



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Agriculture, Fisheries and Forestry

#### Opinion

In my opinion, the financial statements of the Fisheries Research and Development Corporation ('the Entity') for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority (Chair and Chair Finance and Audit Committee), Managing Director and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

Australian National Audit Office



Fiona Sheppard  
Acting Executive Director

Delegate of the Auditor-General

Canberra  
22 August 2022



**Financial statements  
for year ended  
30 June 2022**

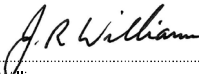
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**FISHERIES RESEARCH AND DEVELOPMENT CORPORATION (FRDC)**


**STATEMENT BY THE ACCOUNTABLE AUTHORITY (CHAIR AND CHAIR FINANCE AND AUDIT COMMITTEE), MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the period ended 30 June 2022 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.

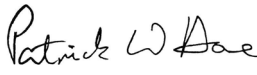
This statement is made in accordance with a resolution of the directors.

Signed   
Mr John Williams  
Chair  
Accountable Authority

18-August-2022  
Date

Signed   
[S Cooke \(Aug 18, 2022 14:46 GMT+10\)](#)  
Dr Saranne Cooke  
Chair Finance and Audit Committee

18-August-2022  
Date

Signed   
Dr Patrick Hone  
Managing Director

18-August-2022  
Date

Signed   
Ms Cheryl Cole  
Chief Financial Officer

18-August-2022  
Date

## Statement of Comprehensive Income

for the period ended 30 June 2022

	Notes	2022 \$	2021 \$	Original PBS budget \$
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	3,733,005	3,192,246	3,385,000
Suppliers	1.1B	984,627	1,034,629	1,181,000
Research and Development	1.1C	30,706,530	28,944,780	29,665,000
Depreciation and amortisation	2.2A	358,679	341,387	385,000
Finance costs	1.1D	8,041	8,277	6,000
Write-down and impairment of assets	1.1E	51,626	6,820	-
<b>Total expenses</b>		<b>35,842,508</b>	<b>33,528,139</b>	<b>34,622,000</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	1.2A	885,777	191,520	-
Interest	1.2B	56,172	93,213	100,000
Contributions	1.2C	11,413,155	9,280,433	9,438,000
Other revenue	1.2D	157,775	150,530	2,000,000
<b>Total own-source revenue</b>		<b>12,512,879</b>	<b>9,715,696</b>	<b>11,538,000</b>
<b>Total own-source income</b>		<b>12,512,879</b>	<b>9,715,696</b>	<b>11,538,000</b>
<b>Net (cost of) services</b>		<b>(23,329,629)</b>	<b>(23,812,443)</b>	<b>(23,084,000)</b>
Revenue from the Australian Government	1.2E	24,037,417	23,210,498	23,135,000
<b>Surplus/(deficit)</b>		<b>707,788</b>	<b>(601,945)</b>	<b>51,000</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve	2.2A	28,578	35,214	-
<b>Total comprehensive income/(loss)</b>		<b>736,366</b>	<b>(566,731)</b>	<b>51,000</b>

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

**Statement of Financial Position**

as at 30 June 2022

	Notes	2022 \$	2021 \$	Original PBS budget \$
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	29,004,985	25,182,254	22,150,000
Trade and other receivables	2.1B	2,918,699	4,760,593	1,163,000
<b>Total financial assets</b>		<b>31,923,684</b>	<b>29,942,847</b>	<b>23,313,000</b>
<b>Non-financial assets <sup>1</sup></b>				
Buildings	2.2A	690,541	670,188	615,000
Plant and equipment	2.2A	90,700	121,200	109,000
Intangibles	2.2A	323,878	488,140	722,000
Other non-financial assets	2.2B	20,417	-	15,000
<b>Total non-financial assets</b>		<b>1,125,536</b>	<b>1,279,528</b>	<b>1,461,000</b>
<b>Total assets</b>		<b>33,049,220</b>	<b>31,222,375</b>	<b>24,774,000</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	156,995	104,504	200,000
Projects	2.3B	3,611,868	2,954,056	250,000
Other payables	2.3C	68,709	71,152	-
<b>Total payables</b>		<b>3,837,572</b>	<b>3,129,712</b>	<b>450,000</b>
<b>Interest bearing liabilities</b>				
Leases	2.4A	721,955	694,555	772,000
<b>Total interest bearing liabilities</b>		<b>721,955</b>	<b>694,555</b>	<b>772,000</b>
<b>Provisions</b>				
Employee provisions	3.1A	1,174,588	819,369	790,000
<b>Total provisions</b>		<b>1,174,588</b>	<b>819,369</b>	<b>790,000</b>
<b>Total liabilities</b>		<b>5,734,115</b>	<b>4,643,636</b>	<b>2,012,000</b>
<b>Net assets</b>		<b>27,315,105</b>	<b>26,578,739</b>	<b>22,762,000</b>
<b>EQUITY</b>				
Asset revaluation reserve		590,343	561,765	562,000
Retained earnings		26,724,762	26,016,974	22,200,000
<b>Total equity</b>		<b>27,315,105</b>	<b>26,578,739</b>	<b>22,762,000</b>

<sup>1</sup> Right-of-use assets are included in the following line item - Buildings.  
The above statement should be read in conjunction with the accompanying notes.

