonathan is a company director (including several companies owned by the Brunei Government), a former secretary of the Australian Blueberry Growers Association, a company director and following a 30 year legal career as a partner in a national law firm, now acts mainly for clients in the agri sector. He also participates as an equity investor in a variety of horticultural and agricultural projects. Jonathan holds Bachelors of Commerce and Laws from the University of Queensland.



Belinda Adams

Non-Executive Director since 11 November 2015

Belinda Adams was a primary school teacher for 10 years before joining the family farming business, Coastal Hydroponics, on the Gold Coast. The business supplies herbs and packaged leaf salads to Coles. Belinda entered the business to take over the Quality Assurance program and was then promoted to the Production Manager's role.

She has been the Queensland representative on the board of EnviroVeg, a program dedicated to creating a profitable vegetable industry based on environmentally sustainable production available through Ausveg. Along with being the current Deputy Chair of Ausveg, she is also a Hort Innovation consumer alignment team member and an advisor to Vegpro – an industry driven professional training package.

She participated in Growcom's young growers leadership program 'Next Gen' in 2011 and has also taken part in professional development training programs for Quality Assurance. She has been keenly involved in Growcom's Women in Horticulture program and was awarded a bursary for professional development within the industry in 2012.

She was awarded Ausveg Horticultural Woman of the Year in 2013 and Grower of the Year in 2014.



Joe Moro

*Appointed to fill Casual Vacancy created by
resignation of Matt Hood on 20 November 2015
Non-Executive Director since 23 November 2016*

Joe is Chairman of the Mareeba District Fruit & Vegetable Growers Association and a mango grower. Joe has many years of experience in business and the horticulture industry, as well as wider community involvement across North Queensland.

He has been Chairman of the Mareeba District Fruit & Vegetable Growers Association since 1995 and in 1997 he was appointed by the Queensland Government to the Queensland Horticultural Institute Board in the Department of Primary Industries. He was a Mareeba Shire Councillor from 2000 until 2008 and served as the Chair of the Mareeba Shire Council Regional Art Development Fund. He has been a Board member of the Cairns Region Economic Development Corporation for a number of years.

As a Director of the Mareeba Regional Development Organisation (MRDO), he worked with the Board to develop the organisation into a Tableland-wide concern. This subsequently evolved into the Tableland Future Corporation and Joe continues to serve as a Director on the Board.

Joe also helped in the formation of the Australian Mango Industry Association and went on to serve as Chairman. He is a dedicated and experienced farmer and proprietor of the family farming business, A Moro & Son. He has grown a wide variety of crops over the years including pumpkins, zucchini, cucumbers, capsicums, tomatoes, papaws, watermelons, citrus and tobacco, but Joe now solely grows mangoes.

Joe is a member of the Queensland Horticulture Council.



Colin Jeacocke

Non-executive Director since 14 November 2013

Colin Jeacocke is a mango and dragon fruit grower at Gin Gin with extensive experience in fruit and vegetable production. He has also travelled widely and has been involved in international research and marketing. Col has been an active member for many years contributing to a number of local and regional commodity associations and grower groups, including being a past member of the Queensland Fruit & Vegetable Growers and Bundaberg Fruit & Vegetable Growers Boards. He has also been the past Chairman of the Queensland Mango Committee and Gin Gin Fruit and Vegetables Association.

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MEETINGS OF DIRECTORS

The number of director's meetings held during the financial year (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year were as follows:

	Face to face meetings			Finance and audit committee meeting	
	Number eligible to attend	Number attended		Number eligible to attend	Number attended
Les Williams	4	4	Les Williams	4	4
Derek Lightfoot	4	4	Derek Lightfoot	4	4
Colin Jeacocke	4	4	Sharon Windolf	4	4
Jonathan Shaw	4	3			
Sharon Windolf	4	4			
Belinda Adams	4	3			
Joe Moro	4	4			
Judy Shepherd	4	4			

SIGNIFICANT AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the entity in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The information required by section 299(1) (e) of the Corporations Act 2001 has been omitted from the report because the directors believe that it would result in unreasonable prejudice to the entity.

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

There has been no matter either during or since the end of the financial year which in the opinion of the directors would give rise to any conflict with the provisions of existing environmental regulation.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on the following page of the directors' report.

