

ANNUAL REPORT

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES



For the year ending 30 June 2022

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20 October 2022



The Rice Marketing Board

The Hon. Dugald Saunders, MP
Minister for Agriculture, and Minister for Western New South Wales
52 Martin Place
SYDNEY NSW 2000

Dear Minister

In accordance with Section 9A of the *Annual Reports (Statutory Bodies) Act 1984*, we submit the Rice Marketing Board's Annual Report for the year ending 30 June 2022, for presentation to Parliament.

Yours sincerely

Victoria Taylor
(Board Chair)

Barbara Clark
(Chair, Audit and Risk Committee)

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Westpac Banking Corporation

Auditors

Auditor-General of New South Wales

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Chair's Report



The RMB is acutely aware that Covid and the global disruption of trade presented Authorised Buyers, and especially SunRice, some extraordinary challenges throughout 2021-22 and some of these challenges persist. Rice growers in Northern NSW, and the

communities in which they live, were also severely impacted by flooding.

After several difficult growing seasons in the Riverina, 2021-22 saw a very welcome return to more normal levels of production and with a total NSW crop of 685,670t, there will be more NSW stock in supermarkets, and more NSW rice directed into premium exports markets, in 2022-23.

Financial Performance

The RMB has set its variable fee for 2021-22 at \$1.75/tonne which has allowed it to record a surplus of approximately \$902,000. The surplus has been used to partially offset the losses that were incurred in seasons 2018-2019 and 2019-2020 when the Board opted, in the face of poor seasons, to set its variable fee at lower levels than were required for it to fully recover its operating costs.

Vesting

The vesting powers of the RMB, which sees all rice grown in NSW being marketed under authorised buyers licensed by the RMB, are reviewed every five years. For a variety of reasons, the 2021 vesting review was the most complex that the RMB has participated in to date. In its submission, the RMB recommended a continuation of vesting and was therefore pleased when the Deputy Premier and Minister for Regional NSW and Minister for Agriculture and Western NSW, Paul Toole and Dugald Saunders respectively, travelled to Deniliquin in April to announce an extension of vesting to 30 June 2027. The Ministers also announced the commissioning of an independent report to address a broad range of issues identified during the 2021 review and to provide more clarity on how the NSW Government can continue to support the entire rice industry across NSW. The RMB will support this review team to try to ensure the best outcomes for the NSW rice industry and growers.

Export Price Premium and Freight Scale Advantage

Two of the key indicators used by the RMB to measure the benefit of vesting to growers are the export price premiums and the freight scale advantages that are achieved under the Sole and Exclusive Export Licence granted to SunRice. The Export Price Premium calculation is the difference between the price achieved by SunRice in an overseas market and a benchmark for competitor prices in that market. The Freight Scale Advantage refers to the cost savings secured by having a single exporter of NSW rice – the larger the export volume, the lower the unit cost of delivery for NSW rice growers.

The independent assessment for 2021-22 confirmed an export price premium of \$22.2m and a Freight Scale Advantage of \$2.81m. Growers can compare the 2021-22 Export Price Premium and Freight Scale Advantage with those achieved in previous years by going to <https://www.rmbnsw.org.au/annual-reports-to-nsw-rice-growers>.

Authorised Buyers

Two new authorised buyer licences were issued in 2021-22 to Outback Grain Co Pty Ltd (t/a Outback Harvest) and Honestly Riverina Ltd, both based in the southern Riverina. We wish these new licensees every success in their new ventures. A full list of Authorised Buyers is on the RMB's website.

RMB representation on SunRice's Board

In late 2021 the RMB held an election for three Board Members. Under the SEEL Agreement with SunRice, two of the three elected Members on the RMB also sit on the SunRice Board, provided they meet the criteria of holding a SunRice A class share. John Bradford and Ian Mason were subsequently appointed as the RMB representatives on SunRice's Board.

Board Membership

We farewelled Gillian Kirkup and Su McCluskey from the RMB during 2021-22 and having served the maximum time permitted by the NSW Government I retired from the Board in August 2022. The incoming members are Melissa De Bortoli, Donna Rygate and Rowan McMonnies.

Gillian Kirkup served on the RMB for 16 years. During that time, she chaired the Audit and Risk Committee and served on the Governance Committee. She also represented the RMB in external roles, most recently with the Rice Industry Leadership Program. Her imprint

can be seen most clearly in the areas of policy development and process capture within the RMB. As the Member most closely located to our office in Leeton, Gillian was often required to respond to out-of-the-ordinary administrative and representational requirements and she always did so without hesitation. Gillian's commitment to the RMB was of the highest order.

We farewelled Su McCluskey from the RMB in February 2022 when she resigned to accept a post as the inaugural Special Representative for Australian Agriculture. The RMB is indebted to Su for her abbreviated but significant contribution, which included serving on the Audit and Risk Committee.

Staff changes

The RMB is operating in an area of unprecedented change and in the face of an increased workload, the Board decided to appoint a General Manager. The GM will focus on strengthening stakeholder engagement, increasing awareness of the role of the RMB, identifying opportunities to assist rice industry participants to strengthen their competitiveness within the domestic market in Australia and reviewing wider matters that have the potential to impact on the NSW rice industry. Dr Scott Glyde has been appointed to the position and will commence in October 2022.

After seven years of exemplary service as the Board Secretary, Carol Chiswell retired in August 2022. Carol has been a tireless and utterly professional colleague and the Board wishes her every success in her future endeavours. Her replacement, Nyree Dunn, is a

Chartered Accountant who holds degrees in Commerce and Science.

Votes of Appreciation

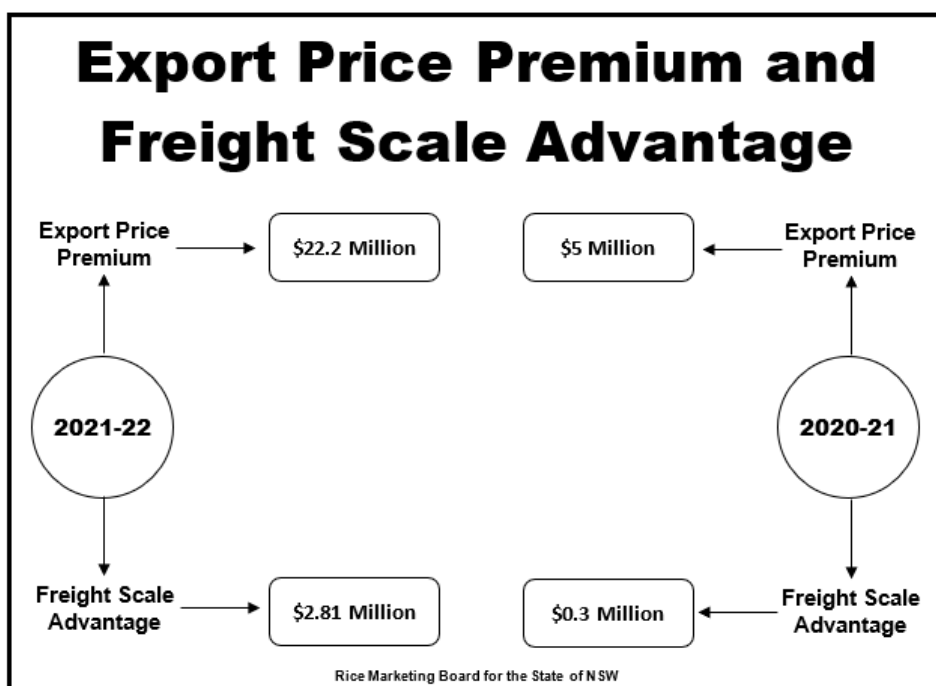
The RMB extends its appreciation to Deputy Premier and Minister for Regional NSW Paul Toole and Minister for Agriculture and Western NSW Dugald Saunders and the staff of their respective departments.

