



FRDC

**Financial statements
for the period ended
30 April 2019**

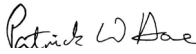
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FISHERIES RESEARCH AND DEVELOPMENT CORPORATION (FRDC)

STATEMENT BY THE MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the period ended 30 April 2019 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the FRDC will be able to pay its debts as and when they fall due.

Signed 
Patrick Hone
Managing Director

May 16, 2019
Date

Signed 
John Wilson
Chief Financial Officer

May 16, 2019
Date

Statement of Comprehensive Income

for the period ended 30 April 2019

	Notes	2018-19 \$	2017-18 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	2,909,542	2,695,736
Suppliers	1.1B	1,312,903	1,611,447
Projects	1.1C	21,177,172	20,148,167
Depreciation and amortisation	2.2A	152,078	144,845
Write-down and impairment of assets	2.2A	12,073	-
Total expenses		25,563,768	24,600,195
Own-source income			
Own-source revenue			
Sale of goods and rendering of services	1.2A	-	345
Interest	1.2B	485,334	339,760
Grants	1.2C	2,209,250	2,175,000
Contributions	1.2D	5,513,552	5,143,692
Other revenue	1.2E	1,904,199	1,298,674
Total own-source revenue		10,112,335	8,957,471
Total own-source income		10,112,335	8,957,471
Net cost of services		15,451,433	15,642,724
Revenue from the Australian Government	1.2F	17,012,963	16,832,856
Surplus on continuing operations		1,561,530	1,190,132
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	2.2A	-	-
Total other comprehensive income		-	-
Total comprehensive income		1,561,530	1,190,132

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

Statement of Financial Position

as at 30 April 2019

	Notes	2018-19 \$	2017-18 \$
ASSETS			
Financial assets			
Cash and cash equivalents	2.1A	24,418,597	18,273,913
Trade and other receivables	2.1B	1,943,410	2,746,802
Other investments	2.1C	5,001	5,001
Total financial assets		26,367,008	21,025,716
Non-financial assets			
Property, plant and equipment	2.2A	77,601	123,499
Intangibles	2.2A	694,747	792,502
Other non-financial assets	2.2B	24,473	28,322
Total non-financial assets		796,821	944,323
Total assets		27,163,829	21,970,039
LIABILITIES			
Payables			
Suppliers and other payables	2.3A	68,452	66,360
Projects	2.3B	274,040	-
Other payables	2.3C	-	-
Total payables		342,492	66,360
Provisions			
Employee provisions	3.1A	925,298	989,029
Total provisions		925,298	989,029
Total liabilities		1,267,790	1,055,389
Net assets		25,896,039	20,914,650
EQUITY			
Asset revaluation reserves		412,900	410,774
Retained earnings		25,483,139	20,503,876
Total equity		25,896,039	20,914,650

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

Statement of Changes in Equity*for the period ended 30 April 2019*

	2018-19	2017-18
	\$	\$
RETAINED EARNINGS		
Opening balance		
Balance carried forward from previous period	23,921,609	19,313,744
Adjusted opening balance as at 1 July 2018	23,921,609	19,313,744
Comprehensive income		
Surplus for the period	1,561,530	1,190,132
Total comprehensive income	1,561,530	1,190,132
Closing balance as at 30 April 2019	25,483,139	20,503,876
ASSET REVALUATION RESERVE		
Opening balance		
Balance carried forward from previous period	412,900	410,774
Adjusted opening balance as at 1 July 2018	412,900	410,774
Comprehensive income		
Other comprehensive income	-	-
Total comprehensive income	-	-
Closing balance as at 30 April 2019	412,900	410,774
TOTAL EQUITY		
Opening balance		
Balance carried forward from previous period	24,334,509	19,724,518
Adjusted opening balance as at 1 July 2018	24,334,509	19,724,518
Comprehensive income		
Surplus for the period	1,561,530	1,190,132
Other comprehensive income	-	-
Total comprehensive income	1,561,530	1,190,132
Closing balance as at 30 April 2019	25,896,039	20,914,650

