

A close-up photograph of a person's hands holding a pair of dark wooden chopsticks. The chopsticks are lifting a thick, tangled portion of long, thin, light-colored spaghetti from a white ceramic bowl. The bowl has the AEGIC logo and text on it. The background is a blurred wooden surface, possibly a table or a wall. The overall lighting is warm and natural.

# 2020 2021

Australian Export Grains Innovation Centre

**ANNUAL REPORT**

## VISION

Australia's leading organisation for market insight, innovation and applied solutions for the grains industry

## PURPOSE

AEGIC exists to increase value in the Australian grains industry

All contents copyright ©AEGIC. All rights reserved.

The related bodies corporate, directors and employees of AEGIC accept no liability whatsoever for any injury, loss, claim, damage, incidental or consequential damage, arising out of, or in any way connected with, the use of any information, or any error, omission or defect in the information contained in this publication. Whilst every care has been taken in the preparation of this publication AEGIC accepts no liability for the accuracy of the information supplied.



AEGIC is an initiative of the Western Australian State Government and Australia's Grains Research and Development Corporation

# Contents

Chairman's report	04	All AEGIC projects	34
CEO's report	06	Commercial services	38
Strategic plan 2021–2024	08	Our people	40
Highlights 2020–2021	16	Our board	42
Supporting Australia's grain customers	18	AEGIC collaborators	44
Keeping Asian noodle lovers satisfied	22	Financials	46
Meeting the demand for Asian baked goods	24		
The health and wellbeing story	26		
Cheers to Australian malting barley	28		
Rising meat consumption	30		
Market analysis	32		

# Chairman's report



I am pleased to provide this 2020-21 Annual Report for AEGIC.

After east coast droughts affected production in 2018 and 2019, Australia's grains industry rebounded magnificently in 2020. Production hit record highs and wheat exports went from less than 10 million tonnes for two years to over 22 million tonnes in 2020-21. Similar outstanding recoveries were achieved in barley and canola. Pleasingly, it looks like the weather gods have smiled on Australian producers again in 2021 with crops looking very good as we approach the 2021-22 harvest.

The production and export performance recoveries speak volumes about the resilience and adaptability of our growers, researchers and supply chains, and it is also a timely reminder that it pays to retain contact and presence with customers, even when you have nothing to sell! Despite our limited supplies and the obvious COVID-19

challenges through 2020 and 2021 preventing any face-to-face contact with customers, AEGIC has been privileged to retain vital customer linkages. 'Keeping the lights on' has been repaid in spades with customers ready to engage with Australian exporters immediately when our seasonal fortunes turned around.

AEGIC's extensive online digital platform to keep the technical and crop information flowing, as well as ongoing product development work, has proven to be a winner all round – for customers, growers and exporters. The gains being made in feed grain business to Thailand, Philippines and Vietnam in 2020/21 are examples of work seeded by AEGIC some 3-4 years ago.

Over 2020-21, AEGIC revisited its strategic direction and affirmed even more strongly that we will deliver most value to growers by retaining a focus on end consumers and their future needs. Our *2021-2024 Strategic Plan*

AEGIC's extensive online digital platform to keep the technical and crop information flowing, as well as ongoing product development work, has proven to be a winner all round – for customers, growers and exporters.

confirms that consumer trends drive long term value. AEGIC will retain its long-term focus on key trends, not near-term transactions; on targeted high impact activities, not a plethora of small or doubtful gains; and on measuring our progress and testing that progress with our stakeholders. AEGIC's research is showing that sustainability, health and nutrition are key consumer requirements in the future supply of foods. AEGIC will play its part to ensure these factors are fully evaluated with solutions that keep Australia as the preferred grain supplier to its customers as well as delivering value to our growers.

AEGIC shared this new plan with our stakeholders in recent months and we have been encouraged by the strong buy-in across the supply chain for our direction and value delivery.

AEGIC recognises the development stage of Grains Australia Limited (GAL) in its inaugural year. AEGIC looks forward to a collaborative partnership with GAL, with AEGIC bringing the voice of the consumer to assist in shaping GAL's initial work in classification and market access.

I acknowledge the strong and necessary support of our Members, Grains Research and Development Corporation (GRDC) and the WA Department of Primary Industries and Regional Development (DPIRD), who founded AEGIC in 2012. AEGIC appreciates the increased financial certainty to support our activities out for at least three years ahead. This addresses an important strategic need of the industry, to focus on longer term objectives and to train and retain professionals in specialist fields where industry knowledge has been in decline.

I thank our CEO, Richard Simonaitis, and the entire AEGIC staff for their commitment. COVID-19 restrictions have remained a challenge, but their agility and persistence has

built bridges to new opportunities both in Australia and offshore, including to new geographies in Africa and Latin America.

Thank you to my fellow directors, Matthew Macfarlane, Karlie Mucjanko and Alick Osborne for their support and commitment to AEGIC. I also thank Emma Walczak, our Company Secretary for her untiring support.

Customers and growers remain our central focus; AEGIC's aim is to increase value for customers and see that translated into better returns for growers.

Best wishes to all our partners and stakeholders for a safe 2021/22 season.

**Ron Storey**  
CHAIRMAN



# CEO's report



**I'm very happy to deliver** another Annual Report as AEGIC CEO. 2020-21 was a significant year for AEGIC as we developed and started implementing our new *Strategic Plan 2021-2024*. The new plan is an evolution of our strategic direction. It builds on our previous achievements creating value opportunities throughout the value chain, in collaboration with industry.

The most significant shift in our strategic approach is putting consumers foremost in our thinking. AEGIC sees the grains value chain starting with consumers. Consumer needs and wants flow across the value chain through processors, the supply chain, growers and breeders.

I'd encourage you to read the summary of the *Strategic Plan 2021-2024* on the following pages; it's a great visual summary of our strategic priority areas.

Face-to-face engagement with customers is an important facet of AEGIC's value delivery model, so 2020-21 was a challenging — but in some ways energising — year for us.

We delivered a comprehensive program of 24 technical webinars and meetings for international customers in Vietnam, Indonesia, Malaysia, Thailand, Japan, China, Korea and India, covering Australian grains for food and feed, Australian white wheat for healthy whole grain products, and premium Australian malting barley for brewing. This webinar program will significantly ramp up in 2021-22, with many more events planned.

We completed a major demand analysis of the Indonesian feed, livestock and poultry industries to identify opportunities for future collaboration and investment within the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). AEGIC also produced a set of information packs to help Indonesian customers maximise the value of Australian feed grains.

We launched a dedicated website with resources for current and prospective Indonesian grain customers to provide technical information about the benefits and practical applications of Australian grain.

The most significant shift in our strategic approach is putting consumers foremost in our thinking.

In collaboration with the Australian grains industry, AEGIC produced monthly videos in several languages to help international customers stay connected with how Australian crops are progressing. These videos were produced for the 2020 growing season and are underway for the 2021 season. The videos have been extremely well received by our international customers and the Australian grains industry.

To capitalise on the white bran advantage of Australian wheat in whole grain products, AEGIC produced an information pack, *Whole grain for better health*, and is delivering a series of webinars highlighting the use of Australian wheat in whole grain applications. AEGIC also produced an information pack on milling whole grain flour to help flour millers understand how to prepare whole grain flour according to the global whole grain definition.

We are working with breeders to support a new Australian soft wheat industry by learning about our customer's quality requirements, enhancing milling and testing methods, and supporting breeding programs.

Our oat noodles and oat rice products are on the pathway to market and we are seeking a commercial partner to fast track this process.

These are just some of the highlights of our recent work, I'd encourage you to read the rest of this report for more examples.

I would like to once again acknowledge and thank our members DPIRD and GRDC for their continued investment in AEGIC.

I thank the AEGIC Board for their continued support.

Most importantly, thank you to all the AEGIC staff for their continued dedication to their work.