As a non-voting delegate to the Ricegrowers' Association of Australia (RGA) Central Executive, the RMB sees the work of the Association firsthand and wishes to acknowledge the very significant commitment of the RGA's officeholders and staff.

It has been my privilege to have served on the RMB since 2013 – to the many RMB Members and industry representatives who have contributed to my understanding of rice and the growers who have made me feel welcome on the farms and in their homes, my deepest thanks. I am immensely proud of the NSW rice industry and will continue to champion its interests wherever, and whenever, I can.



John Culleton
Chair (until 2 August 2022)



Board Members



BOARD MEMBERS



John Culleton
Chair



Victoria Taylor
Deputy Chair



Barbara Clark



John Bradford



Ian Mason



Melissa De Bortoli



Gillian Kirkup



Su McCluskey

QUALIFICATIONS

MEMBERS	QUALIFICATIONS
J.J Culleton	Chair, CSC, B.A., psc, pcfsc, GAICD
V.L. Taylor	Deputy Chair, Grad Cert (Water Policy & Governance), GIA (Cert), GAICD
B. Clark	BFA, CA, FAICD
J.M. Bradford	MAICD
I.R. Mason	MAICD
M. De Bortoli	B.Bus(Acc). M.Prop. GAICD
S. McCluskey	B.Comm (Accounting), FCPA, MAICD
G.L. Kirkup	MAICD

TERMS AND METHOD OF APPOINTMENT

MEMBERS	APPOINTMENT DATE	TERM EXPIRY	METHOD
J.J. Culleton	01/06/2013	02/08/2022	Nominated
V.L. Taylor	14/12/2013	12/03/2024	Nominated
B.Clark	16/12/2020	31/08/2025	Nominated
J.M. Bradford	26/08/2015	15/02/2026	Elected
I.R. Mason	14/02/2018	15/02/2026	Elected
M. De Bortoli	16/02/2022	15/02/2026	Elected
S. McCluskey**	13/03/2020	12/03/2022	Nominated
G.L.Kirkup***	09/11/2005	12/02/2022	Elected

** S McCluskey resigned March 2022

*** G Kirkup's term ended February 2022

MEETING ATTENDANCE

	BOARD MEETINGS		ABL COMMITTEE		AUDIT AND RISK		GOVERNANCE	
MEMBERS	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
J J Culleton*	13	13	6	6	3*	3	2*	2
V L Taylor	13	13	6	6	-	-	2	2
B Clark	13	13	6	6	3	3	-	-
J M Bradford	13	13	-	-	-	-	2	2
I R Mason	13	13	-	-	-	-	1	1
M De Bortoli	6	6	-	-	1	1	1	1
S McCluskey **	8	7	2	2	2	2	-	-
G L Kirkup ***	7	6	-	-	2	2	-	-

*J J Culleton attended the Governance Committee and Audit and Risk Committee Meetings as an observer

** S McCluskey resigned March 2022

*** G Kirkup's term ended February 2022

MANAGEMENT AND STRUCTURE

The Board consists of seven members, three who are elected by growers, and four who are nominated by the NSW Minister for Agriculture. The nominated members are Mr John Culleton (Board Chair), Ms Victoria Taylor (Deputy Chair), Ms Barbara Clark and Ms Su McCluskey (resigned in March 2022). The grower-elected members are Mr John Bradford, Mr Ian Mason and Ms Melissa De Bortoli who was appointed in

February 2022 replacing outgoing member Ms Gillian Kirkup.

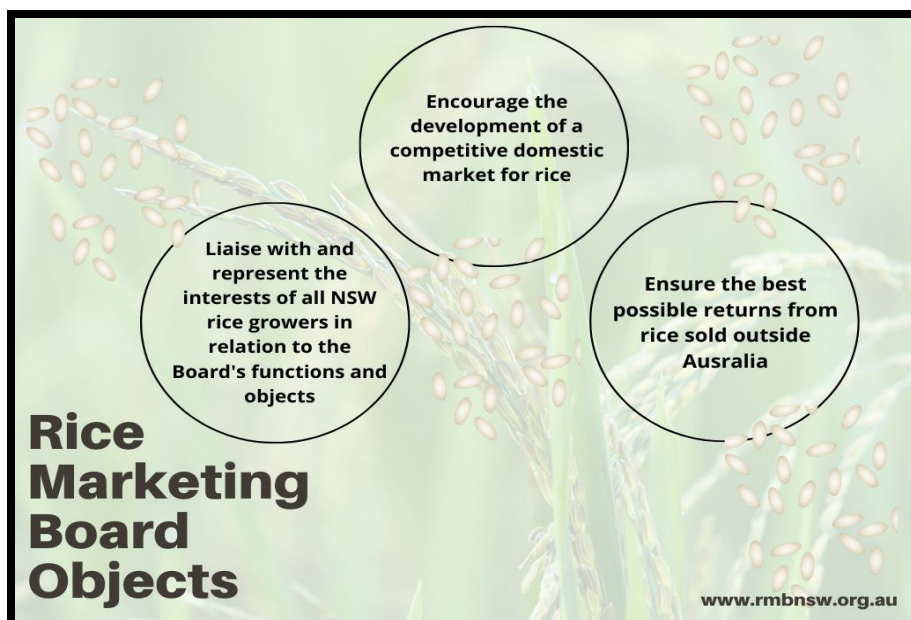
The Board Secretary is employed by the Board and is responsible for providing high level analysis, opinion and recommendations on a range of matters impacting the Board, as well as the management of finance, administration and compliance. The Board Secretary, Ms Carol Chiswell, retired in August 2022 and was replaced by Ms Nyree Dunn.

Charter, legislation and function

The Rice Marketing Board for the State of New South Wales was the first commodity marketing board established in New South Wales under the *Marketing of Primary Products Act 1927*, now replaced by the *Rice Marketing Act 1983*, and was officially constituted by Proclamation on 9th November 1928. The *Rice Marketing Regulation 2015* and the *Rice Marketing Amendment (Rice Marketing Board) Regulation*

2019 are the subordinate legislation.

The Board's primary function is to obtain the best possible monetary return to rice growers consistent with the maintenance of orderly marketing. It operates under the authority of and in accordance with the *Rice Marketing Act 1983* and the *Government Sector Finance Act 2018*. The Board's Charter is available from the website www.rmbnsw.org.au.



Objects

The Board's objects, as gazetted on 23 May 2009, are:

1. To encourage the development of a competitive domestic market for rice.
2. To ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of the Australian grown rice.
3. To liaise with and represent the interests of all NSW rice growers in relation to the Board's functions and objects.

To meet its first object, the Board continues to encourage a competitive domestic market for rice by facilitating participation in the market in the following ways:

- **Approves Authorised Buyers Licence applications**
- Reviews licence holder's annual returns;
- Regularly reviews the fee schedule for Authorised Buyers;
- Meets with Authorised Buyers;
- Provides information to rice growers and buyers, for example on the provision of rice seed supplies; and
- Manages an annual audit of the NSW rice crop to ensure compliance with the Act.

