



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL



ANNUAL REPORT **2022-23**



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Chair's Message



Darren O'Brien, Chair, Australian Food and Grocery Council

The fundamental purpose of Australian food and grocery manufacturing never changes: our industry provides the highest-quality products to the people of Australia and to people around the world.

AFGC members have always performed this task to the highest standards that are awed by many around the world.

Many aspects of the business environment are changing, however. Beyond the recent system shocks of the COVID-19 pandemic, now two wars and the natural disasters of floods and bushfires, we have seen the emergence of persistently high inflation that has added to costs along already stretched supply chains.

At the same time, a more sustained shift is also taking place: the way in which fragile supply chains were structured is being reevaluated to build in resilience; consumer expectations on sustainability and nutrition information measures are accelerating; and regulatory frameworks in key areas such as preventive health, product labelling, packaging and environmental impacts are evolving rapidly.

It is true that these changes bring new responsibilities for our industry but they also bring opportunities to modernise, streamline and expand in new, sustainable ways. As the federal government undertakes its review of used packaging regulations, for example, AFGC members are already committed to creating a national scheme for soft plastic packaging recycling. The leadership of the National Plastics Recycling Scheme has created unprecedented cooperation across industries and all levels of government. It has also charted the course for the creation of a new circular economy for food-grade soft plastic packaging in this country.

Our industry has a long-established role as a vital part of the Australian economy. Food and grocery manufacturing is the largest manufacturing sector in the country. Our industry generates turnover of \$144 billion and employs almost 271,000 people, with around 40 percent of those jobs in regional areas. We have an enviable reputation for quality products in domestic and international markets and, as I have already mentioned, we play an indispensable role in sustaining the nation.

While this essential work continues, your council is taking an active role in supporting and advocating for members on the significant changes taking place on the domestic and international fronts.

The AFGC is a powerful voice speaking out on the issues that impact the food and grocery manufacturing industry. Throughout the year your council has led conversations about effective, evidence-based preventive health measures that allow consumers to make healthy, informed choices. As Australian and EU negotiators discussed a free trade agreement, the AFGC ensured that policymakers understood the real-world impacts of proposed Geographical Indications provisions.

Vitally important work is ongoing in these areas and in others, such as the proposed new climate-related financial disclosure requirements that are due to impose reporting of supply chain emissions on large companies in coming years.

Our collective attention and involvement to all these issues now is essential if we are to continue to develop the Australian food and grocery manufacturing sector into a \$250 billion industry by 2050, one that is robust, competitive and sustainable. As the world changes the changes required of industry are not just another challenge, they are opportunities to lead and innovate.

The AFGC is a successful advocate for our industry the deep knowledge focuses on the opportunities that come from risks, not the problems. Your council does this by engaging and partnering across our industry, with all levels of government, with other industries and counterparts abroad.

Your council is, of course, only truly effective because of the strength, expertise and contribution of its members and I want to thank all our members for your invaluable support. There has never been a more important time to show the collective strength and leadership of the Australian food and grocery sector.

The AFGC is a powerful voice speaking out on the issues that impact the food and grocery manufacturing industry.

Darren O'Brien
Chair
Australian Food and Grocery Council

CEO's Message



Tanya Barden OAM, Chief Executive Officer, Australian Food and Grocery Council

Change is a constant feature in our industry. In recent years, change has meant extraordinary challenges in the form of a pandemic, the Ukraine war and natural disasters. The result has been major disruptions to former ways of doing business and the AFGC's members have, to their enormous credit, continued fulfilling their vital role providing essential items for the nation.

Amid these extraordinary challenges, our industry has continued to move forward, demonstrating leadership and a commitment to innovation through measures such as support for a national, industry-led recycling scheme for soft plastic packaging. The work on the scheme, led by the AFGC, has accelerated this year and passed a number of important milestones. There were successful trials of kerbside collections, new industry partnerships and a comprehensive information and advocacy effort that meant policymakers at federal, state and local level are aware of the scheme and its potential to generate a new advanced recycling industry in this country.

The AFGC has worked hard to ensure Australian food and grocery manufacturers are heard and the industry can be proud of the innovation and leadership its members have shown in the past year. Through the recycling scheme and other innovations, such as new packaging designs to increase recyclability, or investment in new emissions-lowering technologies, our industry is not standing still.

Sustainability is not the only area that has been subjected to greater scrutiny and community expectation.

There is a heightened awareness now of the need to make things in this country and, after the aforementioned disruptions, the length and fragility of our supply chains has become a front-of-mind issue. On key issues such as free trade agreements, EU Geographical Indications, pallets and regulatory frameworks, the Council's representations to policymakers and collaboration with stakeholders have increased understanding of the environment in which local manufacturers compete against the rest of the world.

I met with ministers, backbenchers and departmental offices at federal, state and territory level during the year to discuss trade, manufacturing, supply chains and sustainability, among other matters. I also had the opportunity to address the committee inquiry into the National Reconstruction Fund Corporation Bill, which has the potential to deliver a monumental shift in manufacturing capacity in this country if rolled out effectively.

Throughout the year the Council engaged with policymakers, industry stakeholders and the media on major issues including severe flooding in Victoria in October 2022, the November collapse of REDcycle, pallet availability, port delays, biosecurity risks such as varroa mite, and preventive health measures. In addition, persistently high energy and freight costs coupled with rising inflation meant every aspect of making food and groceries in Australia has become more expensive and complex, while the challenges of attracting capital remain constant.

As always, despite the challenges faced, I am inspired by the passion and purpose of our members to advance our industry. I had the opportunity to meet with many members at our flagship event, Food and Grocery Australia, in May and I think it is obvious that the future of Australian food and grocery manufacturing is in good hands.

I would like to thank the members of the Board for their work during the year and acknowledge the commitment and dedication of Darren O'Brien as Chair of the Board. The expertise of our Board members guides the AFGC and the future of the industry and they are generous in contributing their time and skill to the Council. I would also like to thank the AFGC Secretariat staff, who show such dedication and commitment to their work supporting the Council and the food and grocery manufacturing industry. The professionalism of the team is admirable and I am proud of the way they demonstrate the values of the organisation. Thank you too to those who contributed to the work of the AFGC by holding a position on one of our committees, forums or working groups. The contributions to policy and the direction of the Council made by you are invaluable.

Lastly, I want to sincerely thank the members who give the AFGC and this industry its strength and drive. Your enthusiasm and commitment is what makes it possible to look forward to a strong future for food and grocery manufacturing in Australia.

The AFGC has worked hard to ensure Australian food and grocery manufacturers are heard and the industry can be proud of the innovation and leadership its members have shown in the past year.

Tanya Barden OAM
Chief Executive Officer
Australian Food and Grocery Council

The AFGC Team

As at 30 June 2023

- ▶ Tanya Barden OAM, Chief Executive Officer
- ▶ Tonya Smith, Executive Assistant to the CEO
- ▶ Haeyoung Moon, Team Administrative Assistant

- ▶ Dr Duncan Craig, Director Nutrition and Regulation
- ▶ Anne-Marie Mackintosh, Associate Director, Nutrition and Regulation
- ▶ Devika Thakkar, Regulatory Advisor, Scientific and Technical

- ▶ Barry Cosier, Director Sustainability
- ▶ Sarah Collier, Associate Director, Sustainability
- ▶ Kylie Ruth, Manager, Sustainability

- ▶ Samantha Blake, Director, Competitiveness and Growth
- ▶ Shalini Valecha, Associate Director, Trade and Industry Analysis
- ▶ Samuel Garcia, Manager, Supply Chain
- ▶ Rick Umback, Manager, Retail and Industry Policy

- ▶ Scott McGrath, Director, Government and Media Relations
- ▶ Peter Trute, Manager, Media and Publications
- ▶ Maguy Keleko, Manager, Government Relations

- ▶ Adelina La Vita, Director, Membership and Business Operations
- ▶ Alyssa Shands, Associate Director, Membership and Events
- ▶ Josephine Trudinger, Membership and Events Officer
- ▶ Andrea Luquesi Scott, Manager Marketing and Communications
- ▶ Kimberley Brady, Marketing and Communications Officer
- ▶ Samantha Shanks, Membership and Sponsorship Officer



Our **mission** is to be the voice of the food and grocery supply industry and a valued service provider to our members.

Objectives



Policy

we work with members to develop policy positions that are appropriate for the food and grocery manufacturing sector.



Advocacy

we represent your views to government, trading partners, and stakeholders.



Collective action

we bring the industry together to work pre-competitively with you members to solve issues you cannot solve alone.



Navigation

we provide members with information and insights so you can navigate complex industry issues.

