





Grains, Seeds and Hay Industry Funding Scheme

Contact details

Rebecca Heath (IFS Executive Officer)
Department of Primary Industries and Regional Development rebecca.heath@dpird.wa.gov.au

November 2017

Important disclaimer

The Chief Executive Officer of the Department of Primary Industries and Regional Development and the State of Western Australia accept no liability whatsoever by reason of negligence or otherwise arising from the use or release of this information or any part of it. Copyright © Western Australian Agriculture Authority, 2017

Contents

Fro	m the Chairperson	2
Vis	ion for the Grains, Seeds and Hay Industry Funding Scheme	3
	ssion of the Grains, Seeds and Hay Industry Funding Scheme Management mmittee	3
201	16/2017 Grains, Seeds and Hay Industry Funding Scheme at a glance	3
1.	Overview of the Grains, Seeds and Hay Industry Funding Scheme	4
2.	Industry Management Committee	5
3.	Operation of the Scheme	6
	Governance	6
	Approved programs	7
	Compensation	7
	IFS contributions	8
	IFS area of operation and contribution rate	8
	Industry communications and consultation	8
	Other Committee activities	9
4.	Effectiveness of the Scheme	. 10
5.	2016/2017 approved programs	. 11
	Skeleton weed program	. 11
	Skeleton weed surveillance technologies	. 12
	Bedstraw eradication program	. 14
	Bedstraw surveillance technologies	. 15
6.	2016/2017 financial details	. 15
7.	Direction for 2017/2018	. 17

From the Chairperson

I am pleased to present the 2016/2017 annual report of the Grains, Seeds and Hay Industry Funding Scheme (IFS) to the Western Australian grains/seeds/hay industry and the Minister for Agriculture and Food.

The 2016/2017 year has seen impressive progress with the two IFS-supported programs – the Skeleton Weed Program and the Bedstraw Eradication Program.

The Skeleton Weed Program continues to slow the spread of the weed across the wheatbelt — and it was the first time in a number of years that the size of the infestation in the Narembeen Shire has reduced.

Bedstraw eradication activities on the two infested properties are now largely focused on monitoring and inspection ('release phase'). This will be a three-year phase. If there are no bedstraw detections on the quarantined areas during that time, the quarantine notices will be lifted.

Continuous improvement is an important aspect of any IFS-funded program, and we strive to ensure the programs are achieving their outcomes in an efficient and effective manner. We have therefore invested industry funds into research and development of surveillance technologies for both skeleton weed and bedstraw — unmanned aerial vehicles to detect skeleton weed plants in situ and 'EyeFoss' image analysis technology to detect bedstraw seeds in grain samples.

I am impressed with the progress that has been made, and anticipate deploying aerial surveillance for skeleton weed in the near future. We will be expanding the bedstraw surveillance in the upcoming financial year, and I am excited to be partnering with CBH and Bunge in this endeavour. I envisage that, in the future, these technologies will be applied to the surveillance of other key biosecurity risks to the WA grains, seeds and hay industry.

The work of the Local Action Groups for Skeleton Weed continues to grow. These groups are integral to the delivery and success of the program by providing much-needed on-ground, local support to landholders with skeleton weed infestations. I am extremely impressed by the enthusiasm and passion shown by the Local Action Groups as well as the department staff.

Once again, the number of people opting out of the Scheme is very low. To me, this is indicative of the level of support from the industry for the Scheme and the programs that it funds. I look forward to the continued support from the industry in the new year.

Yours sincerely

Ron Creagh Chairman (2016/2017) Grains, Seeds and Hay Industry Funding Scheme Management Committee

Vision for the Grains, Seeds and Hay Industry Funding Scheme

A sustainable process for industry management of incursions in the grains, seeds and hay sectors of Western Australia.