**Richard Simonaitis**  
CEO



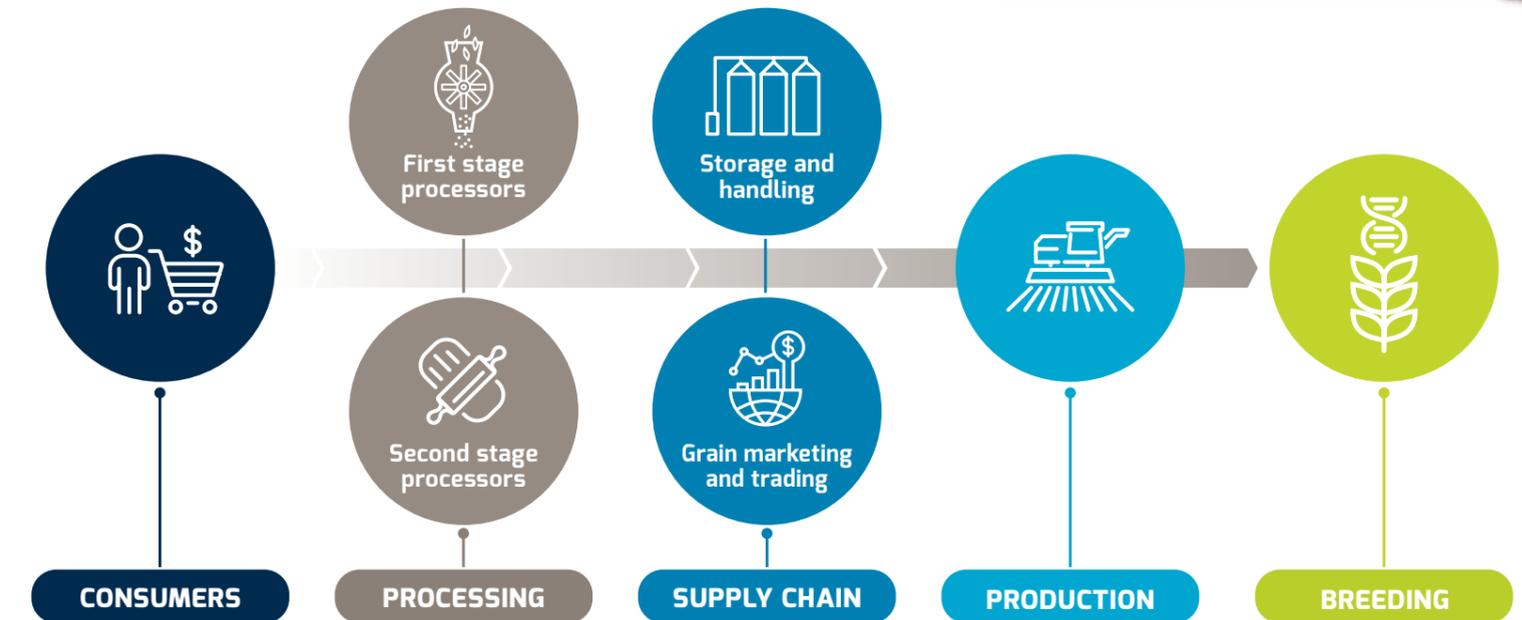
# Strategic Plan 2021-2024

An evolution of our strategic direction, the new Strategic Plan 2021-2024 builds on our successes in working with the Australian grains industry to create value opportunities throughout the value chain, ultimately delivering value to growers.

## It all begins with consumers

AEGIC sees the grains value chain starting with happy consumers. Consumer needs and wants flow across the value chain through processors, the supply chain, growers and breeders. AEGIC's goal is to choose chain interventions which have the highest impact and return on investment.

We are focused on identifying opportunities and developing practical solutions, all with a view to deliver industry outcomes and positively impact the Australian grains industry.



# AEGIC impact

AEGIC demonstrates the positive impact we have on the Australian grains industry across five impact areas.



# Value delivery model

We use our market insight and analysis, combined with our technical know-how and innovation, to develop applied solutions that are valued by our customers, generating value for the Australian grains industry.



## CASE STUDY

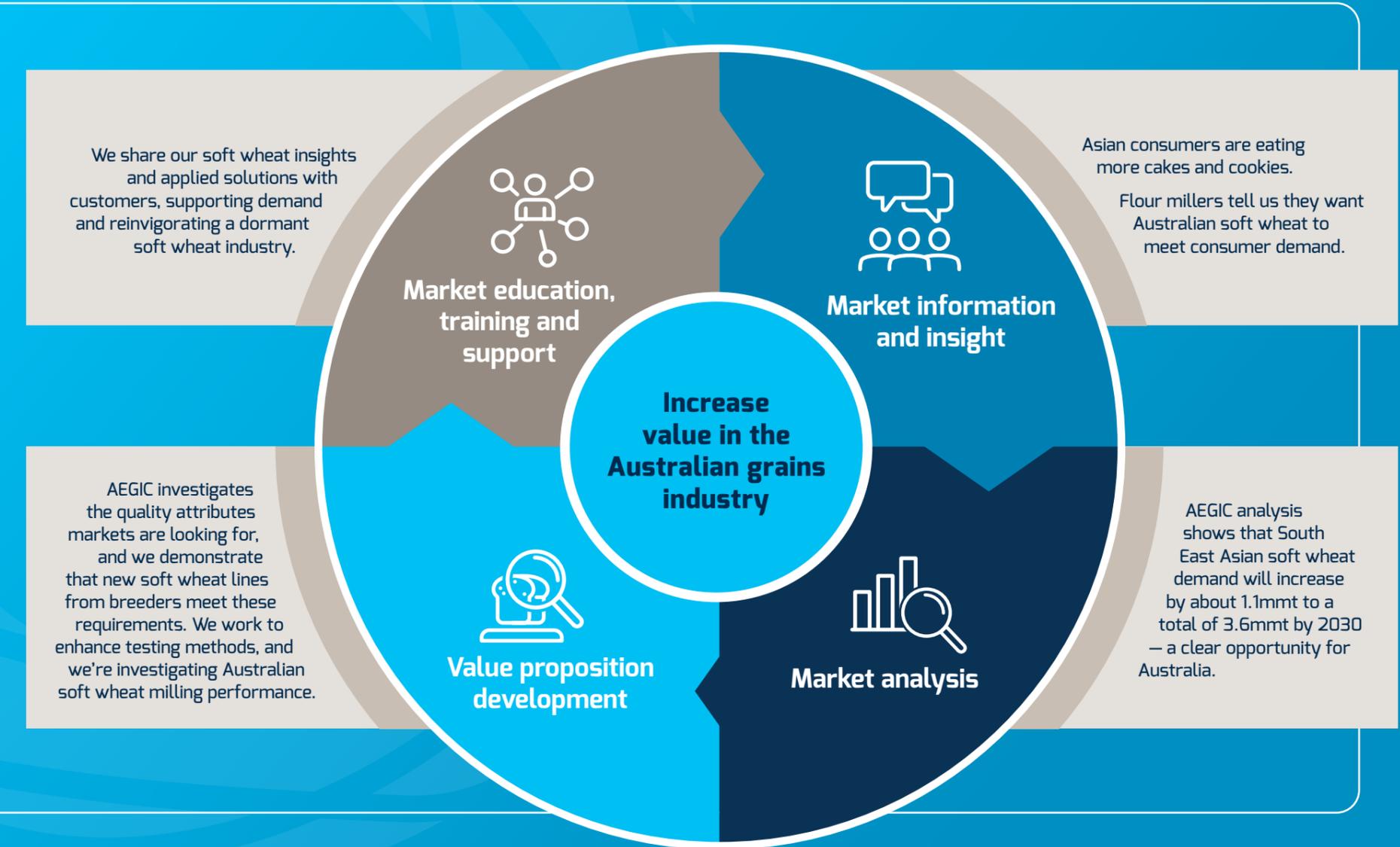
### A POTENTIAL NEW AUSTRALIAN SOFT WHEAT INDUSTRY

This exciting project, currently in its early stages, demonstrates how our value delivery model works in practice.

The popularity of baked products, such as cookies and cakes, is growing across South East Asia and China as incomes grow and diets change.

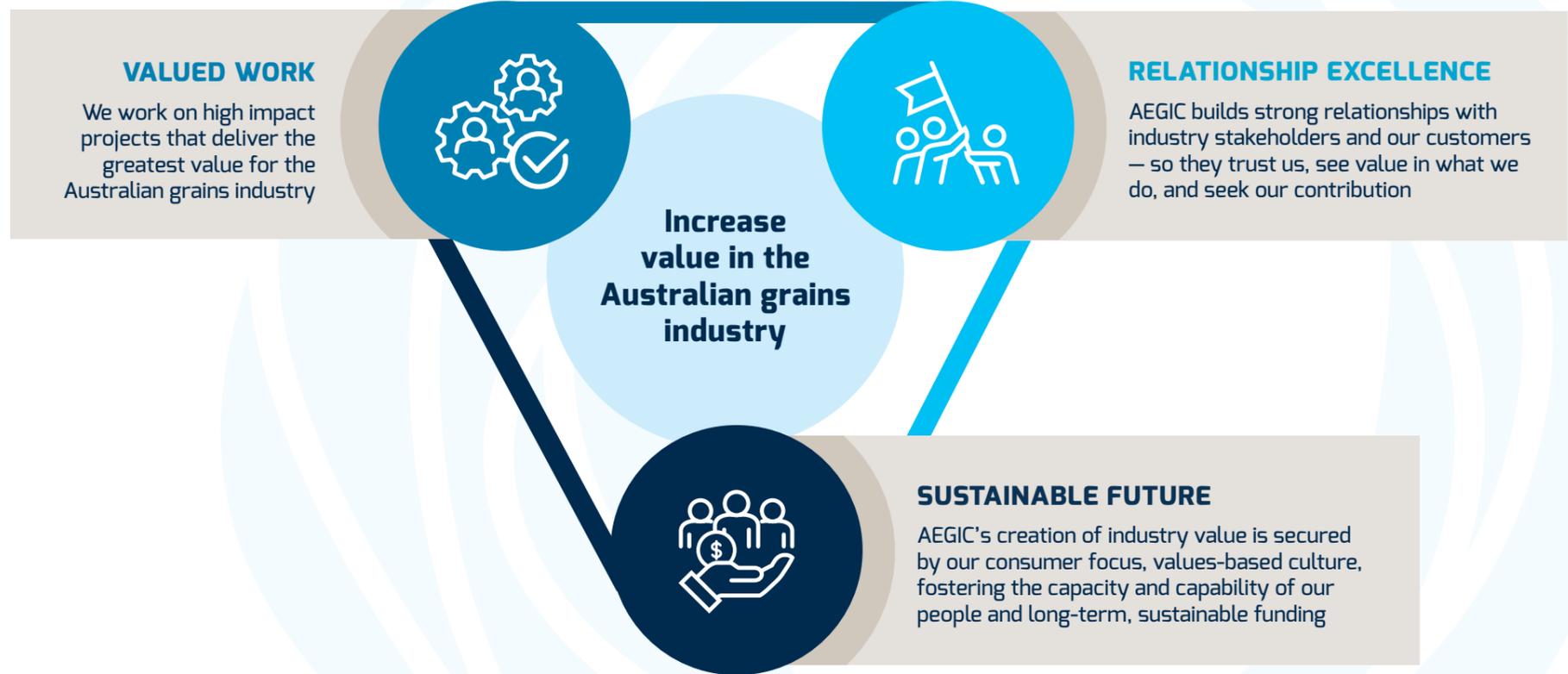
According to our analysis, the wheat usage for cakes and biscuits is projected to grow by about 1.1mmt to a total of 3.6mmt by 2030 in South East Asia alone.

