



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL



ANNUAL REPORT **2023-24**

Contents

Chair's Message	4
CEO's Message	6
The AFGC Team	8
Strategic Framework	9
Board of Directors	10
State of the Industry	11
Member List	12
Industry Affairs	16
Nutrition and Regulation	22
Sustainability	26
Government and Media Relations	30
Membership, Events and Marketing	34
Financial Statements	38

Chair's Message



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

The past year has been challenging for the Australian food and grocery manufacturing industry. Our industry is navigating a tough economic climate, shaped by inflation, escalating cost pressures and regulatory shifts.

Despite this, we've proven once again how essential our sector is in ensuring Australians have access to vital goods. And while the pressures are real, so too is our ability to remain resilient, innovate, grow and drive future success.

Economic indicators paint a clear picture of the dual impacts of the escalating cost of living and the cost of manufacturing. For manufacturers, the costs of commodities, energy, warehousing, transportation, regulatory compliance and raw materials continue to rise, impacting profitability and for an increasing number, future viability. Turnover in our sector may be up, but costs continue to impair profits and decelerate investment.

To address cost of living pressures in a meaningful and structural way, you must address the cost of manufacturing. Without a circuit breaker the cycle of cost and

price inflation will become entrenched and insidious. History has shown us the key to breaking the inflation cycle is productivity on a multi-sector basis. This will require greater investment certainty, expanded digitisation, well considered long term manufacturing policy settings and a lighter touch regulatory framework that considers and strongly weights cost and benefit analysis.

This is where the power of collective action that is focused on solutions, thought leadership and collaboration, comes in. At a time when inflation, supply chain disruptions, and regulatory demands are intensifying, the ability to unite as an industry is critical now more than ever. In doing this, we have a stronger platform to push for change—whether it's advocating for regulatory harmonisation, securing investment tax incentives, demanding better and longer-term policy frameworks or accelerating sustainability initiatives. As an industry, we achieve far more together than we do in isolation.

Energy has quickly emerged as one of the most critical issues facing our sector. The need for cost effective, reliable and enough

energy is immediate, while maintaining a rational and realistic focus on transitioning to renewable sources in the long term is also needed. Getting this balance right will be critical. The right policy settings are needed to remove barriers to growth and provide investment certainty, which will keep our operations viable, and provide the certainty to ensure our sector can grow and remain sustainable and attractive.

The importance of innovation and technology in shaping our future can't be overstated. As the largest manufacturing sector in Australia, we have a unique opportunity to harness cutting-edge solutions that will drive growth and sustainability, and ensure we are a sector that remains in the country.

With a federal election on the horizon, we should not be afraid to advocate for the changes and policy settings we need. Our industry's voice must remain front and centre in Canberra and across the states. We must continue to work tirelessly to ensure that policies reflect the needs of food and grocery manufacturers and that we are positioned to thrive in this evolving landscape, and focus beyond budget and election cycles, but for the longer term.

Sustainability remains an increasingly important part of our sector's agenda. We've shown what we're capable of, whether it's leading collaborative efforts on developing a circular economy or aligning with other sectors and geographies on issues like Scope 3 emissions and packaging reform. The drive towards harmonised packaging standards isn't just a regulatory need—it's about creating a future where we reduce our environmental impact while ensuring consistency and efficiency across the country. Our work here is far from done, and while we continue to make significant strides, we'll continue to push forward in a rational and cost-effective way.

Our commitment to sustainability goes hand in hand with the rising expectations of consumers. They want greater transparency, they want accountability, and we're working hard to deliver that. As manufacturers, we are embracing circular economy initiatives.

The strength of our industry lies in the resilience, enterprise and leadership of its people. Your leadership is what will steer our sector through these challenging times, and your insights, and contributions, are what make our sector so resilient. I encourage you to stay engaged, advocate for what you believe is right and continue to adapt and shape the future of this industry.

As I step down from my chair position, I'd like to thank the secretariat, the board and all the members for trusting me with this role. I hope I have lived up to your expectations over the last four years and I have great confidence your new chairman, Anthony Holme will continue to provide the bold leadership our industry requires.

Darren O'Brien
Chair
Australian Food and Grocery Council

At a time when inflation, supply chain disruptions, and regulatory demands are intensifying, the ability to unite as an industry is critical now more than ever.

