

ANNUAL REPORT
THE RICE MARKETING BOARD
FOR THE STATE OF NEW SOUTH WALES

For the year ending 30 June 2023



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18 October 2023

The Hon. Tara Moriarty, MLC
Minister for Agriculture, Minister for Regional New South Wales
and Minister for Western New South Wales
52 Martin Place
SYDNEY NSW 2000



Dear Minister

In accordance with Section 9A of the *Annual Reports (Statutory Bodies) Act 1984*, we submit the Rice Marketing Board's Annual Report for the year ending 30 June 2023, for presentation to Parliament.

Yours sincerely

Victoria Taylor
(Board Chair)

Barbara Clark
(Chair, Audit and Risk Committee)

Directory

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BANKERS

Westpac Banking Corporation

AUDITORS

Auditor-General of New South Wales

Acknowledgement of Country

The Rice Marketing Board for the State of New South Wales acknowledges the traditional custodians of the lands on which we work and pay our respects to all elders past, present and emerging.

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Chair's Report

It's been another busy year for the Rice Marketing Board for the State of New South Wales (RMB), with a new Minister, a new Sole and Exclusive Export Licence (SEEL) negotiated with Riceworkers Ltd (trading as SunRice) and another review of rice vesting.

That the NSW rice crop reached over 500,000 tonnes, when much of the Riverina was flood-affected at the end of 2022, is testament to the resilience and ingenuity of growers who managed to plant and harvest in incredibly difficult conditions. Again, most of the State's rice production was in the Riverina. After floods devastated the Northern Rivers rice region in 2021, and dry conditions affected much of the 2022-23 growing season, a crop of just under 2,000 tonnes was reported from that region.

Financial results

Although the RMB is a statutory authority, it does not receive any government funding.

The RMB recorded an operating surplus of \$115,299.78 in 2022-23. As a result, and building from a good crop in 2021, the RMB has set a lower variable fee in 2022-23 at \$0.85 per tonne, down from \$1.75c in 2021-22. The Board's policy is to recoup licence fees from Authorised Buyers to cover its costs and maintain operating reserves that recognise the volatility of rice tonnages year-on-year.

Highlights

As mentioned, the RMB signed a new SEEL with SunRice this year, which the Board is confident makes a number of improvements in addressing a range of issues around transparency raised in commentary in the last vesting review.

At the time of writing, the outcome of the ABARES vesting review is unknown. The RMB engaged fully with the review and prepared a submission which once again highlighted what we see as the benefits of vesting, including the ability of NSW rice growers to compete in an opaque and closed global market while achieving an export price premium through economies of scale. While we await the outcome of that review, the RMB has continued its practice of continual improvement of operations, particularly in response to issues raised in the 2021 Review of

Rice Vesting report by New South Wales Department of Primary Industries (NSWDPI). You can also read more about how we're modernising rice vesting in this report.

We welcomed two new board members, Donna Rygate and Rowan McMonnies, to the Board in August 2022. Donna brings a wealth of experience as a government board member and as a former chief and senior executive in the NSW public sector. She is a partner in a Canowindra farming and grazing property that has been in her family for more than 130 years. Rowan is the Managing Director of Australian Eggs, the Research and Development Corporation for the egg industry, and has connections to agriculture through family farming enterprises in the Riverina.

Rowan has a legal and compliance background with a focus on advising agricultural businesses and peak bodies on competition and regulation issues. Along with the remainder of our Board, both Donna and Rowan are making a significant contribution to the RMB.

Appreciation

On behalf of the Board, may I express our appreciation to the Minister for Agriculture, Hon Tara Moriarty MLC and her predecessor Hon Dugald Saunders MP for their support, and extend our appreciation to the team at the NSW DPI who provide ongoing operational assistance to the Board.

I would also like to acknowledge the contributions of our former Chair, John Culleton, who retired from the Board in August 2022.

Thank you to our Board Secretary, Nyree Dunn, who joined the RMB in August 2022 and continues to provide high quality governance and financial support to the Board.

Finally, we hope you enjoy this "new look" Annual Report, which has been designed to make it easier for our stakeholders to engage with the work of the RMB.



Victoria Taylor
Chair



Farewell to John Culleton

In August 2022, we farewelled our Chair, John Culleton, from the Board. John joined the RMB in 2013 when he was Chief Executive of Coleambally Irrigation Cooperative Limited (CICL)

John initiated the RMB's latest program of modernisation through his successful advocacy to increase RMB capability and resourcing to better respond to contemporary industry issues.

John brought strong governance, risk and strategic skills to the Board, along with his deep expertise in irrigated agriculture and water policy, and made a significant contribution to enhancing Board operations. John was Chair of the RMB between 2019 and his retirement on reaching his term limit in August 2022.



Congratulations Noel Graham AM

The RMB was delighted to support the nomination of our former Chair, Noel Graham, who was recognised in the King's Birthday honours this year. Noel was elected to the RMB in 2001 and was Chairman from 2002 until 2009, when the NSW government directed that the Chair be elected from among the nominated members.

He served as Deputy Chair until his retirement in 2017. His contributions to the RMB formed part of over 30 years' service to the NSW rice industry, including as an officeholder and delegate to the Ricegrowers' Association of Australia, and as a Non-Executive Director of SunRice and Murray Irrigation.

Overview

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

The Board's objects

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

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

Our stakeholders

- Southern NSW rice growers
- Northern NSW rice growers
- Authorised Buyers
- Ricegrowers' Association of Australia
- Northern Rivers Growers Association
- Ricegrowers Limited (trading as SunRice as the SEEL holder)
- NSW Department of Primary Industries
- State and federal elected representatives

Rice vesting

Vesting is a New South Wales government policy mechanism based on the proposition that providing a single statutory authority, the RMB, with the legal right to control the marketing of rice produced in NSW will yield net benefits to the NSW rice industry and general community.