Mission of the Grains, Seeds and Hay Industry Funding Scheme Management Committee

- To oversee and provide direction to the Scheme and industry contributions
- To work in partnership with the Department of Primary Industries and Regional Development, industry and others
- To have clear boundaries and responsibilities
- To maintain good working relationships.

2016/2017 Grains, Seeds and Hay Industry Funding Scheme at a glance During 2016/17:

- Contributions of 30 cents per tonne applied to the first sale of all grain and seed produced within the agricultural areas¹ of Western Australia (WA)
- Contributions of 15 cents per tonne applied to the first sale of all hay produced within the agricultural areas¹ of WA
- Contributions totalling \$5 250 195 were received
- Contributions were used to fund programs to manage skeleton weed and eradicate three-horned bedstraw
- The cost of the skeleton weed control program was \$3 383 868
- The cost of the three-horned bedstraw eradication program was \$313 474
- Compensation totalling \$90 370 was paid during the year
- Committee costs were \$25 406
- Thirteen producers opted out of the Scheme, with a total of \$30 641 refunded to these producers in the 2017/18 financial year.



¹The agricultural areas (roughly a line from Northampton to Esperance) are defined as all local government districts excluding Broome, Halls Creek, West Kimberley, Wyndham-East Kimberley, Ashburton, Carnarvon, Coolgardie, Cue, Dundas, East Pilbara, Exmouth, Laverton, Leonora, Kalgoorlie-Boulder, Meekatharra, Menzies, Mount Magnet, Murchison, Ngaanyatjarraku, Port Hedland, Roebourne, Sandstone, Shark Bay, Upper Gascoyne, Wiluna and Yalgoo.

1. Overview of the Grains, Seeds and Hay Industry Funding Scheme

In June 2010, the Grains, Seeds and Hay Industry Funding Scheme (IFS) was introduced to address biosecurity threats relevant to the Western Australian grains, seeds and hay industries. The Scheme was established under the *Biosecurity and Agriculture Management Act 2007* to enable grain, seed and hay producers to identify the pest and disease priorities at a whole-of-industry level, and then to raise funds for activities targeted to these priorities.

There are currently three Industry Funding Schemes in operation. In addition to the Grains, Seeds and Hay IFS, there is a Cattle IFS and a Sheep and Goat IFS. The three IFSs operate in a similar manner.

Funds are raised through a grower contribution that is collected by registered receivers¹. These payments are forwarded to the Department of Primary Industries and Regional Development (DPIRD). In accordance with the IFS regulations, DPIRD maintain and administer the Grains, Seeds and Hay Industry Declared Pest Control and Compensation Account (the Account) in consultation with the industry.

Growers do not have to participate in the Scheme — there is a mechanism that allows them to opt out. Opting out does not remove the legal requirement to deal with the pests and diseases to which the Scheme relates, but does disqualify the grower from any benefits provided by the Scheme such as on-ground assistance and compensation. By opting out, a grower is opting out of the Scheme as a whole — there is no provision in the IFS regulations to opt out of individual programs funded through the Scheme.

The Grains, Seeds and Hay IFS is overseen by a seven-member Industry Management Committee. The Minister for Agriculture and Food appointed the committee members after inviting industry nominations and receiving advice from an industry-based Appointments Committee. As required by regulation, the majority of the Industry Management Committee are full participants of the Grains, Seeds and Hay IFS.

The Committee is responsible for approving payments made from the Account and the biosecurity-related programs funded through the Scheme. They also provide advice to the Minister on the Scheme's area of operation and the contribution rate.

The State Government, through DPIRD, provide the necessary support to ensure proper governance and the effective operation of the Scheme and Management Committee. This includes secretariat, communications, policy and technical support, as well as financial management. Furthermore, the normal regulatory inspection and compliance activities undertaken by DPIRD closely complement the priorities of the Management Committee.

