



Australian Government

Grains Research and Development Corporation

# GRDC Annual Report 2005-2006



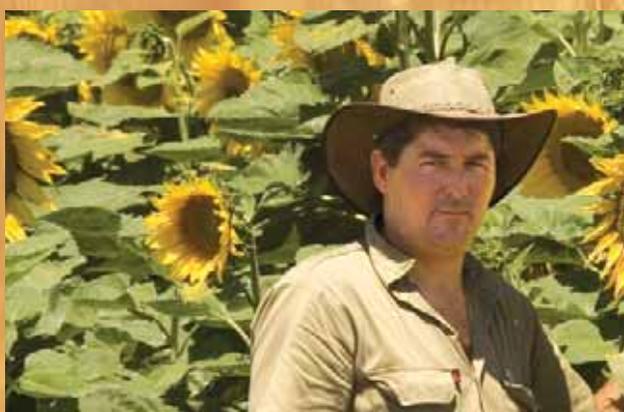
[www.grdc.com.au](http://www.grdc.com.au)



*Meeting stakeholder needs  
through cooperative innovation*

## GRDC Vision

Driving innovation for a profitable and environmentally sustainable Australian grains industry.



# GRDC

The Grains Research and Development Corporation is a statutory corporation with a mandate to plan and invest in R&D for the Australian grains industry.

Its primary business activity is the allocation and management of investment in R&D.

## GRDC Mission

To invest in innovation for the greatest benefit to stakeholders. This will be achieved by being a global leader in linking science, technology and its adoption with industry and community needs.

## GRDC Values

- Commitment and action in meeting our stakeholder/customer needs and exceeding their expectations
- Winning as a team
- Achievement of superior results
- Creativity and innovation
- Openness and trust in dealing with people
- Performance-driven culture
- Ethical behaviour in all our activities

*Above: John Hamparsum, from Breeza, NSW, will need to re-assess the role of sunflowers in his cropping enterprise due to reduced water allocations. Photo: Rebecca Thyer*

# 2005–06 Highlights

## Successes

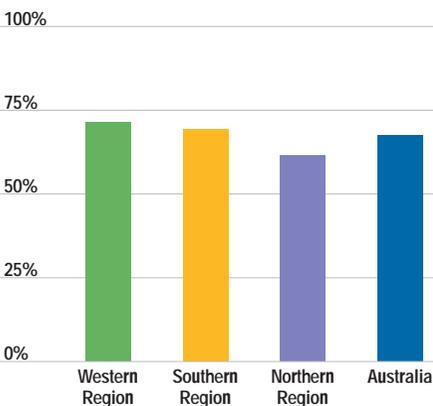
The proportion of Australian growers claiming to have benefited from grains research reached 77 percent nationally, exceeding the 2005-06 target by 7 percent. Benefits directly attributed to GRDC initiated programs increased 2 percent from 66 percent to 68 percent in 2005-06.

Other GRDC successes for 2005–06 included:

- successfully establishing National Variety Trials (NVT) across all the major grain-growing regions of Australia
- facilitating the formation of a single national barley-breeding program
- facilitating the formation of a single national pulse-breeding program
- making substantial progress towards commercially sustainable, world-leading wheat-breeding programs
- entering into a joint venture with Philom Bios Inc. of Canada to commercially develop new soil inoculant products
- developing with the Bureau of Rural Sciences a framework to report on the Australian grains industry's contribution to ecologically sustainable development
- improving the alignment between GRDC activities and the objectives of our key customer groups—the Australian Government and Australian graingrowers—as well as other stakeholders, including grower organisations and research partners
- improving collaboration with the International Maize and Wheat Improvement Center (CIMMYT) in Mexico
- cooperating with other R&D corporations (RDCs) and providing information to the Department of Agriculture, Fisheries and Forestry regarding the Australian Government's Uhrig-based review of the governance arrangements of all statutory authorities, including the RDCs.