CEO's Message



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

Resilience under pressure defines the last year for food and grocery manufacturers.

As Australia's largest manufacturing industry, generating \$163 billion in sales and 280,000 jobs, food and grocery manufacturing is the cornerstone of the economy. Over the last year, the industry demonstrated its strength through every challenge, from rising input costs to an evolving regulatory environment. The industry reinforced its critical role in supporting communities, jobs, and supplying products Australians know and love nationwide.

Throughout the year, your Council ensured that our industry's voice was heard where it mattered most. We participated in a significantly higher number of parliamentary inquiries and departmental consultations, presenting a united front on issues ranging from supermarket retailer and supplier relations and preventive health to waste management and the future of food and grocery manufacturing in Australia.

This engagement allowed us to highlight the challenges faced by food and grocery manufacturers, including ongoing cost pressures and impacts to profitability and investment. We advocated for investment incentives to boost the uptake of technology that enables the clean energy transition, circular economy increased productivity and global competitiveness.

The past year also marked a shift in the government's regulatory stance, with a sharper focus on tightening rules across areas critical to our sector.

For example, the move towards a mandatory Food and Grocery Code of Conduct, signals around a potentially mandated Health Star Rating system and packaging reforms, all point to a more demanding and costly regulatory environment.

It is encouraging, however, that government remains willing to engage with industry, ensuring that we are consulted on many of the changes. We will continue to advocate for evidence based regulatory settings that have regard for the industry's technical and safety constraints and cost pressures.

This year, we had a fantastic turnout at our industry's flagship event in May, Food and Grocery Australia, as well as our inaugural Summit Series on supply chain, sustainability, and sales. The feedback has been overwhelmingly positive, with many of you expressing a desire for more opportunities to connect, share insights, and collaborate. We hear you. We are committed to providing more of these opportunities and ensuring we continue to build a strong, collaborative and informed community.

Looking ahead, our priority remains clear: we will continue to advocate for measures that will secure a thriving food and grocery manufacturing sector.

In reflecting on the past year, I am proud of the resilience we have shown as an industry. The road ahead will hold ongoing challenges, particularly cost pressure headwinds. With a continued focus on innovation, collaboration, and a strong advocacy agenda, I believe we can transform the resilience of today into the thriving success of tomorrow.

I'd like to thank our outgoing Chairman, Darren O'Brien, for his strong leadership through the challenging COVID-19 years and its aftermath. I'm confident that our new Chairman, Anthony Holme, will continue to build on this solid foundation.

I would also like to thank the Secretariat of the AFGC – a small, highly professional and dedicated team that are committed to helping the industry to grow, prosper and sustain Australia.

With a continued focus on innovation, collaboration, and a strong advocacy agenda, I believe we can transform the resilience of today into the thriving success of tomorrow.

Tanya Barden OAM
Chief Executive Officer
Australian Food and Grocery Council

The AFGC Team

As at 30 June 2024

- ▶ Tanya Barden OAM, CEO
- ▶ Samantha Blake, Deputy CEO
- ▶ Tonya Smith, EA to the CEO
- ▶ Haeyoung Moon, EA to the Deputy CEO

- ▶ 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 (until January 2024)
- ▶ Kristy Barber, Manager - Sustainability (from 25th March 2024)

- ▶ Shalini Valecha, Associate Director - Industry Analysis
- ▶ Rick Umback, Manager - Retail and Industry Policy
- ▶ Samuel Garcia, Manager - Supply Chain and Industry Projects

- ▶ Scott McGrath, Director - Government and Media Relations
- ▶ Maguy Keleko, Manager - Government Relations
- ▶ Zandi Shabalala, Manager - Media and External Communications

- ▶ Alyssa Shands, Associate Director - Membership and Events
- ▶ Josephine Trudinger, Events Specialist
- ▶ Kimberley Brady, Communications Specialist

Our vision is for a thriving, trusted food and grocery supply industry that sustains Australia

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 2023 – June 2024



Darren O'Brien (Chair)
President, Australia, NZ and 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
McCain Foods



Belinda Driscoll
VP and Managing
Director, ANZ
Kimberly-Clark



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



Emma Welsh
Chief Executive
Officer
Emma & Tom Foods
Pty Ltd
(Resigned
November 2023)