Recognising this opportunity, AEGIC is working to support a renewed Australian soft wheat industry, in collaboration with growers, breeders and other industry stakeholders.





# Strategic priority areas



# Highlights 2020-2021

## Supporting Australia's grain customers



*Ensuring our customers and their consumers are well serviced and have a positive experience builds trust and makes it more likely they will purchase Australian grain.*

We released monthly virtual crop inspection videos in six languages across 12 countries to 2500 international contacts to help customers keep track of the Australian growing season and stay connected with our industry.

We delivered 24 webinars and meetings across 9 countries to 1450 people, with many more events planned.

We produced a wealth of videos, technical guides, information packs and a new Indonesia web portal to demonstrate the quality and value of Australian grain to customers.

[Go to page](#)

## Keeping Asian noodle lovers satisfied



*Reinforcing the fact that consumers prefer Australian wheat for noodles makes it more likely customers will continue to choose our wheat.*

We helped customers better understand the benefits and value of Australian wheat for noodles via webinars and meetings.

By benchmarking wheat quality from other origins, we continued developing evidence that differentiates Australian wheat from competitor wheat, increasing its value.

[Go to page](#)

## Meeting the demand for Asian baked goods



*Evidence that Australian wheat is an excellent choice for Asian-style baked products including bread, cookies and others expands our wheat into new market segments.*

We are helping develop a renewed Australian soft wheat industry by learning about our customers' quality requirements, enhancing milling and testing methods, and supporting breeding programs. We are engaging with growers and South East Asian flour millers to assist the uptake of this opportunity.

We continue to help customers use more Australian wheat in their baking grists. We are helping capture a greater share of the Asian bread market by evaluating new high performance bread wheat lines.

[Go to page](#)

## The health and wellbeing story



*Demonstrating that Australian grains are the best choice for healthy grain products makes it likely that more Asian consumers will benefit from eating Australian whole grains in the future.*

We are seeking a commercial partner to fast track commercialisation of our oat noodles and oat rice, and move oats beyond breakfast.

We are sharing the advantages of Australian wheat for whole grain products through a series of webinars for customers. We produced a technical guide to help Asian millers produce whole grain flour from Australian wheat.

[Go to page](#)

## Cheers to Australian malting barley



*Diversifying markets for Australian malting barley reduces risk and preserves value for Australian growers.*

We continued helping to diversify and secure markets for malting barley growers through engagement with markets such as India and Vietnam.

We are developing equipment and methods to help users of Australian barley adopt new varieties into their malting systems.

[Go to page](#)

## Rising meat consumption



*Providing practical information about the benefits and use of Australian feed grains stimulates demand. We are already seeing increased volumes exported to some of the markets we have been active in.*

We demonstrated the value and use of Australian grains for feed by delivering webinars across Vietnam, Indonesia, Thailand and the Philippines to more than 450 people.

We completed a demand analysis of the Indonesian feed industry in collaboration with GrainGrowers (a DFAT project) and produced a suite of technical feed grain information packs.

[Go to page](#)

## Market analysis and future trends



*Our insights help the Australian grains industry identify and capture the best opportunities and prepare for challenges in the coming decade.*

We released our Wheat 2030 and Barley 2030 reports summarising important markets for Australia and making recommendations to maximise value for the industry.

We supplied industry stakeholders with expert market analysis.

[Go to page](#)

To quickly navigate between this page and each section, click these icons:

[Go to page](#)

Takes you to relevant page for more information



Returns to *Highlights 2020-2021* list





# Supporting Australia's grain customers

We deliver technical support, education and applied solutions to grain customers to demonstrate the quality and value of Australian grain. This helps them deliver quality products to their consumers.

Ensuring our customers are well serviced and have a positive experience builds trust and makes it more likely they will purchase Australian grain.



## VIRTUAL CROP INSPECTION VIDEOS

We released monthly virtual crop inspection videos in **six languages across 12 countries to 2500 international contacts** to help customers keep track of the Australian growing season.

These videos are a collaboration between growers and the Australian grains industry (Australian Crop Breeders, ADM, CBH Group, CHS Broadbent, GIWA, GrainCorp, GrainGrowers, Viterra, GIMAF, GPA, Grain Producers SA and GTA).



## TARGETED EVENTS FOR GRAIN BUYERS

We delivered **24 webinars and meetings across 9 countries to 1450 people**, with many more events planned. We hosted grains industry roundtable events for Indonesia and Vietnam on behalf of industry.

**TOPICS:** Australian malting barley for brewing (Vietnam, India, China); Australian feed grains (Vietnam, Philippines, Indonesia, Thailand); Australian wheat quality (Indonesia, Vietnam, Japan, Malaysia, Korea, Thailand, Taiwan).

AEGIC acknowledges the support of the Australian Government's Agricultural Trade and Market Access Cooperation (ATMAC) program for some of these events.



PHOTO: Narrogin grain grower Ashley Wiese giving a crop update for customers.





“

Thank you so much for your sharing. The new crop of Australian wheat looks pretty good. We have started to study the AW (Australian wheat) purchasing plan for coming year.

FLOUR MILL, TAIWAN

“

Very useful information for us to know more about the Australian wheat status recently. As you are aware, Australian wheat is still our main resource for our wheat supply and we are expecting to get more wheat from you next year.

INDONESIAN FLOUR MILLER

“

Thanks very much for sending Australian Crop Update and Crop Update videos. The videos are... extremely popular. It appears that it is not so easy for other countries to copy and do it like AEGIC is, coordinating multiple companies as a whole grain industry approach in the video production.

JAPANESE GRAIN CUSTOMER



## TECHNICAL SUPPORT AND INFORMATION PRODUCTS

We produced high quality instructional videos to help international flour millers manage COVID safety in the workplace.



We produced a 40-page technical milling guide to help Asian flour millers get the most value out of Australian grains.



We established an *Australian grains Indonesia portal*, containing translated resources for grain customers.



We developed a suite of translated information packs to help Indonesian customers maximise the value of Australian feed grains.



PHOTO: Filming COVID safety videos for customers at AEGIC Sydney.



PHOTO: Ceduna grower Mario Nicholls (middle).



# Keeping Asian noodle lovers satisfied



We strive to keep Australian wheat as the first choice for noodles in Asian markets.

We work to understand customers' noodle quality requirements to help breeders develop varieties that meet those requirements. We help customers better understand the benefits and value of Australian wheat for noodles.

We develop evidence that differentiates the performance of Australian wheat from competitor wheat, increasing its value.

This makes it more likely customers will choose Australian wheat for noodles.

## SECURING THE SOUTH EAST ASIAN NOODLE MARKET

We conducted webinars and virtual meetings with flour millers and food manufacturers in Indonesia, Vietnam, Malaysia, Thailand and the Philippines.

**COLLABORATORS:** Ag Scientia, InterGrain and GLNC.



## AUSTRALIAN WHEAT FOR PREMIUM CHINESE NOODLES

Collaborating with InterGrain, we worked with several flour millers in China to benchmark the quality attributes of Australian wheat for premium Chinese noodles.

**COLLABORATORS:** InterGrain, Hebei Jinshahe Flour Industry, Kementan Noodle Manufacturing, Institute of Food and Nutrition Development – Ministry of Agriculture and Rural Affairs, China.



## AUSTRALIAN WHEAT VERSUS COMPETITOR WHEAT FOR NOODLES

We sourced wheat samples from Russia, Ukraine, Kazakhstan and Argentina to benchmark noodle performance in milling, dough rheology and noodle quality compared with Australian wheat. Evidence of these points of difference increases the value of Australian wheat and supports quality targets for, and classification of, Australian wheat classes.



“

We are happy to say that our company always use Australian wheat flour to make our noodles supplying to Thai and overseas markets.

THAI FOOD COMPANY



# Meeting the demand for Asian baked goods



The popularity of bread, cookies and other baked products is growing and Australian wheat is well placed to capture some of this demand. We are helping the industry position Australian wheat to take a greater share of the Asian bread and cookie markets, enhancing value for growers.

## AUSTRALIAN SOFT WHEAT FOR ASIAN COOKIES

Responding to rising consumer demand for baked goods, we are supporting the development of soft wheat breeding lines. We've helped assess the cookie performance of soft wheat breeding trials with promising results. We're also enhancing testing methods and understanding milling performance for soft wheat. We are engaging with growers and South East Asian flour millers to assist the uptake of this opportunity. This project is supported by DPIRD.