Figure 1 Australian growers' benefits

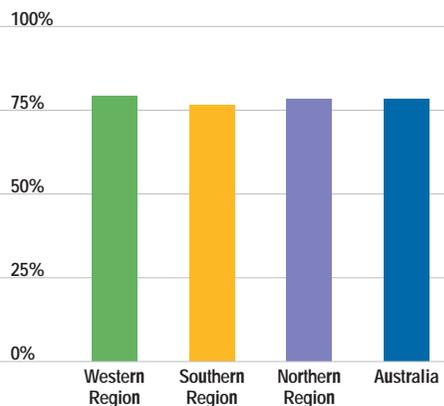
Percentage of growers directly benefiting from GRDC activities over the past five years



Source: The Grower Annual Indicator Survey 2006

Figure 2 Australian growers' adoption

Percentage of growers adopting new or improved agronomic practices over the past five years



Source: The Grower Annual Indicator Survey 2006

# 2005–06 Highlights

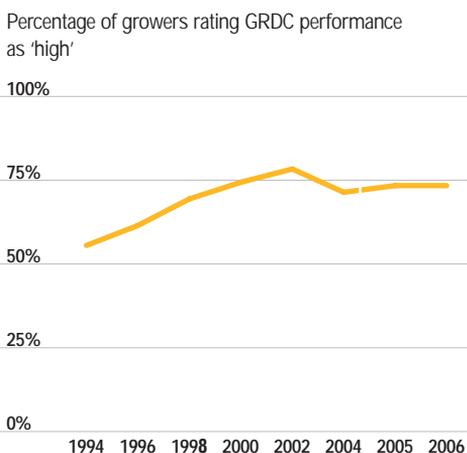
## Challenges

Farming profit margins were squeezed in 2005–06, in particular by higher input costs associated with fuel, fertiliser and transport, and by lower grain prices.

To meet the challenge of achieving a profitable and environmentally sustainable Australian grains industry, in 2005–06 the GRDC continued to work with industry and R&D partners to:

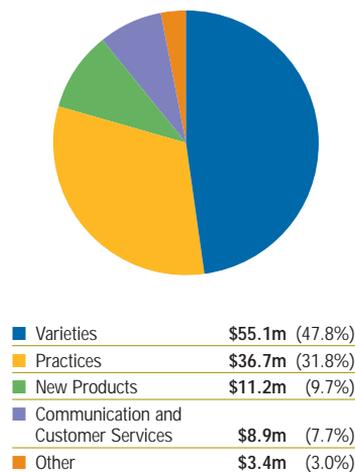
- formulate a nationally coordinated approach to grains R&D, to reduce fragmentation and duplication and to ensure maximum leverage for R&D expenditure
- maintain current levels of R&D expenditure, and evaluate and agree on a balanced total grains R&D portfolio in which there is no duplication or fragmentation
- develop an industry-wide agreement on the evaluation and development of genetic modification technology as it applies to the Australian grains industry
- support the development of superior varieties and best farming practices, to ensure graingrowers remain competitive and profitable and that maximum value is returned to growers
- encourage cross-industry cooperation on common issues and challenges facing the Australian grains industry
- develop improved information delivery channels, including an enhanced GRDC customer database to more effectively deliver relevant information to identified stakeholder groups.

Figure 3 GRDC performance



Source: The Grower Annual Indicator Survey 2006

Figure 4 GRDC R&D investments in 2005–06



# 2005–06 Highlights

## Five years at a glance

	2005–06		2004–05	2003–04	2002–03	2001–02
<b>GRDC</b>						
Revenue	\$115.1m	▲	\$110.0m	\$122.3m	\$116.2m	\$114.2m
Expenditure	\$126.7m	▲	\$119.5m	\$124.0m	\$112.0m	\$113.8m
Operating surplus/(deficit)	(\$11.6m)	▲	(\$9.5m)	(\$1.7m)	\$4.2m	\$0.4m
Total assets	\$127.7m	▼	\$135.7m	\$141.0m	\$151.7m	\$150.0m
Total equity	\$82.4m	▼	\$94.0m	\$102.5m	\$104.2m	\$102.5m
Industry contributions	\$60.9m	▼	\$64.2m	\$68.8m	\$65.0m	\$63.2m
Commonwealth contributions	\$43.1m	▲	\$35.7m	\$42.3m	\$39.1m	\$40.8m
R&D expenses	\$115.3m	▲	\$106.4m	\$112.5m	\$101.3m	\$101.2m
Employees	\$5.5m	▲	\$5.2m	\$4.9m	\$4.0m	\$3.5m
Suppliers	\$5.3m	▼	\$5.5m	\$6.1m	\$5.8m	\$6.0m
Number of full-time GRDC staff positions	50	▲	46	43	42	38
<b>Grains industry</b>						
Estimated number of grain farms <sup>a</sup>	37,122	▼	37,841	38,574	38,802	38,466
Number of grain crops covered by R&D levies	25		25	25	25	25
Estimated gross value of production	\$8,613m	▲	\$7,000m	\$9,800m	\$4,746m	\$7,968m
Total grain production—summer and winter crops	43,042,000 tonnes	▲	38,076,000 tonnes	45,966,000 tonnes	19,194,000 tonnes	41,686,000 tonnes