By the NSW Governor's proclamation under s. 56 of the Rice Marketing Act 1983, rice is divested from the producers and becomes absolutely vested in and the property of the Board. In 2006, the domestic rice market was deregulated, meaning that the Board no longer has market control over rice sold on the domestic market. The Board now appoints Authorised Buyers under licence to purchase, on the Authorised Buyer's own account, any NSW-grown rice. Through vesting, the Board has authority over who is allowed to export NSW rice by issuing one export licence. The Board has granted Ricegrowers Limited the sole and exclusive right to export rice at this time.

In 2022, the NSW Government renewed vesting until 2027.



Export Price Premium and Freight Scale Advantage

The performance of SunRice under the terms of the SEEL is subject to an independent annual review. In 2022-23, consultants Sapere were contracted to independently verify the calculations used by SunRice to estimate the Export Price Premium (EPP) and the Freight Scale Advantage (FSA) under the SEEL during the period May 2022 to April 2023, referred to as Crop Year 22.

The SEEL and this review support the second of the RMB's stated objectives:

'To ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of Australian grown rice.'

For verification and assessment of the EPP and FSA, the RMB required an independent assessment of the methods and results of SunRice's calculation of export price premiums and freight scale advantage that it realises in the global rice market. This is part of its annual obligation to ensure that the SEEL holder is achieving the best price for NSW rice farmers for rice sold outside of Australia.

Export Price Premium (EPP)

The EPP for the Crop Year 22 was estimated at \$39.4m. This represents a 10.7% gain on the benchmark competitor price.

This is a substantial increase in dollar terms from the estimated figures reported for Crop Year 21, which had an EPP of \$22.2 million (a premium of 11% over the competitor benchmark).

The current EPP reflects SunRice's ability, due to vesting and the SEEL, to extract price premiums through its strong position in each of the markets included in the calculation. For the markets from which the EPP is derived, SunRice's products have the largest market share amongst all brands, and as such, there is a reasonable basis for assuming that SunRice is able to exercise its market power in these markets.

The EPP for Crop Year 22 represents the highest total EPP estimate since Crop Year 15. This was due to a significant increase in the volume of rice exported compared to the previous two years.

Freight Scale Advantage (FSA)

The FSA in Crop Year 22 was estimated at \$19.3 million. This is a significant increase in FSA compared to the \$2.81 million that was reported in Crop Year 21.

The underlying theoretical basis for the FSA is relatively simple – SunRice is the largest container shipper from the Port of Melbourne, and by virtue of a consistently large freight task, due to vesting and the SEEL, it is a highly attractive customer for shipping companies, which may compete for business through the provision of discounts and incentives.

As part of the verification process, shipping companies are asked to provide evidence of any discounts or incentives. Taking into account the shipping companies' commercial sensitivities, it is unclear how much reliability can be placed on the information provided to quantify the exact magnitude of savings. However, SunRice does provide data in relation to its tender processes and contracted prices that demonstrate savings extracted through the scale advantages provided by there being a sole and exclusive exporter of NSW rice.

Authorised Buyers Licence holders at 30 June 2023

The Board licenses Authorised Buyers to trade NSW rice within the Australian domestic market.

All rice grown in NSW must be sold and delivered to an Authorised Buyer. Unless a grower is also an Authorised Buyer, they cannot retain any of the rice they grow. The RMB undertakes a due diligence process when it receives an application for a licence but does not guarantee the financial viability of the Authorised Buyers.

Ricegrowers Limited Trading as SunRice

Locked Bag 2
Leeton NSW 2705
Tel: 02 6953 0411
Email: companysecretary@sunrice.com.au

GrainCorp Limited

Level 28, 175 Liverpool Street
Sydney NSW 2000
Tel: 02 9325 9100
Email: david.harris@graincorp.com.au

Slater Farms

65 Droneys Bridge Road
Fairy Hill NSW 2470
Tel: 02 6663 3156
Email: sonnyslater@slaterfarms.com.au

Frank Boyle

'Marlivalle',
181 Boyle Road
Goolmangar NSW 2480
Tel: 0405 321 295
Email: frank.nimbinvalley@gmail.com

Organic Grains Pty Ltd

3 Oak Court
Numurkah VIC 3636
Tel: 0429 622 027
Email: organicharvest@bigpond.com

Carmac Trading Pty Ltd

431 Kilgin Road
Woodburn NSW 2472
Tel: 0412 414 394
Email: tcarusi@bigpond.com

PS & JM Randall

Farm 1051
Murrumbidgee NSW 2705
Tel: 0428 225 480
Email: peter@randallorganic.com

Australian Food and Agriculture Company Limited

Level 29, 101 Collins Street
Melbourne VIC 3000
Tel: 0407 705 432
Email: jcordy@austfood.com.au