As at 30 June 2022 there were fourteen licensed Authorised Buyers. The Board has issued licences to all parties who have applied for an Authorised Buyer Licence, that met the required conditions and signed the Authorised Buyer Licence Agreement. A list of Authorised Buyers is available from the website www.rmbnsw.org.au.

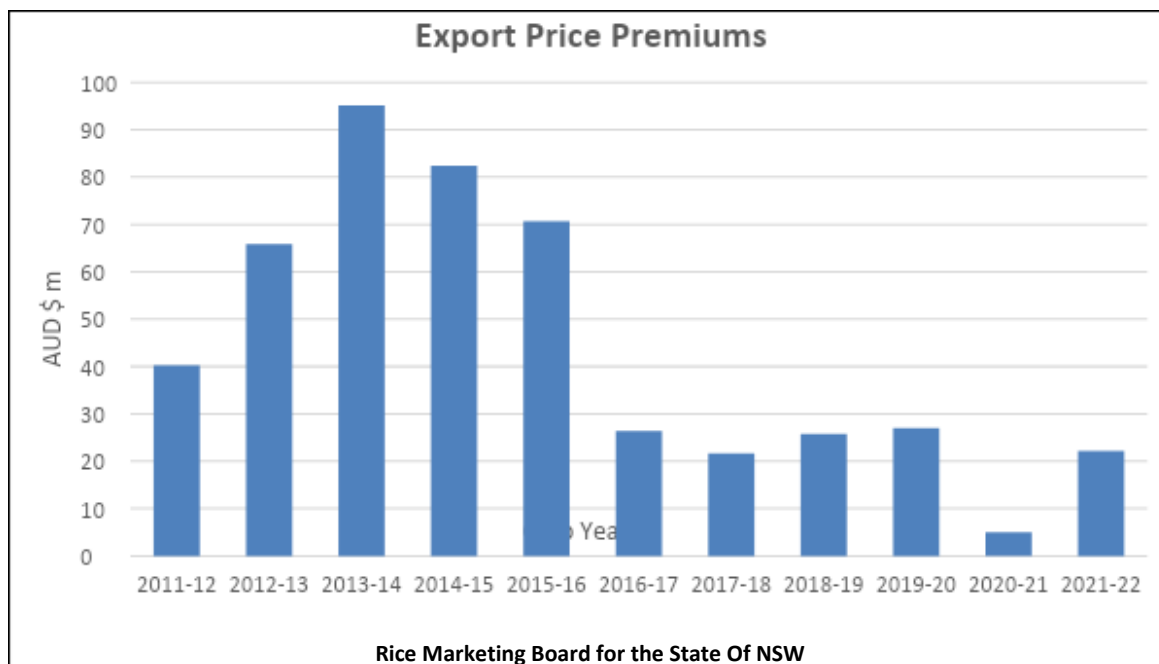
To meet its second object, ensuring the best possible returns on rice sold outside Australia, the Board appointed Riceworkers Ltd (trading as SunRice) as the Sole and Exclusive Export Licence holder to market the NSW rice crop globally. To assess performance against the object, the RMB primarily uses two measures, the 'export price premium' and 'freight scale advantage'. For 2021-22, the Export Price Premium was calculated at \$22.2 million (2020-21: \$5 million) and the Freight Scale Advantage was \$2.81 million (2020-21: \$0.3 million). These figures have been verified by an independent consultant engaged by the Board.

Other ways the Board meets its second object are:

- Conducting annual crop audits to ensure that all NSW grown rice is sold to an Authorised Buyer; and
- Monitoring rice exports to ensure they are consistent with the Act.

To meet its third object, the members of the Board liaised with NSW rice growers over the past twelve months, in relation to its objects and activities, through the following means:

- Attending the Ricegrowers' Association of Australia (RGA) branch meetings and Conference;
- Supporting industry activities including the RGA Annual Conference and rice field days;
- Attending other regional rice meetings and the rice field days;
- Providing information on the Board's website, including Annual Reports, regular news updates, Authorised Buyers' contact details, Board policies and the Charters of the Board and Committees;
- Communicating with the President and Executive Director of the RGA on issues relevant to the rice industry;
- Providing regular articles in the RGA newsletter, "Rice Matters";
- Inviting all NSW rice growers to the Board's Annual Meeting held every November; and
- Providing support to NSW rice industry development activities.



Governance

The Board's primary role is to ensure the achievement of its Charter and Objects. To fulfil this role the Board Members are responsible for the overall corporate governance of the organisation, including setting its strategic direction, establishing goals and monitoring the achievement of those goals by Management.

CHARTERS

The Board's activities are guided by a Charter. The Board Charter and Committee Charters are available from the Board's website at www.rmbnsw.org.au.

BOARD SUB-COMMITTEES

There are three sub-committees that undertake detailed consideration of specific issues and provide for appropriate governance arrangements in support of the Board. They are:

- Authorised Buyer Licensing Committee;
- Governance, Nominations and Remuneration Committee; and
- Audit and Risk Committee.

The Authorised Buyer Licensing Committee's responsibilities include to:

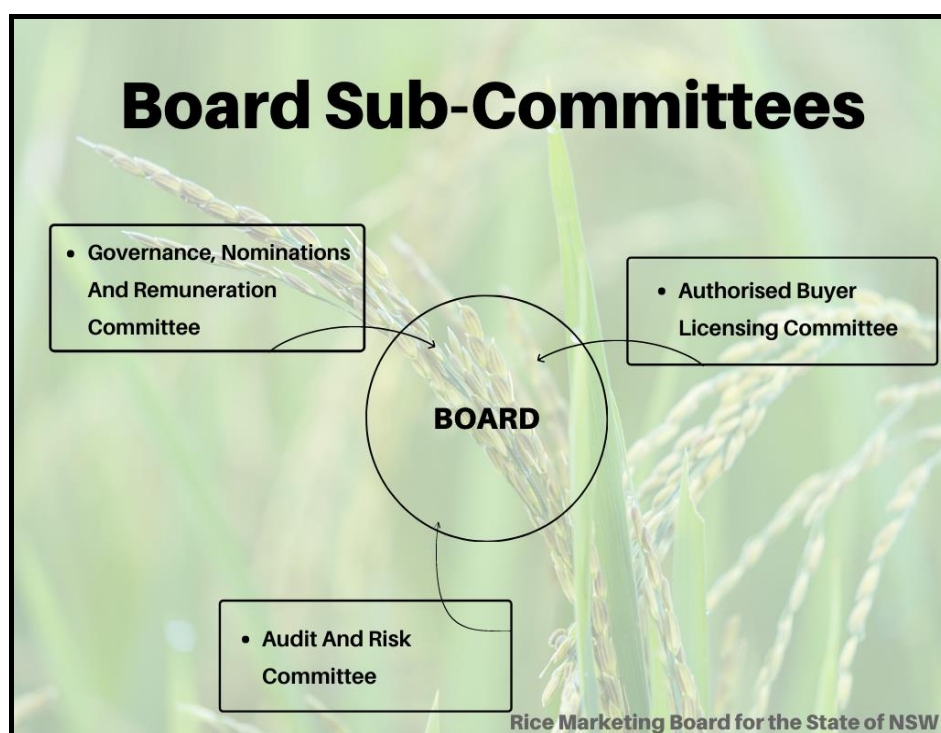
- Consider applications for Authorised Buyer Licences;
- Consider issues raised by or in relation to Authorised Buyers;
- Review annual returns from Authorised Buyers;
- Review the performance of the Sole and Exclusive Export Licence holder; and
- Consider any matters delegated by the Board due to the potential for conflict of interest if the whole board were to be involved.