Board of Directors

July 2022 – June 2023



Darren O'Brien (Chair)
Area VP Australia, NZ, Japan
Mondeléz International



Sandra Martinez
(Deputy Chair)
Chief Executive
Officer
Nestlé Australia Ltd



Anthony Holme
Managing Director
Kellanova Australia
and New Zealand



Lyn Radford
Managing Director
Chobani Australia



Belinda Driscoll
VP and Managing
Director, ANZ
Kimberly-Clark



Emma Welsh
Chief Executive
Officer
Emma & Tom Foods
Pty Ltd



Paris Golden
Managing Director
McCormick Foods
Australia Pty Ltd



Ray Hanly
Chief Executive
Officer
Beak and Johnston
Pty Ltd



Nigel Parsons
Chief Executive
Officer
Asahi Lifestyle
Beverages



Garry Mudford
General Manager
Jalna Dairy Foods
Pty Ltd
(Resigned 1
September 2022)



Nicole Sparshott
Chief Executive
Officer
Unilever Australia &
New Zealand
(Resigned 28
February 2023)



Graham Dugdale
Managing Director
Simplot Australia
Pty Ltd
(Resigned 24
December 2022)

State of the Industry

2021 - 2022

**TOTAL
TURNOVER**
\$144.1bn
(+ 7.4%)



AFG TURNOVER
31.3%
(As % of
manufacturing)



EMPLOYMENT
270,661
(- 0.9%)



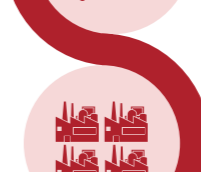
**REGIONAL
EMPLOYMENT**
36.9%
For 2022



**CAPITAL
INVESTMENT**
\$3.2bn
(+ 1.6%)



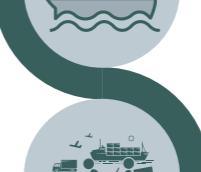
**BUSINESS
COUNT**
17,436
(+ 6.8%)



EXPORTS
\$39.4bn
(+ 15.3%)



IMPORTS
\$46.4bn
(+ 24.6%)



The figures on this page exclude the fresh food sector and are based on 2021-22 ABS data.

1: This is total number of employees, head count basis and does not include seasonal employees.

2: Gross fixed capital formation for food, beverage and tobacco manufacturing subsector is taken as indicator of capital investment.

AFGC Members

As at 1 June 2023

Full Members

- ▶ 3M Australia
- ▶ A.Clouet (Ayam)
- ▶ Allied Pinnacle
- ▶ Arnott's Group
- ▶ Asahi Lifestyle Beverages
- ▶ Ashgrove Cheese Pty Ltd
- ▶ Aspen Pharmacare Australia Pty Ltd
- ▶ Australian Blending Company Pty Ltd
- ▶ Bakers Maison
- ▶ Bakery Domain
- ▶ Barilla Australia
- ▶ Bayer Australia
- ▶ Beak and Johnston Pty Ltd
- ▶ Beechworth Honey
- ▶ Beerenberg Pty Ltd
- ▶ Bega Cheese
 - ▷ Bega Foods
 - ▷ Bega Dairy and Drinks
 - ▷ Peanut Company Australia
- ▶ Birch and Waite Foods Pty Ltd
- ▶ Blackmores
- ▶ Brands & Marks Pty Ltd
- ▶ Bulla Dairy Foods
- ▶ Bundaberg Brewed Drinks Pty Ltd
- ▶ Bundaberg Sugar Ltd
- ▶ Calbee Australia
- ▶ Cantarella Bros Pty Ltd
 - ▷ Vittoria Coffee
- ▶ Cantire Foods (Chris'Dips)
- ▶ Carman's Fine Foods
- ▶ Chobani Pty Ltd
- ▶ Church & Dwight (Australia) Pty Ltd
- ▶ Clorox Australia Pty Ltd
- ▶ Coca-Cola Europacific Partners
- ▶ Coca-Cola ASEAN and South Pacific
- ▶ Conga Foods Pty Ltd
- ▶ Coopers Brewery Ltd
- ▶ Dilmah Australia
- ▶ Dr Oetker Queen
- ▶ Duracell Australia Pty Ltd
- ▶ Emma & Tom Foods Pty Ltd
- ▶ Erskine Products
- ▶ Essity Australasia
- ▶ F. Mayer Imports
- ▶ Ferrero Australia Pty Ltd
- ▶ Fonterra Australia Pty Ltd
- ▶ Forbidden Foods
- ▶ FreshFood Services Pty Ltd
- ▶ Fresh Local Pty Ltd T/A CAPI
- ▶ Frucor Suntory (Australia) Pty Ltd
- ▶ Galderma Australia Pty Ltd
- ▶ General Mills Australia Pty Ltd
- ▶ George Weston Foods
 - ▷ Mauri ANZ
 - ▷ Don
 - ▷ Jasol Australia
 - ▷ Jordans Dorset Ryvita
 - ▷ Tip Top
 - ▷ Twinings
 - ▷ Yumi's
- ▶ Goodman Fielder Ltd
- ▶ Hakubaku Australia Pty Ltd
- ▶ Haleon (formerly GSK Consumer Healthcare)
- ▶ HanYang Import & Export (ByAsia)
- ▶ HARIBO Australia
- ▶ Henkel Au
- ▶ Hive & Wellness Australia Pty Ltd
- ▶ Hoyt Food Manufacturing Industries
- ▶ ITO EN Australia Pty Ltd
- ▶ Johnson & Johnson Pacific Pty Ltd
- ▶ Kellogg (Aust) Pty Ltd
- ▶ Kerry Ingredients Australia Pty Ltd
- ▶ Kimberly-Clark Australia Pty Ltd
- ▶ Kinrise Pty Ltd
 - ▷ Cobs Fine Foods
 - ▷ Greens General Foods
 - ▷ Lowan Whole Foods
 - ▷ Ozpack Foods
 - ▷ Susan Day
 - ▷ Waterthins
- ▶ Kraft Heinz
- ▶ Lactalis Australia
 - ▷ Sanulac Nutritionals Australia
 - ▷ Jalna Dairy Foods Pty Ltd
- ▶ Laucke Flour Mills Pty Ltd
- ▶ Lavazza
- ▶ Level Beverages
- ▶ Lindt & Sprungli Australia
- ▶ L'oreal Australia and New Zealand
- ▶ Madura Tea Estates
- ▶ Maggie Beer Holdings
 - ▷ Maggie Beer Products
 - ▷ Paris Creek Farms
 - ▷ Saint David Dairy
- ▶ Manildra Group
- ▶ Mars Wrigley Confectionery
- ▶ Mars Food Australia
- ▶ Mars Petcare
- ▶ McCain Foods (Aust) Pty Ltd
- ▶ McCormick Foods Australia
 - ▷ Botanical Food Company
- ▶ McKenzie's Foods (prev. Ward McKenzie)
- ▶ Mentholatum Australasia Pty Ltd
- ▶ Mondelez International
- ▶ Mrs Mac's Pty Ltd
- ▶ Nando's Peri-Peri Australia Pty Ltd
- ▶ NeradaTea Pty Ltd
- ▶ Nestle Australia Ltd
- ▶ Noshu Foods Pty Ltd
- ▶ noumi Limited
- ▶ Nutricia Specialised Nutrition
- ▶ Obela Fresh Dips & Spreads Pty Ltd
- ▶ Ocean Spray International, Inc
- ▶ Only Organic 2003 Pty Ltd
- ▶ Oterra Australia Pty Ltd
- ▶ Patties Foods Ltd
- ▶ Peerless Foods
- ▶ Pepsico Australia New Zealand
- ▶ Peters Ice Cream
- ▶ Primo Foods Pty Ltd (owned by JBSSA)
- ▶ Real Pet Food Company
- ▶ Reckitt Benckiser (Australia) Pty Ltd
- ▶ Red Bull Australia Pty Ltd
- ▶ Rivalea (Australia) Pty Ltd
- ▶ Sabrands Group
- ▶ Sandhurst Fine Foods Australia
- ▶ San Diego Tortilla Factory Pty Ltd
- ▶ Sanitarium Health and Wellbeing Company
- ▶ Sanofi Consumer Healthcare
- ▶ Saputo Dairy Australia
 - ▷ Danone Saputo
 - ▷ Danone Murray Goulburn
 - ▷ Warrnambool Cheese & Butter Factory
- ▶ Sara Lee Holdings Pty Ltd
- ▶ Saxbys Soft Drinks
- ▶ SC Johnson & Son Pty Ltd
- ▶ SI&D Group Holdings (Sue & Daughters)
- ▶ Simplot Australia Pty Ltd
- ▶ Sorbent Paper Company
- ▶ SPC Operations Pty Ltd
- ▶ Spicemasters Australia Pty Ltd
- ▶ Spreadies Pty Ltd t/a Twisted Healthy Treats
- ▶ STADA Pharmaceuticals Australia Pty Ltd
- ▶ Stahmann Farms



FGA2023

- ▶ Steric Pty Ltd
- ▶ Stuart Alexander & Co Pty Ltd
- ▶ Sugar Australia Pty Ltd
- ▶ Sunny Queen Pty Ltd (Meal Solutions)
- ▶ SunRice
 - ▷ Riviana Foods
 - ▷ Global Rice
- ▶ Swisse Wellness Pty Ltd
- ▶ Tasmanian Flour Mills
- ▶ Tassal Group Limited
- ▶ Tegel Foods Limited
- ▶ TePe Australia and New Zealand Pty Ltd
- ▶ The A2 Milk Co
- ▶ The Infant Food Co Pty Ltd
- ▶ The Pialligo Estate
- ▶ The Vege Chip Company
- ▶ Tixana Pty Ltd
- ▶ Unicharm Australasia
- ▶ Unilever Australia & New Zealand
- ▶ Upfield Australia (Sales) Pty Ltd
- ▶ Van Dyck Fine Foods Ltd
- ▶ V2food Operations Pty Ltd
- ▶ Vitality Brands Worldwide
- ▶ Whole Earth Brands (formerly Merisant)
- ▶ Yakult Australia Pty Ltd