State of the Industry

2022 - 2023

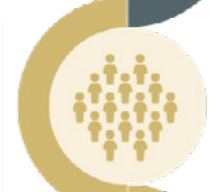
**TOTAL
TURNOVER**
\$162.7bn
(+ 11.6%)



AFG TURNOVER
32.2%
(As % of
manufacturing)



EMPLOYMENT¹
281,269
(+4.1%)



**REGIONAL
EMPLOYMENT**
36.5%



EXPORTS
\$42.6bn
(+ 8.1%)



IMPORTS
\$48.6bn
(+ 4.7%)



**OPERATING
PROFIT
BEFORE TAX³**
\$7.2bn
(-7.2%)



**CAPITAL
INVESTMENT²**
\$4.2bn
(+ 24.5%)



The figures on this page exclude the fresh food sector and are based on 2022-23 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.

3: For food, beverage and tobacco product manufacturing subsector

AFGC Members

As at 1 June 2024

Full Members

- ▶ 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
- ▶ 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
- ▶ CJ Foods Oceania
- ▶ 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
- ▶ Erskine Products
- ▶ Essity Australasia
- ▶ F. Mayer Imports
- ▶ Ferrero Australia Pty Ltd
- ▶ Fonterra Oceania 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)
- ▶ Han Yang Import & Export (ByAsia)
- ▶ HARIBO Australia
- ▶ Henkel Au
- ▶ Hive & Wellness Australia Pty Ltd
- ▶ Hoyt Food Manufacturing Industries
- ▶ ITO EN Australia Pty Ltd
- ▶ Kellanova Pty Ltd
- ▶ Kenvue (previously J&J Pacific)
- ▶ 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
- ▶ 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
- ▶ Mutti Australia
- ▶ Nando's Peri-Peri Australia Pty Ltd
- ▶ Nerada Tea 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
- ▶ 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
- ▶ 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
- ▶ Snack Brands Australia Pty Ltd
- ▶ Sorbent Paper Company
- ▶ SPC Operations Pty Ltd
- ▶ Spicemasters Australia Pty Ltd
- ▶ STADA Pharmaceuticals Australia Pty Ltd
- ▶ Stahmann Farms
- ▶ 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 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
- ▶ Walter and Wild
- ▶ Whole Earth Brands (formerly Merisant)
- ▶ Yakult Australia Pty Ltd

Associate Members

- ▶ Acumen Commercial Insights
- ▶ ADM Australia Pty Ltd
- ▶ Argon & Co Australia and New Zealand
- ▶ Baker & McKenzie
- ▶ bdm Revenue Management Consulting
- ▶ Cheetham Salt Ltd
- ▶ CHEP Asia - Pacific
- ▶ CROSSMARK Asia Pacific
- ▶ Danisco Australia Pty Ltd
- ▶ Deloitte Touche Tohmatsu
- ▶ Dematic Pty Ltd
- ▶ Detmold Australia Sales
- ▶ Devro Pty Ltd
- ▶ Earlee Products Pty Ltd
- ▶ Fibrisol Service Australia Pty Ltd
- ▶ Foodbank Australia
- ▶ GS1 Australia
- ▶ Circana (previously IRI)
- ▶ Matthews Australasia
- ▶ Meat and Livestock Australia
- ▶ NextGen Group
- ▶ NIQ (NielsenIQ)
- ▶ Novonesis (formerly Chr Hansen)
- ▶ Ofload

- ▶ Opal Packaging
- ▶ Orora Limited
- ▶ Real World Marketing
- ▶ Six Degrees Executive
- ▶ StayinFront Group Australia
- ▶ Strikeforce Alliance
- ▶ Tetra Pak Marketing
- ▶ The Advantage Group
- ▶ The BMA Group
- ▶ The Gap Partnership Australia
- ▶ Touchstone Executive Search
- ▶ Veeva Australia
- ▶ woolloo
- ▶ Yume Food

Affiliate Members

- ▶ Australian Dairy Products Federation
- ▶ Australian Logistics Council
- ▶ Australian Meat Industry Council
- ▶ Committee for Greater Shepparton
- ▶ Consumer Health Care Products
- ▶ Food & Beverage Importers Association
- ▶ Food Industries Association of Qld Inc
- ▶ FoodSA
- ▶ Foodservice Suppliers Association of Australia
- ▶ Grains & Legumes Nutrition Council
- ▶ Private Label Manufacturers Association Australia/New Zealand