**Statement of Changes in Equity**  
for the period ended 30 June 2022

	2022 \$	2021 \$	Original PBS budget \$
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	26,016,974	26,618,919	22,149,000
<b>Opening balance</b>	<b>26,016,974</b>	26,618,919	22,149,000
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	707,788	(601,945)	51,000
<b>Closing balance as at 30 June</b>	<b>26,724,762</b>	26,016,974	22,200,000
<b>ASSET REVALUATION RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	561,765	526,551	562,000
<b>Opening balance</b>	<b>561,765</b>	526,551	562,000
<b>Comprehensive income</b>			
Other comprehensive income	28,578	35,214	-
<b>Closing balance as at 30 June</b>	<b>590,343</b>	561,765	562,000
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	26,578,739	27,145,470	22,711,000
<b>Adjusted opening balance</b>	<b>26,578,739</b>	27,145,470	22,711,000
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	707,788	(601,945)	51,000
Other comprehensive income	28,578	35,214	-
<b>Total comprehensive income</b>	<b>736,366</b>	(566,731)	51,000
<b>Closing balance as at 30 June 2022</b>	<b>27,315,105</b>	26,578,739	22,762,000

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



## Cash Flow Statement

for the period ended 30 June 2022

	Notes	2022 \$	2021 \$	Original PBS budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Receipts from the Australian Government		26,191,415	22,389,086	24,579,000
Contributions		13,475,751	8,794,352	10,281,000
Interest		40,017	93,052	100,000
Net GST received		1,660,118	2,013,746	-
Other		472,776	2,143,594	-
<b>Total cash received</b>		<b>41,840,077</b>	<b>35,433,830</b>	<b>34,960,000</b>
<b>Cash used</b>				
Employees		(3,377,786)	(3,061,727)	(3,345,000)
Suppliers		(1,033,007)	(1,213,920)	(481,000)
Research and Development		(33,418,594)	(31,506,085)	(28,815,000)
Interest payments on lease liabilities		(8,041)	(8,277)	(6,000)
Other		-	(692,282)	(1,550,000)
<b>Total cash used</b>		<b>(37,837,428)</b>	<b>(36,482,291)</b>	<b>(34,197,000)</b>
<b>Net cash from/(used by) operating activities</b>		<b>4,002,649</b>	<b>(1,048,461)</b>	<b>763,000</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment		-	-	(20,000)
Purchase of intangibles		(20,960)	(27,593)	(200,000)
<b>Total cash used</b>		<b>(20,960)</b>	<b>(27,593)</b>	<b>(220,000)</b>
<b>Net cash (used by) investing activities</b>		<b>(20,960)</b>	<b>(27,593)</b>	<b>(220,000)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash used</b>				
Principal payments of lease liabilities		(158,958)	(153,040)	(165,000)
<b>Total cash used</b>		<b>(158,958)</b>	<b>(153,040)</b>	<b>(165,000)</b>
<b>Net cash (used by) financing activities</b>		<b>(158,958)</b>	<b>(153,040)</b>	<b>(165,000)</b>
<b>Net increase/(decrease) in cash held</b>		<b>3,822,731</b>	<b>(1,229,094)</b>	<b>378,000</b>
Cash and cash equivalents at the beginning of the reporting period		25,182,254	26,411,348	21,772,000
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>29,004,985</b>	<b>25,182,254</b>	<b>22,150,000</b>

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

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**Overview**

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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 FRDC's principle place of business is 25 Geils Court Deakin ACT 2906.

The FRDC's mission is to act as a national thought leader, facilitating knowledge creation, collaboration and innovation to shape the future of fishing and aquaculture in Australia for the benefit of the Australian people. To achieve this, the FRDC plans, invests in and manages research and development for fishing and aquaculture, and the wider community, and ensures that the resulting knowledge and innovation is adopted for impact. The FRDC also undertakes monitoring of key indicators of change across fishing and aquaculture. This helps in the evaluation of impact that results from the FRDC's investments. Information collected is also of use to decision makers, to understand and respond to emerging issues.

The FRDC's strong relationships with sectors, managers and researchers are fundamental to enable the needs of key stakeholders to be identified and addressed.

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 required by:

- a) 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); and
- b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 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 Accounting Standards**

The new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period, did not have a material effect on the FRDC's financial statements.