**COLLABORATORS:** WA Soft Wheat Growers Association (WASWGA), Australian Grain Technologies, InterGrain and LongReach.



## TAKING A BIGGER SLICE OF THE ASIAN BREAD MARKET

We are helping to position Australian wheat to capture a greater share of the Asian bread market by evaluating new breeding lines aiming for high baking performance. We are developing solutions for users of Australian wheat regarding its tolerance to Asian dough fermentation processes.



*I can not express highly enough how important AEGIC is to me as a baker and developer of speciality breads.*

AUSTRALIAN BREAD MANUFACTURER



# The health and wellbeing story



Clean, bright, nutritious Australian whole grains are poised to become a top choice in Asian markets as customers become more and more interested in the considerable health benefits.



PHOTO: Nasi goreng made from AEGIC's oat rice.

Demonstrating Australian white wheat is the best choice for whole grain products creates new value for growers. Developing new innovative oat products drives market growth and increases the value of Australian oats.

## GETTING MORE AUSTRALIAN WHOLE GRAINS INTO ASIAN DIETS

To capitalise on the white bran advantage of Australian wheat in whole grain products, we produced an information pack, *Whole grain for better health*, and a technical guide to help flour millers mill whole grain flour. We are sharing the whole grain message through a series of webinars for customers. This project is a DPIRD investment.



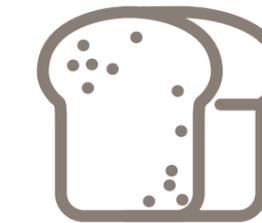
“Asia is now receptive to the perceived healthiness of whole grain in particular fine whole meal flours. ... Now you have a great opportunity to expand use of Australian wheats.”

BAKING CONSULTANT SINGAPORE  
(AEGIC WHOLE GRAIN PRESENTATION AGIC ASIA)



“This is a very meaningful seminar to allow members of the Taiwan Flour Industry Association to have a deep understanding of the supply, quality and importance of wheat breeding in Australia to the whole wheat grain diet.”

TAIWANESE FLOUR MILLER  
(AEGIC WHOLE GRAIN WEBINAR)



## MOVING OATS BEYOND BREAKFAST

We are working towards getting our 100% whole grain oat noodles and oat rice to market by joining with a commercial partner while continuing to finetune the processing methods. In March we hosted a oats webinar for Chinese buyers to stimulate interest in healthy Australian oat products. This project is supported by DPIRD.



## BUILDING CAPACITY FOR PULSE PROTEIN INGREDIENTS

We are developing capacity for the efficient dry processing of pulses for high-value protein ingredients. Pulses are a good source of protein, energy, carbohydrate, dietary fibre, vitamins, minerals and phytochemicals. Dry processing is both energy and water efficient, offering a low cost and sustainable alternative to wet processing. This project is supported by GRDC.



# Cheers to Australian malting barley



We are helping diversify and secure markets for malting barley growers. Diversifying markets for Australian malting barley helps reduce reliance on a single large market. Maintaining engagement with China makes it more likely buyers will return to purchasing Australian barley if the market reopens in the future.

## ENGAGING WITH DIVERSE MALTING BARLEY MARKETS

We conducted webinars with the Vietnamese and Indian malting and brewing industries to demonstrate the quality and value of Australian barley for beer, with the support of the Australian Government's ATMAC program. We hosted a webinar for Chinese brewers and maltsters to keep them engaged in preparation for changes to market access in the future.



## RAPID ADOPTION OF MALTING BARLEY VARIETIES

In response to feedback on the frequency of new Australian malting varieties, we are developing new malting technologies and practical solutions for the malting performance of new Australian barley varieties. Early intelligence on the best malting conditions will help customers adopt new varieties rapidly. This makes it more likely they will continue to buy malting barley from Australia.



“

[AEGIC is] engaging really well, understanding what industry wants, good work in-market and technical servicing ..... Barley work in India very successful ...

KEY AUSTRALIAN GRAINS INDUSTRY STAKEHOLDER



# Rising meat consumption



Asian consumers are eating more meat as incomes grow. Australian grains are a proven, reliable and high-quality option for animal feed diets.

We help feed grain buyers understand the benefits of using Australian grains and how to incorporate them in livestock rations, supporting the demand for Australian feed grains.

## ENGAGING WITH FEED GRAIN BUYERS

We delivered webinars across Vietnam, Indonesia, Thailand and the Philippines to more than **450 people** to demonstrate the value and technical aspects of incorporating Australian grains into feed rations, working with Australian feed nutrition experts. More feed events are planned with the support of the Australian Government's ATMAC program.



## THE INDONESIA FEED INDUSTRY

We developed an *Australian grains Indonesia portal* to help Indonesian customers maximise value when using Australian grains. Translated into Bahasa Indonesia, this portal includes a variety of brochures, publications, videos, and training resources. We completed a demand analysis of the Indonesian feed industry in collaboration with GrainGrowers (a Department of Foreign Affairs and Trade project).



“

Thailand and Vietnam were small barley users just five years back but active marketing programs from the likes of the Australian Export Grain Innovation Centre combined with technical assistance on incorporating barley into feed rations has boosted demand.

LLOYD GEORGE, AG SCIENTIA



# Market analysis and future trends



Our insights help the Australian grains industry identify and capture the best opportunities and prepare for future challenges in the coming decade.



“AEGIC is doing spectacular work on future demand, and now we are looking at how we can take that research and implement it in an effective fashion by 2030.”

JONATHAN WILSON, CEO, GRAINS AUSTRALIA

“AEGIC does some of the best work that’s done about the grains industry and with less agricultural economic analysis being done elsewhere than ever, this makes the role of AEGIC critically important and very valuable.”

AGRICULTURAL ACADEMIC



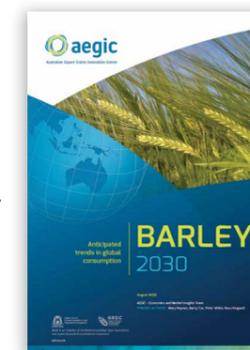
## WHEAT 2030: ANTICIPATED TRENDS IN GLOBAL CONSUMPTION

This analysis of international wheat consumption to 2030 is based on anticipated trends of historical data and makes recommendations for the industry to consider.



## BARLEY 2030: ANTICIPATED TRENDS IN GLOBAL CONSUMPTION

This report summarises important barley markets for Australia and makes recommendations to maximise value for the industry.



## OPPORTUNITIES AND RISKS FOR THE AUSTRALIAN OATS INDUSTRY

This report, due for release in late 2021, provides up-to-date oat market insights and provides key recommendations for the industry to help maintain markets and capture future opportunities.



## INDUSTRY ANALYSIS AND COMMENTARY

We provided expert analysis directly to grains industry stakeholders on grain markets including India, Myanmar, Japan and Korea. We penned 10 blog posts on a range of big-picture topics that affect Australia’s export grains sector on our *Horizons* blog.



# All AEGIC projects

## ➤ Crop inspection videos

**DESCRIPTION:** AEGIC is producing and distributing monthly virtual crop inspection videos. Aimed at international customers to help maintain engagement while travel restrictions are in place, the videos track the development of Australia's crops and show our supply chains in action. Translations are available in Bahasa Indonesia, Mandarin Chinese, Japanese, Vietnamese and Arabic.

**Industry collaborators:** ADM, Australian Crop Breeders, CBH Group, CHS Broadbent, GrainCorp, Grain Industry Association of Western Australia, GrainGrowers, Viterra, GIMAF, Grain Producers Australia, Grain Producers SA and Grain Trade Australia.

**VALUE:** The Australian grains industry remains proactively engaged with international customers during the COVID-19 pandemic. International stakeholders are kept informed on the potential supply of Australian grain and the likelihood of them purchasing it is improved.

## ➤ Understanding future grain quality preferences

**DESCRIPTION:** The development of a low-cost analysis model which can provide up-to-date information on the preferred grain quality and functionality attributes of end-users will allow the Australian grains industry to quickly recognise and respond to changing customer requirements.

**VALUE:** The Australian industry better understands our customers' grain quality preferences and this influences classification standards and grade segregation decisions. Australian growers are better placed to produce varieties that are more competitive with other countries.

## ➤ Who's eating what? Understanding drivers of household consumption for high value grain products in Australia's key markets

**DESCRIPTION:** This project will provide the Australian industry with an understanding of who is eating what and the drivers of household consumption for high value grain products (e.g. whole wheat, soft wheat and oat products) in Australia's key markets. Indonesia will be the first focus of the study with other countries to be determined after consultation with key grains industry stakeholders.

**VALUE:** The Australian grains industry better understands markets' grain preferences to inform classification standards and grade standards. The Australian grains industry is more resilient to competition in key markets in the long term.

## ➤ Increasing consumption of whole grain products – an opportunity for the Western Australian grains industry

**DESCRIPTION:** This DPIRD investment aims to place Australia at the forefront of a predicted growth in whole grain consumption across South East Asia. Consumer preferences and market trends will be

analysed to assess whole grain opportunities. Information packages about the unique advantages of Australian wheat will help to establish it as the preferred choice. New evaluation methods will help breeders identify the preferred wheat lines for whole grain performance.

**VALUE:** Australian wheat is positioned to meet future market and health demands. Australian wheat is preferred for whole grain products.

