



ANNUAL REPORT

2018/19

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sfmca.com.au

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Stock Feed Manufacturers' Council of Australia, Canberra, ACT

Introduction

For almost 60 years, SFMCA has represented the interests of the stock feed manufacturing industry in Australia. It is recognised by governments and other industry sectors as the 'go to' organisation for stock feed issues in Australia and has a powerful and influential voice.

The strength of the SFMCA brand means the organisation can successfully represent the stock feed industry, form alliances with businesses and stakeholder organisations and, most importantly, communicate with the Australian Governments on matters of importance. SFMCA Members produce approximately 95% of manufactured stock feed in Australia.

The SFMCA 2019 Annual Report details much of the important work and achievements accomplished by SFMCA in the past 12 months. The publication is an opportunity for Members to see what their support enables SFMCA to achieve on their behalf. For non-Members, the information included in this report is intended to educate about the ongoing work, challenges and successes of the organisation. It is hoped this report will encourage non-Members to consider joining or supporting SFMCA as it continues to fight for the agricultural community.

As a not-for-profit organisation, SFMCA relies on the support of current and new Members to be able to continue working for positive change.

Thank you for your support.

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Chairman's Message

It is with great pleasure that I present the 2019 Annual Report on behalf of the Stock Feed Manufacturers' Council of Australia (SFMCA). 2018-19 proved to be as eventful as any year for SFMCA, with some significant changes having kept the organisation on its toes.

The 2019 season has seen the continuation and spread of a long lasting drought on the east-coast of Australia while the west-coast went from strength to strength. SFMCA is, of course, sympathetic towards those who experienced the difficult seasons.

The overall strong prices for poultry and red meat has enabled the continued feeding of stock for breeding and finishing purposes. Pork has, unfortunately, been riding the roller coaster with some signs of production starting to break even as we moved into the new financial year.



Photo courtesy of Courier Mail, Qld

Internationally and nationally SFMCA has continued to build on the foundations laid down by John Spragg with his work with the International Feed Industry Federation and on national programs like FeedSafe, training program, TSE Freedom Assurance Program and the National Feed Standards. In addition, we have started working more closely with our end-user representative bodies such as Australian Pork Limited, Insect Protein Association of Australia, and key stakeholders Animal Health Australia, and Australian & State Governments. I continue to represent Australia on the IFIF Board of Executive Directors and Duncan Rowland at the International Feed Regulators Meeting. The Federal Council see these as pivotal roles for Australia as the effect of global legislative burdens start to play a part in trade negotiations.

Federal Government and national issues continue to influence our members, and the importance of our role and the contribution made by our staff and national delegates cannot be overstated. Each of these national issues has a direct effect on our Members' wellbeing and financial performance. In order to raise our profile on the national stage we have started holding meetings with the State Ministers for Agriculture and their senior staff. In March we met with the Tasmanian Minister for Agriculture and Energy, The Honourable Guy Barnett and staff. This was a low key dinner where matters of common interest were discussed. It is events like this that start to raise awareness of our industry issues with the governments.

September 2018 saw the end of John Spragg's 14-year term as our EO. John was an integral part of driving a number of cornerstone projects and his technical knowledge is second to none. The Federal Council and I thank him for his contribution. We welcomed Duncan Rowland as our new EO in September 2018 and I am sure for those that have met Duncan and been a part of the work he and his team is undertaking on our (Members) behalf can say we are in good hands.

I would like to thank the SFMCA staff, all of whom have worked tirelessly and willingly carried extra responsibilities during the year. I also thank the elected representatives, whose voluntary contribution cannot be understated. Finally, thank you to our members, sponsors and partners who continue to support SFMCA – without you, SFMCA could not carry out the exceptionally important work that it does.

David Bray
Chairman

Executive Officer's Report



I welcome all Members to the 2019 Annual Report, my first as Executive Officer (EO) of SFMCA. 2018-19 has seen some significant changes throughout the organisation, one of which was the retirement of John Spragg and my appointment as EO.

I have been humbled by the support I have received for which I am truly grateful. While I am still learning the ropes and people within the organisation are getting to know me, I recognise the enormous potential SFMCA has to continue to engage with those in the industry that are not Members.

Since stepping into the role in September 2018, I have engaged with lots of Members and industry stakeholders alike, all of whom share the same goal – to create a viable, profitable and sustainable stock feed industry in Australia. SFMCA's primary purpose is to serve our Members. I consider there to be some work needed in this space to ensure member satisfaction, I recognise that there has been great work done on projects in recent years but I would like to really boost engagement and facilitate discussion and action from you the Members. This is why we have the five Branches. Each of the Branches is a sub-committee of the Federal Council and has a direct path to the Federal Council for issues that need elevating.