Associate Members

- ▶ ADM Australia Pty Ltd
- ▶ Argon & Co Australia and New Zealand
- ▶ Baker & McKenzie
- ▶ Banjo Loans
- ▶ BDN Revenue Management Consulting
- ▶ Castlegate James Australasia
- ▶ CCS Packaging
- ▶ Cheetham Salt Ltd
- ▶ CHEP Asia - Pacific
- ▶ Chr Hansen Pty Ltd
- ▶ CROSSMARK Asia Pacific
- ▶ Danisco Australia Pty Ltd
- ▶ Deloitte Touche Tohmatsu
- ▶ Dematic Pty Ltd
- ▶ Detmold Australia Sales
- ▶ Devro Pty Ltd
- ▶ Dupont Sustainable Solutions
- ▶ Earlee Products Pty Ltd
- ▶ Exceedra by Telus
- ▶ Euromonitor International (Australia) Pty Ltd
- ▶ Fibrisol Service Australia Pty Ltd
- ▶ Foodbank Australia
- ▶ Genpact Australia Pty Ltd
- ▶ Gerson Lehrman Group (Australia) Pty Ltd

- ▶ GRA Supply Chain
- ▶ GS1 Australia
- ▶ IRI Worldwide
- ▶ Kearney Lumaten
- ▶ Matthews Australasia
- ▶ Maxum Foods Pty Ltd
- ▶ Meat and Livestock Australia
- ▶ Nagase Singapore (PTE) Ltd
- ▶ NextGen Group
- ▶ NielsenIQ
- ▶ Orora Limited
- ▶ Peloris Global Sourcing Pty Ltd
- ▶ Real World Marketing
- ▶ Schneider Electric
- ▶ Six Degrees Executive
- ▶ SKUvantage
- ▶ StayinFront Group Australia
- ▶ Strikeforce Alliance
- ▶ SUEZ
- ▶ Tetra Pak Marketing
- ▶ The Advantage Group
- ▶ The Gap Partnership Australia
- ▶ Touchstone Executive Search
- ▶ Visy Pak

Affiliate Members

- ▶ Association of Sales and Marketing Companies Australasia
- ▶ Australian Coffee Traders Association Australian
- ▶ Dairy Products Federation Australian
- ▶ Logistics Council Australian Meat Industry Council
- ▶ Australian Organic
- ▶ Consumer Health Care Products
- ▶ Fairtrade Australia and New Zealand
- ▶ Food & Beverage Importers Association
- ▶ Food Industries Association of Qld Inc
- ▶ Foodservice Suppliers Association of Australia
- ▶ Grains & Legumes Nutrition Council
- ▶ Private Label Manufacturers Association Australia/New Zealand

Competitiveness & Growth

- ▶ **Samantha Blake (Director)**
- ▶ **Shalini Valecha (Associate Director)**
- ▶ **Samuel Garcia (Manager)**
- ▶ **Rick Umback (Manager)**

The Competitiveness and Growth division serves members by enhancing conditions for the sector's competitiveness and growth.

We do this by:

- ▶ Delivering improved supplier – retailer relationships through enhanced business relationships, reasonable commercial outcomes and driving capability of the Food and Grocery Code of Conduct
- ▶ Developing and advocating for policies that deliver enhanced competitive advantage and growth opportunities
- ▶ Strengthening the efficiency and resilience of end-to-end supply chains.
- ▶ Enhancing conditions for international trade

We help members drive outcomes that build and sustain trust and cooperation.



Throughout the year, the Competitiveness and Growth team worked with members and key stakeholders on a broad range of issues impacting the sector, representing the views of members with government, trading partners and stakeholders. The team has supported the industry by providing strategy, policy, information, and coordinated activities and programs.

Areas of focus included improving the dispute resolution processes within the FGCC, analysis of the impact of European Union's call for the introduction of geographical indicators, and targeted advocacy to improve the availability and quality of pallets.

In addition, as a direct service to members, the Competitiveness and Growth team delivered key tools, guidelines, resources and insights across a range of topics including economic reporting, commodity updates, retail results, strategic country updates and resource materials to improve operational capability.

Highlights

Economics

Shalini Valecha (Associate Director)

Samuel Garcia (Manager)

The AFGC keeps abreast of economic conditions in order to keep members informed of developments impacting the sector. Highlights for 2022-23 include having:

- ▶ Delivered the annual State of Industry data set and interactive dashboard, providing key facts and figures for the food, beverage and grocery sector;
- ▶ Issued an industry wide investment survey in collaboration with Austrade to understand intention and barriers to capital investment;
- ▶ Hosted the quarterly Cost and Commodities Webinar providing members with timely updates on agricultural commodities, currency and key input costs;

- ▶ Introduced a quarterly Economic Bulletin, detailing the latest economic news impacting the industry featuring the latest guidance on consumer prices, input costs, exchange rates and commodity prices,
- ▶ Prepared the 2023-2024 Federal Pre-Budget Submission.

Supply Chain Committee

Samantha Blake (Director)

Samuel Garcia (Manager)

The Supply Chain Committee's key focus is strengthening the efficiency and resilience of the end-to-end supply chain.

Over the past year, the Committee's priority has been responding to complex disruptions to supply chains, including challenges associated with the COVID pandemic, weather-related impacts to infrastructure, and access to pallets and CO2.

Throughout 2022-23, the Committee has played

a pivotal role strengthening connections and fostering partnerships with government entities and other key stakeholders. This collaboration has enabled the array of challenges faced by members to be addressed collectively.

Highlights for 2022-23 include having:

- ▶ Implemented surveys to collect data for our policy and advocacy initiatives to mitigate supply chain disruptions;
- ▶ Regularly updated members through newsletters, including Member Matters and SupplyLink; these communications offer members insights into the forces impacting the industry such as consumer prices, input costs, exchange rates and commodity prices, along with policy updates on freight, logistics, and infrastructure;
- ▶ Strengthened the sector's influence within the Federal Government by establishing connections with organisations such as the Office of Supply Chain Resilience (OSCR), the Department of Industry Science and Resources (DISR), and the National Emergency Management Agency (NEMA), ensuring the perspectives and needs of suppliers are considered;
- ▶ Engaged with key stakeholders across the broader supply chain and logistics sector, including industry associations and other key stakeholders; this active engagement served to champion the unique requirements of the sector;
- ▶ Contributed to meetings of the National GSI Traceability Advisory Committee;
- ▶ Leveraged the Supply Chain Committee members' knowledge and insights to contribute to the following submissions made by the AFGC:
 - ▷ Productivity Commission's draft report on Australia's Maritime Logistics Systems.
 - ▷ The House of Representatives Agriculture Committee inquiry into food security in Australia.
 - ▷ The Department of Agriculture, Fisheries and Forestry's enquiry into sustainable funding and investment to strengthen biosecurity.
 - ▷ The House of Representatives Economics Committee inquiry into economic dynamism, competition and business formation in Australia.

International Trade Advisory Committee

Samantha Blake (Director)

Shalini Valecha (Associate Director)

The International Trade Advisory Committee focuses on international trade matters, with the aim of delivering targeted growth in exports. The Committee provides feedback on current and emerging issues and helps shape export strategy and priorities and acts as a reference group for insights and feedback to strengthen advocacy.

Highlights for 2022-23 include having:

- ▶ Completed the board-approved project to assess the proposed geographical indicators (GIs) under the Australia-European Union Free Trade Agreement negotiations. This included identifying priority GIs, evaluating their impact on domestic industry, and proposing mechanisms to address the issues. A position was developed and informed engagements with trade negotiators and other Government departments, members, and industry stakeholders;
- ▶ Received a grant to lead food and beverage merchandise trade dialogue for the New South Wales-Guangdong Biannual Joint Economic Meeting; an industry roundtable was convened to formulate opportunities for enhancing food and beverage sector trade;
- ▶ Introduced monthly trade updates and quarterly strategic country updates for members, providing members with up-to-date information on consumer trends, the retail environment, and regulatory requirements. Strategic country updates for the United Kingdom and Indonesia were convened in Q1 and Q2 respectively;
- ▶ Submissions to various trade agreement negotiations advocating for improved market access for the sector, including the European Union Free Trade Agreement, Comprehensive Economic Cooperation Agreement (India), Indo-Pacific Economic Framework Agreement, Southeast Asia Trade strategy to 2040, and non-prescribed goods export reform;
- ▶ Advocated for improved non-tariff barriers to trade via submissions and forums with Department of Agriculture Fisheries and Forestry, Department of Foreign Affairs and Trade, the Department for Industry, Innovation and Science, and Minister Counsellors in Embassies,

- ▶ Helped members navigate various complex regulatory requirements in export markets such as China (facility registration, infant formula) Malaysia (new regulations by territory), India (new regulations for facility registration, labelling), and Indonesia (new halal requirements).

Grocery Industry Advisory Committee

Samantha Blake (Director)

Rick Umback (Manager)

The Grocery Industry Advisory Committee focuses on exploring current and emerging issues impacting the industry and specifically the Food and Grocery Code of Conduct (FGCC). The group uses collective insight to identify and clarify emerging issues, and deliver policy advice to the AFGC Board on industry issues relating to retailer relations, and in accordance with the FGCC and applicable competition laws.