4

¹ As defined in the Biosecurity and Agriculture Management Industry Funding Scheme (Grains) Regulations 2010

2. Industry Management Committee

Mr Ron Creagh (Chairperson, 2016/2017) owns and operates a broad acre cropping and livestock enterprise in the Shires of Nungarin and Trayning. He is a founding member of the Ningham Focus Group, and a past President of the Nungarin Shire Council. Ron was a member of the Agriculture Protection Board, Chairman of the GrainGuard initiative and member of the Biosecurity Council of Western Australia. Ron is currently appointed to the Grain Industries Association of WA's Wheat Council.

Mr Jim Sullivan (Deputy Chairperson)* has been involved in the agricultural industry for more than 50 years, and currently runs a successful livestock enterprise in the Varley-Holt Rock area of WA. He has been involved in the Eastern Wheatbelt Declared Species group for 12 years, including as the Chairperson; and is the current Chairman of the Board of Wheatbelt Natural Resource Management Inc.

Mr Rob Beard is a grain grower farming in north Meckering and Cunderdin. He is a member of the Pastoralists and Graziers Association (PGA) Grains committee and Chair of the PGA Mortlock division. Rob is the PGA representative on the GrainGuard committee, chairs the Farm Advisory committee for the Cunderdin Agricultural College and also represents the Cunderdin Agricultural College on the Combined Ag Advisory committee.

Mr Rohan Day owns an 8400 ha cropping enterprise located south-east of Merredin. He is actively involved in various local community groups.

Mr Brad Jones owns and operates an 11 000 ha grain property in the central wheatbelt. He is also Director of Cropcair and Bungulla Tech.

Mr Drew Mutter has farmed in the northern agricultural region for more than 20 years, and is the owner/operator of a 10 000 acre grain property in Yandanooka. He has served on the management committee of the Mingenew Irwin Group, a progressive and reputable grower-driven group that promotes and develops economic and environmentally sustainable agriculture.

Mrs Suzanne Woods farms with her family in Calingiri, cropping 3000 ha of export hay, canola, wheat and barley. Additionally, Suzanne is a co-owner of an export company that processes and exports hay and straw to Asia and the Middle East. Active in numerous local, regional, State and national groups associated with agriculture and rural communities, Suzanne is currently a director of the Australian Fodder Industry Association.

*Chairperson from 21 August 2017

Name	Position	Expiry of term
Ron Creagh	Chairperson (2016/2017)	30 June 2019
Jim Sullivan*	Deputy Chairperson	30 June 2018
Rob Beard	Member	30 June 2018
Brad Jones	Member	30 June 2018
Rohan Day	Member	30 June 2019
Drew Mutter	Member	30 June 2019
Suzanne Woods	Member	30 June 2019

^{*}Chairperson from 21 August 2017



Image: Wheat and canola paddocks.

3. Operation of the Scheme

Governance

Industry Management Committee: Since the introduction of the IFS in 2010, the Industry Management Committee has governed the collection, management and use of industry funds to deliver a biosecurity funding scheme that benefits the Western Australian grains, seeds and hay industries.

During the 2016/17 year, the Committee held four ordinary meetings and one teleconference. The focus of these meetings was to receive briefings and make decisions around the IFS-funded programs, the collection and remittance of grower contributions and the general governance of the Scheme.

Strategic planning: The Committee reviewed and updated its <u>Strategic Plan</u> in April 2017.

Review of governance procedures: As a Ministerially-appointed committee, the Committee is conscious of the imperative for good governance systems and practices. In October 2016, the Committee reviewed and updated its governance processes and procedures, including the Code of Conduct, disclosure of interests process and the decision-making framework and procedures.

Approved programs

2016/17 approved programs: The Committee approved the 2016/17 IFS-funded programs in March 2016, confirming the continuation of the Skeleton Weed Program and Bedstraw Eradication Program. Furthermore, in August 2017 the Committee confirmed that IFS funds will target skeleton weed until at least September 2019.

Over the course of the 2016/17 financial year the Committee actively monitored the progress of the programs, including quarterly updates on the work undertaken, issues and successes. More detailed information on the programs is provided in Section 5 of this report.