To our Members, thank you for your continued support throughout 2018-9. I am excited to meet you as I get about and to really get an understanding of the issues facing you and your businesses. While I will endeavour to get out to the Branches as much as possible, I strongly encourage you to attend the Australasian Milling Conference: *Beyond 2020 Feeding the Future* which will be held from 17-19 May 2020 on the Gold Coast. It promises to be a fantastic event that will recognise the industry's ever-increasing strength, and celebrate the future and what's in store for the industry. We have again partnered with the Australian Technical Millers' Association and the Feed Ingredients and Additives Association of Australia for the event. In addition AMC has continued to partner with the Poultry Information Exchange to host the conference, providing value to all attendees as well as associations involved.

During the year the Federal Council reviewed the Strategic Plan for 2017 – 2021 and included organisational deliverables focusing on the business. The four pillars provide the areas that are a focus for our industry and organisation. Standards through our FeedSafe program remains of major importance. The area of people, in particular training and safety, is placed as a much higher priority. The sustainability pillar provides our Federal Council with a direction where we can implement strategies and actions to ensure we have a long term sustainable industry. The new goal acts as the foundation for these pillars for without a viable and robust organisation we will not be able to achieve the other goals. The Strategic Plan is a tool for both our Federal Council and State Branches to operate under.

Thank you also to the Federal Council, SFMCA staff, elected Branch Executive Committees, all of whom have shown me great support and guidance over the last twelve months. I look forward to working with you all as SFMCA continues to drive for the betterment of the stock feed industry, and hope you are all as excited as I am for the future of the association and how it will benefit our Members.

Before I finish I would like to bring your attention to the Industry Partners for their continued support of the SFMCA. Their support is being used to operate our FeedSafe program and further develop the Advanced Feed Milling Training Course resource materials. We cannot speak more highly of their involvement.

A handwritten signature in black ink, appearing to read 'Duncan Rowland'.

Duncan Rowland
Executive Officer

Submissions, Memberships & Collaboration

Submissions

SFMCA continues to represent your industry on various issues, the following are some of the areas of representation through the year:

- Submission to the Queensland Government on the review of Queensland veterinary prescription regulation.
- WA Dept of Primary Industry and Regional Development (DPIRD) review of feed legislation.
- DPIRD review of agricultural chemical record keeping.
- Attendance at the National Biosecurity Roundtable.
- Submission to the Senate enquiry into National Horse Traceability.
- Sent letters to Animal Health Australia and Animal Health Committee requesting direction on regulatory controls for insect meal use in animal feeding.
- National Feed Standards - letters to Animal Health Committee requesting governments act on implementing the Standards.
- Provided feedback to Australian Government on the impact of the live sheep trade moratorium and its effect on the stock feed industry.
- Worked with NSW Dept of Primary Industries to establish group permits for the importation of lupins into NSW from regions with anthracnose.
- Worked with the Australian Government and Australian Pork Ltd on African Swine Fever matters.
- Provided guidance to Skills Impact regarding training packages.
- Provided feedback on documents to the Codex Task Force On Antimicrobial Resistance.
- Assisted with the development of an Australian position regarding feedback on documents relating to Codex Committee on Contaminants in Foods.



Memberships

The SFMCA is represented on a number of working groups, committees, organisations that assist the Council in meeting certain outputs of our Strategic Plan 2017-22. These include:

Australian Agricultural Manufacturers Alliance

SFMCA partners with a range of agricultural manufacturing sectors (Australian Meat Industry Council, Australian Dairy Processor's Federation, Australian Oilseeds Federation, Australian Chicken Meat Federation, Cotton Ginners, Australian Sugar Milling Council) to enable common issues are developed and worked on. The alliance builds on or leverages the critical mass that's required by government to see an issue as being relevant. The alliance's major focus is on energy and the provision of cost effective, reliable base load energy requirements to our respective sectors.

Australian Oilseeds Federation (AOF)

The Council is a financial member of the AOF. As a result of this, your Executive Officer holds a seat on the AOF's Executive Committee.

Feed Grain Partnership

SFMCA is a partner working with key livestock industry sectors and their Research Development Corporations to co-ordinate research relating to feed grains and grain end use.

International Feed Industry Federation (IFIF)

We are a financial member of the IFIF and very active in the governance and projects led by the Federation. The Council's Chair (David Bray) is a member of the Executive Committee representing our (and those of the Feed Ingredients and Additives Association of Australia) needs on the international stage. We have chaired a small number of working groups and continue to provide strategic advice to organisations like the Food and Agriculture Organisation (FAO) and Codex Alimentarius that IFIF partners with.



National Working Party on Grain Protection

This working party is a committee of Grain Trade Australia (GTA) which looks at chemical use, contamination and storage options for grain in Australia. As this is an important issue for our membership SFMCA has positioned itself to be a conduit between the cutting edge of policy formulation and its membership.

SAFEMEAT

The Council was provided observer status on the SAFEMEAT Advisory Group during 2018-19. SAFEMEAT recognises the important part the feed manufacturing industry plays in the food safety of the livestock industries.

TSE Freedom Assurance Program

SFMCA participates in this national program managed by Animal Health Australia which includes the ruminant feed ban controls. SFMCA has part funded this project since its inception in 2004.