Natural Rice Co Pty Ltd

10 Cassola Place,
Penrith NSW 2750
Tel: 02 4722 2333
Email: mitchell@tg2.com.au

Rodney and Wendy Heffer

Brigade Lodge
Wamoon NSW 2705
Tel: 0428 559 493
Email: wendyheffer@gmail.com

Goulburn Enterprises (Australia) Pty Ltd

22 Christina St
Narre Warren VIC 3805
Tel: 0401 291 798
Email: goulburn88@gmail.com

Blue Fattoria Pty Ltd

1014 Kyogle Road
Fernside NSW 2480
Tel: 0468 770 774
Email: info@bluefattoria.com

Outback Grain Co Pty Ltd trading as Outback Harvest

6187 Wakool Road
Wakool NSW 2710
Tel: 0427 542 678
Email: fraser@outbackharvest.com.au

Honestly Riverina Ltd

32 Ashbourne Road
Woodend VIC 3442
Tel: 0488 445 551
Email: info@riverinarice.com.au
Website: www.riverinarice.com.au

A new Sole and Exclusive Export Licence

While there are 14 authorised buyers permitted to operate in the domestic market, the Board has appointed Ricegrowers Ltd, trading as SunRice, as the sole and exclusive agent to sell and supply rice grown in NSW outside of Australia. This is granted under a Sole and Exclusive Export Licence Agreement (SEEL) which has been in place since deregulation in 2006.

The RMB has used the development of a new SEEL in 2022-23 to address issues raised in the review of rice vesting by the NSW DPI in 2021. The new SEEL includes a number of new and updated clauses that strengthen the interests of rice producers and promote increased transparency, including:

- A new definition of merchantable quality that increases transparency in relation to SunRice's Buyer of Last Resort obligation;
- A strengthening of the crop marketing and payment provisions to ensure schemes are non-discriminatory (as well as equitable);
- A requirement of SunRice to make seed available to NSW Rice Producers on an equitable and non-discriminatory basis;
- Clarification of the terms for which elected RMB Members are appointed to the SunRice Board;
- A requirement that the SEEL is published on the RMB website; and
- Contemporised language and updates for compliance purposes.

The SEEL is in place until 30 June 2027 to align with the extension of rice vesting announced by the NSW Government last year, but with a clause noting the agreement may be terminated in the event that the Vesting Proclamation, vesting all rice in the RMB, is revoked or fails to be renewed.

A new Service Level Agreement (SLA) will be signed with SunRice in 2023 which will outline the performance and reporting measures required in delivering on the provisions in the SEEL. The requirements of the SLA will further address NSW DPI's concerns around transparency and accountability in rice vesting arrangements.

In the interests of transparency, the new SEEL is available on the RMB's website - <https://rmbnsw.org.au/news-article/49752>

Strategy

Modernising Vesting

Introduction

Rice vesting underwent its second review in as many years during 2022-23, and while the outcome was not announced during the year, the Board maintained its practice of continually improving operations, including in response to issues raised in the 2021 review (released in 2022).

The RMB continues to highlight the benefits of vesting, including the achievement of independently verified export price premiums; economies of scale delivered through a cohesive approach to rice marketing; and the ability for NSW rice growers to effectively compete in an opaque global rice market. Noting these benefits, the RMB acknowledges that vesting is a NSW government policy and is subject to regular reviews to ensure it continues to provide benefit to the State, and not issued in perpetuity.

The RMB was founded in 1928, so not only is it the oldest rice industry institution still in operation, but it also manages Australia's last remaining orderly marketing regime - rice vesting. There are clear policy and trade reasons for the continued existence of rice vesting, but being the last remaining vesting regime means it does capture the attention of policy makers and economists who question its relevance in the 21st century. Policy reviews often fail to appreciate the global rice trade's unique environment including, but not limited to government-to-government trade; high and immovable trade barriers and tariffs; government intervention on production and movement of rice; and quota-based trade.

As the statutory authority responsible for implementing rice vesting, the RMB has been focussed on responding to issues raised by NSW DPI in its 2021 review. We were also pleased to meet the new Minister for Agriculture, Hon Tara Moriarty MLC, to discuss vesting policy and other rice industry matters.

The three main levers the RMB uses to meet its objects include the Sole and Exclusive Export Licence (SEEL) and verification of the Export Price Premium (EPP) along with the Freight Scale Advantage (FSA).

Sole and Exclusive Export Licence

The EPP is calculated as the difference between the price achieved by SunRice and the benchmark for competitor prices in each market. The FSA reflects the freight savings and other concessions that arise from the significant volume of rice exported by the holder of the SEEL.

RMB signed a new SEEL with SunRice in 2022-23, which improves clarity serves to address the criticisms raised in the 2021 vesting review around access to seed, buyer of last resort and crop marketing. We thank SunRice for their cooperation in delivering a SEEL that balances commercial imperatives with a need for greater transparency in operations. For the first time, the SEEL has been published on the RMB's website, increasing transparency of these arrangements.

At the time of writing, an SLA to outline how we work together to operationalise the SEEL is in development. This will be finalised in 2023.

Export Price Premium Verification

We've also modernised how we undertake the verification of the EPP and FSA. A revised brief, and the engagement of a new consultant, will assist us to better understand global rice market dynamics and government intervention in order to provide better advice to government on vesting policy.

For 2022-23, the EPP was calculated at \$39.4 million (2021-22: \$22.2 million) and the FSA was \$19.3 million (2021-22: \$2.81 million). These figures have been verified by the independent consultant engaged by the Board.

Authorised Buyers Licences

We are always striving to improve our engagement with stakeholders, particularly holders of Authorised Buyers Licences (ABL). When the domestic rice industry was deregulated in 2006, there were three ABL holders. Today there are 14, all with different aspirations and information needs. Enhancing our customer service culture is squarely on the Board's agenda.

The RMB of today is not the same organisation it was 95 years ago, nor even one year ago. We recognise that in order to maintain vesting, the RMB must continue to modernise our approach to regulation and to take into account the changing nature of the industry and the broader regulatory environment.