2017/2018 approved programs: In April 2017, the Committee confirmed the skeleton weed and bedstraw programs would continue into 2016/17. Changes were made to the 2017/18 Skeleton Weed Program to enable subsidised winter spraying in the shires of Yilgarn and Narembeen. Previously, Scheme contributors in those shires were not eligible to receive assistance for winter spraying from the Scheme.

Compensation

Compensation for foregone production: As part of the Bedstraw Eradication Program, approved programs were developed and put into operation on areas quarantined due to the presence of three-horned bedstraw. The management practices specified in the approved programs can result in reduced production from the quarantined areas. As such, affected landholder/s may apply to the Committee for compensation.

During the 2016/17 financial year, two applications for compensation were made to the Committee (one related to the 2015 growing season and one to the 2016 season). The applications were assessed by the Committee and offers of compensation made, which were accepted by the landholders.

Review of compensation process: The Committee undertook a review of the compensation process and the underpinning regulations. The use of established benchmarks/indices was recommended in order to provide greater transparency in the process. Concurrently, amendments to the compensation-related regulations were identified. Once the regulation amendments have been confirmed, the Committee will continue to work on updating the compensation process.

IFS contributions

Remittance of IFS contributions: The Committee monitored the remittance of IFS contributions to ensure compliance with the regulations and maximise the funds available to address biosecurity issues of concern to the industry. Where discrepancies occurred during the year, the Committee requested these entities be followed-up by the (then) Department of Agriculture and Food.

Opt out refunds: In August 2016, the Committee received notification that the (then) Department of Agriculture and Food had received 10 applications for refunds of the IFS contributions paid during the 2015/16 financial year. All 10 notices were received from producers that had opted out of the Scheme for that particular year. After considering the applications, the Committee directed the Director General to repay the amounts — as required under the IFS regulations.

IFS area of operation and contribution rate

Recommendations to the Minister: In April 2017, the Committee agreed to recommend to the Minister for Agriculture and Food that the Grains, Seeds and Hay IFS contribution be reduced from 30 cents per tonne (grain/seed) and 15 cents per tonne (hay) to 25 cents (grain/ seed) and 12.5 cents (hay). These new charges would be applied to the first sale of grain, seed and hay produced within the WA agricultural areas from 1 July 2017.

The recommendation to reduce the contribution rate was prompted by the steady increase in the financial reserves held in the IFS Account. This increase is attributable to the exceptional harvests over recent years. It is anticipated that the reduced contribution rate will help reduce the account balance whilst also ensuring the IFS-funded programs meet producer needs and expectations. It is the view of the industry and the Committee that the IFS account should not be used to build-up large financial reserves; rather, the money should be invested into biosecurity programs that help maintain the viability and sustainability of the industry.

The Minister endorsed the recommendations made by the Committee, as published in the Western Australian Government Gazette (13 June 2017).

Industry communications and consultation

Online survey: During the year, the Committee decided to undertake an online survey of WA grain, seed and hay growers to ascertain the industry's views on the operation of the IFS and the Committee. The Committee began developing the survey, with the survey to be conducted in the next reporting period (August/ September 2017).

Communications strategy: The Committee spent considerable time developing a communications plan for the 2017/18 financial year. The aims of the plan are to i) provide clear and consistent messages; ii) identify the communication programs; and iii) outline how the communication programs are to be evaluated. It is hoped that, in implementing the plan, industry awareness and understanding of the Scheme can be improved.

Communication activities: During 2016/17, the Committee participated in various events and other activities to increase grower awareness and understanding of the Scheme, and encourage industry feedback on the operation of the Scheme and the functioning of the Committee. To do this, the Committee:

- Participated in and/or presented at various grower/industry group meetings
- Had information stands at major field days
- Put out several media releases resulting in articles in the rural press and radio interviews
- Published articles in regional *AgMemo* newsletters
- Attended the 2017 Skeleton Weed Program debrief
- Participated in the Commonwealth National Biosecurity Committee's biosecurity roundtable, held in Perth
- Maintained and promoted the IFS information available on the DPIRD website
- Sent out a quarterly email communique through industry networks.