Traceability Working Group

The Council provided guidance from an industry perspective on the development of key principles to be met by agricultural traceability programs. This work provided a cornerstone document for all agricultural sectors and governments in the development of traceability systems, which should be undertaken as a partnership between these two sectors.

Collaborations

Collaborations between and within organisations is a major component of working in and across sectors. It enables organisations to leverage off the other(s) and maximise returns whether these are financial or representational. This last financial year has seen a consolidation of this based on the work that has occurred over previous years. Special attention needs to be paid to the following organisations with which we work very closely:

- Australian Technical Millers Association (ATMA)
- Feed Ingredients and Additives Association of Australia (FIAAA)
- Grains Industry Association of Victoria (GIAV)
- Insect Protein Association of Australia (IPAA)

SFMCA works very closely with the ATMA and FIAAA on a number of fronts. We share office resources, we work together on various projects of common interest (e.g. antimicrobial resistance) and hold combined meetings where deemed beneficial to the party's membership. Most importantly, we partner on the Australasian Milling Conference. The GIAV and SFMCA continue to run an annual meeting and dinner with a small number of speakers on pertinent industry topics. This meeting consistently attracts over 120 attendees every year.



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Australasian Milling Conference

Organisation for AMC 2020 is well advanced with the dates set for 17- 19 May 2020. AMC will again be conjointly held with PIX at the Gold Coast Convention and Exhibition Centre.

The 2020 conference theme is “Beyond 2020 - Feeding the Future”. The speaker’s program is taking shape with a number of speakers already agreeing to take part. The Gold Coast Convention and Exhibition Centre is a world-class venue and coupled with the exciting social program planned with the conference allows for relaxed discussion opportunities and a chance to catch up with friends and colleagues.

The first partners have made commitments to AMC and we look forward to other companies getting on board to support AMC as well as promoting their company. Bookings for trade exhibition stands are open and it is anticipated that we will again have over 280 stands taken up.



AMC2020
AUSTRALASIAN MILLING CONFERENCE
17-19 MAY 2020

AMC is run by the three organisations: Australian Technical Millers’ Association, the Feed Ingredients and Additives Association of Australia and Stock Feed Manufacturers’ Council of Australia. Our AMC organising committee is led by David Bray as chairman with Neil Gannon chair of the program committee, Fiona Taylor chair of the social committee and Denis M’Gee the partners and exhibitors committee, together with other committee members.

AMC 2020 is shaping up to be a feature of our organisations activities for 2020 and we look forward to having a large number of our members attend.

Development Award

The next Development Award will be run in conjunction with AMC 2020. Applications for the Award will open in early 2020. The winners will take part in AMC 2020, followed by a tour of the Queensland stockfeed and livestock industries.