Governance

Board Members



Donna Rygate

B Ec (Hons), M Plan, GAICD,
MPIA, Dip Gov, FIPAA, FICDA



Rowan McMonnies

B Laws (Hons),
M Comm, GAICD



Victoria Taylor (Chair)

Chair, Grad Cert (Water Policy &
Governance), GIA (Cert), GAICD



Barbara Clark

Deputy Chair,
BFA, CA, FAICD



Ian Mason

MAICD



John Bradford

MAICD



Melissa De Bortoli

B.Bus(Acc). M.Prop. GAICD



John Culleton

B.A., psc, pcfsc, GAICD

Terms and method of appointment

Members	Appointment date	Term expiry	Method
V.L. Taylor	14/12/2013	12/03/2024	Nominated
B.Clark	16/12/2020	31/08/2025	Nominated
J.M. Bradford	26/08/2015	15/02/2026	Elected
I.R. Mason	14/02/2018	15/02/2026	Elected
M. De Bortoli**	16/02/2022	23/08/2023**	Elected
R. McMonnies	10/08/2022	9/08/2026	Nominated
D. Rygate	10/08/2022	9/08/2026	Nominated
J.J. Culleton*	01/06/2013	02/08/2022	Nominated

* J Culleton's term ended August 2022. ** M De Bortoli resigned August 2023

Meeting attendance

Members	Board Meetings		ABL Committee		Audit and risk		Governance	
	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended
V L Taylor	8	8	5	5	2*	2*	1*	-
B Clark	8	8	5	5	3	3	-	-
J M Bradford	8	8	-	-	1*	1*	2	2
I R Mason	8	8	-	-	1*	1*	2	2
M De Bortoli	8	8	-	-	3	3	2	2
R McMonnies**	8	8	5	5	1*	1*	1	1
D Rygate **	8	8	5	5	3	3	-	-

* Meeting attendance in the capacity of an observer only. ** R McMonnies and D Rygate commenced August 2022

Management and Structure

The Board consists of seven members, three who are elected by growers, and four who are nominated by the NSW Minister for Agriculture. The nominated members are Ms Victoria Taylor (Board Chair), Ms Barbara Clark (Deputy Chair), Mr Rowan McMonnies and Ms Donna Rygate. Mr John Culleton completed his term on the Board in August 2022. The grower-elected members are Mr John Bradford, Mr Ian Mason and Ms Melissa De Bortoli. Ms De Bortoli resigned 23 August 2023.

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

Charters

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

Board Sub-Committees

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

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

The Authorised Buyer Licensing Committee's responsibilities include to:

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

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

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

The Audit and Risk Committee's responsibilities include to:

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

Board process

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

Composition of the board

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

Remuneration

The Board recommends the remuneration of its Members to the Minister for approval. Board Members' fees are based on the Classification and Remuneration Framework for NSW Government Boards and Committees. All necessary expenses incurred by Board Members whilst attending to Board business are paid by the Board. Funding of the Board is met by the NSW rice industry through licence fees and no government funding is received. The Board approves the remuneration of its employees.

Independent professional advice and access to board information

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

Audit

The Board's financial accounts are audited by the Auditor General for New South Wales. The Auditor General subcontracted the audit to Nexia Sydney Audit Pty Ltd for the year 2022-23.

Management and Accountability

Human Resources

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

In August 2022, the RMB welcomed a new Board Secretary, Nyree Dunn after the retirement of Carol Chiswell. Nyree has over 20 years' experience in financial management, internal audit, information services and operations, most recently with CopRice in Leeton. Nyree is a Chartered Accountant and holds a Bachelor of Commerce (Accounting) and a Bachelor of Science (Biochemistry and Molecular Biology) from the Australian National University.

Dr Scott Glyde was employed as the RMB's General Manager between October 2022 and June 2023.

Full time equivalent staff	2022-23	2021-22	2020-21	2019-20
Secretary	1.0	1.0	1.0	1.0
Administration Officer	0.2*	0.2	0.2	0.2
General Manager	1.0**			
Total Staff	2.2	1.2	1.2	1.2

*The Administration Officer (P/T) resigned on 24th May 2023 and the position had not been filled at year end.

**A General Manager position was implemented for the first time in 2022-23. Position appointed 2 October 2022 and vacated 7th July 2023.

There have been no other exceptional movements in wages, salaries or allowances in 2022-23.

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

Diversity

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

In 2022-23, four of the Board's seven Members were female, and the Board employed 2.2 FTEs in the following diversity groups:

Employees by Diversity Group	
Women	55%
Aboriginal people and Torres Strait Islanders	0%
People whose first language spoken as a child was not English	0%
People with a disability	0%
People with a disability requiring work-related adjustment	0%

As an organisation with a small team, the Board has not developed or implemented workforce diversity strategies.

Disability plans

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

Work Health and Safety

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

Modern Slavery

The Board implemented a Modern Slavery Policy, within its Procurement Policy, during the year. The Board is committed to ensuring that Modern Slavery does not exist in its supply chains in line with the requirements of the Modern Slavery Act 2018. A yearly review of suppliers is performed to assess Modern Slavery risk.

Government Information (Public Access) Act 2009

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

The Board received no new access applications in 2022-23 and did not refuse any access applications in 2022-23.

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

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

- Research reports

The Board also holds historical information in relation to rice deliveries and Board meeting minutes dating from 1928 and which can be accessed by contacting the Secretary.

Public interest disclosures

There were no public interest disclosures in 2022-23.

Privacy

The Board respects the privacy of all its stakeholders and complies with the *NSW Privacy and Personal Information Protection Act 1998*. No complaints regarding breaches of privacy were received and no privacy reviews were undertaken during 2022-23. The Board's Privacy Policy is available on its website at www.rmbnsw.org.au.