## ➤ Positioning Australian soft wheat to maximise market opportunities for the Western Australian grains industry

**DESCRIPTION:** Responding to rising consumer demand for baked goods, this project is supporting the development of a new Australian soft wheat industry. We've helped assess the cookie performance of soft wheat breeding trials with promising results. We're also enhancing testing methods and understanding milling performance for soft wheat. This project is supported by DPIRD.

**VALUE:** Australian soft wheat becomes the preferred wheat for production of biscuits and cakes across SEA.

## ➤ Securing the South East Asian noodle market via technical extension, training and education

**DESCRIPTION:** This project delivers technical support, training and education to users of Australian wheat in the SEA region by targeting flour millers and noodle manufacturers in Indonesia, Vietnam, Malaysia, Thailand, Myanmar and the Philippines.

Webinars and virtual meetings with individual flour mills will showcase why and how Australian wheat is the best choice for various Asian style noodle products.

**VALUE:** Customers in South East Asia better understand the functional benefits and value of using Australian wheat for noodles and this influences their buying decisions. The Australian industry better understands customers' noodle quality requirements and that influences our breeding and classification processes.

## ➤ Australian wheat for premium Chinese noodles

**DESCRIPTION:** In this co-investment with InterGrain, AEGIC is conducting technical exchange activities to assist Chinese millers and noodle manufacturers realise the value of incorporating other higher value Australian wheat classes to complement ASW for premium noodle products.

**VALUE:** Premium noodle quality requirements are better understood for the Chinese market, assisting breeders with quality targets and Wheat Quality Australia with classification. The Chinese industry is better informed about the use of Australian wheat for premium noodles, and this influences their buying decisions.



## ➤ Secure Australian wheat exports to north Asia (Japan, South Korea and Taiwan)

**DESCRIPTION:** This project aims to preserve Australia's share of Japan and Korea's premium noodle markets while also servicing Taiwan's smaller, but historically stable market. Interactions with industry peak bodies, flour mills, processors, importers and government agencies will focus on addressing the stability in supply and quality of noodle blends, maintaining Australia's reputation as a reliable, clean and safe supplier of wheat, and providing a better understanding of the quality and value of Australian wheat.

**VALUE:** Japan, South Korea and Taiwan continue to be important stable customers for Australian grain. The Australian grains industry remains proactively engaged with these markets so that issues are resolved efficiently, and new opportunities are visible to the Australian industry.

## ➤ Benchmarking Australian wheat quality to emerging competitors in South East Asia

**DESCRIPTION:** Benchmarking the quality and functionality of Australian wheat used in typical South East Asian (SEA) formulations against samples from competitor nations will highlight the quality improvements required to enhance Australia's competitive position. Wheat quality comparisons will include grain physical properties, flour milling performance, flour analysis including dough

rheological testing as well as end-product testing. Blending studies will also be performed at different ratios.

**VALUE:** The Australian industry has a better understanding of the quality and functionality of competitor wheat. The performance of Australian Hard (AH), Australian Premium White (APW) and Australian Standard White (ASW) classes are differentiated from the performance of Black Sea wheat, increasing the value of Australian wheat. Improved functionality of AH and APW influences purchasing decisions of mills.

## ➤ Developing a new elite baking opportunity

**DESCRIPTION:** This project is assessing the potential for Australia to supply wheat that meets baking industry requirements in South East Asia (SEA). Test baking, in-market and commercial-scale trials will evaluate wheat lines considered to have high baking performance irrespective of other current classification requirements. The study will then quantify baking performance improvements while considering the negative impacts on noodle quality or domestic baking.

**VALUE:** Wheat Quality Australia is equipped with new information to make an informed decision on the classification of elite baking wheats that do not meet current standards. New grain products are available to take a share of the Asian bread-making market from North America. Growers have access to elite baking wheats that have a defined path to market.



# All AEGIC projects (continued)



## ➤ Innovation in baking using Australian wheat: Technical support and education to users of Australian wheat in South East Asia

**DESCRIPTION:** Building on the recently completed Australian Wheat for Asian Baking project, targeted technical relationships will be established with leading flour millers and bread manufacturers to increase the use of Australian wheat in baking applications. Technical support and innovation will focus on: different moulding/sheeting approaches using local formulations and Australian wheat; the role of enzymes on dough rheology and end-product quality using local formulations and Australian wheat; varietal impacts on dough rheology and end-product quality; and processing impacts on dough rheology and end-product quality.

**VALUE:** Customers better understand Australian wheat quality and functionality and how to use Australian wheat in their baking processes. Bakeries in SEA start adopting rapid baking processes, and this influences their buying decisions. More Australian wheat is used in SEA bread production.

## ➤ Tolerance to fermentation: Australian wheat and its ability to tolerate fermentation during various baking processes in South East Asia

**DESCRIPTION:** Feedback from South East Asian (SEA) flour millers and processors has highlighted concerns that Australian wheat exhibits less tolerance to fermentation than North American wheats, impeding its performance. There is currently a limited understanding of tolerance to fermentation and its impact on optimal dough performance or the conditions that affect it in SEA baking applications. This project seeks to identify quality traits and performance parameters to address tolerance to fermentation under a range of conditions during baking processes.

**VALUE:** The Australian wheat industry better understands fermentation tolerance in Australian lines for different SEA baking processes. Wheat Quality Australia improves breeding targets for tolerance to fermentation and bread volume. The long-term goal of establishing an elite baking class in Australia is supported.

## ➤ Annual sensory assessment of advanced noodle lines

**DESCRIPTION:** AEGIC convenes an expert panel biennially with the Japan Flour Millers Association (JMFA) to conduct udon noodle sensory evaluations. This supports Wheat Quality Australia's decision-making process for breeding and classification. AEGIC is the only laboratory using a highly trained Japanese sensory panel.

**VALUE:** The classification and release of new noodle wheat varieties is supported. Australian noodle wheat varieties meet the quality requirements of the Japanese market and Australia's market share is maintained. Strong on-going relationships with the Japanese market are supported. Australian knowledge and expertise in noodle sensory skills is maintained.

## ➤ Australian barley – building opportunities through technical extension

**DESCRIPTION:** This project is raising the profile of Australian barley for malting and feed purposes in Asia markets including Vietnam, Thailand, the Philippines, Indonesia, China and India. Funded through a combination of Agricultural Trade and Market Access Cooperation and AEGIC investments, this project involves engagement with maltsters, brewers, feed millers and government agencies; presentations at key conferences and industry events; and technical conferences and roundtable workshops.

**VALUE:** End-users of Australian barley for malt and feed in key Asian markets better understand Australian barley varieties and maximise value. Australian barley varieties meet barley quality preferences and become the preferred choice of end-users. New barley market opportunities are identified and developed.

## ➤ Rapid adoption of new malting barley varieties

**DESCRIPTION:** In response to feedback on the frequency of new Australian malting varieties, we are investigating how to quickly determine the optimal malting conditions for new varieties.

**VALUE:** Early intelligence on the best malting conditions will help customers adopt new varieties rapidly. This makes it more likely they will continue to buy malting barley from Australia.

## ➤ Oat market analysis

**DESCRIPTION:** This project will provide strategic framing of possible future industry investment in oat production, processing and marketing. Considerations will include the current global supply and demand position for oats, emerging food and feed trends and the relative competitiveness of Australia compared to origins. The market information developed will indirectly support AEGIC's innovative oat technical work (supported by Department of Primary Industries and Regional Development funding).

**VALUE:** The Australian oats industry better understands future oat export markets, market quality requirements and oat quality functionality.

## ➤ Growing opportunities for Western Australian oats

**DESCRIPTION:** AEGIC has developed concept foods (oat rice, oat noodles) that demonstrate good prospects for consumer acceptance of oat rice and oat noodle products to help move oats beyond the breakfast table to becoming an option for lunch, dinner and snacks. This project is funded by DPIRD and aligns well with the WA State Government investment into the oat industry over the next 5 years.

**VALUE:** Increased demand for Australian oats which better meet market quality requirements.

## ➤ Building capacity for efficient dry processing of pulse protein ingredients

**DESCRIPTION:** This project is developing capacity for the efficient dry processing of pulses for high-value protein ingredients. Pulses are a good source of protein, energy, carbohydrate, dietary fibre, vitamins, minerals and phytochemicals. Dry processing is both energy and water efficient, offering a low cost and sustainable alternative to wet processing. This project is supported by GRDC.

**VALUE:** The Australian grains industry develops knowledge and capacity for efficient dry processing

of pulses for high-value protein ingredients. Priority pulse protein research areas are identified, and industry collaborates to explore them.

## ➤ Improving productivity and profitability in Indonesian animal production industries (beef, poultry, dairy) with Australian feed grains

**DESCRIPTION:** This project was commissioned by the Australian Government's Department of Foreign Affairs and Trade to undertake an initial demand analysis of the Indonesian feed, livestock and poultry industries to identify opportunities for future collaboration and investment within the Indonesia-Australia Comprehensive Economic Partnership Agreement agreement.

**VALUE:** The Australian industry better understands Indonesia's feed grain market segments. Improved productivity and profitability in Indonesia's animal protein industries. Increased demand in Indonesia for Australian feed grains.



# Commercial services

With access to the latest technologies, AEGIC offers value-added services that stand apart.