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Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

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**Taxation**

The FRDC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST)

**Events after the reporting period**

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

Comparative figures have been adjusted so they conform with changes in the presentation of these financial statements at Note 1.1B: Suppliers and Note 1.1C Research and Development.

The 30 June 2022 Financial Statements refer to Department of Agriculture, Fisheries and Forestry (the Departments name changed as a result of the Machinery of government changes effective 1 July 2022, and was previously known as Department Agriculture, Water and the Environment).

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**FRDC budgetary explanation of major variances**

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The following information provides a comparison of the original budget as presented in the 2021-22 Portfolio Budget Statements (PBS) to the 2021-22 final outcome as presented in accordance with Australian Accounting Standards - simplified disclosures for Tier 2 Entities under AASB 1060. The Budget is not audited. Explanations of major variances are provided below.

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**Actual result for 2021-22**

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**Statement of Comprehensive Income**

Employee benefits were higher due to the implementation of the new workforce plan and new staff appointments

Supplier expenses were lower than budget due to reduced ICT and external providers engaged.

Project contractual commitments originally forecast can vary due to the timing of completion of project deliverables. In 2021-22 project expenses were higher than budget, largely driven by the timing of achieved project deliverables.

Other expenses were lower than budget due to reduced Communications External Provider costs that were originally forecast

Contributions were higher than forecast due to additional contributions received for research projects

Other revenue originally forecast allowed for additional increased project contributions, which were lower than forecast.

Revenue from the Australian Government was higher than budget due to the 2021-22 Australian Gross Value Production (AGVP) Determination from the Department of Agriculture, Fisheries and Forestry (DAFF), which was higher than originally forecast.

The original PBS budget has been reclassified under AASB 1055 *Budgetary Reporting* (6 and 12) to represent the actual result for the following line items:

- Contributions were increased \$1.2m to include the industry levy contributions for the Australian Fisheries Management Authority R&D levies, and the Australian Prawn Farmers Association levies
- Revenue from Australian Government has been reduced by \$1.2m to remove the industry levy contributions for the Australian Fisheries Management Authority R&D levies, and the Australian Prawn Farmers Association prawn levies
- Other expenses has been reduced by \$850k and reclassified to Research and Development

The changes in the asset revaluation reserves were higher due to the annual revaluation of fixed assets.

**Statement of Financial Position**

Cash and cash equivalents were higher, mainly driven by prior year receivables paid in 2021-22, that related to prior year debtors, the increased AGVP determination, and additional contributions for research projects received.

Trade and other receivables may vary due to the timing of the Department of Agriculture, Fisheries and Forestry AGVP Determination, which can result in increases to aged debtors at financial year end. The increase for 2021-22 is largely due to revenue from Australian Government final AGVP and State industry contribution invoices at the end of the financial year.

Building and Interest bearing liabilities increased as a result of the new lease term for the Adelaide office, commencing 1 August 2021.

Intangibles varied due to the intangible costs and extent of works were lower than forecast. Additionally, some internally developed software was written down at 30 June, due to the upgrade to a new SharePoint platform.

Project payables were higher than budget and include Revenue received for Funding agreements for research programs. This funding is initially recognised as a liability until such time the performance obligations are satisfactorily achieved, and the liability reduces over time.

Employee Provisions were higher than budget due to higher employee leave balances than forecast, new employees appointed, and changes in leave provision parameters.

**Statement of Cash Flows**

The variance between actual and forecast cash and cash equivalents for the period is explained in the Statement of Comprehensive Income and Statement of Financial Position.

## Financial performance

	2022	2021
Note 1.1: Expenses	\$	\$
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	2,857,122	2,439,316
Superannuation		
Defined contribution plans	244,585	168,007
Defined benefit plans	323,319	312,536
Leave and other entitlements	307,979	272,387
<b>Total employee benefits</b>	<b>3,733,005</b>	<b>3,192,246</b>

### Accounting policy

Accounting policies for employee related expenses are contained in the People and relationships section Note 3.1A

### Note 1.1B: Suppliers

#### Goods and services supplied or rendered

Asset purchases less than \$5,000	70,258	53,053
Audit fees	40,000	36,000
External service providers	117,428	222,364
Insurance	30,220	38,976
Information technology	397,363	410,212
Legal	33,903	26,997
Office supplies	17,032	10,926
Postage and couriers	3,532	1,328
Property	24,581	25,250
Recruitment/director selection costs	25,843	39,116
Telecommunications	32,710	31,329
Training	72,680	27,374
Travel	91,770	78,814
Other	12,718	10,313
<b>Total goods and services supplied or rendered</b>	<b>970,038</b>	<b>1,012,052</b>

#### Other suppliers

Workers compensation expenses	9,669	6,907
Short-term leases <sup>1</sup>	4,920	15,670
<b>Total other suppliers</b>	<b>14,589</b>	<b>22,577</b>
<b>Total suppliers</b>	<b>984,627</b>	<b>1,034,629</b>

<sup>1</sup> The FRDC has no short-term lease commitments as at 30 June 2022.