Multicultural policies and services program

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

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

Overseas visits

There were no overseas visits by Board Members or employees in 2022-23.

Consumer response

No consumer complaints were received by the Board in 2022-23.

Internal audit and risk management

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

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

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

The Board reviewed its status during the 2022-23 year, concluding that as revenues and expenses would have increased individually by more than 20% from the baseline, resulting from the appointment of the GM role, a review by Treasury was required.

The Board self disclosed the changes and received confirmation from Treasury that it continues to qualify for the exemption to TPP20-08 for the 2022-23 year. Whilst holding the exemption, in accordance with good governance, the Board has chosen to prepare and maintain a risk management framework and establish an independent Audit and Risk Committee, two of the three core requirements of TPP20-08. The Board has not

established an internal audit function due to its small size, however it has an internal audit protocol and has mitigated risk by Board oversight of functions where necessary.

Disclosure of controlled entities and subsidiaries

The Board does not have any controlled entities or subsidiaries.

Cyber security attestation

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

THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES

Cyber security annual attestation statement for 2022-23

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

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

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

The Board is implementing a Cyber Security Framework.

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

Sustainability

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

Operations and Performance

Investment performance

The Board no longer holds an exemption to TD22-30 Management of Cash, Banking and Payments (replaced TD19-01 Financial Services) and therefore is not able to invest in its own right. The Board holds its funds in the NSW Treasury Banking System (Non-TBS Account).

Payment of accounts

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

Accounts paid each quarter to all suppliers (including GST)

Quarter	Due for payment (number)	Paid on time (number)	Actual paid on time (% based on number)	Due for payment (\$)	Paid on time (\$)	Actual paid on time (% based on dollar amount)	Number of payments for interest on overdue accounts	Interest paid on overdue accounts
01/07/21-30/09/21	32	32	100%	\$122,085	\$122,085	100%	0	0
01/10/21-31/12/21	25	25	100%	\$67,287	\$67,287	100%	0	0
01/01/22-31/03/22	21	21	100%	\$27,012	\$27,012	100%	0	0
01/04/22-30/06/22	28	28	100%	\$83,256	\$83,256	100%	0	0
TOTAL	106	106	100%	\$299,640	\$299,640	100%	0	0

Accounts paid each quarter to small suppliers (including GST)

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

Quarter	Due for payment (number)	Paid on time (number)	Actual paid on time (% based on number)	Due for payment (\$)	Paid on time (\$)	Actual paid on time (% based on dollar amount)	Number of payments for interest on overdue accounts	Interest paid on overdue accounts
01/07/21-30/09/21	9	9	100%	\$5,783	\$5,783	100%	0	0
01/10/21-31/12/21	16	16	100%	\$6,488	\$6,488	100%	0	0
01/01/22-31/03/22	12	12	100%	\$5,327	\$5,327	100%	0	0
01/04/22-30/06/22	17	17	100%	\$8,285	\$8,285	100%	0	0
TOTAL	54	54	100%	\$25,883	\$25,883	100%	0	0

Credit card certification

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

Ethical standards

All Board Members and employees are required to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Rice Marketing Board. The Board is committed to the objectives of the ethical framework as identified in the *NSW Government Sector Employment Act 2013*. A Code of Conduct is in place and all members and employees have signed a Code of Conduct Declaration and Undertaking, and a Pecuniary Interests Declaration and Undertaking, during 2022-23. The Code of Conduct is available from the Board's website www.rmbnsw.org.au.

Insurance

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

Consultants

During 2022-23 the Board engaged one consultant over the value of \$50,000, Lindsay Taylor Lawyers. Primary duties were negotiation and drafting on the Sole and Exclusive Export Licence.

A total of three consultants were engaged during 2022-23, in the following categories:

Category	Cost
Legal	\$62,756
Industry reviews	\$12,000
Governance Reviews	\$2,205
TOTAL	\$76,961

Funds granted to non-government community organisations

During 2022-23 the Board provided \$10,000 in sponsorship for the benefit of the NSW rice industry:

Amount	Provided to	Purpose	Target clients
\$5,000	Ricegrowers' Association of Australia	Rice Capacity Building Project	Rice growers
\$5,000	Ricegrowers' Association of Australia	Conference Sponsorship	Rice growers

Preparation of Annual Report

This Annual Report was prepared and printed in-house, with the assistance of Sauce Communications, based in Leeton, NSW

Statement By Members of The Board

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

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



Victoria Taylor

Board Chair

Rice Marketing Board for the State of New South Wales

11 September 2023

Financial Performance

Beginning of Audited Financial Statements

Statement of comprehensive income

For the year ended 30 June 2023

	Notes	Actual 2023	Actual 2022
		\$'000	\$'000
Continuing operations			
Expenses excluding losses			
Employee-related expenses	2(a)	(381)	(197)
Operating expenses	2(b)	(386)	(325)
Depreciation and amortisation	2(c)	(8)	(4)
Total expenses excluding losses		(775)	(526)
Revenue			
Sale of Goods and Services - Issue of licences	3(a)	814	1,423
Investment revenue	3(b)	53	5
Grants and other contributions	3(c)	24	-
Total Revenue		891	1,428
Operating result		116	902
Net result from continuing operations		116	902
Total comprehensive income		116	902