Industry Affairs

- ▶ **Samantha Blake (Deputy CEO)**
- ▶ **Shalini Valecha (Associate Director, Industry Affairs)**
- ▶ **Samuel Garcia (Manager Industry Affairs, Supply Chain)**
- ▶ **Rick Umback (Manager Industry Affairs, Retail)**

The Industry Affairs Division works to improve conditions for the sector to foster growth, profitability, competitiveness and supply chain resilience. We do this by:

- ▶ Strengthening supplier-retailer business relationships and supporting the Food and Grocery Code of Conduct (FGCC)
- ▶ Developing and advocating for policies and programs that support industry growth, profitability and competitiveness
- ▶ Strengthening the efficiency and resilience of end-to-end supply chains
- ▶ Establishing key economic and business data assets to support policy and advocacy positions.



Highlights

The work of the Industry Affairs Division in the 2023-24 financial year was dominated by significant public focus on cost-of-living pressures.

The build-up of intense cost pressures on the industry because of increasing commodity, energy, transport, packaging and other cost centres led to a period of inflation. In this environment, numerous government inquiries into the sector were launched. The Industry Affairs Division led the development of AFGC submissions to the most significant of these inquiries:

- ▶ Senate Select Committee on Supermarket Prices
- ▶ Food and Grocery Code of Conduct review 2023-24
- ▶ ACCC Supermarkets inquiry 2024-25

In addition, the Industry Affairs Division compiled the following AFGC submissions:

- ▶ House of Representatives inquiry into promoting economic dynamism, competition and business formation
- ▶ Department of Infrastructure review of the National Freight and Supply Chain Strategy
- ▶ Department of Industry Future Gas Strategy
- ▶ Treasury Pre-Budget submission
- ▶ House of Representatives inquiry into food and beverage manufacturing in Australia
- ▶ Jobs and Skills Australia Food Supply Chain Capacity Study
- ▶ Treasury Competition Review—Merger Reform
- ▶ ACCC consideration of Metcash's proposed acquisition of Superior Foods Group

Committees and Forums

Economics

Shalini Valecha (Associate Director)

Samuel Garcia (Manager)

The Industry Affairs Division leads efforts to collect and analyse economic data to keep members informed of key developments impacting the sector.

Highlights for 2023-24 included:

- ▶ Delivering the annual State of Industry data set and interactive dashboard, providing key facts and figures for the food, beverage and grocery sector.
- ▶ Hosting quarterly Cost and Commodities Webinars, providing members with timely updates on agricultural commodities, currency and key input costs.
- ▶ Publishing the quarterly Economic Bulletin, featuring the latest economic news impacting the industry, insights on consumer prices, input costs and commodity prices.
- ▶ Supporting AFGC's submissions and advocacy with data and data analysis.



Supply Chain Committee

Samantha Blake (Director)

Samuel Garcia (Manager)

The Supply Chain Committee's primary objective is to enhance the efficiency and resilience of the end-to-end supply chain.

Over the past year, the Committee has focused on addressing complex disruptions, including challenges with ingredient availability, weather-related impacts on infrastructure, and rising costs pressures.

The Secretariat also focused on raising the profile of the sector's contribution to the economy and fostered a joint approach to addressing challenges.

Highlights for 2022-23 included:

- ▶ Partnering with the Advantage Group to launch the AFGC-Advantage Supply Chain Program, aimed at helping suppliers benchmark their performance and identify opportunities for enhanced collaboration across the supply chain.
- ▶ Providing updates to members on significant regulatory issues related to freight, logistics, and infrastructure, supply chain and commercial issues through the SupplyLink newsletter
- ▶ Strengthening the sector's influence within the Federal Government by collaborating with organisations like the Office of Supply Chain Resilience (OSCR), the Department of Industry Science and Resources (DISR), and the National Emergency Management Agency (NEMA), ensuring suppliers' perspectives and needs were heard.
- ▶ Managing ad hoc issues with supermarket retailers on behalf of members
- ▶ Actively engaging with key stakeholders in the broader supply chain and logistics sector, to advocate for the sector's unique requirements.
- ▶ Redesigning and launching the Supply Chain Survey to identify emerging issues, key topics, and current and future trends. The insights will help shape future workstreams to address challenges and identify policy actions that promote greater productivity and efficiency.