The Governance, Nominations and Remuneration Committee's responsibilities include to:

- Review Board composition, induction program and charters;
- Review Board policies, procedures and practices to ensure compliance with policy, legislative and other regulatory requirements;
- Review the composition and role of the Board's Committees;
- Establish and review the Board's nomination process;
- Consider potential candidates for the position of Secretary of the Board;
- Monitor changes to the Classification and Remuneration Framework for NSW Government Boards and Committees; and
- Review the Secretary's remuneration.

The Audit and Risk Committee's responsibilities include to:

- Review the risk management framework and ensure emerging risks are properly managed;
- Ensure an appropriate control framework is maintained;
- Monitor external accountability including completeness, accuracy and compliance of financial statements and oversee external audit engagement; and
- Review financial management objectives and planning.



BOARD PROCESS

The Board generally holds eight scheduled board meetings each year with non-scheduled meetings and sub-committee meetings being held when necessary. The agenda for meetings is prepared in conjunction with the Chair. Standing items include monitoring performance in relation to the Board's regulatory and legislative objectives, financial reports, short and long-term financing programs and monthly performance monitoring of the Sole and Exclusive Export Licence holder. Board papers are circulated in advance.

COMPOSITION OF THE BOARD

Three Board Members are elected for four-year terms by those rice growers who are eligible and choose to vote. Four Board Members are nominated by the Minister for Agriculture. All Board Members are appointed by the Governor of NSW, usually for a term of four years. The nominated Members are from outside the rice industry and bring additional expertise in agriculture, corporate governance, finance, economics, business administration, communications and stakeholder engagement to the Board. The Chair and Deputy Chair are selected from the Board's nominated members.

REMUNERATION

The Board recommends the remuneration of its Members to the Minister for approval. Board Members' fees are based on the Classification and Remuneration Framework for NSW Government Boards and Committees. All necessary expenses incurred by Board Members whilst attending to Board business are paid by the Board. Funding of the Board is met by the NSW rice industry through licence fees. The Board approves the remuneration of its employees.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO BOARD INFORMATION

Each Member of the Board has the right of access to all relevant Board information except in circumstances where the provision of information might make a Member, or the Board, at risk of a conflict of interest. Subject to prior consultation with the Chair, Members may seek independent professional advice at the Board's expense. A copy of the advice received by the Member is made available to all Members of the Board.

AUDIT

The Board's financial accounts are audited by the Auditor General for New South Wales. The Auditor General subcontracted the audit to Nexia Sydney Audit Pty Ltd for the year 2021-22.

HUMAN RESOURCES

The Board employs a Secretary who is responsible for providing high level analysis, opinion and recommendations on a range of matters impacting the Board, as well as the management of finance, administration and compliance. The Board also employs a part time administration officer.

The Secretary announced her retirement in 2021-22, with an end date in August 2022. Recruitment for a new Secretary commenced in 2021-22.

The Administration Officer resigned 1st September 2021 and the position was refilled 5th April 2022.

Full time equivalent staff	2021-22	2020-21	2019-20	2018-19
Secretary	1.0	1.0	1.0	1.0
Administration Officer	0.2	0.2	0.2	0
Total Staff	1.2	1.2	1.2	1.0

There have been no exceptional movements in wages, salaries or allowances in 2021-22.

Employees are required to comply with the Code of Conduct Policy, Staff Development Policy, Gifts and Benefits Policy, and also the Travel, Expense Reimbursement and Entertainment Policy. Performance reviews are conducted annually.

DIVERSITY

The Board is committed to actively developing and maintaining diversity where it has influence, ensuring it operates free of discrimination and reflecting the New South Wales community in which it functions.

In 2021-22, four of the Board's seven Members were female, and the Board employed 1.2 FTE's in the following diversity groups:

Employees by Diversity Group	
Women	100%
Aboriginal people and Torres Strait Islanders	0%
People whose first language spoken as a child was not English	0%
People with a disability	0%
People with a disability requiring work-related adjustment	0%

As a small-employee organisation, the Board has not developed or implemented workforce diversity strategies.

DISABILITY PLANS

The Board is committed to the principles of disability inclusion to remove physical, communication and attitudinal barriers. The Board is not required to develop or implement a Disability Inclusion Action Plan under the *Disability Inclusion Act 2014 [NSW]*.

WORK HEALTH AND SAFETY

The Board had no injuries or prosecutions under the *Work Health and Safety Act 2011 [NSW]* during the year.

SUSTAINABILITY

The Board is conscious of the need to maintain a sustainable environment that meets the needs of the present without compromising for future generations. Waste is reduced through recycling within the office, the use of an online Board portal to reduce printing and a preference for teleconference meetings to reduce travel when possible. The Annual Report is reproduced at minimal external cost and stakeholders are encouraged to access the report via the Board's website at www.rmbnsw.org.au

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Rice growers are able to discuss Board decisions and policies with Board members at rice industry meetings, and have the opportunity to question the Board's decisions and policies at the Annual meeting or by contacting the Secretary.

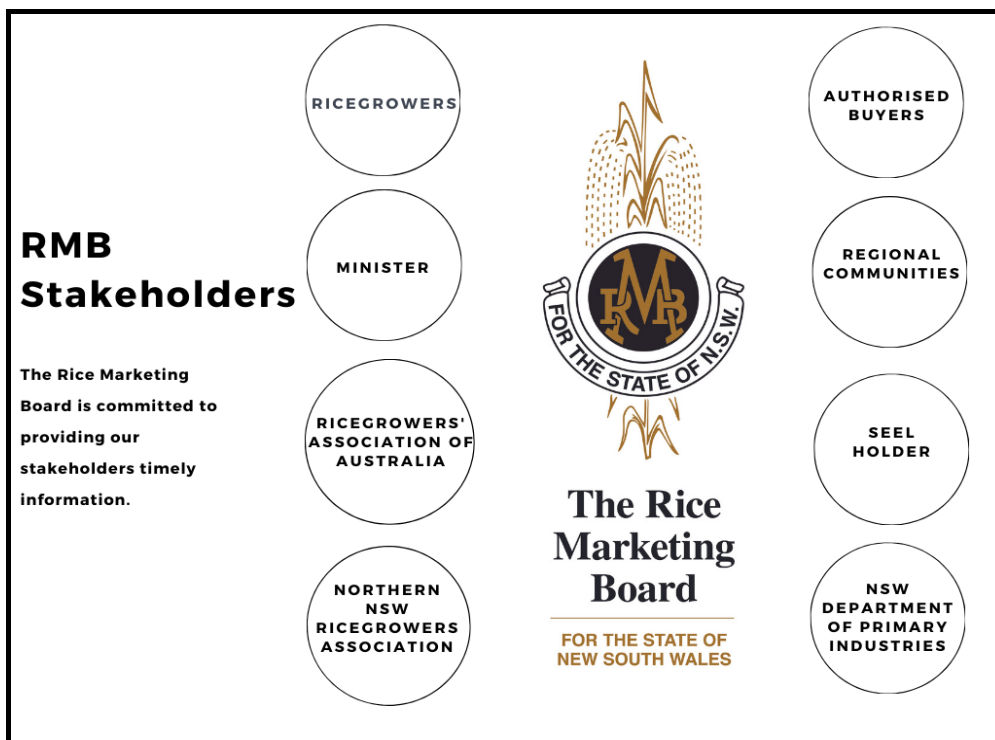
The Board received no new access applications in 2021-22 and did not refuse any access applications in 2021-22.