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2023

	Notes	2023	2022
		\$'000	\$'000
Assets			
Current Assets			
Cash and Cash Equivalents	4	1,841	986
Receivables	5	440	1,205
Total Current Assets		2,281	2,191
Non-Current Assets			
Property, Plant and Equipment	6	5	7
Office Equipment			
Motor Vehicles	6	34	-
Total Non-Current Assets		39	7
Total Assets		2,320	2,198
Liabilities			
Current Liabilities			
Payables	7	43	56
Provisions	8	19	-
Total Current Liabilities		62	56
Non-Current Liabilities			
Provisions	8	-	-
Total Non-Current Liabilities		-	-
Total Liabilities		62	56
Net assets		2,258	2,142
Equity			
Accumulated funds	9	2,258	2,142
Total equity		2,258	2,142

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2023

	Notes	Accumulated Funds	Total
		\$'000	\$'000
Balance at 1 July 2022		2,142	2,142
Net result for the year		116	116
Balance at 30 June 2023		2,258	2,258

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

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Payments			
Employee related		(358)	(174)
Member related		(162)	(156)
Suppliers of goods and services		(238)	(182)
Total Payments		(758)	(512)
Receipts			
Sale of goods and services - licences		1576	839
Interest received		77	4
Grants received		-	-
Total Receipts		1653	843
Net cash flows from operating activities	12	895	331
Cash flows from investing activities			
Purchase of property, plant and equipment		(40)	(4)
Net cash flows from investing activities		(40)	(4)
Cash flow from financing activities			
Other		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		855	327
Opening cash and cash equivalents		986	659
Closing cash and cash equivalents		1,841	986

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the General Purpose Financial Statements

For the Year Ended 30 June 2023

1. Statement of significant Accounting Policies

1.a. Reporting entity

The Rice Marketing Board for the State of New South Wales (the Board) is a NSW government board and is controlled by the State of New South Wales, which is the ultimate parent. The Board is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. These financial statements for the year ended 30 June 2023 have been authorised by the Board on 11 September 2023.

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

The vesting powers of the Board, which sees all rice grown in NSW being marketed under authorised buyers licenses, is reviewed by the NSW Government every five years. The 2021 vesting review resulted in an extension of vesting to 30 June 2027. In addition, an independent report has been undertaken by ABARES to address a broad range of issues identified by the 2021 review. At the date of signing the accounts the details of this report had not been released.

1.b. Basis of preparation

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

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

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

1.c. Statement of Compliance

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

1.d. Administered activities

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

1.e. Accounting for Goods and Services Tax

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

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

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

1.f. Foreign currency translation

The Board did not have any transactions in foreign currencies in 2022-23 (2021-22: nil).

1.g. Comparative information

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

1.h. Changes in accounting policies, including new or revised AAS

1.h.i. Effective for the first time in 2022-23:

The following amendments and interpretations apply for the first time in 2022-23:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments. This amendment is no longer in force and its removal does not materially impact the Board's Financial Statements.
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections. The Board does not have any investments in Associates or Joint Ventures and is therefore not impacted by AASB 10 or 128 or these amendments.
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15. The Board does not charge upfront fees for licences covering periods of greater than 12 months and therefore is not impacted by AASB15 or these amendments.

It is considered that the implementation of these amendments and interpretations that apply for the first time in 2022-23 will not have a material impact on the Board's financial statements.

1.h.ii. Issued but not yet effective:

- NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. The following new AAS has not been applied and is not yet effective:
- AASB 17 *Insurance Contracts (effective date deferred to 1/1/2023)*. This standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. Insurers are required to distinguish groups of contracts expected to be profit making and those expected to be loss making. The Board does not issue any form of insurance contracts.

Amendments to AASB 101 (effective date deferred to 1/1/2023) – **AASB 2020-6** Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

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

1.h.iii. Impact of COVID-19 on Financial Reporting for 2022-23

There were no material impacts of COVID-19 on Financial Reporting for 2022-23.

2. Expenses excluding losses

2.a. Employee-related expenses

	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	346	191
Superannuation	34	18
Long service leave	0	(12)
Fringe Benefits Tax	1	-
	381	197

No employee-related expenses were capitalised in 2022-23 (2021-22: nil).

2.b. Other operating expenses include the following:

	2023 \$'000	2022 \$'000
Auditor's remuneration		
Audit of the financial statements	20	18
Expense relating to short-term leases	36	36
Insurance	10	10
Consultants		
Independent experts report – verification export price premium and freight scale advantage	12	10
Vesting Review	-	8
Board and Committee Charters	2	-
Computer services	16	10
Legal fees		
Representation on SunRice Board	-	10
Employment contracts	4	6
SEEL Agreement Negotiation	58	2
Charter Documents	1	0
Members fees	147	142
Members superannuation	15	14
Members election	0	16
Travel	37	16
Rice industry sponsorships	5	5
Other sundry operating expenses	23	22
	386	325

Maintenance expense

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

Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

Lease expense

The Board recognises the lease payments for rental of the Board's serviced office as an expense on a straight-line basis, instead of recognising a right-of-use asset and lease liability as required by AASB16. The Board has elected to use the practical expedient to expense lease payments for its lease contract because, at its commencement date, the lease term was twelve months or less and did not contain a purchase option (short-term lease). The Board had total cash outflows for leases of \$36,000 (excluding GST) in FY2022-23 (2021-22: \$36,000).