- Grain quality testing
- NATA-accredited food analysis
- Baking innovation
- Noodle technology
- Cake and biscuit technology
- Micromalting and malt quality analysis
- Product and process innovation
- Milling technology
- Technical support and training



# Our people

**AEGIC's highly skilled and diverse team totalled 44 in June 2021.**

AEGIC's values continue to underpin our work and stakeholder relationships. Our diverse and talented team is supported with a safety first culture and wellbeing initiatives.

## AEGIC Values



### Respect

RESPECT for the individual is at the heart of AEGIC's relationships between staff, clients, stakeholders and the wider community.



### Connect

CONNECTING with our stakeholders and clients for grain grower benefit is the focus of our collaborations.



### Strive

We STRIVE to achieve excellence through continuous improvement, lifelong learning and a curiosity to deliver innovative and commercial solutions to real problems.

## Employee qualifications



- PhD 18
- Masters 11
- Grad Dip/Grad Cert 19
- Bachelor Degree 34
- Advanced Dip or Diploma 14
- Certificates 20



# Our board



## RON STOREY

**Chairman** (as of 1 September 2020)  
*Appointed 21 April 2016*

Ron Storey brings extensive experience in the Australian and global grains industry to the AEGIC Board.

Ron has over 20 years of global grain marketing experience, plus a further 20 years in consulting, market research, and commercialisation activities in grains and agribusiness. He is a former Director and Chairman of AGT Breeding, Pulse Australia and Australian Crop Forecasters.

Ron is currently Managing Director of Storey Marketing Services and retains a grain growing interest in his family farm.



## MATTHEW MACFARLANE

**Director**  
*Appointed October 2012,  
reappointed April 2016*

Chartered Accountant, Matthew Macfarlane, is the CEO of ASX-listed iCetana Ltd, an artificial intelligence based video analytics business.

He is an active angel investor and mentor to start-up technology companies and is the Chair of Spacecubed Ventures, a Director of PetRescue and a co-founder of the Yuuwa Capital venture fund.



## KARLIE MUCJANKO

**Director**  
*Appointed September 2020*

Karlie Mucjanko has almost 20 years of experience communicating with and on behalf of farmers across Australia. For more than a decade of this time, Karlie built her commercial management skills as a Senior Executive for Australia's largest agribusiness, the CBH Group.

During her time with the CBH Group, Karlie in her role as General Manager External Relations, played an integral role in reducing the cost of regulation for CBH at the same time as building stronger engagement and connection with grain growers to secure supply and build competitive advantage for CBH.

Karlie has also been building her Non-Executive Director career and is currently the Deputy Chair of the Western Australian Regional Development Trust and a Director of Fremantle Port, InterGrain Pty Ltd and the Guildford Grammar School Foundation.



## ALICK OSBORNE

**Director**  
*Appointed April 2016*

Alick Osborne has amassed significant experience in Australian agricultural industries.

Alick spent more than 12 years in senior management roles at Louis Dreyfus Commodities, including two years as Managing Director.

He is also a past president of the Australian Grain Exporters Association, and has experience in other commodities including three years as CEO of Tully Sugar Limited.

Alick is currently the CEO of Seasol International Pty Ltd.



## EMMA WALCZAK

**Company Secretary and General Counsel**  
*Appointed January 2015*

Emma has significant experience as a commercial lawyer and company secretary for over 12 years.

Emma is the principal of Trinitas Legal, her own law practice, where she provides commercial law advice and company secretarial services to businesses in Perth.



# AEGIC collaborators

AEGIC sincerely thanks the following organisations for working with us to achieve the best outcomes for the Australian grains industry and Australia's grain customers and end-users.

## Members

- Department of Primary Industries and Regional Development (DPIRD)
- Grains Research and Development Corporation (GRDC)

## Industry bodies

- Australian Crop Breeders
- Australian Farm Institute
- Australian Grain Exporters Council (AGEC)
- Australian Oilseeds Federation (AOF)
- Australian Society of Baking (ASB)
- Australian Technical Millers Association (ATMA)
- Barley Australia
- Feed Grain Partnership
- GrainGrowers
- Grain Industry Association of WA (GIWA)
- Grains Australia
- Grains & Legumes Nutrition Council (GLNC)
- Grains Industry Market Access Forum (GIMAF)

- Grain Producers Australia (GPA)
- Grain Producers South Australia (GPSA)
- Grain Trade Australia (GTA)
- Malting and Brewing Industry Barley Technical Committee (MBIBTC)
- National Baking Industry Association (NBIA)
- National Farmers Federation (NFF)
- National Working Party on Grain Protection (NWPGP)
- Northern Region Barley Advisory Committee (NRBAC)
- Oat Industry Growth Partnership
- Pulse Australia
- South Australian Barley Advisory Committee (SABAC)
- South East Premium Wheat Growers (SEPWA)
- South Eastern Australia Barley Advisory Council (SEABAC)
- WA Soft Wheat Growers Association (WASWGA)
- Wheat Breeders Reference Group
- Wheat Quality Australia (WQA)

## Research organisations and Universities

- Charles Sturt University Functional Grains Centre (FGC)
- Edith Cowan University (ECU)
- Murdoch University
- South Australian Grain Industry Trust Fund (SAGIT)
- The Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- University of Adelaide
- University of Queensland (UQ)
- University of Sydney
- University of Western Australia (UWA)

## Government departments

- Agricultural Trade and Market Access Cooperation (ATMAC)
- Agriculture Victoria
- Australian Trade and Investment Commission (Austrade)
- Department of Agriculture, Water and Environment (DAWE)

- Department of Agriculture and Fisheries, Queensland
- Department of Economic Development, Jobs, Transport and Resources (DEDJTR)
- Department of Foreign Affairs and Trade (DFAT)
- Department of Primary Industries and Regions South Australia (PIRSA)
- New South Wales Department of Primary Industries (DPI)

## Breeding companies

- Australian Grain Technologies (AGT)
- Durum Breeding Australia (DBA)
- Edstar Genetics
- InterGrain
- LongReach Plant Breeders
- Seed Force
- SeedNet
- South Australian Research and Development Institute National Oat Breeding Program
- SECOBRA RECHERCHES

## Trade and commercial

- ADM Australia
- Ag Scientia
- Allied Pinnacle
- Artisan Grain
- Arnott's Australia
- Asahi Brewery
- Australian Bakels
- Avena mills
- Barrett Burstton Malting (BBM)
- Boortmalt
- Bunge
- Cargill Australia
- Cargill Malt
- Carlton & United Breweries (CUB)
- CBH Group
- CERES Australia
- CHS Broadbent
- Coopers Brewery
- CW Pacific
- Emerald Grain
- Glencore
- George Weston Foods
- Goodman Fielder
- GrainCorp
- Healthy Garden Australia
- Ingredion ANZ
- Joe White Maltings
- Lesaffre
- Lion
- Louis Dreyfus
- Mackies
- Malteurop
- Manildra
- Mauri MAURI
- Pilot Malting Australia (PMA)

- Plum Grove
- Puratos
- Robinson Grain
- Sticky Foods
- Tip Top
- Vanrooy Machinery
- Vitasoy
- Viterra
- Woolworths

## International

- ABInBev, India
- ABInBev, Vietnam
- All India Brewers' Association, India
- Asian Agribiz
- Australia Indonesia Business Council (AIBC)
- Australian Trade and Investment Commission (Austrade), various countries China, India, Indonesia, Malaysia, Mongolia, Philippines, Thailand, Vietnam
- BakeTran, UK
- BarMalt, India
- Beijing Yanging Brewery
- Bogasari Flour Mill, Indonesia
- Carlsberg, India
- Cerestar Flour Mills
- Chopin Technologies, France
- COFCO, China
- COFCO Malt, China
- Department of Foreign Affairs and Trade (DFAT) India, Indonesia, Philippines, Thailand and Vietnam

- Dalian Xingze Malt Processing, China
- East West Brewing, Vietnam
- Eastern Pearl Flour Mill, Indonesia
- Filipino-Chinese Bakery Association (FCBAI), Philippines
- HABECO, Vietnam
- Hebei Jinshahe Flour Group Manufacturing Industry Co. Ltd.
- Heineken Vietnam Brewery Ltd, Vietnam
- India Craft Brewers Association, India
- Indofood
- Indonesia Flour Mills Association (APTINDO)
- Indonesian Feed Millers Association (GPMT)
- Institute of Food and Nutrition Development, Ministry of Agriculture and Rural Affairs, China
- Interflour, Malaysia
- InterMalt, Vietnam
- Japan Flour Millers Association (JFMA)
- Kemen Noodle Manufacturing
- Korean Flour Mills Association (KOFMIA)
- Ministry of Agriculture, Forestry and Fisheries (MAFF)
- Pasteur Street Brewing, Vietnam
- Patmavati Malting, India
- Perten Instruments
- Pilmico, Philippines
- PMW Malting Pvt Ltd, India
- PT Pundi Kencana
- SABECO, Vietnam
- San Miguel, India
- San Miguel, Philippines
- Shaanxi Normal University (SNNU), China
- Soon Soon Group, Malaysia
- State Administration of Grain and Reserves (SAGR), China
- Supertime, China
- Taiwanese Flour Millers Association (TFMA)
- Thai Tan, Vietnam
- Tien Hung JSC, Vietnam
- Tsingtao Brewery, China
- Victorian Government Trade and Investment (VGTI) India
- Wanders Brewing, India