Highlights for 2022-23 include having:

- ▶ Responded to a significant increase in the number of food, beverage and grocery businesses seeking cost increases through the provision of information on the Food and Grocery Code of Conduct pricing provisions;
- ▶ Worked collaboratively with retailer Code Arbiters and the Food and Grocery Code of Conduct Independent Reviewer to raise and resolve issues, and strengthen protections for suppliers;
- ▶ Provided a substantive response to the Treasury review of the dispute resolution obligations within the FGCC; the AFGC's submission sought to strengthen compliance obligations and improve processes for members;
- ▶ Strengthened the FGCC member service offer, including:
 - ▷ Maintaining the FGCC training offer.
 - ▷ Issuing monthly Guidance Documents.
 - ▷ Hosting Quarterly member only webinars.
- ▶ Conducted the Annual Grocery Investment Benchmarking Survey;
- ▶ Managed a number of supermarket retail issues on behalf of members;
- ▶ Relaunched the updated and contemporary Australian Grocery Academy – a unique collaboration between industry, supplier,

and specialty training and leadership consultancies;

- ▶ Communicated significant AFGC updates and emerging commercial issues through the Sales Wrap newsletter;
- ▶ Conducted quarterly webinars with leading financial analysts to examine retailer results,
- ▶ Sponsored Joe Berry Australian Retail Industry Executive Awards through the provision of the Future Leader Scholarship Award.

Forums

Trading Partner Forum

Samantha Blake (Director)

Samuel Garcia (Manager)

The Competitiveness and Growth Division acts as Secretariat to the Trading Partner Forum (TPF), the meeting place for FMCG suppliers and supermarket retailers focusing on delivering end-to-end supply chain efficiency. The TPF identifies and progresses industry projects to deliver practical outcomes for our joint supply chains.

Highlights for 2022-23 include:

Perfect Delivery Project

An industry-level approach to optimising non-competitive aspects of supplier-to-retailer distribution centre delivery practices. It emphasises the requirements for automated distribution centres, so that best practices and standard procedures can be adopted by industry participants to increase efficiency and effectiveness for all. The project:

- ▶ Expanded the areas of alignment across Coles, Metcash and Woolworths for the delivery of product into their distribution centres.
- ▶ Updated the Common Delivery Guidelines for Industry.
- ▶ Produced the 2023 Perfect Delivery Report.
- ▶ Expanded the use of the Industry Alignment Mark denoting alignment to industry standards.
- ▶ Undertook a management review and report against the Common Delivery Guidelines.
- ▶ Developed a series of One Page Guides to assist the industry drive improved compliance.

Data Integrity and Alignment

Providing leadership and information to support the sector in driving improvements in accuracy, integrity, alignment and timeliness for supply chain master data requirements in the B2B (supply chain efficiency and effectiveness) and the B2C (purchase, transact, supply) trade. We:

- ▶ Promoted a series of supply chain master data instructional videos.
- ▶ Completed an industry data review pilot across suppliers and retailers to understand alignment status, challenges, and opportunities.
- ▶ Developed a series of One Page Guides to assist the industry drive improved compliance.

SME CEO Forum

The SME CEO Forum serves the needs of Small-to-Medium Enterprises (SMEs) that are food and grocery suppliers. Forum members are CEOs who come together to explore emerging issues impacting SMEs. Within the forum, members can network and learn about issues and trends shaping the industry.

The SME CEO Forum hosted two face-to-face meetings over 2022-23 and heard from:

- ▶ Helen McKenzie, Code Arbiter, Woolworths
- ▶ Rebecca Boustead, General Manager Supply Engagement and Capability, Woolworths
- ▶ Jonathan Torr, Strategy, Engagement and Home and Health, Coles
- ▶ Steve Andrews, Managing Director, Advantage Group
- ▶ Simon Mosley and Rebecca Jones, Consultants, Real World Marketing

“The industry insights provided by AFGC have changed the course of our business and ensured we are preparing ahead of time for key legislative changes.”



Nutrition & Regulation

- ▶ **Duncan Craig (Director)**
- ▶ **Anne-Marie Mackintosh (Policy Manager, Nutrition and Regulation)**
- ▶ **Devika Thakkar (Regulatory Advisor – Scientific and Technical)**

The Nutrition and Regulation Division (N&R) provides the evidence and fact-base to inform AFGC representations to government on public policy and regulation development and implementation. This expert information is developed and compiled through members' participation on the Nutrition and Regulation Committee and working groups.

Areas of focus include food regulation, such as product composition and labelling requirements, nutrition and preventive health issues, food safety and quality assurance, biosecurity, and food science and technology adoption. In addition, as a direct service to members, N&R provides key tools and resource materials to assist understanding of nutrition policy, regulatory compliance obligations and support for their engagement with relevant government departments and regulatory agencies.

Highlights

Regulations and regulatory policy

- ▶ In response to the reform and modernisation of the Bi-national Food Regulation System by the Australian Government, the AFGC met with some members of the Food Regulation Standing Committee to advocate our position regarding the Review of the FSANZ Act and broader food regulatory system.
- ▶ 28 submissions have been made to various agencies including Food Standards Australia New Zealand (FSANZ), Codex, Department of Agriculture, Fisheries and Forestry (DAFF), Department of Health and Aged Care (DoHA), and parliamentary enquiries.
- ▶ The AFGC supported members through submissions to FSANZ applications and proposals including *P1056 – caffeine review*, *P1010 Formulated Supplementary Sports*, *P1028 – Infant Formula*, *Application A1265 – 2'-FL DFL, LNT, 6'-SL sodium salt and 3'-SL sodium salt for use as nutritive substances in infant formula products*; *FSANZ Application A1251- 2'-FL Combined with galacto-*

oligosaccharides and/or inulin-type fructans in infant formula products, *Proposal P1058 – Nutrition labelling about added sugars (stakeholder meeting)*, *Application A1253 Bovine lactoferrin in Infant formula products*.

- ▶ The AFGC continued to represent industry concerns on the *Health Star Rating Advisory Committee*.
- ▶ The AFGC made submissions to Codex international standards and guidelines consultations including allergen labelling, sustainability labels, use of technology to provide information, e-commerce, food fraud and food additives.
- ▶ The AFGC provided a submission on the *DAFF Review of the biosecurity risks of imported dairy products*.
- ▶ The AFGC contributed to the Standards Australia development and review of numerous food related standards including meat, poultry, fish, eggs and their products, and ISO standard for Plant-based foods (work in progress).

Food, nutrition and health

The AFGC has:

- ▶ Continued to participate in the Executive Committee and working groups providing detailed technical advice to the Federal Government's *Healthy Food Partnership* in:
 - ▷ Wave 3 targets, including a submission to the *Targeted consultation on plant-based proteins, plant-based yoghurts, ready meals – complete salads*.
 - ▷ Development of an *Industry Best Practice Guide on Serving Size Labelling on Packaged Food*.
 - ▷ Actively contributed to the *Foods for Early Childhood Reference Group* with a focus on serving size, labels, sweetness profile, and packaging.
- ▶ Provided industry's views to the consultation of the National Obesity Strategy Working Group *National Obesity Prevention Strategy 2022-2023*;
- ▶ Provided industry's views to the consultation of AANA Children's advertising code review – Discussion paper for public comment;
- ▶ Provided industry's views to World Health Organization (WHO) public consultations on:
 - ▷ *Draft guidelines on use of non-sugar sweeteners (NSS)*.
 - ▷ *Draft guideline: fiscal policies to promote healthy diets*.
- ▶ Provided industry's views to Australian Bureau of Statistics refresh of the principles underlying the assignment of a discretionary food flag to National Nutrition and Physical Activity Survey food codes;
- ▶ Commissioned evidence reviews in readiness for the second stage of consultation of the National Health and Medical Research Council's *Review of the 2013 Australian Dietary Guidelines*:
 - ▷ Processed foods and benefits of processing.
 - ▷ Health effects of core foods with added or free sugars.
- ▶ Convened working groups to address sugar, food processing and sustainability in preparation to respond to the NHMRC Review of the 2013 Australian Dietary Guidelines;



- ▶ Liaised with the Branded Food Database Secretariat to support FSANZ's standards development work, health star rating monitoring and other activities, explored options for data upload including the AFGC's Product Information Form (PIF) and communicated industry views;
- ▶ Liaised with Infant Nutrition Council on the DoHA Review of the Marketing in Australia of Infant Formulas: *Manufacturers and Importers Agreement* (MAIF Agreement) including making a submission;
- ▶ Represented the industry's views (and via a submission) at the House of Representatives Standing Committee on Agriculture Inquiry - *Food Security in Australia*,
- ▶ Provided industry's views to DAFF consultations:
 - ▷ *Making national biosecurity funding sustainable*
 - ▷ *Review of the biosecurity risks of imported dairy products*
 - ▷ *Biosecurity cost recovery - proposed changes to regulatory charging*

Industry representations on key government and non-government committees and working groups

The AFGC presented industry views to:

- ▶ Department of Agriculture, Fisheries and Forestry (DAFF)
 - ▷ Imported Food Consultative Committee
 - ▷ Biological Consultative Committee
 - ▷ National Biosecurity Strategy Implementation Committee

- ▶ FSANZ's
 - ▷ Bi-national Food Industry Dialogue (BFID) (formerly the Retailer and Manufacturers Liaison Group) as part of the discussion of current and emerging food regulatory issues.
 - ▷ Food Incident Forum
 - ▷ Allergen Collaboration Committee
- ▶ The Deakin University Food Traceability Laboratory
- ▶ Numerous organisations including:
 - ▷ Allergen Bureau
 - ▷ Alternative Proteins Council
 - ▷ Australian Beverages Council Limited
 - ▷ Australian Industry Group
 - ▷ Australian Institute of Food Science and Technology
 - ▷ CSIRO
 - ▷ Dairy Australia
 - ▷ Dietitians Australia
 - ▷ Grain Legumes Nutrition Council
 - ▷ Horticulture Innovation Australia,
 - ▷ Infant Nutrition Council
 - ▷ Meat and Livestock Australia
 - ▷ National Farmers Federation, Standards Australia,
 - ▷ Universities on a wide range of scientific, technical and regulatory matters

Key members services

The N&R Division has:

- ▶ Continued the roll-out of the AFGC's online Product Information Form Version 6.1 which provides the most secure and comprehensive means of exchanging product information down the supply chain;
- ▶ Informed members of key scientific and regulatory issues through dedicated newsletters and bulletins, including SciTech, Research Round-up and Member Matters;
- ▶ Continued with ongoing webinar series on Understanding Food Standards, including labelling, nutrition and health claims, novel foods, food additives, vitamins and minerals, processing aids and their related schedules,
- ▶ Continued to build alliances with other international member associations, including Food Industry Asia, Food and Drink Europe on topics such as processed, fiscal policies, non-sugar sweeteners.