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

Cash Flow Statement

for the period ended 30 April 2019

Notes	2018-19 \$	2017-18 \$
OPERATING ACTIVITIES		
Cash received		
Receipts from the Australian Government	18,526,188	21,689,907
Contributions	5,238,104	5,854,768
Grants	2,209,250	2,175,000
Interest	460,199	286,625
Net GST received	1,594,324	1,285,734
Other	2,094,619	1,428,886
Total cash received	30,122,684	32,720,920
Cash used		
Employees	(2,996,908)	(2,688,134)
Suppliers	(1,631,746)	(1,823,915)
Projects expenditure	(23,329,295)	(22,301,146)
Total cash used	(27,957,949)	(26,813,195)
Net cash from operating activities	2,164,735	5,907,725
INVESTING ACTIVITIES		
Cash used		
Purchase of property, plant and equipment	(8,409)	(14,031)
Purchase of intangibles	(31,551)	(79,651)
Total cash used	(39,960)	(93,682)
Net cash used by investing activities	(39,960)	(93,682)
FINANCING ACTIVITIES		
Cash received		
Other	-	-
Total cash received	-	-
Cash used		
Other	-	(153,722)
Total cash used	-	(153,722)
Net cash (used by)/from financing activities	-	(153,722)
Net increase in cash held	2,124,775	5,660,321
Cash and cash equivalents at the beginning of the reporting period	22,293,822	12,613,592
Cash and cash equivalents at the end of the reporting period	24,418,597	18,273,913

2.1A

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

Overview

Objectives of the FRDC

The FRDC is an Australian Government controlled entity. It is a not-for-profit entity established as a statutory corporation on 2 July 1991 under the provisions of the *Primary Industries Research and Development Act 1989* (PIRD Act). The objectives of the FRDC are to plan and invest in fisheries research, development and extension (RD&E) activities and in related marketing activities.

As a national organisation with strong linkages to industry, managers, and researchers the FRDC has a fundamental role in providing leadership and coordination. The FRDC achieves this through establishing strong relationships, and putting in place mechanisms to identify and address priorities with industry and government stakeholders. In addition, the FRDC monitors and evaluates the adoption of RD&E and marketing outputs to better inform future decisions.

The FRDC is structured to meet the following outcome:

Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

The continued existence of the FRDC in its present form, and with its present outcome, is dependent on Australian Government policy, and on continuing funding from the Australian Government for the FRDC's outcome.

The basis of preparation

The financial statements are general purpose financial statements, and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2017; and
- b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis, and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

New Australian Accounting Standards

Adoption of new and future Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The new standards, revised standards, interpretations and amending standards that were issued prior to the signing of the statements by the: Board Chair; Finance, Audit and Risk Management Committee Chair; Managing Director; and Chief Financial Officer; and are applicable to the current reporting period, did not have a material impact, and are not expected to have a future material impact, on the FRDC's financial statements.

Taxation

The FRDC is exempt from all forms of taxation except fringe benefits tax (FBT), payroll tax, and the goods and services tax (GST).

Events after the reporting period

No reportable events have occurred after the Statement of Financial Position date.

Financial Performance

	2018-19	2017-18
	\$	\$
Note 1.1: Expenses		
Note 1.1A: Employee benefits		
Wages and salaries	2,511,279	2,223,279
Superannuation		
Defined contribution plans	167,849	186,644
Defined benefit plans	317,780	278,211
Leave and other entitlements	(87,366)	7,602
Total employee benefits	2,909,542	2,695,736

Accounting policy

Accounting policies for employee related expenses are contained at Note 3.1A.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Agency staff	31,786	8,860
Annual report	1,005	20,080
Asset purchases less than \$5,000	18,523	47,282
Audit fees	-	-
External service providers	226,593	375,504
Insurance	30,958	31,019
Information technology	247,105	409,802
Joint research and development corporation (RDC) activities	53,641	24,809
Legal	11,381	10,117
Media monitoring and releases	26,235	21,891
Office supplies	15,769	22,007
Photographs	2,585	480
Postage and couriers	2,245	2,481
Property	40,979	24,404
RD&E plan	1,518	4,000
Recruitment/director selection costs	4,527	11,312
Representation	35,992	31,903
Representative organisations consultation	5,255	24,956
Telecommunications	27,082	29,070
Training	74,265	87,779
Travel	90,704	58,885
Other	200,064	235,919
Total goods and services supplied or rendered	1,148,212	1,482,560

Other suppliers

Operating lease rental in connection with

External parties		
Operating lease rentals ¹	153,308	115,630
Workers compensation expenses	11,383	13,257
Total other suppliers	164,691	128,887
Total suppliers	1,312,903	1,611,447

¹ Operating lease commitments

Canberra office

Operating leases included were effectively non-cancellable. The lease for the office accommodation at 25 Geils Court, Deakin, Australian Capital Territory has been renegotiated for a further three years and expires 31 July 2020. Lease payments are subject to a 3 percent annual increase in accordance with the lease agreement.