## FINANCIAL REPORT

Statement of Profit or Loss and Other Comprehensive Income	48
Statement of Financial Position	49
Statement of Changes in Equity	50
Statement of Cash Flows	51
Notes to the Financial Statements	52
Directors' Declaration	59
Auditor's Independence Declaration	60
Auditor's Report	60



## Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<i>Revenue</i>			
Members Contributions	2	6,000,000	4,000,000
Other Revenue	3	3,450,613	2,265,738
<b>Total Revenue</b>		<b>9,450,613</b>	<b>6,265,738</b>
<i>Expenses</i>			
Accounting & Audit	5	26,385	24,476
Advertising & Marketing		42,794	52,233
Board, Governance & Legal Fees		376,449	355,977
Building Occupancy Costs		264,282	278,042
Consultants & Management Fees		400,418	181,934
Depreciation		220,831	204,803
Depreciation of Right-of-use Assets		710,085	710,085
Insurance		94,869	100,173
Interest on Lease Liability		58,468	85,211
IT & Telecom		287,333	332,017
Other Expenses		240,268	277,145
Project Costs & Client Services		508,195	588,637
Staff Costs		5,875,873	6,623,129
Travel & Entertainment		32,749	185,057
<b>Total Expenses for the year</b>	4	<b>9,138,999</b>	<b>9,998,919</b>
<b>Current year Deficit before income tax</b>		<b>311,614</b>	<b>(3,733,181)</b>
Income Tax Expense	1(c)	-	-
<b>Net current year Deficit</b>		<b>311,614</b>	<b>(3,733,181)</b>
Other comprehensive income for the year		-	-
<b>Deficit Member Contributions Transferred to Equity</b>	12	<b>311,614</b>	<b>(3,733,181)</b>

## Statement of Financial Position

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<i>Assets</i>			
<i>Current Assets</i>			
Cash and Cash Equivalents	6	3,387,632	2,498,106
Other Financial Assets	7	315,302	318,350
Trade and other receivables	7	1,019,319	459,381
<b>Total Current Assets</b>		<b>4,722,253</b>	<b>3,275,837</b>
<i>Non-Current Assets</i>			
Property, plant and equipment	8	1,229,526	1,308,792
Right of use asset	11	710,084	1,420,169
<b>Total Non-Current Assets</b>		<b>1,939,610</b>	<b>2,728,961</b>
<b>Total Assets</b>		<b>6,661,863</b>	<b>6,004,798</b>
<i>Liabilities</i>			
<i>Current liabilities</i>			
Trade and other payables	9	963,319	493,527
Unearned Revenue	9	728,173	150,000
Lease Liability		755,116	511,083
Provisions	10	793,414	789,343
<b>Total Current Liabilities</b>		<b>3,240,022</b>	<b>1,943,953</b>
<i>Non-Current Liabilities</i>			
Lease liability		-	950,618
<b>Total Current Liabilities</b>		<b>-</b>	<b>950,618</b>
<b>Total Liabilities</b>		<b>3,240,022</b>	<b>2,894,571</b>
<b>Net Assets</b>		<b>3,241,841</b>	<b>3,110,227</b>
<i>Equity</i>			
Retained Members surplus contributions	12	3,421,841	3,110,227
<b>Total Equity</b>		<b>3,421,841</b>	<b>3,110,227</b>



## Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2021

	Retained Surplus \$
Balance at 30 June 2019	6,843,408
<i>Comprehensive Income</i>	
Deficit for the year attributable to members of the entity	(3,733,181)
Other comprehensive income for the year	-
<b>Total comprehensive loss attributable to members of the entity</b>	<b>(3,733,181)</b>
Balance at 30 June 2020	3,110,227
<i>Comprehensive Income</i>	
Surplus for the year attributable to members of the entity	311,614
Other comprehensive income for the year	-
<b>Total comprehensive profit attributable to members of the entity</b>	<b>311,614</b>
Balance at 30 June 2021	3,421,841

## Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<i>Cash Flows from Operating Activities</i>			
Member contributions (in cash)		6,600,000	4,400,000
Payments to suppliers and employees		(7,970,116)	(9,948,043)
Proceeds from operations		3,165,351	2,651,792
<b>Net cash provided by (used in) operating activities</b>		<b>1,795,235</b>	<b>(2,896,251)</b>
<i>Cash Flows from Investing Activities</i>			
Interest received		8,399	76,595
Payments for property, plant, and equipment	8	(152,102)	(347,069)
Payments for rental deposits		-	(49,219)
Repayment of rental deposits		3,047	-
<b>Net cash provided by (used in) investing activities</b>		<b>(140,656)</b>	<b>(319,693)</b>
<i>Cash Flows from Financing Activities</i>			
Repayment of lease liabilities		(765,053)	(753,763)
<b>Net cash provided by / (used in) financing activities</b>		<b>(765,053)</b>	<b>(753,763)</b>
<i>Net increase in cash held</i>			
Cash at beginning of financial year		2,498,106	6,467,813
Cash at end of financial year	6	3,387,632	2,498,106
<b>Net increase (decrease) in cash held</b>		<b>889,526</b>	<b>(3,969,707)</b>



## Notes to the Financial Statements

### FOR THE YEAR ENDED 30 JUNE 2021

#### 1. Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards and Interpretation.

Australian Export Grains Innovation Centre Limited has early adopted in the current period AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The adoption of AASB 1060 resulted in Australian Export Grains Innovation Centre Limited preparing a General-Purpose Financial Statements – Simplified Disclosures instead of a Special Purpose Financial Statements as presented in the prior year.

In accordance with AASB 1060 Australian Export Grains Innovation Centre Limited has applied the transitional relief from disclosing comparative information for the new disclosures included in the Financial Statements for the first time.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements were approved and issued by the directors on the date of signing this report. The directors have the power to amend and reissue the financial report.

##### (a) Reporting Period

The financial statements are for the reporting period 1 July 2020 to 30 June 2021.

##### (b) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted and /or reclassified, if any, to conform to changes in presentation for the current financial year.

##### (c) Income Tax & Payroll Tax

No provision for income tax has been raised as the Company has received a private ruling from the Australian Taxation Office, valid until 30 June 2021, confirming that AEGIC is exempt from income tax under section Item 1.3 of section 50-5 of the *Income Tax Assessment Act 1997*.

AEGIC is currently reviewing its payroll tax exemption with OSR WA. Based on Management's assessment, they believe a payroll tax provision does not need to be provided for at this point in time.

##### (d) Going Concern

This report has been prepared on a going concern basis. The going concern basis assumes continuity of operations in the ordinary course of business. Unless there is an earlier significant material adverse event, the Board believe there to be no need to change this basis of preparation prior to the 2021–2022 financial year.

##### (e) Revenue Recognition

Revenue is recognised in accordance with AASB 15. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The five-step process outlined in AASB 15 are as follows:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

##### (f) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

##### (g) Depreciation

The depreciation rates applied to each class of depreciable assets are the rates of depreciation allowed by the Australian Taxation Office as a deductible expense for a taxable company. These rates have been adopted on a straight-line basis (computers 3 years, plant and equipment 10 years, software 2 years).

##### (h) Leases

The Company has access to office, laboratory, and storage space at the DPIRD South Perth site. This is leased with the Members' Agreement. The Board have determined that the license agreement constitutes a lease.

At inception of a contract, the AEGIC assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by AEGIC. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease or where this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- lease payments under extension options if AEGIC is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the remaining term of the lease, limited to the period of the current members' interim funding agreement to 30 June 2022.



**(i) Employee Entitlements**

Statutory superannuation contributions are made by the Company to a complying fund of the employee's choice. If no choice is made the Company contributes the statutory superannuation contribution amount into a superannuation investment account in the employee's name with a complying industry superannuation fund, the 'default fund'.

Provision is made for the Company's liability to the reporting date for employee entitlements arising from services rendered by employees. The Company has adopted the national workplace relations system (Fair Work Australia – National Employment Standards [NES]) for its Long Services Leave policy and expense will be brought to account when the employee reaches seven years of continuous service.

**(j) Accounts Payable and Other Payables**

Accounts payables and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

**(k) Economic Dependency**

Australian Export Grains Innovation Centre Ltd is dependent on its Members for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Members will not continue to support Australian Export Grains Innovation Centre Ltd.

**(l) Directors Remuneration**

The number of Directors whose remuneration as Directors fell within the following bands for 2020–2021 are:

	2021	2020
Nil – \$40,000	3	3
\$40,001 – \$80,000	1	1

As required by the Members' Agreement the Company, through Deeds of Indemnity, Insurance and Access has indemnified all Directors for any liabilities incurred as a Director, other than liabilities to the Company or a related body corporate, or liabilities arising out of conduct involving lack of good faith. A Directors' and Officers' insurance policy is maintained.

**(m) Government Grants**

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

**(n) Member Contributions**

Member contributions are accounted for on a cash basis. There were no in-kind contributions made by members for the year.