2.c. Depreciation and amortisation expense

	2023 \$'000	2022 \$'000
Depreciation		
Office and computer equipment	5	4
Motor Vehicle	3	-
	8	4

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

3. Revenue

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

	2023 \$'000	2022 \$'000
Sole and Exclusive Export Licence fee	385	221
Authorised Buyers' licence fees	429	1,202
	814	1,423

Rendering of services

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

Historically the Sole and Exclusive Export Licence (SEEL) was a fee charged in advance for the period of vesting (5 Years) based on the historical fee plus CPI for the preceding 5 years. In 2022-23, the SEEL fee was calculated for one year whilst the new SEEL was being negotiated and included a component of the General Manager's cost. With the negotiation of the new SEEL in June 2023, the fee will be calculated on a yearly basis moving forward.

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

For the 2022-23 year, the Board resolved to charge a licence fee of \$0.85 per tonne (2021-22: \$1.75 per tonne) to Authorised Buyers.

3.b. Investment Revenue

	2023 \$'000	2022 \$'000
Interest income from investments	53	5
	53	5

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. Until 31 October 2022, the Board held an exemption from Treasurers Direction TD19-01 Financial Services which required funds to be invested under a state financial services agreement. The implementation of TD22-30 – Management of Cash, Banking and Payments, which superseded TD19-01, meant funds could no longer be held in Term Deposits. The Boards funds are now held within the NSW Treasury Banking System.

3.c. Other Income

	2023 \$'000	2022 \$'000
Grant for Foregone Interest - Treasury	24	-
	24	-

Grant Income

In lieu of the expiration of the Boards exemption to TD19-01 Financial Services, a one-off grant for foregone interest was secured from NSW Treasury. This grant reflected the expected loss in interest earnings resulting from the Board's inability to invest in term deposits. With the transition of the Board's funds into the Non-Treasury Banking System in July 2023, it is envisaged this grant will be a one-off payment and will not be repeated in future years.

4. Current Assets – Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank	1,841	124
Term deposits	-	862
	1,841	986

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

	2023 \$'000	2022 \$'000
Cash and cash equivalents (per Statement of Financial Position)	1,841	986
	1,841	986

Refer Note 13 for details regarding credit risk and market risk arising from financial instruments.

5. Current Assets – Receivables

	2023 \$'000	2022 \$'000
Trade receivables from contracts with licensees	425	1,196
Accrued interest on term deposits	-	4
Prepayments	9	-
Other receivables	6	5
	440	1,205

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 13 (Financial Instruments). Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price. The Board holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

The Board does not expect any credit losses in 2022-23 (2023-22: nil).

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

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

	Office Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At 1 July 2022			
Gross carrying amount	26	-	26
Accumulated depreciation and impairment	(19)	-	(19)
Net carrying amount	7	-	7

	Office Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Year ended 30 June 2023			
Net carrying amount at beginning of year	7	-	7
Purchases of assets	3	37	40
Depreciation expense – assets owned	(5)	(3)	(8)
Net carrying amount at end of year	5	34	39

	Office Equipment \$'000	Motor Vehicles \$'000	Total \$'000
Year ended 30 June 2023			
Gross carrying amount	28	37	65
Accumulated depreciation and impairment	(23)	(3)	(26)
Net carrying amount	5	34	39

Acquisition of property, plant and equipment

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

Depreciation of property plant and equipment

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

Right-of-use assets acquired by lessees

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

Revaluation of property, plant and equipment

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

Impairment of property, plant and equipment

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

7. Current Liabilities – Payables

	2023 \$'000	2022 \$'000
Creditors	33	45
PAYG withholding	10	6
Unclaimed grower equity repayments	-	5
	43	56

Details regarding liquidity risk are disclosed at Note 13 (Financial Instruments).

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

Unclaimed grower equity payments relate to the Board's Capital Equity Rollover Scheme that operated as a means for rice growers to self-fund the construction and maintenance of rice storage facilities across the Riverina. The final repayment to growers was made in July 2016. The unclaimed grower equity repayments represent amounts in dispute or where the grower cannot be contacted. These funds held at balance date in 2021/22 were paid to NSW Revenue Office Unclaimed Monies in October 2022 as required by relevant legislation.

8. Current / Non-Current Liabilities – Provisions

	2023 \$'000	2022 \$'000
Employee benefits and related costs		
Annual Leave	19	-
Long service leave	-	-
	19	-
Aggregate employee benefits and related on-costs		
Provisions – current	19	-
Provisions – non-current	-	-
	19	-

Employee benefits and related on-costs

Employee benefits relating to Annual Leave are recognised for the positions of General Manager and Board Secretary, including on-costs. No Long Service Leave is recognised in 2022/2023 as both positions were held for less than 12 months and based on historical data, the probability of current employees reaching 10 years' service in order to qualify for Long Service Leave, was assessed as nil.

Salaries and wages, annual leave and sick leave

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

Long service leave and superannuation

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Superannuation expense is based on the superannuation guarantee contribution rate of 10.5% of ordinary earnings (2021-22 10%), and is paid into employees' superannuation fund of choice.

Consequential on-costs

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

9. Equity – Accumulated Funds

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

10. Commitments

	2023 \$'000	2022 \$'000
Within one year	6	6
Total	6	6

The only commitments owing by the Board relate to the lease of the serviced office. Two months' rental cost is committed. There were no capital commitments at 30 June 2023 (2022: nil) other than that disclosed above.

11. Contingent Liabilities and Contingent Assets

No contingent liabilities or contingent assets are known to exist at the time of signing these statements (2021-22: nil).