The Board undertakes a regular review to identify the kinds of information that should, in the public interest, be made publicly available without imposing unreasonable additional costs on the Board. Information held by the Board, which is publicly available on the Board's website at www.rmbnsw.org.au includes:

- Board Charter and Committee Charters;
- Annual reports including audited Financial Statements;
- Annual reports to NSW Rice Growers;
- Policies;
- Rice crop statistical information; and
- Research reports

The Board also holds the following historical information which can be accessed by contacting the Secretary:

- Historic records of rice deliveries 1928-1950 and 1953-54;
- Historic Board minutes of meetings 1929 - 2000.



PUBLIC INTEREST DISCLOSURES

There were no public interest disclosures in 2021-22.

PRIVACY

The Board respects the privacy of all its stakeholders and complies with the *NSW Privacy and Personal Information Protection Act 1998*. No complaints regarding breaches of privacy were received and no privacy reviews were undertaken during 2021-22. The Board's Privacy Policy is available on its website at www.rmbnsw.org.au.

MULTICULTURAL POLICIES AND SERVICES PROGRAM

The Board is committed to the principles of Multiculturalism and maintains a multicultural plan in accordance with the Multicultural Policies and Services Plan of Multicultural NSW.

The NSW rice industry is primarily located in the ethnically diverse Riverina and Murray regions of New South Wales. The Board regularly reviews the cultural diversity of its stakeholders, adapts to the needs of the community and represents fairly and equally the interests of all rice producers irrespective of their ethnic background. In providing services the Board Members and employees are sensitive to the cultural, social and religious differences of their clients.

OVERSEAS VISITS

There were no overseas visits by Board Members or employees in 2021-22.

CONSUMER RESPONSE

No consumer complaints were received by the Board in 2021-22.

INTERNAL AUDIT AND RISK MANAGEMENT

The Board has a risk management framework, a risk register and also identifies emerging risks at each meeting. It has also implemented policies to mitigate risks where possible. The Board has a small agency exemption from the requirements of TPP20-08, 'NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector'.

The exemption will remain in force until any of the following occur:

- Any major change to the Board's structure, or
- The Board receives a direct appropriation, or
- The Board's revenues include taxes, or
- The Board's revenues, expenses, assets or liabilities individually increase by more than 20% from the baseline total/balance at 30 June 2022, or
- The Board's risk profile materially changes.

The Board has reviewed its status and concluded that it continues to qualify for the exemption for the 2021-22 year. However, in accordance with good governance, the Board has complied with two of the three core requirements of TPP20-08, by preparing and maintaining a risk management framework and by establishing an independent Audit and Risk Committee. The Board has not established an internal audit function due to its small size, however it has an internal audit protocol and has mitigated the risk by Board oversight of functions where necessary.

DISCLOSURE OF CONTROLLED ENTITIES AND SUBSIDIARIES

The Board does not have any controlled entities or subsidiaries.

CYBER SECURITY ATTESTATION

The Board has a Cyber Security Policy and an Incident Response Plan in place.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES CYBER SECURITY ANNUAL ATTESTATION STATEMENT FOR 2021-22

I, Victoria Taylor, Deputy Chair, am of the opinion the Rice Marketing Board for the State of New South Wales (the Board) has managed cyber security risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy. Governance is in place to manage the cyber security maturity and initiatives of the Board.

Risks to the information systems of the Board have been assessed and are managed.

There exists a current cyber incident response plan for the Board.

The Board is implementing a Cyber Security Framework.

The Board is continuously improving the management of cyber security governance and resilience.

Financial Management

INVESTMENT PERFORMANCE

The Board invests funds on the short-term money market at rates that are comparable to Treasury Corporation cash rates. The annual compound percentage rate of return was 0.45%.

PAYMENT OF ACCOUNTS

It is the Board's target to pay 95% of invoices within 30 days. This target has been achieved for the year.

Accounts paid each quarter to all suppliers (including GST)

QUARTER	DUE FOR PAYMENT (NUMBER)	PAID ON TIME (NUMBER)	ACTUAL PAID ON TIME (% BASED ON NUMBER)	DUE FOR PAYMENT (\$)	PAID ON TIME (\$)	ACTUAL PAID ON TIME (% BASED ON DOLLAR AMOUNT)	NUMBER OF PAYMENTS FOR INTEREST ON OVERDUE ACCOUNTS	INTEREST PAID ON OVERDUE ACCOUNTS
01/07/21-30/09/21	30	30	100%	\$40,920	\$40,920	100%	0	0
01/10/21-31/12/21	26	26	100%	\$55,014	\$55,014	100%	0	0
01/01/22-31/03/22	24	24	100%	\$34,457	\$34,457	100%	0	0
01/04/22-30/06/22	27	27	100%	\$52,477	\$52,477	100%	0	0
TOTAL	107	107	100%	\$182,869	\$182,869	100%	0	0

Accounts paid each quarter to small suppliers (including GST)

Small suppliers are defined as those employing fewer than 20 employees.

QUARTER	DUE FOR PAYMENT (NUMBER)	PAID ON TIME (NUMBER)	ACTUAL PAID ON TIME (% BASED ON NUMBER)	DUE FOR PAYMENT (\$)	PAID ON TIME (\$)	ACTUAL PAID ON TIME (% BASED ON DOLLAR AMOUNT)	NUMBER OF PAYMENTS FOR INTEREST ON OVERDUE ACCOUNTS	INTEREST PAID ON OVERDUE ACCOUNTS
01/07/21-30/09/21	2	2	100%	\$1,099	\$1,099	100%	0	0
01/10/21-31/12/21	3	3	100%	\$237	\$237	100%	0	0
01/01/22-31/03/22	14	14	100%	\$3,314	\$3,314	100%	0	0
01/04/22-30/06/22	5	5	100%	\$435	\$435	100%	0	0
TOTAL	10	10	100%	\$4,442	\$4,442	100%	0	0

CREDIT CARD CERTIFICATION

The Secretary and Board Chair hold the only credit cards issued to the Board. All credit card payments are reviewed and approved by the Chair and/or Deputy Chair and ratified at the next Board meeting.

ETHICAL STANDARDS

All Board Members and employees are required to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Rice Marketing Board. The Board is committed to the objectives of the ethical framework as identified in the *NSW Government Sector Employment Act 2013*. A Code of Conduct is in place and all members and employees have signed a Code of Conduct Declaration and Undertaking, and a Pecuniary Interests Declaration and Undertaking, during 2021-22. The Code of Conduct is available from the Board's website www.rmbnsw.org.au.

INSURANCE

The Board holds insurance coverage in management liability, professional indemnity, travel, work cover, business property, theft and public liability through the NSW Government insurer, iCare.

CONSULTANTS

During 2021-22 the Board did not engage any consultants over the value of \$50,000. Two consultants were engaged during 2020-21, in the following categories:

CATEGORY	COST
Legal	\$15,101
Industry reviews	\$9,750
TOTAL	\$24,851

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

During 2021-22 the Board provided \$5,000 in sponsorship for the benefit of the NSW rice industry:

AMOUNT	PROVIDED TO	PURPOSE	TARGET CLIENTS
\$5,000	Ricegrowers' Association of Australia	Rice Industry Awards	Rice growers

PREPARATION OF ANNUAL REPORT

This Annual Report was prepared and printed in-house.