a ABARE estimates for the total number of broadacre farms planting more than 30 hectares per annum for grain production

Figure 5 GRDC total income in 2005–06

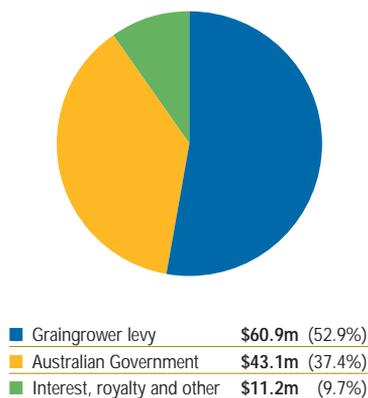
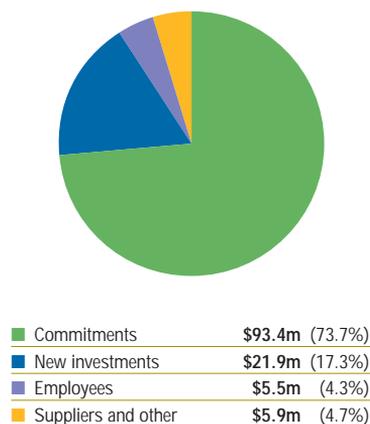


Figure 6 GRDC total expenditure in 2005–06



# Letter of Transmittal



Australian Government  
Grains Research and Development Corporation

13 October 2006

The Hon. Sussan Ley, MP  
Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry  
Parliament House  
CANBERRA ACT 2600

cc The Hon. Peter McGauran, MP  
Minister for Agriculture, Fisheries and Forestry

Dear Parliamentary Secretary

In accordance with section 9 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and section 28 of the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act), I have pleasure in presenting the annual report of the Grains Research and Development Corporation for the year ended 30 June 2006.

The GRDC is confident that its performance in 2005–06 contributed to the industry's and the government's vision for a profitable, internationally competitive and ecologically sustainable Australian grains industry. This vision is consistent with the GRDC's responsibility to plan and report against the:

- objects in the PIERD Act
- planned outcomes as embodied in *Driving Innovation*, the corporation's Five Year Research and Development Plan 2002–07, and as stated in the Annual Operational Plan 2005–06
- inputs and outputs and their contribution to the corporation's outcomes and outputs framework.

This annual report complies with the planning and reporting requirements prescribed by the CAC Act. Under section 9 of the CAC Act, GRDC directors are responsible for producing an annual report in accordance with the rules laid down in Schedule 1 of the Act, including a 'Report of Operations' prepared in accordance with the Finance Minister's Orders.

The attached Report of Operations forms an integral component of the GRDC's outcome and outputs framework and was prepared in accordance with a resolution of the corporation's directors on 25 September 2006. In my opinion, this report presents fairly the information required by the Minister for Finance and Administration as set out in the Commonwealth Authorities and Companies (Report of Operations) Orders 2002, issued on 30 June 2002.

Yours sincerely

**TERRY J ENRIGHT**  
Chairman



**Grains Research &  
Development Corporation**

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Brad Wood, graingrower from Kendenup, WA, says: 'No-till—it's a challenge, you make mistakes but keep moving ... at the end of the day I really enjoy growing a good crop.' Photo: Brad Collis