The above lease disclosures should be read in conjunction with the accompanying Notes 2.2A and 2.4A.

### Accounting policy

#### Short-term leases and leases of low-value assets

The FRDC has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2022	2021
	\$	\$
<i>Note 1.1: Expenses continued</i>		
<b>Note 1.1C: Research and Development</b>		
Projects		
Australian Government entities (related parties)	1,411,875	1,909,634
State and territory governments	5,366,600	7,068,334
Universities and educational bodies	11,400,476	10,921,752
Cooperative research centres	1,264,241	178,200
Research and development corporations	375,000	51,065
Industry (commercial, recreational and Indigenous)	6,118,494	5,967,315
Overseas research entities	-	12,689
Private providers	3,319,945	2,134,423
Stakeholder engagement and R&D Activities <sup>1</sup>	1,449,900	701,368
<b>Total Research &amp; Development</b>	<b>30,706,530</b>	<b>28,944,780</b>

<sup>1</sup> Stakeholder engagement and R&D Activities include the dissemination of research outputs, extension activities, development and R&D support. Stakeholder engagement was reclassified from Other expenses in the comparative year, and is now disclosed in Research and Development.

**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 to the FRDC's satisfaction, an invoice issued consistent with the contractual requirements and the invoice approved by the FRDC delegate.

**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	39,312,075	34,041,806
More than 1 year	25,342,796	21,829,635
More than 5 years	385,000	-
<b>Total project commitments</b>	<b>65,039,870</b>	<b>55,871,441</b>

Note: Project commitments are GST inclusive.

**Note 1.1D: Finance costs**

Finance leases <sup>1</sup>	8,041	8,277
<b>Total finance costs</b>	<b>8,041</b>	<b>8,277</b>

**Note 1.1E: Write down and impairment of assets**

Write down of intangible assets <sup>1</sup>	51,626	6,820
<b>Total write down and impairment of assets</b>	<b>51,626</b>	<b>6,820</b>

	2022	2021
	\$	\$
<b>Note 1.2: Own-source income and revenue from the Australian Government</b>		
<b>Own-source revenue</b>		
<b>Note 1.2A: Revenue from contracts with customers</b>		
Australian Government entities (related parties) - over time	885,777	191,520
<b>Total revenue from contracts with customers</b>	<b>885,777</b>	<b>191,520</b>

**Accounting policy**

Revenue from contracts with customers is recognised when control has been transferred to the buyer. The FRDC determines a contract is in scope of AASB 15 when the performance obligations are required by an enforceable contract and the performance obligations within the enforceable contract are sufficiently specific to enable the FRDC to determine when they have been satisfied. The FRDC determines there to be an enforceable contract when the agreement creates enforceable rights and obligations. Performance obligations are sufficiently specific where the promises within the contract are specific to the nature, type, value and quantity of the services to be provided and the period over which the services must be transferred.

The FRDC receives revenue from the Australian Government under which it manages a suite of research activities. These activities are listed at Note 2.3B. FRDC has specific funding agreements with the Australian Government that include enforceable rights and performance obligations. The FRDC initially recognises the funding received as a liability to recognise the contract liability. Once the performance obligations have been satisfied as per the funding agreement deliverables over time, it is then recognised as revenue.

The transaction price is the total amount of consideration to which the FRDC expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. All consideration promised in contracts with customers is included in the transaction price.

Receivables for services, 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.<sup>1</sup>

**Note 1.2B: Interest**

Deposits	56,172	93,213
<b>Total interest</b>	<b>56,172</b>	<b>93,213</b>

**Note 1.2C: Contributions**

Australian Prawn Farmers Association	272,382	292,421
Australian Fisheries Management Authority	1,059,033	937,483
Australian Capital Territory	36,500	-
New South Wales	2,430,596	526,005
Northern Territory	252,937	212,189
Queensland	692,500	730,000
South Australia	1,628,726	1,437,361
Tasmania	3,184,038	2,287,523
Victoria	326,334	317,471
Western Australia	1,530,109	2,539,980
<b>Total contributions</b>	<b>11,413,155</b>	<b>9,280,433</b>

**Accounting policy**

Contributions are recognised as income when the FRDC recognises an asset in relation to a contribution or a right to receive a contribution, after recognising any other related amounts.