Statement By Members of The Board

Pursuant to Section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- Have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the NSW Treasurer's Directions, and
- present fairly the Rice Marketing Board for the State of New South Wales' financial position, financial performance and cash flows.



Victoria Taylor
Board Chair
Rice Marketing Board for the State of New South Wales

20 October 2022

Beginning of Audited Financial Statements

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		Actual	Actual
	Notes	2022	2021
		\$'000	\$'000
Continuing operations			
Expenses excluding losses			
Employee-related expenses	2(a)	(197)	(186)
Operating expenses	2(b)	(325)	(299)
Depreciation and amortisation	2(c)	(4)	(4)
Total expenses excluding losses		(526)	(489)
Revenue			
Issue of licences	3(a)	1,423	1,058
Investment revenue	3(b)	5	7
Other income	3(c)	-	7
Total Revenue		1,428	1,072
Operating result		902	583
Net result from continuing operations		902	583
TOTAL COMPREHENSIVE INCOME		902	583

The accompanying notes form part of these financial statements.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	986	658
Receivables	5	1,205	934
Total Current Assets		2,191	1,592
Non-Current Assets			
Property, Plant and Equipment			
- Plant and Equipment	6	7	7
Total Non-Current Assets		7	7
Total Assets		2,198	1,599
LIABILITIES			
Current Liabilities			
Payables	7	56	114
Contract liabilities			
- Prepaid Sole and Exclusive Export Agreement	8	-	221
Provisions	9	-	12
Total Current Liabilities		56	347
Non-Current Liabilities			
Provisions	9	-	12
Total Non-Current Liabilities		-	12
Total Liabilities		56	359
NET ASSETS		2,142	1,240
EQUITY			
Accumulated funds	10	2,142	1,240
TOTAL EQUITY		2,142	1,240

The accompanying notes form part of these financial statements.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Accumulated Funds	Total
		\$'000	\$'000
Balance at 1 July 2021		1,240	1,240
Net result for the year		902	902
Balance at 30 June 2022		2,142	2,142

	Notes	Accumulated Funds	Total
		\$'000	\$'000
Balance at 1 July 2020		657	657
Net result for the year		583	583
Balance at 30 June 2021		1,240	1,240

The accompanying notes form part of these financial statements.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(174)	(171)
Suppliers for goods and services		(338)	(334)
Total Payments		(512)	(505)
Receipts			
Sale of goods and services - licences		839	127
Interest received		4	11
Other receipts		-	2
Total Receipts		843	140
NET CASH FLOWS FROM OPERATING ACTIVITIES	13	331	(365)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(4)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Other		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		327	(365)
Opening cash and cash equivalents		659	1,024
CLOSING CASH AND CASH EQUIVALENTS		986	659

The accompanying notes form part of these financial statements.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 1 Statement of significant Accounting Policies

(a) Reporting entity

The Rice Marketing Board for the State of New South Wales (the Board) is a NSW government board and is controlled by the State of New South Wales, which is the ultimate parent. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. These financial statements for the year ended 30 June 2022 have been authorised by the Board on 20 October 2022.

The Board was created by proclamation on 9th November 1928 under the repealed *Marketing of Primary Products Act [NSW]*, now replaced by the *Rice Marketing Act 1983 [NSW]*. Its office is located in Leeton, New South Wales. The Board's objects are to encourage the development of a competitive domestic market for rice, to ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of Australian grown rice, and to liaise with and represent the interests of all NSW rice growers in relation to the Board's functions and objects.

(b) Basis of preparation

The Board's financial statements are general purpose financial statements, which have been prepared on an accruals basis and in accordance with:

- Applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of the Government Sector Finance Act 2018 (GSF Act); and
- Treasurer's Directions issued under the GSF Act.

Certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Board's presentation and functional currency.

(c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Administered activities

Administered activities are activities that the Rice Marketing Board administers, but does not control, on behalf of the Crown Entity. The Board does not have any administered activities.

(e) Accounting for Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Board as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Foreign currency translation

The Board did not have any transactions in foreign currencies in 2021-22 (2020-21: nil).

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 1 Statement of significant Accounting Policies (continued)

(g) Comparative information

Except where an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

(h) Changes in accounting policies, including new or revised AAS

i) Effective for the first time in 2021-22:

The following amendments and interpretations apply for the first time in 2021-22:

- *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts*. The Board does not issue any form of insurance contracts.
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19- related rent concessions: Tier 2 Disclosures*. The Board did not receive any COVID-19 related rent concessions.
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest rate Benchmark Reform – Phase 2*. The Board does not use interest rate benchmarks.
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest rate Benchmark Reform (Phase 2) and Other amendments*. The Board does not use interest rate benchmarks.
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*. This amendment provides limited optional comparative information relief for not-for-profit entities adopting AASB 1060 early. The Board is not permitted to adopt standards early.
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19- related rent concessions beyond 30 June 2021*. The Board did not receive any COVID-19 related rent concessions.
- *AASB1060 General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities*. This standard establishes disclosure requirements applicable to entities that are preparing general purpose financial statements and elect to apply the Tier 2 reporting requirements under AASB 1053 Application of Tiers of Australian Accounting Standards.

It is considered that the implementation of these amendments and interpretations that apply for the first time in 2021-22 will not have a material impact on the Board's financial statements.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES
Notes to and Forming Part of the General Purpose Financial
Statements
For the Year Ended 30 June 2022

NOTE 1 Statement of significant Accounting Policies (continued)

ii) Issued but not yet effective:

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS has not been applied and is not yet effective:

- AASB 17 *Insurance Contracts (effective date deferred to 1/1/2023)*. This standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. Insurers are required to distinguish groups of contracts expected to be profit making and those expected to be loss making. The Board does not issue any form of insurance contracts.

It is considered that the implementation of this issued but not yet effective standard will not have a material impact on the Board's financial statements.

(i) Impact of COVID-19 on Financial Reporting for 2021-22

There were no material impacts of COVID-19 on Financial Reporting for 2021-22.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 2 Expenses excluding losses

2(a) Employee-related expenses

	2022 \$'000	2021 \$'000
Salaries and wages (including annual leave)	191	168
Superannuation	18	16
Long service leave	(12)	2
	197	186

No employee-related expenses were capitalised in 2021-22 (2020-21: nil).

The Long Service Leave expense shows negative for the 2021-22 financial year following the retirement of the Board Secretary. As the Board Secretary had not been employed with the Rice Marketing Board for a continuous period of ten years, no entitlement to Long Service Leave arose and the accrual was reversed.

2(b) Other operating expenses include the following:

	2022 \$'000	2021 \$'000
Auditor's remuneration		
- Audit of the financial statements	18	18
Expense relating to short-term leases	36	36
Insurance	10	23
Consultants		
- Independent experts report – verification export price premium and freight scale advantage	10	12
- Vesting Review	8	0
- Computer services	10	7
Legal fees		
- Representation on SunRice Board	10	-
- Employment contracts	6	-
- SEEL Agreement advice	2	-
- Government Information (Public Access) Act	0	4
- Contract variation	0	2
Members fees	142	146
Members superannuation	14	14
Members election	16	-
Travel	16	16
Rice industry sponsorships	5	2
Other sundry operating expenses	22	19
	325	299

Maintenance expense

Day to day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience. The Board transferred its insurance from Marsh Pty Ltd on 28 March 2021 because the NSW Treasury Managed Fund Scheme offered a better price for similar coverage.