12. Reconciliation of Cash Flows from Operating Activities to Net Result

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

	2023 \$'000	2022 \$'000
Net cash gained on operating activities	895	331
Depreciation expense	(8)	(4)
Decrease/(increase) in provisions	(19)	24
Increase/(decrease) in prepayments and other assets	(760)	272
Decrease/(increase) in payables	8	58
Decrease/(increase) in contract liabilities	-	221
Net result	116	902

13. Financial Instruments

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

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

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

13.a. Financial instrument categories

	Notes	2023 \$'000	2022 \$'000
Financial Assets			
Cash and cash equivalents – amortised cost	4	1,841	986
Receivables– amortised cost	5	431	1,205
Financial Liabilities			
Payables – amortised cost	7	33	56

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

13.b. Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire. In 2022-23 the Board did not transfer any rights to receive cash flows from a financial asset or assume an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement (2021-22: nil).

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. In 2022-23 the Board did not replace an existing liability by another from the same lender on substantially different terms, or modify the terms of an existing liability (2021-22: nil).

13.c. Offsetting financial instruments

In 2022/23 the Board did not offset any financial assets and financial liabilities (2021/22: nil).

13.d. Financial risks

13.d.i. Credit risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets. Credit risk arises from the financial assets of the Board, including cash, receivables and term deposits. No collateral is held by the Board. The Board has not granted any financial guarantees. Credit risk associated with the Board's financial assets is low as funds are held within the NSW Treasury Banking System, as required by Treasury Direction TD22-30, and therefore considered immaterial to the overall profitability of the entity.

Collectability of trade receivables is reviewed on an on-going basis. The Board has no expected credit losses as at 30 June 2023 (2022: nil). The Board is not materially exposed to concentrations of credit risk to a single debtor or group of debtors as at 30 June 2023.

13.d.ii. Liquidity risk

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

Liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers are paid not later than 30 days from date of

receipt of a correctly rendered invoice. No interest was applied to any invoices for the 2023 year (2022: nil).

13.d.iii. Market risk

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

13.e. Fair value measurement

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

14. Related party disclosures

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

Short term employee benefits

	2023 \$'000	2022 \$'000
Salaries	334	171
Members fees	147	142
Post-employment benefits	48	32
	529	345

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

During the year, the Board did not enter into any transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

15. Events after the Reporting Period

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

End of audited financial statements

Independent Auditors Report



INDEPENDENT AUDITOR'S REPORT

Rice Marketing Board for the State of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Rice Marketing Board for the State of New South Wales (the Board), which comprise the Statement by Members of the Board, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Chair's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 September 2023
SYDNEY

Budget

Actual 2022/23 \$000's	Budget 2022/23 \$000's		Budget 2023/2024 \$000's
			INCOME
385	232	SEEL Fee	450
-	1	ABL Application Fees	-
428	510	ABL Variable Fee	413
53	9	Interest Income	71
24	24	Grant - Interest Foregone	-
-	-	Miscellaneous Income	-
890	776		934
			EXPENDITURE
(1)	(2)	Advertising	(2)
(20)	(19)	Audit Fees	(20)
(29)	(20)	Information Systems	(40)
(8)	(5)	Depreciation	(11)
(1)	(-)	FBT	(-)
(10)	(10)	Insurances	(13)
(65)	(50)	Legal and Consultancy Fees	(25)
(379)	(366)	Staff Employment Costs	(448)
(148)	(150)	Members' Fees	(163)
(15)	(16)	Members' Superannuation	(18)
(-)	(-)	Election	(15)
(-)	(-)	Postage, Printing, Stationery	(1)
(2)	(4)	Telephone	(3)
(12)	(12)	Industry Reviews and Submissions	(60)
(37)	(75)	Travel - Members and Staff	(63)
(4)	(-)	Vehicle Costs	(-)
(3)	(3)	Sundry Expenses	(4)
(5)	(6)	Grower Relations	(12)
(36)	(36)	Rent of Premises	(36)
(775)	(776)		(934)
115	-	Operating Surplus/(Deficit)	-

Statistical Summary*

New South Wales Only

		2023 Crop	2022 Crop	2021 Crop	2020 Crop	2019 Crop
Number of farms producing rice	MIA ¹	299	326	282	56	62
	CIA ²	98	91	108	18	11
	MV ³	295	397	286	26	27
	N. Rivers ^{4,5}	-	-	-	4+	7+
	TOTAL	692	814	676	104+	107+
Production (Tonnes)	MIA	254,953	292,732	229,511	28,878	36,695
	CIA	38,947	49,951	37,923	4,236	3,939
	MV	207,090	341,215	149,386	11,699	14,167
	N. Rivers	1,826	1,772	2,611	1,362	540
	TOTAL	502,816	685,670	419,431	46,175	55,341
Harvested Area (Hectares)	MIA	25,055	26,281	21,561	2,471	3,222
	CIA	4,864	4,669	5,029	462	400
	MV	21,263	30,500	17,566	1,287	1,471
	N. Rivers ⁵	40	-	-	-	-
	TOTAL	51,220	61,450	44,156	4220+	5,093+
Average Yield (Tonnes/Hectare)	MIA	10.18	11.14	10.64	11.69	11.38
	CIA	8.01	10.70	7.54	9.18	9.85
	MV	9.74	11.18	8.50	9.09	9.63
	N. Rivers ⁶	-	-	-	-	-
	OVERALL	9.82	11.13 est	9.5 est	10.9 est	10.76 est

This table was prepared from Annual Returns received from Authorised Buyers Licence Holders at the time of preparing the Annual Report.

* Based on all information available to RMB at the time of preparing the Annual Report.

1. MIA - Murrumbidgee Irrigation Area.

2. CIA - Coleambally Irrigation Area.

3. MV - Murray Valley.

4. N. Rivers - the Northern Rivers region.

5. Not all data available at the time of preparing the Annual Report.

6. There was insufficient information available at the time of preparing the Annual Report for this figure to be calculated.