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



Les Williams
Chairman



Derek Lightfoot
Chairman Finance and Audit Committee

Dated 28 September 2017



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AUDITOR'S INDEPENDENCE DECLARATION FOR THE YEAR ENDED 30 JUNE 2017



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Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF QUEENSLAND FRUIT & VEGETABLE GROWERS LIMITED

As lead auditor of Queensland Fruit & Vegetable Growers Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'T R Mann', is written over a light blue horizontal line.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 28 September 2017

Queensland Fruit & Vegetable Growers Limited
 (A Company Limited By Guarantee)
 ACN 090 816 827

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
INCOME FROM CONTINUING OPERATIONS			
Revenue			
Project revenue		2,304,280	2,263,551
Other revenue from ordinary activities		1,128,706	738,094
Interest revenue		31,127	46,395
Gain on sale of available of Property, Plant and Equipment		-	25,398
Total Income from Continuing Operations		3,464,113	3,073,438
EXPENSES FROM CONTINUING OPERATIONS			
Employee benefits expense		1,955,586	2,151,246
Depreciation and amortisation expense		62,175	60,035
Rental expense on operating leases		196,987	176,593
Office expenses		144,222	110,078
Project management expenses		487,579	365,756
Travel expenses		93,048	84,923
Other expenses	2	319,636	447,534
Finance costs		-	-
Total Expenses from Continuing Operations		3,259,233	3,396,165
Profit/(loss) before income tax		204,880	(322,727)
Income tax expense	1 (h)	-	-
Profit/(loss) for the year		204,880	(322,727)
Other comprehensive income		-	-
Total comprehensive income		204,880	(322,727)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,452,355	1,666,417
Trade and other receivables	4	497,796	568,320
TOTAL CURRENT ASSETS		1,950,151	2,234,737
NON-CURRENT ASSETS			
Property, plant and equipment	5	147,822	151,035
TOTAL NON-CURRENT ASSETS		147,822	151,035
TOTAL ASSETS		2,097,973	2,385,772
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	212,501	363,582
Borrowings	7	32,654	36,896
Other current liabilities	8	777,275	1,063,595
Current employee provisions	9	49,660	69,354
TOTAL CURRENT LIABILITIES		1,072,090	1,533,427
NON-CURRENT LIABILITIES			
Borrowings	7	3,009	30,390
Non-current employee provisions	9	14,999	18,960
Total non-current liabilities		18,008	49,350
TOTAL LIABILITIES		1,090,098	1,582,777
NET ASSETS		1,007,875	802,995
EQUITY			
Retained earnings		-	-
Reserves		1,007,875	802,995
TOTAL EQUITY		1,007,875	802,995

The accompanying notes form part of these financial statements.

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

	Accumulated Surplus/ Deficit	Corporate Reserve	Total
	\$	\$	\$
Balance at 1 July 2015		1,125,722	1,125,722
Profit/ (loss) attributable to the entity	(322,727)	-	(322,727)
Total comprehensive income for the year	(322,727)	1,125,722	802,995
Transfers to and from reserves	322,727	(322,727)	-
Balance at 1 July 2016	-	802,995	802,995
Profit attributable to the entity	204,880		204,880
Total comprehensive income for the year	204,880	802,995	1,007,875
Transfers to and from reserves	(204,880)	204,880	-
Balance 30 June 2017	-	1,007,875	1,007,875

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of project revenue		3,176,520	3,451,026
Payments to suppliers and employees		(3,3372,503)	(3,495,729)
Interest received		31,127	46,395
Finance costs			-
Net cash provided by/(used in) operating activities		<u>(185,652)</u>	<u>1,692</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on sale of property, plant and equipment		-	25,398
Payments for property, plant and equipment		3,213	(1,587)
Net cash provided by/(used in) investing activities		<u>3,213</u>	<u>23,811</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease commitments		(31,623)	(20,020)
Net cash provided by/(used in) financing activities		<u>(31,623)</u>	<u>(20,020)</u>
Net increase/(decrease) in cash and cash equivalents		(214,062)	5,483
Cash and cash equivalents at beginning of the financial year		1,666,417	1,660,934
Cash and cash equivalents at the end of the financial year	3	<u>1,452,355</u>	<u>1,666,417</u>

The accompanying notes form part of these financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The financial statements are for Queensland Fruit & Vegetable Growers Limited (QFVG) as an individual entity, incorporated and domiciled in Australia. Queensland Fruit & Vegetable Growers Limited is a company limited by guarantee. The entity is considered a not for profit for the purpose of preparing these financials.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit entities.