Grocery Industry Advisory Committee

Samantha Blake (Director)

Rick Umback (Manager)

The Grocery Industry Advisory Committee explores 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, in accordance with the FGCC and applicable competition laws.

Highlights for 2023-24 included:

- ▶ Supporting the development of the AFGC's response to the FGCC review 2023-24. The AFGC's two submissions sought incremental improvements to the FGCC's governance structures, dispute resolution framework, and substantive provisions
- ▶ Informing the AFGC's response to the issues paper released by the ACCC for its Supermarkets Inquiry 2024-25. The AFGC's submission included the potential competitive impacts of the expansion of major supermarket retailer ecosystems across a range of associated services, pricing dynamics within the sector, and the distribution of risk in retailer-supplier commercial relationships.
- ▶ Leading engagement with retailer Code Arbiters to raise, monitor and resolve issues under the FGCC.
- ▶ Revising and executing the AFGC's annual Grocery Investment Benchmarking Survey, to collect industry-level data for use in submissions and advocacy.
- ▶ Managing ad hoc issues with supermarket retailers on behalf of members.
- ▶ Providing an entry point for consideration of a digital labelling trial program in Australia (see below).
- ▶ Communicating significant regulatory, commercial and AFGC updates through the Sales Wrap newsletter.
- ▶ Conducting regular webinars – often in conjunction with subject matter experts – on quarterly retailer results, the FGCC and ACCC inquiries, and various commercial issues.

- ▶ Upholding the AFGC member service offer, including through FGCC training and the Australian Grocery Academy.
- ▶ Sponsoring the Joe Berry Australian Retail Industry Executive Awards through the provision of the Future Leader Scholarship Award.

Digital Labelling Steering Committee

Samantha Blake (Director)

Shalini Valecha (Associate Director)

The Digital Labelling steering committee provides strategic oversight and guidance for the development of the digital labelling program with AFGC and GS1 providing the secretariat support.

The Australian Food and Grocery Council (AFGC), in partnership with GS1 Australia, is proud to support the food and grocery industry in the transition to Digital Labelling.

Digital Labelling is the ability for a consumer to access brand-managed digital assets (including but not limited to product label content) by scanning a QR Code (using GS1 industry standards) on-pack.

Highlights for 2023-24 included:

- ▶ Finalising the governance structure for the delivery of the program
- ▶ Establishing the terms of reference for engagement with the committee
- ▶ Developing the project plan to deliver of the program, including activity work plan, operating principles, roles/ responsibilities and timelines
- ▶ Working towards consistent product branding, including on-pack label design, landing page and information categories
- ▶ Undertaking stakeholder engagement to inform and consult with the industry.

Trading Partner Forum

Samantha Blake (Director)

Samuel Garcia (Manager)

The Industry Affairs Division serves as the Secretariat to the Trading Partner Forum (TPF), which brings together FMCG suppliers and supermarket retailers to focus on delivering end-to-end supply chain efficiency. The TPF identifies and advances industry projects to deliver practical outcomes for our joint supply chains.

Highlights for 2023-24 included:

Perfect Delivery Project

The Perfect Delivery Project (PDP) is an industry-level approach to optimising non-competitive aspects of supplier-to-retailer distribution centre delivery practices.

It champions the requirements for automated distribution centres, so that best practices and standard procedures can be adopted by industry to increase efficiency and effectiveness for everyone. The project:

- ▶ Updated the Common Delivery Guidelines for Industry.
- ▶ Launched the 2023 Perfect Delivery Report.
- ▶ Expanded the use of the Industry Alignment Mark denoting alignment to industry standards.
- ▶ Developed six additional One-Page Guides to assist the industry drive improved compliance.
- ▶ Presented at the Australian Processing and Packaging Expo (APPEX2024).

The Executive Committee took a more proactive approach in promoting the PDP resources by hosting an inaugural TPF Showcase in Sydney.

With over 300 registrations the showcase marks a new phase in leveraging these resources to engage a wider audience of suppliers and supply chain professionals across the food and grocery sector. Attendees also had the opportunity to receive advice from the three major retailers, all under one roof.

Data Integrity and Alignment

The Data Integrity and Alignment Committee provides leadership and information to support the sector, 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. The Committee:

- ▶ Promoted a series of supply chain master data instructional videos.
- ▶ Partnered with GS1 Australia to map data requirements for New Product Development across major retailers, identifying alignment status, challenges and opportunities.