Adelaide office

The lease for the office accommodation at Wine Australia, corner Botanic and Hackney Roads, Adelaide, South Australia commenced 31 March 2016 with an annual right of renewal until 30 March 2021. The current lease term expires 30 March 2019. Lease payments are subject to the annual increase in accordance with movements in the consumer price index.

Port Stephens office

Resources received free of charge

The Department of Industry New South Wales provides FRDC with office space at the Port Stephens Fisheries Institute, Nelson Bay, free of charge for three FRDC staff members working on the National Carp Control Plan. The monetary value cannot be reliably determined and is therefore not included in the operating lease commitment schedule.

	2018-19	2017-18
	\$	\$
<i>Note 1.1: Expenses continued</i>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	189,925	179,640
Between 1 to 5 years	35,688	168,285
Total operating lease commitments	225,613	347,925

Note: Leasing commitments are GST inclusive.

Accounting policy

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased assets.

Note 1.1C: Projects

Australian Government entities (related parties)	2,102,977	2,335,737
State and territory governments	4,913,657	4,466,420
Universities and educational bodies	4,863,765	4,674,646
Cooperative research centres	100	-
Research and development corporations	5,504	5,433
Industry (commercial, recreational and Indigenous)	5,282,398	4,267,602
Overseas research entities	139,364	150,003
Private providers	3,869,407	4,248,326
Total projects	21,177,172	20,148,167

Accounting policy

The FRDC recognises project liabilities through project agreements that require research partners to perform services or provide facilities, or to meet eligibility criteria. In these cases, liabilities are recognised only to the extent that the services required have been performed, an invoice issued consistent with the contractual requirements, and the eligibility criteria have been satisfied by the research partner to the FRDC's satisfaction.

Project commitments

Project commitments comprise the future funding of approved projects that are contingent on the achievement of agreed deliverables over the life of those projects (project agreements are exchanged prior to release of the first payment on a project). Projects, where amounts were payable but were unpaid at the end of the period, have been brought to account as project payables. The FRDC contracts to fund projects in future years in advance of receipt of the income needed to fund them. FRDC manages this risk by having the project agreement allow for termination at its sole discretion for any reason. If the FRDC were to terminate a project agreement, it would only be liable to compensate the research partner for any reasonable costs in respect of unavoidable loss incurred by the research provider and directly attributable to the termination of the agreement, provided that the costs are fully substantiated to the FRDC.

Project commitments are payable as follows:

Within 1 year (unpaid deliverables up to 30 June 2019)	24,325,193	22,468,763
Between 1 to 5 years (1 July 2019 to 30 June 2023)	37,366,241	33,313,728
Over 5 years (from 1 July 2023)	146,674	192,500
Total project commitments	61,838,108	55,974,991

Note: Project commitments are GST inclusive.

Note 1.1D: Write down and impairment of assets

Asset write down and impairments from:

Write down of intangible assets ¹	12,073	-
Total write down and impairment of assets	12,073	-

	2018-19	2017-18
	\$	\$

Note 1.2: Own-source income

Own-source revenue

Note 1.2A: Sale of goods and rendering of services

Sale of goods	-	345
Total sale of goods and rendering of services	-	345

Accounting policy

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer, and
- b) the entity retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Note 1.2B: Interest

Deposits	485,334	339,760
Total interest	485,334	339,760

Accounting policy

Interest revenue is recognised using the effective interest method.

Note 1.2C: Grants

Australian Government

Department of Agriculture and Water Resources ¹	2,209,250	2,175,000
Total grants	2,209,250	2,175,000

¹ RD&E funding from Department of Agriculture and Water Resources.