Nutrition and Regulation Committee

Dr Duncan Craig (Director)

Anne-Marie Mackintosh (Associate Director)

Devika Thakkar Regulatory Advisor - Scientific and Technical

The Nutrition and Regulation Committee is a reference group that meets quarterly and comprises 15 members and 3 observers. It focuses on scientific and technical issues relating to food products including regulation and policy, product and product processing sciences and technologies, and consumer health and well-being issues related to the use of products.

Over the past 12 months, highlights included the:

- ▶ Development and evaluation of a member survey on health star rating;
- ▶ Participation in feedback to DAFF on an industry fact sheet on food and mouth disease (in the event of an incursion);
- ▶ Invitation of guest speakers from the Department of Health and Aged Care, and FSANZ - Branded Food Database,
- ▶ Provision of regular updates to members on current and proposed food regulations and nutrition policy, monitored emerging issues, and sought feedback on these and many other food-industry related issues.

Sustainability

- ▶ Barry Cosier (Director)
- ▶ Sarah Collier (Associate Director)
- ▶ Kylie Ruth (Manager)

The Sustainability Division endeavours to foster a sustainable and optimised sector by harmonising environmental considerations, industry requisites, and community aspirations. These endeavours are supported by engagement at the Federal, State and Territory and Local Government levels, representing members on environmental and social issues.



During the 2022-2023 financial year, the Sustainability Division continued to progress the development of an industry-led product stewardship scheme for soft plastics, the National Plastics Recycling Scheme (NPRS). Commencing in 2021, with funding support from the Australian Government, the NPRS grew this year with member supporter funding helping to underpin trials of soft plastics collection via kerbside in participating council areas across three States.

Highlights

National Plastics Recycling Scheme

- ▶ Conducting limited trials of kerbside collection of soft plastics across select Local Government Areas in New South Wales, Victoria, and South Australia from November 2022 to March 2023. The soft plastics collected were processed by APR Plastics, which operates an advanced recycling plant using pyrolysis to convert plastics into oil and has an off-take agreement with Viva Energy Polymers. The trials were conducted to assist in determining fees for the scheme and to assess any contamination of other recycling material streams.
- ▶ Evaluation of the trials included a community survey to gauge interest in kerbside collection. Preliminary results suggest significant interest from the communities participating in the trials indicating that people who had not used the former REDcycle store drop-off scheme have started recycling household soft plastics via kerbside.
- ▶ AFGC member companies showed their support for creating an Australian circular economy for soft plastic packaging with 25 Foundation supporters signed up to the NPRS. These companies not only demonstrated their commitment but also provided critical funds for the trials.
- ▶ A series of resources were developed for the trial partners with an image gallery, social media tile and media release catalogue created and progressively expanded to provide a suite of materials for NPRS partner organisations to use when promoting their involvement in the NPRS.

- ▶ Meetings with retailers and other industry groups took place to encourage broader participation in the NPRS.
- ▶ During the year, the NPRS received significant media interest, with stories appearing across various media outlets and industry publications. To support our media, member engagement and publicity work on the NPRS, the AFGC engaged agency Thrive PR + Communications. Thrive worked with the AFGC's Government and Media Relations team to provide expert advice on media and communications strategy, supported outreach to the industry and developed collateral to assist AFGC members in promoting the scheme and their involvement.
- ▶ Continued promotion of the NPRS took place via:
 - ▶ several industry conference presentations covering the future of soft plastics recycling in Australia, development of end markets, best practice in soft plastics recovery and the risks and impacts for local councils;
 - ▶ the commencement of an NPRS newsletter circulated to AFGC members and interested stakeholders;
 - ▶ hosted tours of government representatives and other interested stakeholders to showcase the support the NPRS project has developed across the recycling, retail and packaging landscape, coming together to support a soft plastics economy;
 - ▶ providing information for government representatives and supply chain stakeholders via a series of webinars featuring local and overseas presenters,
 - ▶ The NPRS was featured in Waste Management Review, giving important exposure for the project to businesses in the waste industry. The article accompanied a full-page ad taken out by the AFGC to acknowledge the valuable support of NPRS foundation supporters.
- ▶ The Federal Government grant funding for the NPRS ended in March, with industry support continuing to underpin NPRS activities.

Other sustainability related policy and initiatives

- ▶ In June, State, Territory and Federal Environment Ministers announced plans to introduce new mandatory packaging design standards and targets; the rules will include mandatory packaging design standards and targets;
- ▶ Continued supporting the activities of Stop Food Waste Australia and Fight Food Waste Australia Cooperative Research Centre;
- ▶ Held virtual meetings of the Sustainable Practices Committee;
- ▶ Hosted AFGC Symposium sessions on Climate Change and Sustainable Packaging in a Circular Economy;
- ▶ Contributed to member communications on sustainability activity;
- ▶ The AFGC Sustainability Team have actively engaged in numerous jurisdictional policy consultations, industry group meetings, and member feedback and information sessions, including:
 - ▷ Made submissions to various Federal, State and Territory Government consultations on a range of issues, including waste strategies and reducing plastics, plastic pollution in marine environments, expansion of the scope of container deposit schemes, and a proposed recycled content labelling program.
 - ▷ Represented the sector on multiple government and industry working groups, including the National Resource Recovery Reference Group, State Container Deposit working groups, State Single Use Plastic working groups, APCO Board, Committees and Working Groups.
 - ▷ Sustainability consultations
 - ▷ With a high volume of government consultations consistently arising on sustainability issues, the Sustainability Team has listed current sustainability consultations on the AFGC member website (updated frequently). Members can also access our recent public submissions.

In the upcoming year, the Sustainability Team will focus on several areas, including the progressive refinement of the NPRS scheme. We will also continue our engagement in consultations concerning the Federal Government's packaging reform, alongside efforts for harmonising kerbside standards, the traceability framework for recycled content, carbon emissions, food waste, discussions around State and Territory Single Use Plastic bans, along with kerbside and other matters.

Additionally, we remain committed to enriching our members' insights by providing platforms like webinars and forums, allowing them to learn from leading industry experts and explore a comprehensive spectrum of sustainability topics. We continue to encourage our members to actively engage with the Sustainability Team across all sustainability domains, as this will enable us to gather insights into member's sustainability practices. This knowledge not only informs us about our members' impacts but also empowers us to advocate on their behalf, giving them a strong voice in shaping government policies.

“The AFGC offers independent insights on industry issues and helps us understand the impacts for our business.”



Government & Media Relations

- ▶ **Scott McGrath (Director)**
- ▶ **Peter Trute (Manager, Media and Strategic Communications)**
- ▶ **Maguy Keleko (Manager, Government Relations)**

The Government and Media Relations (GAMR) division supports AFGC staff with strategic counsel, guidance on political issues, policy input and government engagement and develops issues-based public communications to support the organisation and the industry. The GAMR division leads external advocacy and government engagement with Federal, State and Territory Ministers, local members and their staff to ensure that the industry's position and concerns are understood.

GAMR also engages with media with proactive story placements, expert commentary and to ensure industry views are understood by stakeholders and the broader community. As part of its wider engagement with members, GAMR staff consult with corporate affairs and government relations staff at member companies, providing advice on issues and seeking input. The GAMR team also oversees production of the Sustaining Australia TV series and news-based social media content.



Highlights

Government engagement and advocacy

The GAMR division facilitated extensive engagement with ministers, backbenchers and departmental offices at Federal, State and Territory level during the year. Key issues addressed included trade, manufacturing, supply chains and sustainability. AFGC CEO Tanya Barden was also invited to address the committee inquiry into the National Reconstruction Fund Corporation Bill and present at several events, including a soft plastics roundtable hosted by the Member for North Sydney, Kylea Tink MP, and a regulatory discussion with NSW Environment Minister, the Hon. Penny Sharpe MLC.

Media engagement and promotion

The year was a period of intense public and media attention on supply chains, inflation and recycling of plastic packaging with the collapse of the REDcycle return to store scheme. The GAMR team issued proactive media releases and public statements during the year and responded to media requests for interviews and comment. The division supported AFGC CEO Tanya Barden and former deputy CEO Geoffrey Annison in conducting interviews for commercial and public TV and radio news and print and online news publications, as well as providing insight and commentary articles to industry-specific publications.