(i) New and amended standards adopted

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

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

The financial statements have been prepared on an accruals basis and are based on historical costs, except for financial assets for which a fair value basis has been adopted.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

1: Accounting policies

(a) Revenue

Government grants - Reciprocal Transfer

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants - Non-Reciprocal Transfers

Government grants related to non-reciprocal transfers are recognised when the company obtains control of the Grant, it is probable that the economic benefits of the grant will flow to the entity and the amount of the grant can be measured reliably.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

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Class of fixed asset	Depreciation rate
Motor vehicles and forklifts	5-10 years
Furniture, fittings and equipment	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset class's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(d) Financial instruments

Initial recognition and measurement

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

value plus transactions costs except where the instrument is classified, at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

(i) *Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(ii) *Financial liabilities*

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

Fair value

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

Impairment

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

(e) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash and cash equivalents

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

'Cash flows are presented in the statement of

cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Income tax

The company is a tax exempt organisation in accordance with section 50 40 ITAA 1997 as determined by the Directors. No provision has been made for income tax as the Company operates solely as a not for profit organisation promoting development of Australian resources and qualifies for exemption from income tax under S50 40 ITAA 1997. In addition, no dividends can or will be paid by the Company due to its constitution.

(i) Unearned project revenue

Unearned project revenue represent liabilities for project revenue received prior to the end of the financial year and which are unearned as at the reporting date.

(j) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Accounting standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below.

AASB 9 Financial Instruments

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2018. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This

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standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal.

The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The entity has not yet evaluated what impact adoption of this standard will have.

AASB 1058 Income of Not-for-Profit Entities

This standard and its consequential amendments are currently applicable to annual reporting periods beginning on or after 1 January 2019. This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

AASB16 Leases

This standard and its consequential amendments are currently applicable to annual reporting

periods beginning on or after 1 January 2019. When effective, this standard will replace the current accounting requirements applicable to leases in AASB117 Leases and related interpretations. AASB16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. This means that for all leases, a right-to-use asset and a liability will be recognised, with the right-to-use asset being depreciated and the liability being unwound in principal and interest components over the life of the lease. The entity has not yet evaluated the impact adoption of this standard will have.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(l) Assessment of whether a grant is 'reciprocal' or 'non-reciprocal'

The company receives various grants from government bodies. As disclosed in Note 1 (k) above the company is required to make an assessment of whether a grant consists of a 'non-reciprocal transfer' that is accounted for in accordance with AASB 1004 Contributions or as a 'reciprocal transfer' that is accounted for in accordance with AASB 118 Revenue and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. The accounting policy for each of these is disclosed in Note 1 (k).

	2017	2016
	\$	\$
NOTE 2: EXPENSES		
Profit before income tax includes the following specific expenses:		
Audit services	16,226	10,000
Overheads & membership	188,499	332,371
Other expenses	114,912	105,163
Total	319,636	447,534
Rental expense relating to operating leases		
Total rental expense relating to operating leases	196,987	176,593
Superannuation		
Defined contribution superannuation expense	165,761	175,620
NOTE 3: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	350,868	520,648
Cash in hand	78	500
Short term deposits	1,101,409	1,145,269
Total	1,452,355	1,666,417
NOTE 4: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	411,583	464,221
Other receivables	86,213	104,099
Total	497,796	568,320

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	2017	2016
	\$	\$
NOTE 5: PROPERTY, PLANT & EQUIPMENT		
Furniture, fixture and fittings		
At cost	56,409	922,818
Less accumulated depreciation	(38,088)	(884,001)
	<u>18,321</u>	<u>38,817</u>
Motor vehicles and forklifts		
At cost	308,221	368,289
Less accumulated depreciation	(178,720)	(256,071)
	<u>129,501</u>	<u>112,218</u>
Total property, plant & equipment	<u>147,822</u>	<u>151,035</u>