**2. Member's Contributions**

**(a) Summary of Member contributions**

	2021 \$	2020 \$
GRDC – Cash	3,000,000	2,000,000
DPIRD – Cash	3,000,000	2,000,000
<b>Total Members Contributions</b>	<b>6,000,000</b>	<b>4,000,000</b>

**(b) Statement of member contributions including DPIRD actual in-kind contribution**

	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$
<i>Actual</i>										
GRDC	470,000	5,180,000	5,000,000	5,150,000	4,210,000	-	3,000,000	2,500,000	2,000,000	3,000,000
DPIRD (cash)	700,000	1,250,000	2,590,000	3,260,000	3,750,000	-	3,000,000	2,500,000	2,000,000	3,000,000
DPIRD (in-kind)	711,960	2,048,333	2,453,895	1,796,426	598,922	-	-	-	-	-
<b>Total</b>	<b>1,881,960</b>	<b>8,478,333</b>	<b>10,043,895</b>	<b>10,206,426</b>	<b>8,558,922</b>	<b>-</b>	<b>6,000,000</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>6,000,000</b>
<i>DPIRD budgeted in-kind</i>										
Variance	(158,840)	(51,667)	153,895	(503,574)	291,078	-	-	-	-	-
Cash received	-	-	-	-	559,386	291,078	-	-	-	-
<b>Cumulative Balance</b>	<b>(158,040)</b>	<b>(209,707)</b>	<b>(55,812)</b>	<b>(559,386)</b>	<b>(291,078)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3. Other Revenue**

	2021 \$	2020 \$
Project Income	1,358,466	280,386
Laboratory Services	2,010,216	1,865,560
Rental Income	14,297	15,945
Interest	8,298	47,624
Other Sundry Income	53,874	52,280
Recoupments	5,462	3943
<b>Total Other Income</b>	<b>3,450,613</b>	<b>2,265,738</b>



#### 4. Expenses

There is a decrease in overall expenditure in 2020-21 in line with the strategic plan and annual operating plan, changes to member funding, and due to disruption to in-market activity caused by the COVID-19 pandemic.

#### 5. Auditor's Remuneration

Auditor's remuneration for auditing the 2020-2021 financial statements was \$23,500 (2019-2020:\$23,500) which has been accrued in respect of 2020-2021. The auditors did not receive any other benefits or provide any other services.

#### 6. Cash and cash equivalents

##### Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$	2020 \$
Cash on Hand	636	534
Cash on Call	2,880,445	2,387,055
Term Deposits	490,858	101,550
Other Cash Deposits	15,693	8,967
<b>Total Cash and Cash Equivalents</b>	<b>3,387,632</b>	<b>2,498,106</b>

#### 7. Trade and other receivables

	2021 \$	2020 \$
<b>Trade and other receivables</b>		
Trade and other receivables	852,480	243,496
Prepayments	107,399	168,557
Other Assets	59,440	47,328
<b>Total trade and other receivables</b>	<b>1,019,319</b>	<b>459,381</b>
<b>Other financial assets</b>		
Bank Deposits	273,910	276,957
Bonds held for leases	41,392	41,393
<b>Total other financial assets</b>	<b>315,302</b>	<b>318,350</b>

As at the reporting date none of the trade and other receivables were past due or impaired. The Management has assessed the lifetime expected credit loss in accordance with the simplified approach set out in AASB 9: Financial Instruments. On the basis of this assessment, the lifetime expected credit loss as at 30 June 2021 is estimated to be nil.

#### 8. Property, plant and equipment

	2021 \$	2020 \$
<i>Opening Balance</i>	1,308,792	1,166,527
Additions	152,102	347,068
Less Provision for Depreciation	(220,831)	(204,803)
Net effect of Disposals	(10,537)	-
<b>Total property, plant, and equipment</b>	<b>1,229,526</b>	<b>1,308,792</b>

#### 9. Trade and other payables

	2021 \$	2020 \$
<i>Current Liabilities</i>		
Trade Creditors	596,964	268,153
Net GST payable to the ATO	113,611	6,937
Accrued Expenses	206,820	172,043
Superannuation Payable	45,924	46,394
<b>Total trade and other payables</b>	<b>963,319</b>	<b>493,527</b>

##### Unearned Revenue

Unearned Revenue	728,173	150,000
<b>Total Unearned Revenue</b>	<b>728,173</b>	<b>150,000</b>

#### 10. Provisions

	2021 \$	2020 \$
<i>Current</i>		
Provision for Annual Leave	329,615	331,213
Provision for Long Service Leave	463,799	458,130
<b>Total provisions</b>	<b>793,414</b>	<b>789,343</b>

#### 11. Right of Use Assets

	2021 \$	2020 \$
Leased Building	2,130,254	2,130,254
Accumulated depreciation	(1,420,170)	(710,085)
<b>Total Right of use asset</b>	<b>710,084</b>	<b>1,420,169</b>

AASB 16 related amount recognised in the statement of profit or loss:

	2021 \$	2020 \$
Depreciation charge related to Right of use Asset	710,085	710,085
Interest expense of Lease Liability	58,468	85,211

#### 12. Equity

Clause 2.2 of the Company's Constitution states "If the Company is wound up each Member of the Company undertakes to contribute to the assets of the Company up to an amount not exceeding

\$10.00 per Member for payment of the debts and liabilities of the Company including the costs of the winding up. This undertaking continues for 1 year after a Member ceases to be a Member of the Company." The Company is holding a signed Guarantee of payment from each Member as evidence of their obligation in the event of the Company being wound up amounting to \$20.00.

The surplus in relation to unspent contributions received from Members in a given year can be utilised from year to year within new programs and is not distributable among Members.

#### 13 Events After the Balance Sheet Date

There are no other significant events which, the Board of Directors are aware of that have occurred subsequent to the period ended 30 June 2021 until the date of signing this financial report.



#### 14 Contingent liabilities and Commitments

As at 30 June 2021, the Company held a term deposit with the Commonwealth Bank of Australia (CBA) for an amount of \$273,910 as security for the lease of the Sydney premises at North Ryde. The interest rate on this term deposit is 0.41% and the maturity date is 21st September 2021. Other than this there are no other guarantees provided by the company.

The company does not have any contingencies or commitments in relation to capital expenditure as at balance date.

AEGIC is currently reviewing its payroll tax exemption with OSR WA. Based on Management's assessment, they believe a payroll tax provision does not need to be provided for at this point in time.

#### 15 New and revised Accounting Standards and Interpretations adopted 1 July 2020

As stated in the basis of preparation, AEGIC has early adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for Profit and Not-for profit Tier 2 Entities, which results in the preparation of general purpose financial statements with simplified disclosures, with the inclusion of additional disclosures which had not been presented in the prior year.

None of the new standards and amendments to standards that are mandatory for the financial year beginning 1 July 2020 affected any of the amounts recognised in the current period or any prior period. The Company has adopted the new Conceptual Framework for Financial Reporting, which is applicable to annual reporting periods beginning on or after 1 July 2020. The adoption of this Conceptual Framework from 1 July 2020 has not led to any changes in accounting or disclosure for the Company, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The Company has adopted the new definition of Material included in AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material, which is applicable to annual reporting periods beginning on or after 1 July 2020. The amendments provide a new definition of material which now extends materiality consideration to obscurity and clarify that materiality now depends on the nature or magnitude of information.

The Company has adopted the new definitions of Business and associated guidance in AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business, which is applicable to annual reporting periods beginning on or after 1 July 2020. The amendments clarify the minimum requirements for a business, narrowing the definition of business and of outputs, and also provide guidance to help entities assess whether an acquired process is substantive.

#### 16 Company Details

*Australian Export Grains Innovation Centre Limited*

3 Baron-Hay Court  
South Perth 6151 Western Australia

#### AUSTRALIAN EXPORT GRAINS INNOVATION CENTRE LTD

(LIMITED BY GUARANTEE)

ABN 37 160 912 032

#### DIRECTORS' DECLARATION

The Australian Export Grains Innovation Centre Ltd (AEGIC) is a Company limited by guarantee, incorporated, and domiciled in Australia with the ABN 37 160 912 032.

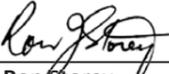
The Directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Company declare that:

The financial statements and notes, as set out on pages 9 to 21 present fairly the Company's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

  
Ron Storey  
Chair

DocuSigned by:  
  
7E3FEE6D7AE34C1...  
Matthew Macfarlane  
Director

Signed on this day 2<sup>nd</sup> day of September 2021



## AUDITOR'S INDEPENDENCE DECLARATION



PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 42 128 908 289  
AFS Licence No: 448697  
www.stantons.com.au

2 September 2021

Board of Directors  
Australian Export Grains Innovation Centre Limited  
3 Baron-Hay Court  
South Perth WA 6151

Dear Directors

**RE: AUSTRALIAN EXPORT GRAINS INNOVATION CENTRE LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Australian Export Grains Innovation Centre Limited.

As Audit Director for the audit of the financial statements of Australian Export Grains Innovation Centre Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)



We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

**Samir Tirodkar**  
Director  
West Perth, Western Australia  
2 September 2021





In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of Management and Those Charged with Governance for the Financial Report***

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the management are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

***Auditor's Responsibilities for the Audit of the Financial Report***

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.



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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Entity audit. We remain solely responsible for our audit opinion.



◆ **Stantons**

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

*Stantons International Audit and Consulting Pty Ltd*  


**Samir Tirodkar**  
Director  
West Perth, Western Australia  
2 September 2021





Australian Export Grains Innovation Centre



Department of  
Primary Industries and  
Regional Development

GOVERNMENT OF  
WESTERN AUSTRALIA



**GRDC**  
GRAINS RESEARCH  
& DEVELOPMENT  
CORPORATION

AEGIC is an initiative of the Western Australian State Government and Australia's Grains Research and Development Corporation

[aegic.com.au](http://aegic.com.au)