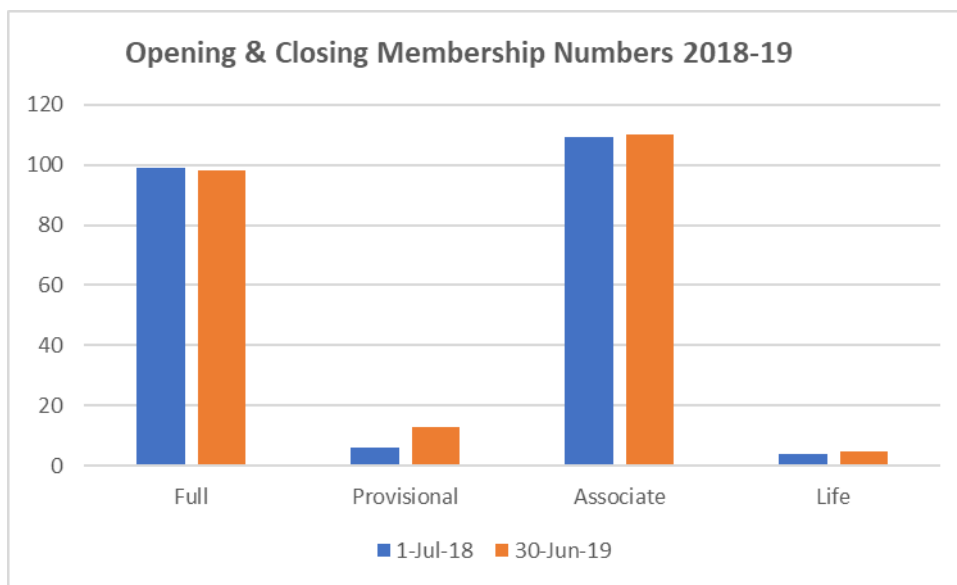


Membership

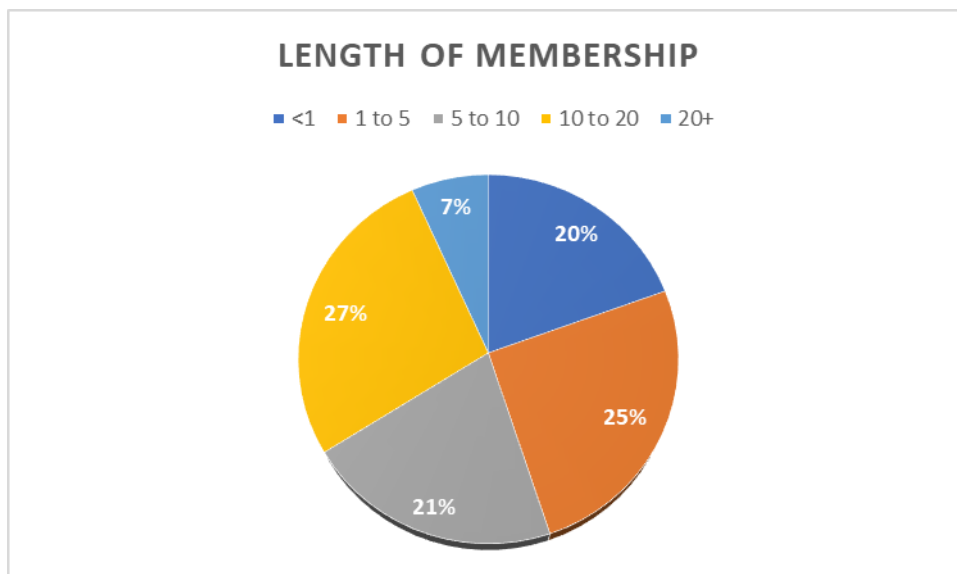
At the close of the financial year the number of Full/Provisional members was 105, this being a net gain of seven Provisional members through 2018/19. A number of these new members have joined SFMCA to access the FeedSafe accreditation program, leaving other organisations (and their integrity systems) to do so.

Associate membership has seen the loss of 15 members which have been replaced by 14 new associate members.

We welcomed Robert Parkes as a Life Member with this being recognised at a Victoria/Tasmania Branch meeting held in Melbourne in November 2018. Robert served our Victoria/Tasmania Branch and as national Chair for many years during the mid-2000s. Well done to Robert for his achievement and recognition by his peers.



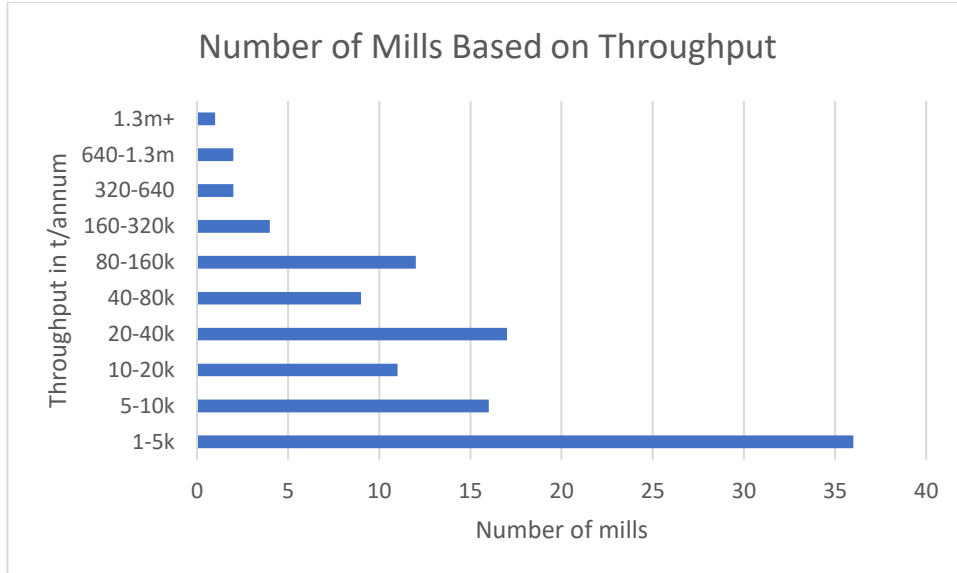
The Council’s ability to keep members is very good once the member has achieved FeedSafe accreditation and maintained the accreditation for at least 12 months.





FeedSafe Program

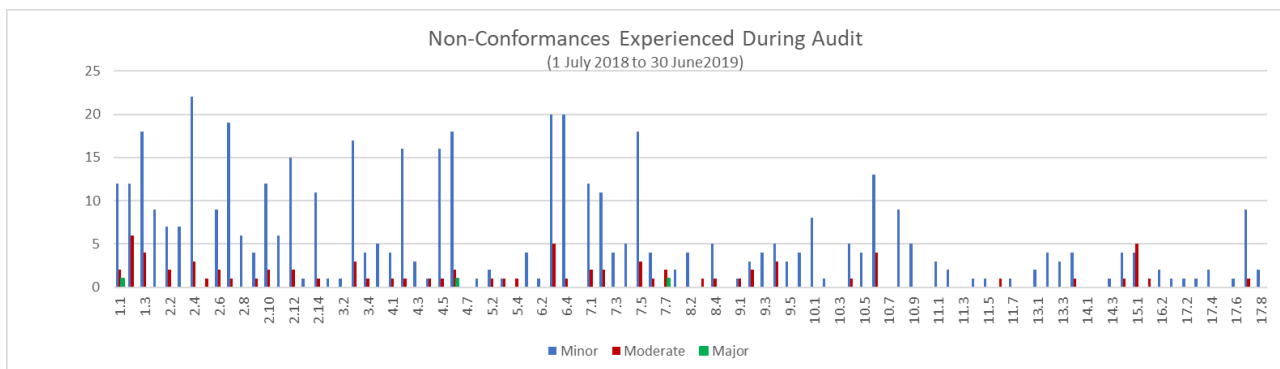
This past year has seen further growth in FeedSafe as nine additional sites completed accreditation. One site lost accreditation through the business sale and transfer to new owners.