Other Committee activities

Declaration status of skeleton weed: Following from the (then) Department of Agriculture and Food review of the declaration status of weed and vertebrate pests present in WA and 'declared' under the *Biosecurity and Agriculture Management Act 2007* (BAM Act), the Committee agreed to consult the WA grain/seed/hay industry to determine industry views of the declaration status of skeleton weed.

The reason for this was because the government review resulted in mixed views from its reference group on changing the declaration status of skeleton weed. The recommendation that skeleton weed's control category be changed was based on multiple reviews and assessments that have concluded that it is not possible to eradicate the weed from Western Australia².

The Committee spent considerable time working in this area, with two key issues arising:

- What will be the implications for the current IFS-funded skeleton weed program if skeleton weed's declaration is changed?
- Given the findings from the technical review, is the current level of industry investment in skeleton weed justified? Is skeleton weed a priority for industry investment?

The Committee were presented with comprehensive scenarios outlining the potential implications for the program if skeleton weed's declaration status was changed. After considering this information, the Committee's view was that no change should be made to the declaration status and that there was no need to consult the industry on this question.

In terms of the second issue listed above, the Committee will be seeking industry views on this through consultation planned during the 2017/2018 financial year.

² It is, however, often possible to eradicate the weed from individual properties.

4. Effectiveness of the Scheme

A total of \$5 250 195 in contributions to the Grains, Seeds and Hay Industry Funding Scheme were received during 2016/17.

The number of growers opting out of the Scheme was less than the previous year, with 13 producers opting out in 2016/17 (Figure 1). More than 99% of Western Australian grain/seed/hay producers participate in the Scheme.

Of the 13 producers that opted out in 2016/17, 10 applied for a refund of their contributions. These refunds amounted to \$30 641.

The amount of IFS contributions collected on the sale of grain/seed during 2016/17 is approximately 5% less than expected, based on the reported 2016/17 harvest of 18.16 million tonne of winter crop (GIWA, February 2017). The amount of IFS contributions collected on the sale of grain/seed equated to 17.365 million tonne. It was noted that grain sales for the 2016 harvest may continue to occur into the 2017/18 financial year.

The contributions collected on the sale of hay during 2016/17 equated to 270 961 tonne. However, ABARES reports that 429 847 tonne of hay was exported from Western Australia during the year (excluding June 2017). This represents a collection rate of just 63%. Given that IFS contributions are payable on all hay sold to registered receivers (not just export hay), it is likely that the collection rate for hay IFS contributions is less than 63%. This will be addressed in 2017/18.

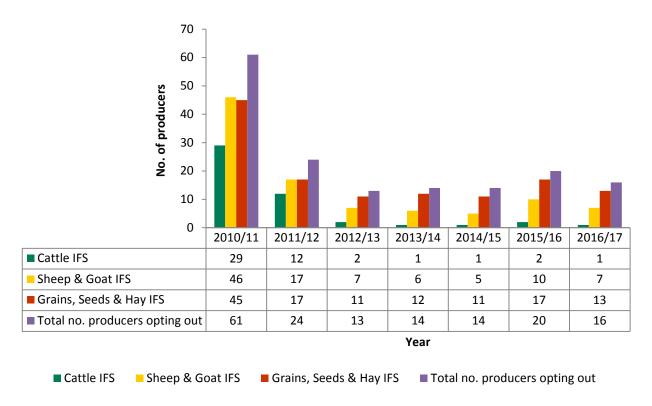


Figure 1. Number of producers opting out of Industry Funding Schemes since 2010.