**Note 1.2D: Other revenue**

Project funds received	95,000	47,586
Project refunds of prior years expenditure	59,561	102,944
Other	3,214	-
<b>Total other revenue</b>	<b>157,775</b>	<b>150,530</b>

**Note 1.2E: Revenue from the Australian Government**

Department of Agriculture, Fisheries and Forestry		
Corporate Commonwealth entity payment item of 0.50% of AGVP <sup>1</sup>	16,164,770	15,613,565
Matching of industry contributions <sup>2</sup>	7,872,647	7,596,933
<b>Total revenue from the Australian Government</b>	<b>24,037,417</b>	<b>23,210,498</b>

<sup>1</sup> 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.

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

**Accounting policy**

**Revenue from the Australian Government**

Revenues from the Australian Government are recognised when they are entitled to be received by the FRDC. 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 FRDC) is recognised as revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

**Financial position**

	2022	2021
	\$	\$

**Note 2.1: Financial assets****Note 2.1A: Cash and cash equivalents**

Cash on hand or on deposit	29,004,985	25,182,254
<b>Total cash and cash equivalents</b>	<b>29,004,985</b>	<b>25,182,254</b>

**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 three 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**

Goods and services	1,141,057	2,195,298
<b>Total goods and services receivables</b>	<b>1,141,057</b>	<b>2,195,298</b>

**Department of Agriculture, Fisheries and Forestry**

Receivables	1,174,341	2,442,562
<b>Total receivables from the Department of Agriculture, Fisheries and Forestry</b>	<b>1,174,341</b>	<b>2,442,562</b>

**Other receivables**

GST receivable from the Australian Taxation Office	587,146	120,600
FBT receivable from the Australian Taxation Office	-	1,973
Interest from the Commonwealth Bank	16,155	161
<b>Total other receivables</b>	<b>603,301</b>	<b>122,733</b>
<b>Total trade and other receivables</b>	<b>2,918,699</b>	<b>4,760,593</b>

**Trade and other receivables are expected to be recovered**

No more than 12 months	2,918,699	4,760,593
<b>Total trade and other receivables</b>	<b>2,918,699</b>	<b>4,760,593</b>

<sup>1</sup> Credit terms for goods and services are within 30 days (2020-21: 30 days).

**Accounting policy****Financial assets**

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

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**Note 2.2: Non-financial assets**

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

	Buildings	Plant and equipment	Intangibles	Total
	\$	\$	\$	\$
<b>As at 1 July 2021</b>				
Gross book value	1,009,479	121,200	1,321,362	2,452,041
Accumulated depreciation, amortisation and impairment	(339,291)	-	(833,222)	(1,172,513)
<b>Total as at 1 July 2021</b>	<b>670,188</b>	<b>121,200</b>	<b>488,140</b>	<b>1,279,528</b>
Additions				
Purchase or Internally developed	-	-	20,960	20,960
Right-of-use-assets	186,359	-	-	186,359
Revaluations recognised in other comprehensive income <sup>1</sup>	-	28,578	-	28,578
Impairments recognised in net cost of services	-	-	(51,626)	(51,626)
Depreciation and amortisation	-	(59,078)	(133,595)	(192,673)
Depreciation on right-of-use assets	(166,006)	-	-	(166,006)
<b>Total as at 30 June 2022</b>	<b>690,541</b>	<b>90,700</b>	<b>323,878</b>	<b>1,105,119</b>
<b>Total as at 30 June 2022 represented by</b>				
Gross book value	1,195,837	90,700	1,036,330	2,322,867
Accumulated depreciation, amortisation and impairment	(505,296)	-	(712,452)	(1,217,748)
<b>Total as at 30 June 2022</b>	<b>690,541</b>	<b>90,700</b>	<b>323,878</b>	<b>1,105,119</b>
Carrying amount of right-of-use assets	690,541	-	-	690,541

**Revaluations of non-financial assets**

<sup>1</sup> As at 30 June 2022, Jones Lang LaSalle Public Sector Valuations conducted a revaluation of plant and equipment. A revaluation increment of \$28,578 for 2021-22 (2020-21: increment of \$35,214) was applied to the asset revaluation reserve and included in the equity section of the Statement of Financial Position.



### 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).

#### Lease right-of-use (ROU) assets

Lease ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and whole of government financial statements.

#### Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) 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:

	2022	2021
Buildings (including ROU assets)	Lease term	Lease term
Leasehold improvements	Lease term	Lease term
Plant and equipment	up to 5 years	up to 5 years

#### Impairment

All assets were assessed for impairment at 30 June 2022. 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 FRDC 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 (2020-21: 10 years). All software assets were assessed for indications of impairment as at 30 June 2022.

	2022	2021
	\$	\$

Note 2.2: Non-financial assets continued

**Note 2.2B: Other non-financial assets**

Prepayments	20,417	-
<b>Total other non-financial assets</b>	<b>20,417</b>	<b>-</b>

	2022	2021
	\$	\$

**Note 2.3: Payables**

**Note 2.3A: Suppliers**

Trade creditors and accruals	156,995	104,504
<b>Total suppliers</b>	<b>156,995</b>	<b>104,504</b>

Settlement is usually made within 30 days.