As a result of the FeedSafe Review initiated by the Federal Council in 2017 the outcomes of the review were implemented on the 1 February 2019. The review was not to make sweeping changes, but to focus on perceived weaknesses and gaps in the existing program that could be addressed. The process included reviewing the FeedSafe Code of GMP, Audit Checklist and other guideline documents. The major outcome was the tightening of standards where a number of 'shoulds' were tightened to 'musts' and the introduction of non-conformance thresholds based on length of time spent in the program.

Since the implementation of the new thresholds a number of mills did not pass the audit and as a result required time to close out these non-conformances to ensure accreditation was maintained. In the period 1 February 2019 to 30 June 2019 ten accredited mills failed. Each mill was provided with two months to close out the non-conformances and have the auditor sign off and provide the paperwork back to the FeedSafe administrators. Every mill met this two month requirement. To put this into perspective 70 audits were undertaken in the same period.

The graph below shows the frequency of the non-conformances for the last financial year, effectively the number of times a question received a non-conformance.



Industry Training

The last twelve months has shown consolidation of the two training programs SFMCA developed and implemented.

FeedSafe Training Package

This program is for members and their staff. It is a free on-line course that can be accessed via the SFMCA website http://www.sfmca.com.au/feedsafe/feedsafe_training/. These basic training units have been written for any employee to complete, even if they have no knowledge or experience in the stock feed industry. The training includes assessment questions with a printed certificate of completion. It is a great induction course that is being used by mills on an annual basis for their staff to reinforce the basic principles of FeedSafe.

Advanced Feed Milling Training Course

The SFMCA and UQ Skills (University of Queensland) joined forces to develop the Advanced Feed Milling Training Course which was launched in December 2015. During the last year we have seen a growing number of companies and their staff enrolling.

A total of 64 students enrolled in the full course or modules for 2018-19. There are 11 graduates of the course with all six modules having been completed. There are 17 member companies and five non-member companies utilising the course for the staff. There are also some internationally based companies using the course.

The training is flexible in allowing completion of either individual modules or the full course. Training provision is online using the University of Queensland Blackboard external student system. Employees complete the training at their own pace. They are required to complete training assessment tasks both by submitting for assessment as well as on-site assessment projects. Each company enrolling staff needs to have their own onsite supervisor.

The [SFMCA Certificate in Advanced Feed Milling](#) details can be viewed on the UQ Skills website.

Modules and topics for the Course are:

MODULE 1. Introduction to feed milling

- Topic 1 Introduction to Australian feed milling
- Topic 2 Mill design and layout
- Topic 3 Stock feed quality assurance
- Topic 4 Safety in feed mills
- Topic 5 Computerised (Automated) Systems

MODULE 2. Ingredient receival, handling and storage

- Topic 1 Ingredient receival
- Topic 2 Ingredient handling and storage: bulk dry ingredients
- Topic 3 Ingredient handling and storage: liquids and bagged raw materials
- Topic 4 Raw material storage and environmental control

MODULE 3. Particle size reduction

- Topic 1 Introduction – grinding and why we do it
- Topic 2 Hammer milling
- Topic 3 Roller milling
- Topic 4 Other techniques in cereal grain and forage processing

MODULE 4. Weighing, batching and mixing

- Topic 1 Production scheduling, and the batching process
- Topic 2 Weighing and batching
- Topic 3 Mixing
- Topic 4 Premixes



MODULE 5. Pelleting

- Topic 1 Pelleting Introduction
- Topic 2 Pelleting in the stock feed manufacturing process
- Topic 3 The pelleting system
- Topic 4 Theory of pelleting 1
- Topic 5 Theory of pelleting 2
- Topic 6 Steam and conditioning
- Topic 7 Pelleting quality
- Topic 8 Pelleting system operation
- Topic 9 Post-pelleting processes
- Topic 10 Ration composition and pellet quality
- Topic 11 Computerised systems
- Topic 12 Advances and alternatives in pelleting equipment and procedures

MODULE 6. Finished feed storage and handling

- Topic 1 Quality assurance procedures for finished feeds
- Topic 2 Finished feed dispatch and delivery

For more information or a brochure, contact UQ Skills:

Phone: +61 7 5460 1353

Email: uqskills@uq.edu.au



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AUSTRALIA

CREATE CHANGE

SFMCA Partners

Insurance Program

The SFMCA continues to work with PCS Griffiths Goodall Insurance Brokers in the provision of insurance cover for feed manufacturers. This joint work goes back to the period when feed companies were unable to secure insurance cover and SFMCA was able to work with PSC GGIB and underwriters to ensure insurance quotations could be obtained.