Note: numbers are not mutually exclusive – some producers opt out of more than one Scheme.

5. 2016/2017 approved programs

Skeleton weed program

Skeleton weed (Chondrilla juncea L) is a pest of pastures, crops and native bush. It can reduce yields by competing for moisture, nutrients and light. The Skeleton Weed Program is a coordinated program aimed at managing the spread of the weed. Light infestations of the weed are not considered to be difficult to control³; however, the program provides valued support to owners/managers of infested properties to eradicate or control the weed. It is argued that owners/managers of non-infested properties also benefit, as the program is slowing the spread of the weed across the wheatbelt.

In 2016/17, the Skeleton Weed Program facilitated ground surveillance covering 411 000 ha. At the end of 2016/17, 1006 properties were known to be infested with skeleton weed in the Western Australian agricultural area, with the infested areas totalling 2448 ha across 176 000 ha of paddocks (Figure 2). Fifty-six newly infested properties were reported, and the weed was eradicated from 26 properties. A significant achievement was the decrease in the infested area in the Narembeen shire. This is the first decrease seen in the shire in many years.

Local Action Groups are now coordinating some of the operational activities, allowing DPIRD staff to focus on program coordination and compliance-related activities. Six Local Action Groups are now working autonomously and undertaking almost all operational tasks previously done by DPIRD staff.

Most of the program budget was used to provide support to landholders in the form of search assistance (\$1 070 000) and funding for Local Action Groups (\$650 000). Program coordination, audit and compliance was another large expense (\$550 000). The Committee requested an appropriate level of audit and compliance activities. This was to help ensure value for money to the Scheme participants and improve accountability for the use of industry funds — as well as to better minimise the spread of the weed. The total cost of the 2016/17 program was \$3 383 868 (note: Table 1 uses rounded figures).

The full report on the 2016/2017 skeleton weed program is available online.



Image: Mature skeleton weed plants in stubble.

³ McElwee, H., Eckersley, P., Peirce, J. & Coyle, P. 2000. The economics of the Skeleton Weed Eradication Program in Western Australia: A benefit cost analysis. Bunbury, Agriculture Western Australia.

Skeleton Weed Eradication Review Panel. 2008. Skeleton Weed Review. Perth, Agriculture Protection Board.

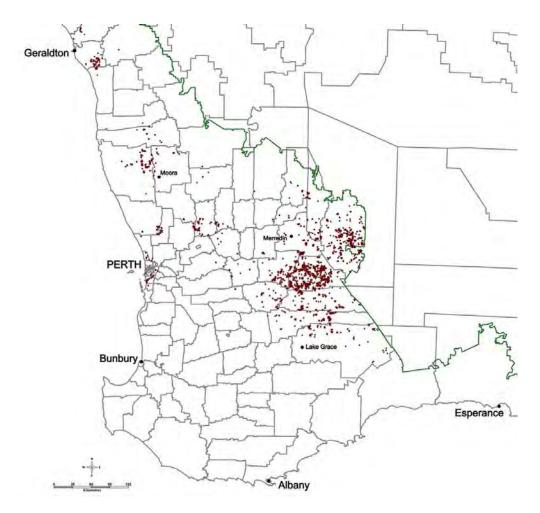


Figure 2. Location of all skeleton weed infested sites in the agricultural area.

Skeleton weed surveillance technologies

Computer modelling to predict the spread of skeleton weed, funded by the IFS, is now being used to target skeleton weed surveillance activities. This has resulted in a more effective and efficient way of undertaking surveillance, as inspections can now be carried out in areas predicted to have a greater probability of skeleton weed seed germination.

The IFS continued to fund investigations into unmanned aerial vehicles (UAVs) for skeleton weed surveillance. Over the year, two basic scenarios were explored: the ability of UAVs (and the associated recognition software) to i) detect swards of skeleton weed; and ii) detect individual skeleton weed plants — and the current costs of doing this per hectare.