National Plastics Recycling Scheme

The GAMR team continued to lead communications for the National Plastics Recycling Scheme (NPRS), engaging with media organisations to promote the scheme and respond to inquiries. During 2022/23 the GAMR division worked closely with partner councils and other stakeholders in the Phase One trials of kerbside collection of soft plastics to coordinate media collateral and assist with responses to media queries. GAMR also developed a regular NPRS newsletter that is distributed to AFGC members, NPRS partners and other stakeholders.

An external comms agency, Thrive PR + Communications, was engaged to broaden the promotion of the NPRS. Thrive worked with GAMR to capitalise on media opportunities in broadcast TV and news outlets.

Sustaining Australia TV

Sustaining Australia TV (SATV) entered its fourth season in 2022/23. The online news series is produced by AFGC and ASN Media. The GAMR division oversaw production with talent and location selections and review of featured companies and scripts. SATV Season Four was launched at Food and Grocery Australia in May 2023 and has been enthusiastically received by AFGC members and the broader industry.

and social media channels, formation of a Communications Working Group with member company corporate affairs staff, participation in site tours and engagement with industry stakeholders.



Corporate Affairs Committee

Chair - Mike Pretty, Non-Executive Chairman, Kraft-Heinz Australasia

Secretariat - Scott McGrath, Peter Trute

The Corporate Affairs Committee met four times over 2021-22. 10 August, 10 November, 15 February and 9 May. All meetings were virtual due to travel restrictions.

Thank you to all Committee members for their commitment and contribution to the Committee, with special thanks to Mike Pretty, non-executive chairman at Kraft Heinz Australasia, for his work as Committee chairman.

“The opportunities AFGC provides members to build networks, benchmark performance and understand the food and grocery market benefits young business leaders.”



Membership, Events & Marketing

- ▶ **Adelina La Vita - Director**
- ▶ **Alyssa Shands - Associate Director, Membership and Events**
- ▶ **Andrea Luquesi Scott - Manager, Marketing and Communications**
- ▶ **Josephine Trudinger - Events Officer**
- ▶ **Kimberley Brady - Marketing and Communications Officer**
- ▶ **Samantha Shanks - Member Services and Business Operations Officer**

At the heart of our initiatives and activities, driving member recruitment, engagement, and satisfaction serves as the cornerstone shaping the strategic objectives of the Membership, Events, and Marketing Division. Reflecting on the past year, our diverse activities, initiatives and engaging events were meticulously curated to reinforce our overarching organisational ambition. This ambition revolves around establishing a forward-looking, influential, and sustainable national peak body, dedicated to fostering member value while delivering significant outcomes for the industry.

Our dedication to outstanding products and services is unwavering. We empower members to lead in trends, environment, and opportunities. Their contributions fuel our role as the industry's vital voice.



FOOD+GROCERY
AUSTRALIA 2023

Highlights

Membership

Despite the challenges of COVID-19 and subsequent challenges in the food and grocery sector, in 2021-22 the Australian Food and Grocery Council membership continued to grow, and we saw increased engagement in our existing and new events, products and services.

Our member retention for held strong at 97 per cent, with member satisfaction levels sitting at 93 percent. This demonstrates that now, more than ever, the AFGC remains relevant and vital to our industry and members see value in the work we undertake.

Membership

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Member Satisfaction Survey

Despite the inflationary pressures we have seen over the last year in our sector which has impacted our member businesses substantially, members continue to see value and satisfaction in their membership with AFGC. Interestingly, we have seen an uptick in members

advocating for continuing their membership, compared to last year and, conversely, we have seen a slight drop in the higher 'extremely satisfied' rating. The input and feedback we receive from members both strengthens and guides the development of our initiatives, and we consistently uphold our responsibility to showcase our value. To further enrich our member value proposition, the Secretariat ran the annual member survey at the end of the financial year. Significant discoveries from this survey were:

- ▶ Satisfaction rating has dropped slightly compared to last year with a satisfaction rating of 90% in 2023 compared to 93% last year; of those satisfied members, we saw 44% extremely satisfied (this is still a high satisfaction rating);
- ▶ Members advocacy for continued membership of AFGC was a high 94% compared with last year's 86% in total, and 59% of that were extremely likely to advocate;
- ▶ 100% of our survey respondents listed Information on issues impacting the industry as the most important theme for members;
- ▶ Information on issues impacting the industry, advocacy and raising awareness of the industry continues to remain an important driver of membership,
- ▶ Advice and guidance is still important to members, with an increase this year compared to last year.

Digital Transformation

The Secretariat is consistently working to provide members with innovative projects that elevate their interaction with AFGC and offer beneficial services and resources. In the past year, the Secretariat has embarked on a digital evolution process, initiating efforts to improve member experience and the consequent operational platforms, processes,

and workflows that facilitate them. Of note, the AFGC launched a new event platform, EventsAIR, which facilitates a greater member experience when registering for events and in-app during the event. Over the next year, the Secretariat will look to connect this platform and deliver data into our dashboards for greater understanding of member engagement and value of our products, which will assist in the delivery of meaningful and relevant events.

The Secretariat also launched a new electronic direct mail platform, Vision6, which will enhance the member experience as well as provide insights into relevant and useful content.

In addition, a project was launched to audit all existing external website and member centre content, ready for implementation within a new custom-built website scoped for 2023-24.

Events

The Secretariat continues to deliver relevant, engaging, and inspiring events for our members. Fluctuations in attendance at virtual events have been noted as a slight decline in numbers. Conversely, the reintroduction of face-to-face events has seen a resurgence in registrations.

The following provides a summary of the events that took place during the 2022-2023 period.



AFGC Symposium – 3 August 2022, Virtual

The 2022 Symposium was a one-day, multi-stream, online event designed to offer members relevant, real-world insights into the challenges, changes and opportunities that exist for within the sector. Delegates were able to tailor their choices to a presentation stream most relevant to their role and interests, with specialised channels covering supply chain, sustainability, commercial, nutrition and regulation, and trade.



Future Leaders Forum – October 2022, Virtual and in-person masterclass

An initiative of the Trading Partner Forum, the Future Leaders Forum is the most relevant industry event toward fast-tracking young professionals and emerging leaders who will transform the future of our industry. The program inspires and develops leaders of today and tomorrow. In 2022, the virtual event was run each Friday during October, followed by an in-person leadership masterclass in Sydney and Melbourne. The Future Leaders Forum attracted 154 delegates who heard from key thought leaders and 9 CEOs from retail and supplier organisations.



Food and Grocery Australia – 17-18 May 2023, Brisbane

Food and Grocery Australia remains the premier annual event for the nation's food and grocery sector. The conference attracted 390 participants, with the post conference survey indicating the conference was a huge success; 95.4% of respondents indicating they were satisfied with the overall program and 98.84% indicating they would attend the conference again in 2024.



AFGC International Women's Day – 8 March 2023, Sydney

In 2022, the International Women's Day luncheon was held in Sydney. The in-person event was fully subscribed with 160 registrants joining the luncheon at Centennial Park. Speakers were selected from the AFGC full membership and included Kimberly-Clark, Ferrero and Beak and Johnston.



International Women's Day 2023

Webinars

The AFGC continued to see increased engagement with the portfolio of free member webinars.

24 webinars were delivered from 1 July 2022 through to June 30 2023. There were 1531 participants from 113 full member companies. This is a 128% increase in participants from the previous financial year.

The webinar topics ranged from macro-economic indicators, trade and export, packaging, and supply chain. The Nutrition and Regulation team introduced a Food Standards webinar series which was very popular and well attended every month. The webinars have proven incredibly popular and will continue as a component of the annual member offering.

Partnerships

Our strong brand alignment and value with three key partners – GS1, our standards partner, NIQ, our consumer intelligence partner, and Touchstone Executive Search, our executive search partner – remains exceptional. Their continuous leadership in their specialised areas of expertise delivers positive member outcomes, strengthening their relevance and roles in the food and grocery sector. We extend our sincere thanks for their constant and unwavering support.

Training and Education

Food and Grocery Code of Conduct

Food and Grocery Code of Conduct training, launched in 2015, has seen thousands of individuals from over 320 companies attending the program. The program is specifically designed for the fast-moving consumer goods sector – to improve the understanding of Code obligations, legal requirements and, importantly, its application in day-to-day engagement with signatory retailers, Aldi, Coles, Metcash and Woolworths. The practical and real world training is provided by NextGen, supported by AFGC.

Australian Competition Law is a critical to FMCG businesses. The training program, also led by

NextGen, details why ACL is important to business, how to avoid compliance issues, and how it intersects with the Food and Grocery Code of Conduct.

Both programs are available in person, online or in a virtual format.

Australian Grocery Academy

Uniquely Australian and industry-specific, the Australian Grocery Academy is an interactive and outcome-based program comprising seven modules. Each module helps participants understand and build good working relationships with supermarket retailers for improved top- and bottom-line results. Modules include:

- ▶ Customer Centric Growth
- ▶ Joint Business Plan
- ▶ Strategic Category Management
- ▶ Revenue Management
- ▶ Customer Management
- ▶ Introduction to Negotiation
- ▶ Intro to E-Com Strategy

The Australian Grocery Academy accelerates the development and performance of Sales, Commercial and Category teams into future commercial leaders. Developed by the AFGC and Real World Marketing, in consultation with industry, feedback on the program has been outstanding, with net promoter scores +4.5. The program is updated regularly to meet the changing needs of the industry, and is now offered virtually.