Corporate Partners

We thank our industry partners for their support and ask members to consider supporting these companies. Funds obtained through this program is being used in developing training resource materials and promoting FeedSafe.

ADM Australia Pty Ltd

Contact: Mr Hamish Irvine

Phone: 0419 740 814

Email: Hamish.irvine@adm.com

Website: <http://www.adm.com/australia>



ADM Trading Australia Pty Ltd

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Phone 08 8210 9000

Email: trading.ade@adm.com

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Biomin Australia Pty Ltd

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Email: neil.gannon@biomin.net

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Customvac Australia

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Elanco Animal Health

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Feedworks Pty Ltd

Contact: Mr Malcolm Mottram

Phone: 03 5429 2411 or 0407 366 118

Email: mal.mottram@feedworks.com.au

Website: www.feedworks.com.au



PSC Griffith Goodall Insurance Brokers Pty Ltd

Contact: Mr Ian Simpson or Mr Nathan Goodall

Phone: 03 5821 7777 or 0409 576 883

Email: ggib@ggib.com.au

Website: www.ggib.com.au



**PSC GRIFFITHS
GOODALL**

GrainCorp Oilseeds

Contact: Mr Brendan Farrer

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Email: bfarrer@graincorp.com.au

Website: <http://www.graincorp.com.au/>

**GrainCorp
Oilseeds**

Kemin AgriFoods

Contact: Mr Matthew Henry

Phone: 02 9844 5700 or 0439 136 602

Email: matthew.henry@kemin.com

Website: <http://www.kemin.com>

KEMIN®

Lallemand Animal Nutrition

Contact: Mr Alex Turney

Phone: 1300 247 448 or 0419 005 511

Email: aturney@lallemand.com

Website: www.lallemandanimalnutrition.com.au



LALLEMAND ANIMAL NUTRITION

Corporate Information

Directors

David Bray (Chair)
Kym Wilhelm (Deputy Chair)
Ross Allomes
Grant Boal
Robin Campbell
David Jemmett
Adrian Moule
Steve Newman
Richard Sevil
Jacobus Tolken

Executive & Public Officer

Duncan Rowland

Registered Office

53 McCormack St, Curtin ACT 2605

Bankers

National Australia Bank Limited
39-41 High St, Berwick, Victoria 3806

Auditors

Super Audit Services
PO Box 552, Dromana, Victoria, 3936

Australian Business Number

84 816 063 155



Photo Courtesy of McLean Farms

Your Board



David Bray
Chair
Executive Committee
Qld Councillor

David is a Director of the Darwalla Group of businesses which produce poultry under the Golden Cockerel brand. Located at Mt Cotton west of Brisbane the operation is vertically integrated with its own feed mill and shared processing plant. David is also a Director on the International Feed Industry Federation and heavily involved in Rotary.



Kym Wilhelm
Vice Chair
Executive Committee
SA Councillor

Kym holds a senior management role with DSM Nutritional Products and is based in Adelaide. DSM produces stock feed and additives for the feed milling sector and is part of a multi-national conglomerate based in Europe.



Adrian Moule
Vic/Tas Councillor
Executive Committee

Adrian is the General Manager for Rex James Stockfeed and Fertilisers based in Nathalia NE Victoria. He has held senior management roles for Landmark, Grainfarmers UAP and Dalgety.



Ross Allomes
WA Councillor

Ross is the Operations Manager at Thompson and Redwood, a manufacturer of stockfeed in the Perth environs. Ross has been in the industry for over 30 years involved in mills in the eastern states as well as WA. He also has experience in pet food manufacturing as well.



Grant Boal
Qld Councillor

Grant is the General Manager – Feed Division at Riverina Australia based in Brisbane Qld. He has extensive experience in manufacturing across a number of industries with the last 15 years in stockfeed.



Robin Campbell
SA Councillor

Robin is a seasoned feed mill operator working for Ridley AgriProducts based in Wasley's feed mill (SA).

Ridley is Australia's largest feed milling operation with approx. 26 mills around Australia producing feed for all animals (companion, livestock and aquatic).



David Jemmett
Vic/Tas Councillor

David is the COO of Southern Stock Feeds based in Bendigo with a number of mills throughout Victoria. David has a vast array of stock feed experience both internationally and domestically.



Steve Newman
WA Councillor

Steve has been with Milne Feeds for over 20 years and holds the position of COO. Milne Feeds is part of the vertically integrated business Milne AgriGroup, one of the largest integrated agribusiness groups in Western Australia, with operations extending from the Kimberley region, to Albany and covering cattle, pigs and poultry.



Richard Sevil
NSW Councillor

Richard is the Manager, Feedmill Operations for Inghams Enterprises. He is responsible for the company's seven mills.