Significant progress was made during the year. The research is now at a stage where the researchers are confident in the UAV system being used and the data processing being applied. The research is currently focused on detecting individual plants.



Image: Unmanned aerial vehicle (multi-rotor drone).

The research will continue in the 2017/18 financial year, with trial flights being undertaken over the summer search period.

The Committee anticipate using UAVs for targeted surveillance based on the data provided via the skeleton weed spread modelling. This is expected to greatly increase surveillance efficiencies and reduce costs.

Table 1. Costs of the 2016/17 skeleton weed program.

Expenses	\$
Program coordination, audit and compliance	550 000
Education and awareness	32 000
Targeted surveillance	200 000
Response to new finds	146 000
Field research	35 000
DPIRD administrative support	346 000
Winter spraying contracts	20 000
Local action group support	650 000
Landholder search assistance	1 185 000
Support activities for infested properties	110 000
Winter spraying – chemical supply	110 000
Total expenses	3 384 000

Bedstraw eradication program

Three-horned bedstraw (*Galium tricornutum*) is a competitive climbing plant that can cause considerable yield loss in crops, and its seeds are contaminants of fodder and grain. Bedstraw is targeted for eradication in Western Australia — that is, any bedstraw plants found in the State must be destroyed.

Through the Grains, Seeds and Hay Industry Funding Scheme, bedstraw eradication activities were delivered on two properties under quarantine for bedstraw infestations. In conjunction with the landholders, the program developed and implemented management plans that were tailored to each property. These plans specified the management practices to occur on the quarantined areas, and were specifically designed to eradicate the weed.

From the beginning of 2017, the two quarantined properties entered the 'release phase' of the eradication program. On one property, the bush areas on two paddocks did not enter the release phase. To enter the three-year release phase, no live bedstraw should be detected on the site. The release phase requires the quarantined areas to be monitored for bedstraw plants. After three 'clean' years, the property can be released from quarantine.

The total cost of the 2016/17 program was \$313 474, excluding compensation payments (Table 2).



Image: Three-horned bedstraw plant in flower.

Table 2. Costs of the 2015/16 bedstraw eradication program (excluding compensation).

Expenses	\$
Staff costs	149 954
Eyefoss surveillance	54 545
Services and contracts	32 932
Travel and internal charges	66 412
Consumables	8508
Communications	840
Other	283
Total expenses	313 474

Bedstraw surveillance technologies

The IFS provided \$54 545 funding for Cooperative Bulk Handling (CBH), in conjunction with DPIRD, to continue grain harvest screening for bedstraw seeds using EyeFoss screening technology. The EyeFoss technology, which uses image analysis software, has been used by CBH for commercial grading of grain but bedstraw was previously not included in the weed seeds that were being assessed.

More than 4500 wheat and barley samples from the 2016 harvest were taken from targeted sites and screened using the Eyefoss equipment. No bedstraw was detected. The technology continues to be improved as the software 'learns' from any false positives that are detected.

The Committee will be partnering with CBH and Bunge to screen 10 000 samples from the 2017 harvest. As the number of samples screened increases, the probability of detecting smaller infestations of bedstraw increases.

6. 2016/2017 financial details

The IFS finances are administrated by the Director General of DPIRD, in consultation with the Committee, through an agency special purpose account called the Grains, Seeds and Hay Industry Declared Pest Control and Compensation Account (the IFS Account). DPIRD manage these funds on behalf of the Committee, and prepares financial reports including the end of financial year statements.

- The balance of the IFS Account was \$9 806 073 at the 30 June 2017.
- The total cost of the 2016/17 Skeleton Weed Program was \$3 383 868 and the Bedstraw Eradication Program totalled \$313 474⁴.
- Two compensation payments associated with the bedstraw program were paid.
 These totalled \$90 370; however, one of the payments was for the 2015 season.
- Industry contributions to the IFS totalling \$5 250 195 were received by DPIRD in 2016/17; however, \$31 006 of this was reimbursed to growers that had opted out of the Scheme in the previous financial year.
- Interest applied to the funds during 2016/17 amounted to \$174 872.
- The activities of the Committee resulted in expenditure of \$25 406.