The FRDC has a Research & Development Funding Head Agreement with the Department of Agriculture and Water Resources under which it manages a suite of research activities. The activities are listed at Note 3.4B, page 20.

Accounting policy

Australian Government grants income is revenue paid to FRDC for the purpose of funding specific research and development projects, and is recognised when:

- a) the FRDC obtains control of the grant or the right to receive the grant;
- b) it is probable that the economic benefits comprising the grant will flow to the FRDC; and
- c) the amount of the grant can be reliably measured.

	2018-19	2017-18
	\$	\$

Note 1.2: Own-source income continued

Note 1.2D: Contributions

Fisheries

Australian Prawn Farmers Association	69,341	112,833
Australian Fisheries Management Authority	15,000	24,000
Australian Capital Territory	-	-
New South Wales	435,713	269,500
Northern Territory	-	-
Queensland	663,261	705,000
South Australia	496,077	680,964
Tasmania	2,287,934	1,818,802
Victoria	209,562	30,000
Western Australia	1,336,664	1,502,593
Total contributions	5,513,552	5,143,692

Accounting policy

Contributions are recognised when:

- the FRDC obtains control of the contribution or the right to receive the contribution;
- it is probable that the economic benefits comprising the contribution will flow to the FRDC; and
- the amount of the contribution can be reliably measured.

Note 1.2E: Other revenue

Project funds received	1,808,250	1,003,491
Project refunds of prior years expenditure	95,949	286,296
Other ¹	-	8,887
Total other revenue	1,904,199	1,298,674

¹ On 1 June 2017 the Seafood CRC Board, as part of its wind up process, resolved, in accordance with its constitution, to transfer its remaining funds to the FRDC. Note 1.2E: Other, includes an amount of \$3,924 that was transferred by SCRC to FRDC on 4 July 2017.

Accounting policy

Project funds received are recognised when they are entitled to be received by the FRDC. Project refunds from research partners are brought to account when received.

Note 1.2F: Revenue from the Australian Government

Department of Agriculture and Water Resources		
Corporate Commonwealth entity payment item of 0.50% of AGVP ¹	13,626,504	13,053,236
Matching of industry contributions ²	3,386,459	3,779,620
Total revenue from the Australian Government	17,012,963	16,832,856

¹ AGVP is the average gross value of fisheries production for the current year and the two preceding financial years. The Australian Government's contribution of 0.50% of AGVP is made on the grounds that the FRDC exercises a stewardship role in relation to fisheries resources on behalf of the Australian community.

² Matching of industry contributions (up to 0.25% of AGVP) by the Australian Government.

Accounting policy

Revenue from the Australian Government

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity paid by special appropriation) is recognised as revenue from the Australian Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

Financial Position

	2018-19	2017-18
Note 2.1: Financial assets	\$	\$
Note 2.1A: Cash and cash equivalents		
Cash on hand or at call	4,378,553	8,273,913
Cash on deposit:		
Fixed term deposit - original term 6 months	-	6,000,000
Fixed term deposit - original term 3 months	-	4,000,000
Fixed term deposit - original term 2 months	-	-
Fixed term deposit - original term 1 months	20,040,044	-
Total cash and cash equivalents	24,418,597	18,273,913

Accounting policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of six months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Note 2.1B: Trade and other receivables

Goods and services receivables in connection with

Goods and services	1,891,264	1,574,509
Total goods and services receivables	1,891,264	1,574,509

Department of Agriculture and Water Resources

Receivables	-	932,707
Total receivables from Department of Agriculture and Water Resources	-	932,707

Other receivables

GST receivable from the Australian Taxation Office	52,146	239,586
Total other receivables	52,146	239,586
Total trade and other receivables	1,943,410	2,746,802

Trade and other receivables are expected to be recovered

No more than 12 months	1,943,410	2,746,802
Total trade and other receivables	1,943,410	2,746,802

Trade and other receivables aged as follows

Not overdue ¹	1,241,334	2,051,652
Overdue by		
0 to 30 days	632,500	672,650
31 to 60 days	16,500	-
61 to 90 days	53,076	22,500
More than 90 days	-	-
Total trade and other receivables	1,943,410	2,746,802

¹Credit terms for goods and services are within 30 days (2017-18: 30 days).