Marketing and Communications

The AFGC streamlined its member communications throughout the year. This included weekly CEO Briefings, sector specific Newsletters and Member Briefs. The Weekly COVID Communiques and daily COVID Alerts proved very popular and provided an opportunity for the AFGC to deliver updates and facilitate rapid delivery of up-to-the-minute legislative changes by both federal and state governments for Covid related matters.

We launched the new monthly member newsletter, Member Matters, in September 2021 which provides the opportunity for all food and grocery related content to be delivered in one product, to all members. The popularity of this communication product continues to grow with readership and open rates increasing throughout the year.

Our social media platforms have grown in followers and recently the AFGC launched a new YouTube channel which houses categorised and searchable playlists. There are plans to develop the channel further and grow our current follower base of approximately 5,000 total followers spanning Australia, NZ and Singapore.

“The training offered by the AFGC has added tangible value to our business by building the teams skills to better negotiate mutually beneficial sales terms that increased profit margins.”



Financial Statements

AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

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General information

The financial statements cover Australian Food and Grocery Council as an individual entity. The financial statements are presented in Australian dollars, which is Australian Food and Grocery Council's functional and presentation currency.

Australian Food and Grocery Council is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Australian Food and Grocery Council
 Unit 5G, 65 Canberra Avenue
 Griffith ACT 2603

Principal place of business

Australian Food and Grocery Council
 Unit 5G, 65 Canberra Avenue
 Griffith ACT 2603

A description of the nature of the council's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

DIRECTORS REPORT

Your Directors present this report on the financial report of the Australian Food and Grocery Council Limited (the Council) for the year ended 30 June 2023.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Appointed / Resigned
Mr Darren Francis O'Brien	
Ms Sandra Edit Martinez Penaloza	
Mr Graham Dugdale	Resigned 24 th December 2022
Mr Garry Mudford	Resigned 1 st September 2022
Ms Nicole Sparshott	Resigned 28 th February 2023
Mr Nigel Parsons	
Mr Paris Golden	
Mr Raymond Hanly	
Ms Emma Welsh	
Mr Anthony Holme	Appointed 1 st December 2022
Ms Lyn Radford	Appointed 20 th March 2023
Ms Belinda Driscoll	Appointed 20 th March 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

DIRECTORS REPORT (CONTINUED)
Information on Directors

Mr Darren Francis O'Brien President Australian, New Zealand, Japan Mondelēz International Director since: 9 December 2019	Ms Sandra Edit Martinez Penaloza Chief Executive Officer Nestlé Australia Ltd Director since: 8 November 2018
Mr Garry Mudford General Manager Jalna Dairy Foods Pty Ltd Director between: 27 November 2019 – 1 September 2022	Mr Graham Dugdale Managing Director Simplot Australia Director since: 9 December 2019
Ms Nicole Sparshott Chief Executive Office Unilever Australia & New Zealand Director since: 17 February 2021	Mr Anthony Holme Managing Director Kellog's Australia and New Zealand Director since: 1 December 2022
Ms Emma Welsh Chief Executive Officer Emma & Tom Foods Pty Ltd Director since: 9 November 2021	Ms Lyn Radford Managing Director Chobani Director since: 20 March 2023
Mr Paris Golden Managing Director McCormick Foods Australia Pty Ltd Director since: 12 November 2021	Ms Belinda Driscoll VP & Managing Director, ANZ Kimberly-Clark Director since: 20 March 2023
Mr Raymond Hanly Chief Executive Officer Beak and Johnston Pty Ltd Director since: 8 November 2021	Mr Nigel Parsons Chief Executive Officer Asahi Lifestyle Beverages Director since: 11 February 2022

DIRECTORS REPORT (CONTINUED)
Meeting of Directors

During the financial year five meetings of directors were held on the following dates:

5th August 2022
1st December 2022
8th February 2023
10th February 2023
16th May 2023

Attendances by each director were as follows:

	Number of meetings held during appointment	Total meetings attended during appointment
Mr Darren Francis O'Brien	5	5
Ms Sandra Edit Martinez Penaloza	5	5
Mr Garry Mudford	1	1
Ms Nicole Sparshott	5	3
Mr Graham Dugdale	5	4
Ms Emma Welsh	5	5
Mr Paris Golden	5	5
Mr Raymond Hanly	5	5
Mr Nigel Parsons	5	4
Ms Belinda Driscoll	1	1
Ms Lyn Radford	1	1
Mr Anthony Holme	4	4

Results

The net result of the operations of the Council was a surplus of \$260,829 (2022: \$540,283). Subscription revenue was \$4,532,596 (2022: \$4,029,373).

DIRECTORS REPORT (CONTINUED)
Principal Activities

The mission of the Australian Food and Grocery Council is to be the voice of Australia's food, beverage and grocery supply industry and valued service provider to members. The industry that the AFGC represents includes the manufacturing or processing of food, beverage and grocery products (in Australia and elsewhere), the distribution of such products, and the brand ownership of such products. The AFGC's vision is for a thriving, trusted food and grocery supply industry that Sustains Australia.

Objectives

The Council's objectives are to:

- Work with members to develop policy positions.
- Represent membership views to government, trading partners and stakeholders.
- Work pre-competitively with members to solve issues they can't alone.
- Provide members with information and insights to navigate complex industry issues.

To achieve these objectives, the Council has focussed on these four areas:

1. Reduce the industry's environmental impact.
2. Enhance conditions for industry competitiveness and growth.
3. Enhance consumer safety, wellness and choice.
4. Operate a sustainable and effective organisation.

Review of Operations

The operations of the AFGC and the results of those operations for the year ended 30 June 2023 were satisfactory.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2023 that may have any further significant effect on the operations of the AFGC, the results of its operations, or the state of affairs in financial years subsequent to 30 June 2023.

Dividends

The AFGC is a company limited by guarantee and as such is prohibited from paying dividends.

DIRECTORS' REPORT (CONTINUED)
Directors' Benefits

No Director of the AFGC has received or become entitled to receive a benefit by reason of a contract made by AFGC or a related corporation with any Director or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Insurance of Officers

During the financial year, the AFGC paid a premium to insure officers of the Council.

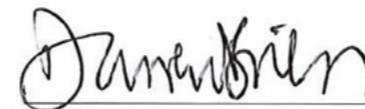
The officers of the AFGC covered by the insurance policy include all staff and non-staff and members of the Board and Committees established by the AFGC, both past and present.

The liabilities insured include costs and expenses that may be incurred in successfully defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the AFGC.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 is on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Director Dated:



Chief Executive:



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AUSTRALIAN FOOD AND GROCERY COUNCIL

As lead auditor for the audit of the financial report of Australian Food and Grocery Council for the year ended 30 June 2023, 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.

Opinion

We have audited the financial report of Australian Food and Grocery Council, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a statement of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Australian Food and Grocery Council is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Australian Food and Grocery Council's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) *complying with Australian Accounting Standards – Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Australian Food and Grocery Council in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Australian Food and Grocery Council, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in Australian Food and Grocery Council's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

RSM Australia Partners

RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 16 October 2023

THE POWER OF BEING UNDERSTOOD
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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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 the Directors for the Financial Report

The directors of Australian Food and Grocery Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Act 2001 and for such internal control as the directors 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 directors are responsible for assessing the ability of Australian Food and Grocery Council to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Australian Food and Grocery Council or to cease operations, or have 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.

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


RSM Australia Partners



RODNEY MILLER
Partner

Canberra, Australian Capital Territory
Dated: 16 October 2023

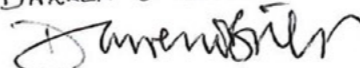
AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements and notes, as set out on pages 11 to 23 are in accordance with the *Corporations Act 2001*:
 - a) Comply with Australian Accounting Standards – Simplified Disclosures; and
 - b) Give a true and fair view of the financial report as at 30 June 2023 and of the performance for the year ended on that date of the Council.
2. In the directors' opinion there are reasonable grounds to believe that the Council 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.

Name: DARREN O'BRIEN
Director 
Dated: 16 OCTOBER 2023.

AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	2	7,101,551	5,755,305
Employee benefits		(3,548,483)	(3,268,843)
Depreciation		(120,042)	(92,536)
Depreciation on right of use asset		(108,144)	(108,144)
Rental		(36,517)	(32,788)
Program expenses		(1,203,801)	(555,990)
Administration costs		(1,773,317)	(1,103,054)
Interest on lease liabilities		(50,418)	(53,667)
SURPLUS/(LOSS) ATTRIBUTABLE TO MEMBERS		260,829	540,283
Fair value movement - investments		182,607	(45,990)
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS		443,436	494,293

AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,476,416	5,332,198
Trade and other receivables	4	352,342	43,062
Other assets	5	95,183	146,543
TOTAL CURRENT ASSETS		3,923,941	5,521,803
NON-CURRENT ASSETS			
Investments at fair value	6	2,636,165	464,337
Plant and equipment	7	313,562	404,609
Right of use asset	11	512,032	620,178
TOTAL NON-CURRENT ASSETS		3,461,759	1,489,124
TOTAL ASSETS		7,385,700	7,010,927
CURRENT LIABILITIES			
Accounts payable	8	515,526	426,657
Other payables	9	673,754	736,792
Provisions	10	496,506	489,395
Lease liability	11	97,638	90,960
TOTAL CURRENT LIABILITIES		1,783,424	1,743,804
NON-CURRENT LIABILITIES			
Provisions	10	17,963	17,611
Lease liability	11	504,489	613,124
TOTAL NON-CURRENT LIABILITIES		522,452	630,735
TOTAL LIABILITIES		2,305,876	2,374,539
NET ASSETS		5,079,824	4,636,388
TOTAL EQUITY		5,079,824	4,636,388