Kobus Tolken
NSW Councillor

Kobus is the manager of milling at Mauri Foods (Weston's) in Sydney. He has great international experience having led milling operations in New Zealand, Nigeria and South Africa.

The Team



Duncan Rowland (Executive Officer, Development Officer – Vic/Tas)

Duncan joined SFMCA in September 2018 and is building on the great work of his predecessor. He is an experienced biosecurity and public health policy executive having worked in the feedlot sector, research & adoption, education and Animal Health Australia. He is also EO for the FIAAA.

Duncan has a Bachelor of Applied Science (Agriculture), Graduate Certificate in Business Administration, and Masters in Veterinary Public Health Management.



Fiona Taylor (Systems Support)

Fiona has worked for grain milling companies and now holds the position of Executive Officer for the Australian Technical Millers Association as well as working for SFMCA in Systems Support.

Fiona holds qualifications in International Business Management.



Denis M'Gee (Development Officer – NSW, Qld, SA)

A qualified, experienced technical and management systems consultant with over 25 years plus experience in feed manufacturing and ISO management compliance. He is a registered animal nutritionist, competent and proven quality, safety, HACCP and regulatory expert with a strong background in the agricultural, food and feed value chains.

Denis has worked internationally and extensively on the east coast of Australia. He has a Bachelor of Science and Masters in Applied Science.



Peter Nash (Development Officer – WA)

With over 30 years' experience in agricultural and environmental management, training and business development, Peter has diverse range of academic and practical skills.

His specialties are: Agricultural R, D & E; farm management & crop agronomy; natural resource management planning and implementation; strategic planning; project management; facilitation; community engagement; small business development; adult learning; climate change risk assessment and adaptation planning; industry representation.

Full Financial Year Report 2018-19

Directors' Report

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.

ABN: 84 816 063 155

STATEMENT BY MEMBERS OF THE COMMITTEE

Your members submit the financial statements of the Association for the financial year ended 30 June 2019.

COMMITTEE MEMBERS

The names of Executive Committee members at the date of this report are:

Ross Allomes, Grant Boal, David Bray, Robin Campbell, David Jemmett, Adrian Moule, Steve Newman, Richard Sevil, Kobus Tolken, Kym Wilhelm.

PRINCIPAL ACTIVITIES

The principal activity of the organisation during the financial year was that of a trade association.

SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The net deficit for the year amounted to \$89,792 (2018 \$51,574).

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

DECLARATION

The committee of the association declare that:

- 1 The financial statements and notes for the year ended 30 June 2019 give a true and fair view of the financial position and performance of Stock Feed Manufacturers' Council of Australia Inc. and satisfy the requirements of the *Associations Incorporations Reform Act 2012* of Victoria.
- 2 At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



David Bray, Chair



Kym Wilhelm, Vice Chair

Dated this 22 day of August 2019

Auditor's Report

SUPER AUDIT SERVICES

Certified Practising Accountants

PO Box 552, Dromana, Victoria, 3936

Telephone: (03) 5987 1908

ABN 44 942 769 277

Independent Audit Report To The Members

Report on the Audit of the Financial Report

I have audited the financial report, being a special purpose financial report, of Stock Feed Manufacturers' Council of Australia Inc, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Committee.

In my opinion the financial report of Stock Feed Manufacturers' Council of Australia Inc presents fairly, in all material respects, the association's financial position as at 30 June 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporations Reform Act 2012* of Victoria.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the association's financial reporting responsibilities under the *Associations Incorporations Reform Act 2012* of Victoria. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporations Reform Act 2012* of Victoria and the needs of the members. The committee's responsibility also includes such internal control as they determine is necessary to enable the preparation of a 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 committee are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Independent Audit Report To The Members

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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



PAUL FOX, CPA

Dated this 22nd day of August 2019

Balance Sheet

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.

ABN: 84 816 063 155

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	2019	2018
	\$	\$
CURRENT ASSETS		
Cash at Bank and on Hand	84,966	128,895
Term Deposits	482,509	552,867
GST Refundable	-	5,758
Accounts Receivable	37,669	5,222
TOTAL ASSETS	<u>605,144</u>	<u>692,742</u>
CURRENT LIABILITIES		
Trade Creditors	4,190	24,820
Employee Liabilities	9,161	-
GST Payable	3,005	-
Provision for Annual Leave	10,658	-
TOTAL LIABILITIES	<u>27,014</u>	<u>24,820</u>
NET ASSETS/(DEFICIT)	<u>578,130</u>	<u>667,922</u>
MEMBERS' FUNDS		
Opening Retained Earnings	667,922	719,496
Current Year Surplus/(Deficit)	(89,792)	(51,574)
TOTAL MEMBERS' FUNDS	<u>578,130</u>	<u>667,922</u>

The accompanying notes form part of these financial statements

Income Statement

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.
ABN: 84 816 063 155
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2019