Accounting policy

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Note 2.1C: Other investments

One-eighteenth share in Australian Seafood Co-Products Pty Ltd (ASCo), an unlisted company converting fish waste and fish nutrient into agriculture fertiliser products	5,001	5,001
Total other investments	5,001	5,001

Note 2.2: Non-financial assets

Note 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**Reconciliation of the opening and closing balances of property, plant and equipment and intangibles**

	Property, plant and equipment \$	Intangibles (computer software) \$	Total \$
As at 1 July 2018			
Gross book value	116,650	1,252,896	1,369,546
Accumulated depreciation and amortisation	-	(473,007)	(473,007)
Total as at 1 July 2018	116,650	779,889	896,539
Additions			
Purchase	8,409	-	8,409
Internally developed	-	31,551	31,551
Revaluations recognised in other comprehensive income	-	-	-
Write down recognised in net cost of services	-	(12,073)	(12,073)
Depreciation and amortisation	(47,458)	(104,620)	(152,078)
Total as at 30 April 2019	77,601	694,747	772,348
Total as at 30 April 2019 represented by			
Gross book value	125,059	1,258,887	1,383,946
Accumulated depreciation and amortisation	(47,458)	(564,140)	(611,598)
Total as at 30 April 2019	77,601	694,747	772,348

Revaluations of non-financial assets

No indicators of impairment were found for property, plant and equipment or intangibles.

No property, plant and equipment is expected to be sold or disposed of within the next 12 months.

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 that are expensed in the year of acquisition (other than where they form part of a group of similar items where the value is greater than \$5,000).

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depend on the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset, and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the FRDC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018-19	2017-18
Property, plant and equipment	up to 5 years	up to 5 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 April 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal, or when no further future economic benefits are expected from its use or disposal.

Intangibles

The FRDC's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the FRDC's software is 10 years (2017-18: 10 years).

All software assets were assessed for indications of impairment as at 30 April 2019.

	2018-19	2017-18
	\$	\$
<i>Note 2.2: Non-financial assets continued</i>		
Note 2.2B: Other non-financial assets		
Prepayments	24,473	28,322
Total other non-financial assets	24,473	28,322

No indicators of impairment were found for other non-financial assets.

	2018-19	2017-18
	\$	\$
Note 2.3: Payables		
Note 2.3A: Suppliers and other payables		
Trade creditors and accruals	-	-
FBT payable	(5,249)	(2,812)
PAYG payable	73,701	69,172
Other	-	-
Total suppliers and other payables	68,452	66,360
Suppliers and other payables expected to be settled		
No more than 12 months	68,452	66,360
Total suppliers	68,452	66,360

Settlement is usually made within 30 days.

Note 2.3B: Projects

Australian Government entities (related parties)	-	-
State and territory governments	-	-
Other	274,040	-
Total projects	274,040	-

Accounting policy

Project payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. They relate to payments approved on achievement of agreed deliverables, but which were unpaid at the end of the reporting period. Settlement is usually made within 30 days.

Note 2.3C: Other payables

Other	-	-
Total other payables	-	-

People and relationships

	2018-19	2017-18
Note 3.1: Employee Provisions	\$	\$
Note 3.1A: Employee provisions		
Leave	925,298	989,029
Total employee provisions	925,298	989,029
Employee provisions that could be settled		
No more than 12 months	859,356	951,909
More than 12 months	65,942	37,120
Total employee provisions	925,298	989,029

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The FRDC's staff are members of the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme for the Australian Government. The PSSap and any other superannuation funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The FRDC makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

Note 3.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the FRDC, directly or indirectly, including any director of the board (whether executive or otherwise) of the FRDC. The FRDC has determined the key management personnel to be the non-executive directors, the Managing Director and three senior general managers. Key management personnel remuneration is reported in the table below:

	2018-19	2017-18
	\$	\$
Short-term employee benefits (salary)	982,188	943,677
Post-employment benefits (superannuation)	181,728	194,099
Other long-term employee benefits (annual leave and long service leave)	100,851	98,665
Total key management personnel remuneration expenses	1,264,767	1,236,440

The total number of key management personnel that are included in the above table is 16 (2017-18: 11). They are made up of:

- seven non-executive directors
- one non-executive director (Chair)
- one Managing Director
- three senior general managers
- four non-executive directors (retired 31 August 2018)

Note 3.3: Annual total remuneration ranges (including superannuation) paid to key management personnel and the independent Finance, Audit and Risk Management Committee member¹

	2018-19	2017-18
Nil to \$39,999 ¹	12	7
\$40,000 to \$69,999	1	1
\$180,000 to \$239,999	2	2
\$280,000 to \$309,999	1	1
\$340,000 to \$369,999	1	1
Total number of key management personnel	17	12

Note 3.4: Related party disclosures

Related party relationships

The FRDC is an Australian Government controlled entity. Related parties to this entity are non-executive directors, the Managing Director, and three senior general managers and other Australian Government entities.

The non-executive directors and the Managing Director of the FRDC during the year were:

The Hon. Ronald Boswell	Chair (Appointed 1 September 2016) (Member People and Culture Committee)
Dr Kathryn Brooks	Director (Appointed 10 October 2018) (Member Investment Mechanisms Working Group)
Professor Colin D. Buxton	Director (Deputy Chair) (Re-appointed 10 October 2018) (Member Investment Mechanisms Working Group)
Mrs Saranne Cooke	Director (Appointed 10 October 2018) (Member Finance, Audit and Risk Management Committee)
Ms Katina Hodson-Thomas	Director (Appointed 10 October 2018) (Member People and Culture Committee)
Dr Patrick Hone	Managing Director (Member Investment Mechanisms Working Group) (Member People and Culture Committee)
Mr Mark King	Director (Appointed 10 October 2018) (Chair People and Culture Committee)
Mr John Lloyd	Director (Appointed 10 October 2018) (Chair Investment Mechanisms Working Group) (Member Finance, Audit and Risk Management Committee)
Dr Lesley MacLeod	Director (Re-appointed 10 October 2018) (Chair Finance, Audit and Risk Management Committee)
Ms Renata Brooks	Director (Retired 31 August 2018)
Mr John Harrison	Director (Retired 31 August 2018)
Associate Professor Daryl McPhee	Director (Retired 31 August 2018)
Mr John Susman	Director (Retired 31 August 2018)
Ms Christine Feldmanis ¹	Independent Member Finance, Audit and Risk Management Committee (Retired 21 November 2018)

¹ Independent Member Finance, Audit and Risk Management Committee

Ms Feldmanis was paid under a consultancy agreement from 1 July 2018 to 20 November 2018; and is included in Note 3.3 Annual remuneration ranges, but is not included in Note 3.2 Key management personnel remuneration.

Note 3.4A: Transactions with director-related entities

The FRDC's practice is to disclose all transactions with an entity with whom a director has an association. This means that directors who have disclosed a material personal interest have attributed to them all the transactions of that entity with the FRDC. Typically, the FRDC will not transact with all the entities for which a director has made such a declaration. The transactions that are not with related parties as defined by AASB124 Related Party Disclosures, are identified below with an asterisk (*)

The FRDC's 'Board governance policy' provides guidance to directors on how the FRDC deals with material personal interests. Where a director has an association with an entity where a conflict has the potential to arise, in addition to the duty to disclose that association, the director absents him/herself from both the discussion and the decision-making process.

Given the breadth of Australian Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions occurred during the directors' related period.