	Furniture, fittings and equipment \$	Motor vehicles and forklifts \$	Total \$
Carrying amount at the beginning of the year	38,817	112,218	151,035
Disposal at written down value		-	-
Additions at cost	2,881	57,105	59,986
Depreciation expense	(23,377)	(39,822)	(63,199)
Carrying amount at end of year	<u>18,321</u>	<u>129,501</u>	<u>147,822</u>

	2017	2016
	\$	\$
NOTE 6: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	13,243	91,992
Accrued expenses	98,557	159,371
Annual leave accrual	100,700	112,219
Total	212,501	363,582

NOTE 7: BORROWINGS

CURRENT

Lease liabilities, secured	32,654	36,896
	<u>32,654</u>	<u>36,896</u>

NON-CURRENT

Lease liabilities, secured	3,009	30,390
	<u>3,009</u>	<u>30,390</u>

Total

	<u>35,663</u>	<u>67,286</u>
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Leased liabilities are secured by the underlying leased assets.

NOTE 8: OTHER CURRENT LIABILITIES

CURRENT

Unearned project revenue	777,275	1,063,595
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Total

	<u>777,275</u>	<u>1,063,595</u>
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No interest is payable on unearned project revenue

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	2017	2016
	\$	\$
NOTE 9: PROVISIONS		
CURRENT		
Long-term employee entitlements	49,660	69,354
	<u>49,660</u>	<u>69,354</u>
NON-CURRENT		
Long-term employee entitlements	14,999	18,960
	<u>14,999</u>	<u>18,960</u>
Total	<u><u>64,659</u></u>	<u><u>88,314</u></u>

NOTE 10: RESERVES

Corporate Reserve

The corporate reserve is utilised to support the principal business activities of Queensland Fruit & Vegetable Growers Limited as listed in the Director's Report, in furtherance of the horticulture industry's success

NOTE 11: CAPITAL AND LEASING COMMITMENTS**a. Finance Lease Commitments**

Payable		
— minimum lease payments		
— not later than 12 months	33,404	36,896
— later than 12 months but not later than 5 years	3,023	43,365
Minimum lease payments	<u><u>36,427</u></u>	<u><u>80,261</u></u>

Finance leases on three motor vehicles (2016: 3) are three to five-year leases, all with an option to purchase at the end of the lease terms. All finance leases are secured by the assets to which the respective leases relate.

b. Operating Lease Commitments	2017	2016
Non-cancellable operating leases contracted for but not capitalised in the financial statements	\$	\$
Payable		
— minimum lease payments		
— not later than 12 months	133,276	36,252
— later than 12 months but not later than five years	48,776	37,335
	<u>182,052</u>	<u>73,587</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitments may occur in line with CPI.

NOTE 12: MEMBERS' GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2017 the number of members was 396 (2016: 389).

NOTE 13: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons.

NOTE 14: DIRECTOR REMUNERATION

	2017	2016
	\$	\$
Director remuneration	50,347	77,000
Total	<u>50,347</u>	<u>77,000</u>

NOTE 15: KEY MANAGEMENT PERSONNEL REMUNERATION

	2017	2016
	\$	\$
Key Management Personnel remuneration	360,803	398,617
Total	<u>360,803</u>	<u>398,617</u>

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NOTE 16: EVENTS AFTER THE REPORTING DATE

There are no events that have occurred after the reporting date that require disclosure.

NOTE 17: ENTITY DETAILS

The registered office of the entity and principal place of business is:

Queensland Fruit & Vegetable Growers Limited
Level 3, 183 North Quay, Brisbane, QLD 4000.

DIRECTORS' DECLARATION

In the director's opinion:

- (a) the financial statements and notes, as set out on pages 30 to 44 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

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



L Williams
Chairman



D Lightfoot
Chairman Finance and Audit Committee

Dated 28th September 2017



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INDEPENDENT AUDITOR'S REPORT

To the members of Queensland Fruit and Vegetable Growers Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Queensland Fruit and Vegetable Growers Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Queensland Fruit and Vegetable Growers Ltd, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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



Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'T R Mann', is written over a faint, light-colored BDO logo watermark.

T R Mann
Director

Brisbane, 28 September 2017



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