	2019 \$	2018 \$
Revenue from Ordinary Activities		
Membership Fees	219,414	219,727
Meetings & Dinner Income	14,115	3,921
Sponsorships	44,000	49,500
Insurance Program Contribution	12,664	12,605
FIAAA Management Fees	17,995	3,891
AMC Expense Contributions	10,000	6,670
AMC/PIX 2018 Surplus	51,792	-
Miscellaneous Income	207	-
Interest Income	10,263	11,184
Total Revenue from Ordinary Activities	<u>380,450</u>	<u>307,498</u>
Expenses from Ordinary Activities		
AMC Expenses	21,306	14,602
AMC Development Award	-	18,475
Annual Leave Expense	10,658	-
Audit & Accounting Expenses	2,049	1,159
Administration Expenses	25,370	3,107
Bad Debts	-	1,365
Donations	2,500	2,500
IFIF & AOF Membership & Meetings	11,510	12,553
Insurance	8,491	3,784
Management & Travel Expenses	152,347	207,448
Meeting Expenses	68,336	33,266
Projects Activities		
- FeedSafe	6,909	18,947
- Feed Grain Partnership	5,000	5,000
- National Training Program	31,125	31,125
- Other Projects	2,316	4,421
Salaries & Wages	108,759	-
Superannuation	10,332	-
Telephone	1,255	-
Website Expenses	1,250	1,320
Workcover	729	-
Expenses from Ordinary Activities	<u>470,242</u>	<u>359,072</u>
Net Surplus/(Deficit)	<u>(89,792)</u>	<u>(51,574)</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>
Total Comprehensive income for the year	<u>(89,792)</u>	<u>(51,574)</u>

The accompanying notes form part of these financial statements

Statement of Equity

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.

ABN: 84 816 063 155

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2019

Members' Funds	NOTE	2019	2018
		\$	\$
<u>Retained Surplus</u>			
Balance at the beginning of the financial period		667,922	719,496
Total Comprehensive Income for the year		(89,792)	(51,574)
Balance at the end of the financial period		<u>578,130</u>	<u>667,922</u>

The accompanying notes form an integral part of these financial statements

Statement of Cash Flow

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.

ABN: 84 816 063 155

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members & Sponsors		317,110	314,981
Payments to Suppliers & Employees		(441,660)	(357,709)
Interest received		10,263	11,184
NET CASH PROVIDED BY OPERATING ACTIVITIES	2	<u>(114,287)</u>	<u>(31,544)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in Term Deposits		(99,614)	-
Proceeds from Term Deposit Redemptions		169,972	-
NET CASH FLOWS USED FOR INVESTING ACTIVITIES		<u>70,358</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		Nil	Nil
NET INCREASE IN CASH HELD		(43,929)	(31,544)
CASH AT BEGINNING OF FINANCIAL YEAR		128,895	160,439
CASH AT END OF FINANCIAL YEAR	2	<u>84,966</u>	<u>128,895</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statement

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.

ABN: 84 816 063 155

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2019

1 Statement of Accounting Policies

These financial statements are a special purpose financial report that have been prepared for distribution to the members to fulfil the committee's financial reporting requirements under the association's constitution and the *Associations Incorporations Reform Act 2012* of Victoria.

The committee has determined that the association is not a reporting entity. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial report was prepared on a modified accrual basis of accounting, including the historical cost convention.

The following significant accounting policies used in the preparation of this report are consistent with previous years and are, in the opinion of the committee, appropriate to meet the needs of the members in accordance with its financial reporting requirements.

(a) Cash

Cash includes cash on hand, deposits held at call with banks and investments in term deposits with a term of three months or less and money market instruments, net of overdrafts.

(b) Revenue

All revenue is stated net of the amount of any goods and services tax. Revenue from fees are recognised from the date of invoicing which mostly occurs at the beginning of the the financial year for membership fees and at the time running events for other fees. Interest revenue is recognised when received from the bank.

(c) Taxation

The association is a self assessed not-for-profit educational and resource development organisation and hence specifically exempted from income tax on all its income.

(d) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2019. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(e) Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years

(f) General Information

The financial statements cover Stock Feed Manufacturers' Council of Australia Inc as an individual entity. The financial statements are presented in Australian dollars.

The association is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its business address is:

PO Box 151, Curtin, ACT, 2605

STOCK FEED MANUFACTURERS COUNCIL OF AUSTRALIA INC.
ABN: 84 816 063 155

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2019

Note 2: Notes to the Statement of Cash Flows

Reconciliation of Cash

Cash at Bank and on Hand	84,966	128,895
TOTAL CASH AT BANK AND ON HAND	<u>84,966</u>	<u>128,895</u>

Reconciliation of Net Cash provided by Operating Activities with Operating Profit

Operating Profit/(Loss)	(89,792)	(51,574)
Interest reinvested on term deposits	-	
(Increase)/Decrease in Receivables	(32,447)	2,730
Increase/(Decrease) in GST payable/receivable	8,763	1,363
Increase/(Decrease) in Employee Liabilities	9,161	-
Increase/(Decrease) in Provision for Annual Leave	10,658	-
Increase/(Decrease) in Trade Creditors	(20,630)	15,937
	<u>(114,287)</u>	<u>(31,544)</u>