Table 3 contains the 2016/17 financial details of the Grains, Seeds and Hay IFS.

15

⁴ Some of the total costs of the 2016/17 programs were deducted from the IFS Account during the 2017/18 financial year.

Table 3. Grains, Seeds and Hay IFS finances for the 2016/17 financial year.

Expenses	\$
Programs:	
Skeleton weed	3 383 868
Bedstraw	313 474
Other expenses:	
Board member fees and travel	15 252
Consultancies	9 091
Meeting expenses	642
Advertising and promotion	421
Compensation (2015 and 2016 season)	90 370
Opt out refunds (2015/16)	31 006
Total expenses	3 844 124

Income	
Contributions	5 250 195
Interest revenue	174 872
Total income	5 425 067

NET COST OF SERVICE	-1 580 943

Balance sheet	
EQUITY at 30 June 2017	9 806 073

Note: the expenses listed above are the total cost of the 2016/17 programs. Some of these costs were debited from the Account during the 2017/18 financial year. The balance sheet identifies the actual equity at 30 June 2017.

7. Direction for 2017/2018

Grower survey: The Industry Management Committee will conduct a survey of grain/seed/hay growers to get a clearer picture of the industry's views on the operation of the IFS and the functions of the Committee — including whether the Scheme may be used to tackle other priority pests or diseases. The Committee will use the information collected to inform decision-making and to identify areas where improvements can be made, with a view to making improvements during the 2017/18 financial year.

Compensation process: The Committee will continue its review of the compensation processes under the regulations. In particular, the Committee are looking for ways in which they can make the process more transparent. As it is anticipated that there will be regulatory changes relating to compensation, the Committee will wait for these changes to be finalised before confirming their processes.

Joint committee meeting: A joint meeting between the three Industry Funding Scheme committees is scheduled for September 2017. This meeting will provide an opportunity to identify cross-IFS issues and ways in which these can be addressed. It is anticipated that such an approach will improve coordination and outcomes across the three Schemes.

IFS communications: The Committee will put into practice the communications plan that was developed in 2016/17. The plan will also be reviewed to determine communications activities that can be delivered jointly across the three IFS committees, in order to increase efficiencies and ensure consistency is the communication messages.

CBH and Bunge partnership: CBH and Bunge will be approached in order to discuss the potential for a partnership approach to bedstraw surveillance. Using CBH's EyeFoss technology, the Committee would like to double the amount of grain screened from 5000 samples to 10 000 samples. The Committee and bedstraw program staff will begin discussions with CBH and Bunge early in the 2017/18 financial year.

Hay remittances: As noted in section 4 of this report, the level of IFS contributions being remitted to the Scheme on the sale of hay is unacceptable. The Committee, with assistance from the Department of Primary Industries and Regional Development, will liaise with hay receivers to ensure they understand and undertake their obligations under the IFS regulations to collect and forward contributions to the Scheme.

Regulation changes: The Committee anticipates close involvement in the process to amend the regulations for the Grains, Seeds and Hay IFS, following from the 2016 independent review of the regulations. The Committee will consider the regulation changes recommended through the review, and will keep abreast of the proposed changes to ensure the Scheme continues to meet the needs of the industry.

The Grains, Seeds and Hay Industry Funding Scheme is an industry-controlled scheme. The Committee always welcomes industry feedback and input to the Scheme, its programs and grain/seed/hay issues in general. The Committee can be contacted at any time through the Executive Officer. The Committee is particularly keen to hear the industry's views on the risks and opportunities within the biosecurity arena, and members are available to participate in industry forums, meetings and field days to discuss the Scheme and answer any questions from industry.



Image: Hay bales.