**Note 2.3B: Projects**

Projects		
Australian Government entities	110,763	-
State and territory governments	242,000	-
Universities and educational bodies	95,700	46,230
Industry (commercial, recreational and Indigenous)	-	5,500
Contract liability <sup>1</sup>	3,094,782	2,795,559
Other	68,623	106,767
<b>Total projects</b>	<b>3,611,868</b>	<b>2,954,056</b>

<sup>1</sup> The contract liabilities from contracts with customers are associated with funding provided for research & development activities under Funding Agreements with the Department of Agriculture, Fisheries and Forestry, NSW Department of Primary Industries, Australian Maritime Safety Authority, Great Barrier Reef Marine Park Authority and Department of Agriculture and Fisheries QLD as detailed below.

Department of Agriculture, Fisheries and Forestry

- Assist with data generation to support Australian Pesticides and Veterinary Medicines Authority (APVMA) application
- Development of on-farm biosecurity plan implementation support programs for aquaculture industry
- AQUAPLAN Development Workshop Publication
- Aquatic Animal Health Training Scheme 2019 - 2022
- Compilation of Information for the Marine Mammal Protection Act Comparability Finding Process
- Indigenous Engagement Strategy
- Finfish - Ectoparasites - Ag Vet 6 - 4-G1AHKTN
- Peracetic - Ag Vet 6 - 4-G1AHKTN
- Tuna Champions Phase 2
- Finfish Parasites - Toltrazuril - 4-GWT37U6

The FRDC recognised a contract liability in 2021-22 totalling: \$643,882

NSW Department of Primary Industries

- NSW seafood product development program
- Research project to investigate and develop a framework to establish Aboriginal commercial fishing, aquaculture and other related businesses in NSW
- Research and development for Harvest Strategies in NSW

The FRDC recognised a contract liability in 2021-22 totalling: \$1,325,900

Australian Maritime Safety Authority

- Seafood Industry Safety Initiative SISI funding support

The FRDC recognised a contract liability in 2021-22 totalling: \$690,000

Great Barrier Reef Marine Park Authority

- Habitat ecological risk assessment for eco-regions with high trawl footprints, in southern Queensland

The FRDC recognised a contract liability in 2021-22 totalling: \$300,000

Department of Agriculture and Fisheries QLD

- Queensland aquaculture

The FRDC recognised a contract liability in 2021-22 totalling: \$135,000

**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.

As per AASB 15 *Revenue from Contracts with Customers*, contract liabilities are recognised at their nominal amounts, being the amounts at which the liabilities are not yet settled. They relate to payments received for funding provided for research and development activities, of which specific performance obligations were not met at the end of the reporting period.

**Note 2.3C: Other payables**

FBT payable	835	1,328
PAYG payable	67,874	63,236
Other	-	6,588
<b>Total other payables</b>	<b>68,709</b>	<b>71,152</b>

	2022	2021
	\$	\$
<b>Note 2.4: Interest bearing liabilities</b>		
<b>Note 2.4A: Leases</b>		
Lease liabilities <sup>1</sup>	721,955	694,555
<b>Total leases</b>	<b>721,955</b>	<b>694,555</b>

<sup>1</sup> Total cash outflow for leases for the period ended 30 June 2022 was \$166,999.

#### Maturity analysis - contractual undiscounted cash flows

Within 1 year	174,131	132,166
Between 1 to 5 years	562,984	581,948
<b>Total leases</b>	<b>737,115</b>	<b>714,114</b>

The FRDC in its capacity as lessee has leased office accommodation located at:

- Fisheries Research House, 25 Geils Court, Deakin, Australian Capital Territory, which expires 31 July 2023, and has a 3 year right of renewal until 31 July 2026. Lease payments are paid on a monthly basis and subject to a 3 per cent annual increase in accordance with the lease agreement.
- Wine Australia, corner of Botanic and Hackney Roads, Adelaide, South Australia was renewed 1 August 2021 and expires on 31 July 2026, with an option to renew on 1 August 2026. Lease payments are subject to a CPI annual increase in accordance with the lease agreement.

The above lease disclosures should be read in conjunction with the accompanying Notes 1.1B and 2.4A.