Lease expense

The Board recognises the lease payments for rental of the Board's serviced office as an expense on a straight-line basis, instead of recognising a right-of-use asset and lease liability as required by AASB16. The Board has elected to use the practical expedient to expense lease payments for its lease contract because, at its commencement date, the lease term was twelve months or less and did not contain a purchase option (short-term lease). The Board had total cash outflows for leases of \$36,000 (excluding GST) in FY2021-22 (2020-21: \$36,000).

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 2 Expenses excluding losses (continued)

2(c) Depreciation and amortisation expense

	2022 \$'000	2021 \$'000
Depreciation		
Office and computer equipment	4	4
	4	4

Refer to Note 6 for recognition and measurement policies on depreciation.

NOTE 3 Revenue

3(a) Sale of goods and services from contracts with customers:

	2022 \$'000	2021 \$'000
Sole and Exclusive Export Licence fee	221	221
Authorised Buyers' licence fees	1,202	837
	1,423	1,058

Rendering of services

Revenue from rendering of services is recognised when the Board satisfies the performance obligation by transferring the promised services.

In accordance with AASB 15, the Board satisfies its performance obligation for the Sole and Exclusive Export Licence fee over time and recognises revenue over the term of the licence period. The Board recognises this revenue on a monthly basis over the licence term. Until 30 June 2022, the revenue was measured according to the licence fee plus consumer price index, as agreed in the Sole and Exclusive Export Agreement executed on 30 June 2007. Five years' revenue from the Sole and Exclusive Export Licence was received when the licence term was renewed in 2017 and was held as a liability, with one-fifth of the fee being transferred to Revenue each year until 30 June 2022.

No element of financing is deemed present because payment is due when the licence is granted, at the commencement of each renewal term. Refer to Note 8 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

Revenue from Authorised Buyers' Licences is recognised when the performance obligation of the right to purchase NSW rice is reliably measured. The Board levies authorised buyers annually in arrears based on the percentage of the total rice crop each authorised buyer has procured during the reporting period. As the amount of the fee is not determined until the end of the reporting period to which the licence applies, the Board recognises the licence revenue on an annual basis at the end of each financial year. No element of financing is deemed present as payments are due when the revenue can be reliably measured.

For the 2021-22 year, the Board resolved to charge a licence fee of \$1.75 per tonne (2020-21: \$2.00 per tonne) to Authorised Buyers.

3(b) Investment Revenue

	2022 \$'000	2021 \$'000
Interest income from term deposits	5	7
	5	7

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 3 Revenue (continued)

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. The Board receives interest revenue from term deposit investments in major banks. The Board has been granted an exemption until 31 October 2022 to use financial services that are not provided under a State financial service agreement under the Treasurer's Direction – Financial Services (TD19-01).

NOTE 3 Revenue (continued)

3(c) Other Income

	2022 \$'000	2021 \$'000
Reimbursement of travel expenses	-	1
Reimbursement of insurance premium	-	5
Other reimbursements	-	1
	-	7

NOTE 4 Current Assets – Cash and Cash Equivalents

	2022 \$'000	2021 \$'000
Cash at bank	124	149
Term deposits	862	510
	986	659

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and term deposits at major banks subject to an insignificant risk of changes in value. No cash is held on hand.

	2022 \$'000	2021 \$'000
Cash and cash equivalents (per Statement of Financial Position)	986	659
	986	659

Refer Note 14 for details regarding credit risk and market risk arising from financial instruments.

NOTE 5 Current Assets – Receivables

	2022 \$'000	2021 \$'000
Trade receivables from contracts with licensees	1,196	917
Accrued interest on term deposits	4	3
Other receivables	5	8
Trade Debtors	-	6
	1,205	934

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 14 (Financial Instruments). Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. The Board holds receivables with the objective to collect the contractual cash flows and

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements For the Year Ended 30 June 2022

therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Board does not expect any credit losses in 2021-22 (2020-21: nil).

NOTE 6 Non-Current Assets – Property, Plant and Equipment

Total Property, Plant and Equipment held and used by the Board:

	Plant and Equipment \$'000	Total \$'000
At 1 July 2021		
Gross carrying amount	75	75
Accumulated depreciation and impairment	(68)	(68)
Net carrying amount	<u>7</u>	<u>7</u>

	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2022		
Net carrying amount at beginning of year	7	7
Purchases of assets	4	4
Depreciation expense – assets owned	(4)	(4)
Net carrying amount at end of year	<u>7</u>	<u>7</u>

	Plant and Equipment \$'000	Total \$'000
At 30 June 2022		
Gross carrying amount	26	26
Accumulated depreciation and impairment	(19)	(19)
Net carrying amount	<u>7</u>	<u>7</u>

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 6 Non-Current Assets – Property, Plant and Equipment (continued)

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and may be subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date. Property, plant and equipment costing \$500 and above individually are capitalised.

Depreciation of property plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Board. All materially identifiable components of assets are depreciated separately over their useful lives.

Right-of-use assets acquired by lessees

From 1 July 2019, AASB 16 *Leases* requires a lessee to recognise a right-of-use asset for most leases. However, the Board continues to recognise the lease payments for rental of the Board's serviced office as an expense on a straight-line basis because the office lease is a short-term lease which is exempt from the requirements of AASB 16.

Revaluation of property, plant and equipment

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The only class of assets held by the Board is Office Equipment. As these are non-specialised assets with short useful lives, they are measured at depreciated historical cost, which approximates fair value. The Board has assessed that any difference between fair value and depreciated historical cost is unlikely to be material. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB136 *Impairment of assets* is unlikely to arise. Since property, plant and equipment is carried at an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

NOTE 7 Current Liabilities – Payables

	2022 \$'000	2021 \$'000
Creditors	45	23
GST payable	0	80
PAYG withholding	6	6
Unclaimed grower equity repayments	5	5
	56	114

Details regarding liquidity risk are disclosed at Note 14 (Financial Instruments).

Payables represent liabilities for goods and services provided to the Board and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. The above amounts include GST where applicable. This is because an event has occurred that will give rise to a GST receivable in the future. Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

Unclaimed grower equity payments relate to the Board's Capital Equity Rollover Scheme that operated as a means for rice growers to self-fund the construction and maintenance of rice storage facilities across the Riverina. The final repayment to growers was made in July 2016. The unclaimed grower equity repayments represent amounts in dispute or where the grower cannot be contacted.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 8 Current Liabilities – Contract Liabilities

Contract liabilities relate to consideration received in advance from Ricegrowers Limited, trading as SunRice, in respect of the Sole and Exclusive Export Licence Agreement.

	2022 \$'000	2021 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	221	443
Revenue recognised from performance obligations satisfied in the current period	(221)	(222)
Transaction price allocated to the remaining performance obligations from contracts with customers	-	221

The transaction price allocated to the remaining performance obligations in 2021 related to the Sole and Exclusive Export Agreement fee. A new fee, covering the period July 2022 to June 2027, was in the process of being negotiated at the time of preparing these financial statements.

NOTE 9 Current / Non-Current Liabilities – Provisions

	2022 \$'000	2021 \$'000
Employee benefits and related costs		
- Annual Leave	-	12
- Long service leave	-	12
	-	24
Aggregate employee benefits and related on-costs		
- Provisions – current	-	12
- Provisions – non-current	-	12
	-	24

Employee benefits and related on-costs

Employee benefits are not recognised for 2022 because the Board Secretary resigned effective 31 May 2022 and returned on a short term contract until a new Board Secretary commenced on 1 August 2022.

Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits. Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB119 *Employee benefits* (although short-cut methods are permitted). Actuarial advice obtained by NSW Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave can be used to approximate the present value of the annual leave liability. The Board has assessed the actuarial advice based on the Board's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the Board does not expect to settle the liability within twelve months as the Board does not have an unconditional right to defer settlement. Unused sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Superannuation expense is based on the superannuation guarantee contribution rate of 10% of ordinary earnings, and is paid into employees' superannuation fund of choice.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 9 Current / Non-Current Liabilities – Provisions (continued)

Consequential on-costs

Consequential on-costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of workers compensation insurance premiums. The Board does not pay payroll tax or fringe benefits tax.

NOTE 10 Equity – Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

NOTE 11 Commitments

	2022 \$'000	2021 \$'000
Within one year	6	6
Total	6	6

The only commitments owing by the Board relate to the lease of the serviced office. Two months' rental cost is committed. There were no capital commitments at 30 June 2022 (2021: nil) other than that disclosed above.

NOTE 12 Contingent Liabilities and Contingent Assets

No contingent liabilities or contingent assets are known to exist at the time of signing these statements (2021: nil).

NOTE 13 Reconciliation of Cash Flows from Operating Activities to Net Result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	2022 \$'000	2021 \$'000
Net cash used on operating activities	331	(365)
Depreciation expense	(4)	(4)
Decrease/(increase) in provisions	24	(3)
Increase/(decrease) in prepayments and other assets	272	786
Decrease/(increase) in payables	58	(52)
Decrease/(increase) in contract liabilities	221	221
Net result	902	583

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 14 Financial Instruments

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance the Board's operations. The Board does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Board, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

a) Financial instrument categories

	Notes	2022 \$'000	2021 \$'000
Financial Assets			
- Cash and cash equivalents – <i>amortised cost</i>	4	986	659
- Receivables– <i>amortised cost</i>	5	1,205	934
Financial Liabilities			
- Payables – <i>amortised cost</i>	7	56	23

The Board determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire. In 2022 the Board did not transfer any rights to receive cash flows from a financial asset or assume an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement (2021: nil).

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. In 2022 the Board did not replace an existing liability by another from the same lender on substantially different terms, or modify the terms of an existing liability (2021: nil).

c) Offsetting financial instruments

In 2022 the Board did not offset any financial assets and financial liabilities (2021: nil).

d) Financial risks

i) Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets. Credit risk arises from the financial assets of the Board, including cash, receivables and term deposits. No collateral is held by the Board. The Board has not granted any financial guarantees. Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Cash on hand and term deposits are held at major banks and are guaranteed by the Financial Claims Scheme to a value of AUD\$250,000 per institution.

Collectability of trade receivables is reviewed on an on-going basis. The Board has no expected credit losses as at 30 June 2022 (2021: nil). The Board is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2022 and 2021.

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2022

NOTE 14 Financial Instruments (continued)

Due to the size and fixed nature of the term deposits at balance date the Board's exposure to credit risk is considered immaterial to the overall profitability of the entity.

ii) Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. During the current and prior year, there were no borrowings. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers are paid not later than 30 days from date of receipt of a correctly rendered invoice. No interest was applied to any invoices for the 2022 year (2021: nil).

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, primarily market interest rates. The only exposure the Board has to interest rate risk is in its term deposit investments. The Board is not exposed to any cash flow sensitivity relating to interest rate risk on borrowings. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management has assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their fair values, largely due to the short-term maturities of these instruments.

NOTE 15 Related party disclosures

The Board's key management personnel compensation are as follows:

Short term employee benefits

	2022 \$'000	2021 \$'000
Salaries	171	151
Members fees	142	146
Post-employment benefits	32	28
	345	325

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Board either directly or indirectly. The key management personnel comprise the directors and executives who are responsible for the financial and operational management of the Board.

During the year, the Board did not enter into any transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof.

NOTE 16 Events after the Reporting Period

No after balance date events are known to exist at the time of signing these statements.

End of audited financial statements



INDEPENDENT AUDITOR'S REPORT

Rice Marketing Board for the State of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Rice Marketing Board for the State of New South Wales (the Board), which comprise the Statement by Members of the Board, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- has been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Board's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

The Board's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chair of the Board is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Annual Report.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Chair's Responsibilities for the Financial Statements

The Chair is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chair's responsibility also includes such internal control as the Chair determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Min Lee
Director Financial Audit

Delegate of the Auditor-General for New South Wales

21 October 2022
SYDNEY

Budget

Actual 2021/22 \$000's	Budget 2021/22 \$000's		Budget 2022/2023 \$000's
		INCOME	
221	221	SEEL Fee	232
1	0	ABL Application Fees	1
1201	938	ABL Variable Fee	510
5	2	Interest Income	9
-	-	Grant - Interest Foregone	24
0	0	Miscellaneous Income	0
1428	1161		776
		EXPENDITURE	
(4)	(0)	Advertising	(2)
(18)	(19)	Audit Fees	(19)
(0)	(0)	Bank Charges	(0)
(21)	(20)	Information Systems	(20)
(4)	(3)	Depreciation	(5)
-	-	Loss on Asset Sold	(10)
(10)	(9)	Insurances	(0)
(18)	(50)	Legal and Consultancy Fees	(50)
(197)	(191)	Staff Employment Costs	(366)
(142)	(150)	Members' Fees	(150)
(14)	(15)	Members' Superannuation	(16)
(16)	(25)	Election	(0)
(0)	(0)	Postage and Couriers	(0)
(0)	(0)	Printing and Stationery	(0)
(3)	(4)	Telephone	(4)
(18)	(20)	Verification Export Price Premium	(12)
(16)	(40)	Travel - Members and Staff	(75)
(3)	(3)	Sundry Expenses	(3)
(5)	(20)	Grower Relations	(6)
-	-	Training	(0)
(36)	(36)	Rent of Premises	(36)
	(20)	Contingency Forecast	-
(526)	(606)		(776)
902	555	Operating Surplus/(Deficit)	(0)
-	-	Capital Expenditure	-

Statistical Summary

New South Wales Only

		2022 Crop	2021 Crop	2020 Crop	2019 Crop	2018 Crop
Number of farms	MIA	326	282	56	62	307
producing rice	CIA	91	108	18	11	136
	MV	397	286	26	27	488
	Other	-	-	4+	7+	7+
	TOTAL	814	676	104+	107+	938+
Production	MIA	292,732	229,511	28,878	36,695	233,478
(Tonnes)	CIA	49,951	37,923	4,236	3,939	71,871
	MV	341,215	149,386	11,699	14,167	316,606
	Other	1,772	2,611	1,362	540	3,857
	TOTAL	685,670	419,431	46,175	55,341	625,812
Harvested Area	MIA	26,281	21,561	2,471	3,222	20,953
(Hectares)	CIA	4,669	5,029	462	400	7,396
	MV	30,500	17,566	1,287	1,471	31,241
	Other	-	-	-	-	-
	TOTAL	61,450	44,156	4220+	5,093+	59,590+
Average Yield	MIA	11.14	10.64	11.69	11.38	11.14
(Tonnes/Hectare)	CIA	10.70	7.54	9.18	9.85	9.72
	MV	11.18	8.50	9.09	9.63	10.13
	Other	-	-	-	-	-
	OVERALL	11.13 est	9.5 est	10.9 est	10.76 est	10.5 est

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