Director	Organisation and position held	Nature of interest	2018-19		2017-18	
			Expenditure	Income	Expenditure	Income
Dr K. Brooks (Appointed 10 Oct 2018)	OzFish Unlimited <i>Non-Executive Director</i> 10 October 2018 to current	Research projects or work undertaken by the organisation	71,895	-	n/a ¹	n/a ¹
	Seafood Industry Victoria Inc. <i>Casual Director</i> 10 October 2018 to 5 May 2019	Research projects or work undertaken by the organisation	55,922	-	n/a ¹	n/a ¹
	Kal Analysis Pty Ltd <i>Director</i> 10 October 2018 to current	Research projects or work undertaken by the organisation	121,726	-	n/a ¹	n/a ¹
Professor C. D. Buxton (Re-appointed 10 Oct 2018)	Southern Rock Lobster Ltd <i>Chair</i> 2015 to 31 August 2018 10 October to current	Research projects or work undertaken by the organisation	790,790	-	112,989	-
	Institute from Marine and Antarctic Studies University of Tasmania * <i>Adjunct Professor</i> 2014 to 31 August 2018	Research projects or work undertaken by the organisation	347,125	3,250	1,170,107	300
Ms K. Hodson-Thomas (Appointed 10 Oct 2018)	Western Australian Fishing Industry Council <i>Chair</i> 10 October 2018 to 30 November 2018	Research projects or work undertaken by the organisation	263	-	n/a ¹	n/a ¹
Ms R. Brooks (Retired 31 Aug 2018)	Australian Fisheries Management Authority <i>Commissioner</i> November 2016 to 31 August 2018	Research projects or work undertaken by the organisation	-	4,825	119,900	49,559
	South Australian Research and Development Institute * <i>Consultant</i> July 2017 to 31 August 2018	Research projects or work undertaken by the organisation	268,516	-	1,891,772	210,100
Mr J. Harrison (Retired 31 Aug 2018)	Western Australian Fishing Industry Council <i>Chief Executive Officer</i> 2013 to 31 August 2018	Research projects or work undertaken by the organisation	19,966	-	331,714	-
Mr D. McPhee (Retired 31 Aug 2018)	Department of Primary Industries New South Wales * <i>Consultant</i> November 2017 to 31 August 2018	Research projects or work undertaken by the organisation	52,811	-	335,642	296,450
	Department of Agriculture and Fisheries Queensland * <i>Client</i> February 2018 to 31 August 2018	Research projects or work undertaken by the organisation	396,465	107,324	768,545	775,500

All transactions were conducted under normal terms and conditions and include GST.

¹ n/a - The director had not engaged in research projects or other work with the director-related entity in the reporting period.

Note 3.4B: Other related party disclosures**Department of Agriculture and Water Resources**

The FRDC has a Research & Development Funding Head Agreement with the Department of Agriculture and Water Resources under which it manages the suite of activities detailed below:

2015-16

- National Carp Control Plan
- The role of the recreational fisher in the stewardship of the Southern Bluefin Tuna fishery

The FRDC provided grants in 2018-19 totalling: \$2,209,250 (2017-18: \$2,175,000) (refer Note 1.2C: Grants).

Financial instrument and fair value measurements

	2018-19	2017-18
	\$	\$
Note 4.1: Financial instruments		
Note 4.1A: Categories of financial instruments		
Financial assets		
Loans and receivables		
Cash and cash equivalents	24,418,597	18,273,913
Trade and other receivables	1,891,264	1,574,509
Other investments	5,001	5,001
Total loans and receivables	26,314,862	19,853,423
Total financial assets	26,314,862	19,853,423
Financial liabilities		
Other financial liabilities		
Suppliers and other payables	-	-
Projects	274,040	-
Other payables	-	-
Total other financial liabilities	274,040	-
Total financial liabilities	274,040	-

Accounting policyFinancial assets

The FRDC classifies its financial assets in the following category:

- loans and receivables.

Loans and receivables

Trade receivables, loans and other receivables are classified as 'loans and receivables' and recorded at face value less any impairment. Trade and other receivables are recognised where the FRDC becomes party to a contract and has a legal right to receive cash. Loans and receivables are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable. Trade receivables are derecognised on payment.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Note 4.1B: Net gain or loss from financial assets**Loans and receivables**

Interest revenue (Note 1.2B)	485,334	339,760
Net gain from loans and receivables	485,334	339,760

Note 4.2: Fair value measurement

Accounting policy

FRDC engaged Jones Lang LaSalle Public Sector Valuations (JLL) to conduct an asset revaluation of all non-financial assets as at 30 June 2018. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years. JLL has provided written assurance to the FRDC that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows.

Physical depreciation and obsolescence - assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence that have been measured using the depreciated replacement cost approach. Under the depreciated replacement cost approach, the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

FRDC's policy is to recognise transfers into, and transfers out of, fair value hierarchy levels as at the end of the reporting period.

Note 4.2A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2018-19 \$	2017-18 \$
Non-financial assets		
Leasehold improvements	55,160	99,920
Plant and equipment	22,440	23,579
Total non-financial assets	77,601	123,499

The FRDC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 April 2019.