#### Accounting Policy

For all new contracts entered into, the FRDC considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the FRDC's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

#### People and relationships

	2022	2021
	\$	\$
<b>Note 3.1: Employee provisions</b>		
<b>Note 3.1A: Employee provisions</b>		
Leave	1,174,588	819,369
<b>Total employee provisions</b>	<b>1,174,588</b>	<b>819,369</b>

#### 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.

#### 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 FRDC'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 liability for long service leave has been determined by reference to the requirements of the short-hand method. 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 FRDC 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 senior general managers. Key management personnel remuneration is reported in the table below:

	2022 \$	2021 \$
Short-term employee benefits	1,536,697	1,548,977
Post-employment benefits	241,720	245,057
Other long-term employee benefits	42,902	47,599
<b>Total key management personnel remuneration expenses <sup>1</sup></b>	<b>1,821,319</b>	<b>1,841,633</b>

<sup>1</sup> The total number of key management personnel that are included in the above table is 19 (2020-21: 15). They are made up of:

- one non-executive director (Chair)
- seven non-executive directors
- one Managing Director
- four senior general managers
- one senior general manager (resigned 6 May 2022)
- five non-executive directors (retired 31 August 2021)

	2022	2021
<b>Note 3.3: Annual total remuneration ranges (including superannuation) paid to key management personnel</b>		
Nil to \$39,999	10	1
\$40,000 to \$69,999	3	8
\$140,000 to \$239,999	5	5
\$360,000 to \$389,999	1	1
<b>Total number of key management personnel</b>	<b>19</b>	<b>15</b>

**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, senior general managers and other Australian Government entities.

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

Mr John Williams	Chair (Chair Remuneration Committee)
Professor Colin D. Buxton	Director (Re-appointed 1 September 2021) (Deputy Chair)
Dr Christopher Calogeras	Director (Appointed 1 September 2021)
Dr Saranne Cooke	Director (Re-Appointed 1 September 2021) (Chair Finance and Audit Committee)
Dr Patrick Hone	Managing Director
Mrs Suzanne Hullick	Director (Appointed 1 September 2021) (Member Finance and Audit Committee)
Mr Boris Musa	Director (Appointed 1 September 2021) (Member Finance and Audit Committee)
Mr Alex Ogg	Director (Appointed 1 September 2021) (Member Remuneration Committee)
Dr Lyndal Thorburn	Director (Appointed 1 September 2021) (Member Remuneration Committee)
Dr Kathryn Brooks	Director (Retired 31 August 2021)
Ms Katina Hodson-Thomas	Director (Retired 31 August 2021)
Mr Mark King	Director (Retired 31 August 2021)
Mr John Lloyd	Director (Retired 31 August 2021)
Dr Lesley MacLeod	Director (Retired 31 August 2021)

**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 where directors have disclosed a material personal interest, all the transactions with that entity will be disclosed. 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. These transactions have not been separately disclosed in this note.

The directors disclosed material personal interests during the directors' related period.

Director	Organisation and position held	Nature of interest
Dr K. Brooks (Retired 31 August 2021)	School of Humanities and Social Sciences, Faculty of Arts and Education Deakin University <i>Adjunct Associate Professor</i> 1 July 2021 to 31 August 2021	Research projects or work undertaken by the organisation
Professor C. D. Buxton	Southern Rock Lobster Ltd <i>Chair</i> 1 July 2021 to 31 December 2021 <i>(Indirect interest as Southern Rock Lobster Ltd is a member of Seafood Industry Australia)</i>	Research projects or work undertaken by the organisation
	Institute for Marine and Antarctic Studies University of Tasmania * <i>Adjunct Professor</i> 1 July 2021 to current	Research projects or work undertaken by the organisation
Dr C. Calogeras	C-AID Consultants <i>Director</i> 1 September 2021 to current	Research projects or work undertaken by the organisation
Dr P. Hone	CEO's Committee for the Council of Rural Research and Development Corporation <i>Member</i> 1 July 2021 to current	Research projects or work undertaken by the organisation
	National Marine Science Committee <i>Member</i> 1 July 2021 to current	Research projects or work undertaken by the organisation
Mr B. Musa	Australian Barramundi Farmers Association <i>Non Executive Director and Treasurer</i> <i>FRDC Project Number 2020-127</i> <i>"ABFA IPA: RD&amp;E project investment and management via ABFA strategic plan 2021-2025"</i> 1 September 2021 to current	Research projects or work undertaken by the organisation
Mr A. Ogg	Seafood Industry Australia <i>Member</i> 1 September 2021 to current	Research projects or work undertaken by the organisation

The following transactions occurred during the directors' related period with these entities.