SME CEO Forum

Samantha Blake (Director)

Shalini Valecha (Associate Director)

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.



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 evidence-based insights that guide AFGC's engagement with the government on public policy and regulatory frameworks. This expertise is drawn from the active participation of members in the Nutrition and Regulation Committee and related working groups.

The division's key focus areas include food regulation, nutrition and preventive health initiatives, food safety and quality assurance, biosecurity, and advancements in food science and technology.

Additionally, N&R offers tools and resources to assist members in navigating nutrition policies, meeting regulatory compliance requirements, and facilitating their interactions with government bodies and regulatory agencies.



Highlights

Regulation and regulatory policy

The AFGC supported its members with 22 detailed submissions and active government engagement throughout the year, including:

- ▶ Meeting with members of the Food Ministers' Meeting and the Food Regulation Standing Committee to advocate our position on key food regulatory issues.
- ▶ Providing submissions to FSANZ applications and proposals.
- ▶ Representing industry views on the Health Star Rating (HSR) Advisory Committee.
- ▶ Contributing to Codex international standards and guidelines consultations, including allergen labelling, use of technology for information provision, and e-commerce.
- ▶ Submitting feedback to the Department of Agriculture, Fisheries and Forestry (DAFF) Import risk review for dairy products for human consumption (second draft report).
- ▶ Providing submissions to Department of Health and Aged Care (DoHA) consultations on the industrially produced trans fats in processed foods, their feasibility study on options to limit unhealthy food marketing to children (University of Wollongong) and modernising the FSANZ Act.

Food, nutrition and health

In the food, nutrition and health space, the Nutrition and Regulation team participated in and led several key activities and initiatives:

- ▶ Participating in the Executive Committee and working groups of the Federal Government's Healthy Food Partnership. This includes submissions to the consultation on plant-based proteins, plant-based yoghurts, and ready meals - complete salads as part of wave three targets. Additionally, contributing to the Foods for Early Childhood Reference Group focussing on serving size, labels, sweetness profile, and packaging.
- ▶ Organising industry roundtables for members on preventive health and regulatory developments, such as the HSR system, advertising of unhealthy foods to children, and reformulation efforts under the Healthy Food Partnership initiative.
- ▶ Developing further resources through the member-based Processed Food Working Group, including publication of a scientific critique of NOVA classification on the AFGC website.
- ▶ Collaborating with FSANZ on the Branded Food Database. This includes conveying industry perspectives and exploring options to streamline data upload.
- ▶ Engaging with the Infant Nutrition Council on the DoHA Review of the Marketing in Australia of Infant Formulas: Manufacturers and Importers Agreement (MAIF Agreement) and support of their application to the ACCC for its reauthorisation.
- ▶ Representing industry viewpoints at the House of Representatives Standing Committee on Health and Aged Care and Sports Inquiry into Diabetes through a submission and appearing at the public inquiry.
- ▶ Contributing to the development and review of food-related standards by Standards Australia as well as ISO standards for plant-based foods.
- ▶ Providing submissions to South Australia Health regarding proposed restrictions on unhealthy food and drink advertising on South Australian buses, trams and trains.
- ▶ Industry representations on key government and non-government committees and working groups

The AFGC is an active member of many government committees with relevance to the sector including those of DAFF, FSANZ and DoHA.

We also participate in working groups and engage closely with other peak bodies and researchers including the Allergen Bureau, Alternative Proteins Council, Australian Association of National Advertisers, Australian Beverages Council Limited, Australian Dairy Products Federation, Standards Australia, International Standards Organization, Australian Institute of Food Science and Technology, CSIRO, Food and Beverage Importers Association, Grain Legumes Nutrition Council, Infant Nutrition Council, New Zealand Food & Grocery Council, and University of NSW Nutrition, Dietetics and Food Innovation, and other universities. This covers engagement on a wide range of scientific, technical and regulatory matters.

Committees and Forums

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. The Committee is made up of 15 members and up to three observers. It focuses on scientific and technical issues relating to food products including regulation and policy, product and processing science and technologies, and consumer health and well-being issues related to food.