The above statement of comprehensive income should be read in conjunction with the accompanying notes

The above statement of financial position should be read in conjunction with the accompanying notes

AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings	Investment Revaluation Reserve	Total
	\$	\$	\$
Balance as at 1 July 2021	4,142,095	-	4,142,095
Surplus for the year	540,283	-	540,283
Fair value movement	-	(45,990)	(45,990)
Balance as at 30 June 2022	4,682,378	(45,990)	4,636,388
Balance as at 1 July 2022	4,682,378	(45,990)	4,636,388
Surplus/Deficit for the year	260,829	-	260,829
Fair value movement	-	182,607	182,607
Balance as at 30 June 2023	4,943,207	136,617	5,079,824

The above statement of changes in equity should be read in conjunction with the accompanying notes

AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		7,334,044	6,591,753
Payments to suppliers and employees		(7,161,693)	(5,237,049)
Government subsidies		-	15
Interest received		142,458	14,411
Interest paid on lease liability		(50,418)	(53,667)
Net cash provided by/ (used in) operating activities	12	264,391	1,315,463
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(1,989,221)	(510,327)
Payments for property, plant and equipment		(28,995)	(146,309)
Net cash used in by investing activities		(2,018,216)	(656,636)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(101,957)	(89,868)
Net cash used in financing activities		(101,957)	(89,868)
Net increase/ (decrease) in cash held		(1,855,782)	568,959
Cash at the beginning of the financial year		5,332,198	4,763,239
Cash at the end of the financial year	3	3,476,416	5,332,198

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

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**
NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the council.

The following Accounting Standards and Interpretations are most relevant to the council:

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

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 have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**
NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Income tax

The council is exempt from paying income tax under subsection 50-40 of the *Income Tax Assessment Act 1997*.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being

exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Comparatives

Comparative figures have been adjusted to conform to changes in the presentation of these financial statements where required.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value measurement is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
NOTE 2. REVENUE		
Subscription revenue	4,532,596	4,029,373
Special project and forum revenue	1,461,778	840,936
Sponsorship income	113,086	237,145
Food and Groceries Australia conference revenue	715,426	603,014
Interest received	142,458	14,411
Other income	136,207	30,411
Government subsidies	-	15
Total Revenue	<u>7,101,551</u>	<u>5,755,305</u>

Accounting Policy
Revenue recognition

Annual subscription receipts are brought to account as income in the period to which the membership fee relates.

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

Grant revenue is recognised in profit and loss when the Council satisfies the performance obligations of the funding agreements. If conditions are attached to the grant which must be satisfied before the Council is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are met.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTE 3. CASH AND CASH EQUIVALENTS

Cash at bank	315,528	292,424
Term deposits	3,148,074	3,048,046
Investment	12,814	1,991,728
	<u>3,476,416</u>	<u>5,332,198</u>

Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTE 4. TRADE AND OTHER RECEIVABLES

Accounts receivable	232,427	43,062
Other receivables	119,915	-
	<u>352,342</u>	<u>43,062</u>

Accounting policy

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses

	2023	2022
	\$	\$
NOTE 5. OTHER ASSETS		
Prepayments	95,183	146,543
	<u>95,183</u>	<u>146,543</u>

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AUSTRALIAN FOOD AND GROCERY COUNCIL
 ABN 23 068 732 883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
Note 6. Financial assets at fair value through other comprehensive income		
Investment in securities and managed funds	2,636,165	464,337
	<u>2,636,165</u>	<u>464,337</u>

Accounting Policy

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

NOTE 7. PLANT AND EQUIPMENT

Furniture, fittings and equipment –at cost	201,229	200,352
Less: accumulated depreciation	(190,408)	(190,973)
	<u>10,821</u>	<u>9,379</u>
Leasehold improvements –at cost	216,309	216,309
Less: accumulated depreciation	(153,966)	(122,794)
	<u>62,343</u>	<u>93,515</u>
Software – at cost	776,047	718,144
Less: accumulated depreciation	(535,649)	(446,215)
	<u>240,398</u>	<u>271,929</u>
Work in progress	-	29,786
	<u>-</u>	<u>29,786</u>
Total plant and equipment	1,193,585	1,164,591
Less: accumulated depreciation	(880,023)	(759,982)
	<u>313,562</u>	<u>404,609</u>

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AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7. PLANT AND EQUIPMENT (CONTINUED)

Reconciliations -6395
Reconciliations of carrying amounts of each class of property, plant and equipment at the beginning and the end of the current financial year are set out below:

	Furniture, fittings and equipment	Leasehold improvements	Software	Work in progress	Total
	\$	\$	\$		\$
Balance as at 30 June 2022	9,379	93,515	271,929	29,786	404,609
Additions	7,897	-	6,396	14,702	28,995
Disposals	-	-	-	-	-
Transfer from WIP	-	-	44,488	(44,488)	-
Depreciation	(6,455)	(31,172)	(82,415)	-	(120,042)
Balance as at 30 June 2023	<u>10,821</u>	<u>62,343</u>	<u>240,398</u>	-	<u>313,562</u>

Accounting policy

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.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. Independent valuations are undertaken on a periodic basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Leasehold improvements

The cost of improvements to or on leasehold property is amortised over the unexpired period of the expected renewed lease or the estimated useful life of the improvement to the Council, whichever is the shorter. Leasehold improvements held at the reporting date are being amortised over 5 years.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Council commencing from the time the asset is held ready for use.

The depreciable rates used for each class of depreciable asset are:

Class of fixed asset	Rate
Plant and equipment	10%-25%
Leasehold Improvements	17%-50%
Software	20%-25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
NOTE 8. ACCOUNTS PAYABLE		
Trade creditors	133,431	203,912
Accrued expenses	382,095	222,745
	<u>515,526</u>	<u>426,657</u>

Accounting Policy

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Council during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTE 9. OTHER PAYABLES

Membership subscriptions received in advance	30,823	214,897
Contract liabilities and other income in advance	642,931	521,895
	<u>673,754</u>	<u>736,792</u>

Accounting Policy

The Council receives monies in advance for membership and projects. It is the policy of the Council to treat these monies as project revenue and membership subscriptions revenue in advance within the statement of financial position where the Council is contractually obliged to provide the service in a subsequent financial period.

NOTE 10. PROVISIONS

Current

Long service leave	136,783	177,032
Annual leave	271,148	256,308
	<u>407,931</u>	<u>433,340</u>

Non-current

Long service leave	88,575	56,055
Make good provision	17,963	17,611
	<u>106,538</u>	<u>73,666</u>
	<u>514,469</u>	<u>507,006</u>

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits is set out below.

Accounting Policy

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

AUSTRALIAN FOOD AND GROCERY COUNCIL
ABN 23 068 732 883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
NOTE 11. LEASES		
<i>Right of use asset</i>		
At cost	923,464	923,465
Less: Accumulated depreciation	<u>(411,432)</u>	<u>(303,287)</u>
	<u>512,032</u>	<u>620,178</u>
 <i>Lease liability</i>		
Lease liability - current	97,638	90,960
Lease liability - non-current	<u>504,489</u>	<u>613,124</u>
	<u>602,127</u>	<u>704,084</u>

Accounting Policy

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the council expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liability is measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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NOTES TO THE FINANCIAL STATEMENTS
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	2023	2022
	\$	\$
NOTE 12. CASH FLOW INFORMATION		
Reconciliation of operating profit to net cash inflow/(outflow) from operating activities:		
Operating surplus/ (deficit)	260,829	540,283
Non-cash investing activities:		
Depreciation and amortisation	228,186	200,680
Loss on disposal of assets	-	-
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	(309,280)	206,793
(Increase)/decrease in other assets	51,360	69,994
(Decrease) in accounts payable	88,869	90,958
Increase/(Decrease) in other creditors	(63,038)	263,556
(Decrease)/Increase in provision for employee benefits	7,465	(56,801)
Net cash inflow/(outflow) from operating activities	<u>264,391</u>	<u>1,315,463</u>

NOTE 13. COMPANY LIMITED BY GUARANTEE

The Council is a company incorporated under the Corporations Act 2001 as a company limited by guarantee to the amount of \$100 a member. There are 140 full, associate and affiliate members.

NOTE 14. RELATED PARTIES

The names of persons who were directors at any time during the financial year are as follows:

Mr Darren Francis O'Brien	Mr Garry Mudford
Ms Emma Welsh	Mr Ray Hanly
Mr Paris Golden	Mr Graham Dugdale
Ms Sandra Edit Martinez Penaloza	Mr Nigel Parsons
Mr Anthony Holme	Ms Lyn Radford
Ms Belinda Driscoll	

There were no related party transactions entered into during the year.

NOTE 15. REMUNERATION AND RETIREMENT BENEFITS

Directors

The directors are not entitled to any remuneration or retirement benefits for their services.

Key Management Personnel

The aggregate compensation of key management personnel of the company is set out below:

	2023	2022
	\$	\$
Aggregate benefits	<u>923,869</u>	<u>1,070,919</u>

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FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
NOTE 16. REMUNERATION OF AUDITOR		
During the year the following services were paid to the auditor and its related practices:		
Amounts received, or due and receivable by the auditor of the Council for:		
Audit services – financial statement audit & preparation	<u>26,000</u>	<u>23,650</u>