Transactions with related parties	2022		2021	
	Expenditure	Income	Expenditure	Income
School of Humanities and Social Sciences, Faculty of Arts and Education Deakin University	-	-	87,885	-
Southern Rock Lobster Ltd	82,500	-	264,000	-
Institute for Marine and Antarctic Studies University of Tasmania	5,850,601	7,439	6,235,271	-
C-AID Consultants	228,043	-	-	-
Council of Rural Research and Development Corporation	7,773	-	22,159	-
National Marine Science Committee	5,000	-	-	-
Australian Barramundi Farmers Association	-	110,000	-	-
Seafood Industry Australia	155,100	-	-	-

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

**Note 3.4B: Other related party disclosures**

**Department of Agriculture, Fisheries and Forestry**

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

- Assist with data generation to support Australian Pesticides and Veterinary Medicines Authority (APVMA) application
- National Carp Control Program
- Development of on-farm biosecurity plan implementation support programs for the aquaculture industry
- AQUAPLAN Development Workshop Publication
- Aquatic Animal Health Training Scheme 2019 - 2022
- Compilation of Information for the Marine Mammal Protection Act Comparability Finding Process
- Indigenous Engagement Strategy
- Finfish - Ectoparasites - Ag Vet 6 - 4-G1AHKTN
- Peracetic - Ag Vet 6 - 4-G1AHKTN
- Tuna Champions Phase 2
- Finfish Parasites - Toltrazuril - 4-GWT37U6

The FRDC has received new funding from the Department of Agriculture, Fisheries and Forestry in 2021-22 totalling: \$1,050,000 (2020-21: \$310,271).

**Agricultural Innovation Australia**

The FRDC is one of 15 members of Agricultural Innovation Australia (AIA), a company limited by guarantee. The constitution of AIA prohibits the distribution of any assets and income to its members. FRDC has no ownership or controlling interest in AIA that would require recognition or disclosure within FRDC's Financial Statements. In 2021-22, FRDC paid membership fees of \$65,000 to AIA (2020-21 \$65,000).

## Financial instruments and fair value measurement

	2022	2021
	\$	\$
<b>Note 4.1: Financial instruments</b>		
<b>Note 4.1A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	29,004,985	25,182,254
Trade and other receivables	1,157,212	2,195,459
<b>Total financial assets at amortised cost</b>	<b>30,162,197</b>	<b>27,377,713</b>
<b>Total financial assets</b>	<b>30,162,197</b>	<b>27,377,713</b>
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers and other payables	156,995	104,504
Projects	3,611,868	2,954,056
<b>Total financial liabilities measured at amortised cost</b>	<b>3,768,863</b>	<b>3,058,560</b>
<b>Total financial liabilities</b>	<b>3,768,863</b>	<b>3,058,560</b>

### Accounting policy

#### Financial assets

As per AASB 9 *Financial Instruments*, the FRDC classifies its financial assets in the following category:

- financial assets measured at amortised cost.

The classification depends on both the FRDC's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the FRDC becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

#### Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

#### Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

#### Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

#### 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'.

#### Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2022	2021
	\$	\$
<b>Note 4.1B: Net gains or losses on financial assets</b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	56,172	93,213
<b>Net gains on financial assets at amortised cost</b>	<b>56,172</b>	<b>93,213</b>

There are no gains or losses on financial liabilities.

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**Note 4.2: Fair value measurement**

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**Accounting policy**

FRDC engaged Jones Lang LaSalle Public Sector Valuations (JLL) to conduct an asset revaluation of all Plant and Equipment assets as at 30 June 2022. 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 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**

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	Fair value measurements at the end of the reporting period	
	2022	2021
	\$	\$
<b>Non-financial assets</b>		
Leasehold improvements	82,650	107,600
Plant and equipment	8,050	13,600
<b>Total non-financial assets</b>	<b>90,700</b>	<b>121,200</b>

**Other information**

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	2022	2021
	\$	\$

**Note 5.1: Current/non-current distinction for assets and liabilities**

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**Note 5.1A: Current/non-current distinction for assets and liabilities****Assets expected to be recovered in:****No more than 12 months**

Cash and cash equivalents	29,004,985	25,182,254
Trade and other receivables	2,918,699	4,760,593
Other non-financial assets	20,417	-
<b>Total no more than 12 months</b>	<b>31,944,101</b>	<b>29,942,847</b>

**More than 12 months**

Buildings	690,541	670,188
Plant and equipment	90,700	121,200
Intangibles	323,878	488,140
<b>Total more than 12 months</b>	<b>1,105,119</b>	<b>1,279,528</b>
<b>Total assets</b>	<b>33,049,220</b>	<b>31,222,375</b>

**Liabilities expected to be settled in:****No more than 12 months**

Suppliers	156,995	104,504
Projects	3,611,868	2,954,056
Other payables	68,709	71,152
Leases	167,654	132,166
Employee provisions	389,849	689,122
<b>Total no more than 12 months</b>	<b>4,395,075</b>	<b>3,951,000</b>

**More than 12 months**

Leases	554,301	562,389
Employee provisions	784,739	130,247
<b>Total more than 12 months</b>	<b>1,339,040</b>	<b>692,636</b>
<b>Total liabilities</b>	<b>5,734,115</b>	<b>4,643,636</b>