Highlights over the past 12 months include:

- ▶ Regular updates on current and proposed food regulations and nutrition policy, emerging issues, and other food-industry related issues.
- ▶ Input and engagement on AFGC Preventive Health Roundtables for members.
- ▶ Increased engagement with guest speakers from the Department of Health and Aged Care, FSANZ, and CSIRO.



Sustainability

- ▶ **Barry Cosier (Director)**
- ▶ **Sarah Collier (Associate Director)**
- ▶ **Kylie Ruth (Manager) (until January 2024)**
- ▶ **Kristy Barber (Manager) (from 25th March 2024)**

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.



Highlights

Sustainability

The Sustainability Division actively supported members throughout 2023/24 by delivering webinars and insights on key sustainability topics, and advocating for members on ten separate government consultations.

Webinars covered a range of responsive, timely subject matter, including climate-related financial disclosure obligations (presented by Deloitte), food waste and Scope 3 (presented by End Food Waste Australia), and several updates on the industry-led National Plastics Recycling Scheme.

These initiatives help members stay informed and ready for evolving regulations and policies, ensuring they are well-prepared to navigate sustainability challenges.

The Sustainability Division engaged with members to make submissions into consultations across federal and state jurisdictions, including:

- ▶ Federal climate-related financial disclosure
- ▶ State Single-Use Plastics (SUP) bans
- ▶ Waste & Recycling Policy
- ▶ State and Territory Container Deposit Schemes (CDS)
- ▶ ACCC Sustainability
- ▶ Kerbside Material Standards
- ▶ Taxable Incentives for Food Donations

The Sustainability Division participates in several committee and stakeholder groups to provide member insights and perspectives. These include:

- ▶ Department of Climate Change, Environment, Energy and Water (DCCEEW) - Resource Recovery Reference Group (multiple groups)
- ▶ APCO - Barry Cosier Board Member, Collective Action Group (CAG), SME ARL Partners Meeting
- ▶ Single-Use Plastics Stakeholder and Taskforce Meetings - NSW, Qld, SA, Tas, Vic and WA
- ▶ Container Deposit Stakeholder/Advisory/Reference Groups across jurisdictions
- ▶ End Food Waste Australia - Advisory Committees, Partners Forum, Greenhouse Gas (GHG) Working Group

National Plastics Recycling Scheme (NPRS)

The NPRS hosted a Plastic Summit in Canberra in September 2023. The event was well attended by Members, Program Supporters and industry stakeholders.

Results of the Phase One Trial of dedicated soft plastic recycling bags in kerbside bins were very positive and received strong support from residents and participating councils. A summary of the results is available on the website. Processing capacity is increasing, enabling us to launch our Phase Two Pilots. The pilots are being run in more council areas and soft plastic recycling is being offered to more residents.

Looking towards the future

The Sustainability Division and the NPRS are excited for IQRenew's mechanical plastic processing facility to start operations late 2024 and APR's mechanical plastics processing facility to start operations late 2024/early 2025. Both facilities will play a critical role in increasing capacity for soft plastic recycling across more regions.

The NPRS Roadmap will see the NPRS move into a consolidated stewardship scheme with the Soft Plastic Taskforce - we are looking forward to this development.



Committees and Forums

Sustainable Practices Committee

Barry Cosier – Director Sustainability

Sarah Collier – Associate Director Sustainability

Kristy Barber – Manager Sustainability

The AFGC has an advisory Sustainable Practices Committee (SPC) that consists of up to 15 members and three observers. The SPC meets quarterly to provide advice to the AFGC on strategic issues affecting the sector.

Areas covered by the SPC include the circular economy, resource use (water, waste, and energy), greenhouse gas (GHG) emissions/reporting, and ethical sourcing, as well as other areas of sustainability, such as economic and social areas.

In the past year, the SPC has provided input into multiple submissions, providing extensive context and examples from members to support positions being advocated for by the AFGC.



Government & Media Relations

- ▶ **Scott McGrath – Director, Government and Media Relations**
- ▶ **Maguy Keleko – Manager, Government Relations**
- ▶ **Zandi Shabalala – Manager, Media & External Communications**

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 drove impactful engagement with Federal, State, and Territory parliamentary officials, addressing industry pressures, advocating for tax incentives, and promoting recycling initiatives.

The ACCC's inquiries into supermarket pricing have been in the spotlight amid the cost-of-living crisis. The division contributed to these inquiries, addressing the pressures manufacturers face in maintaining fair pricing while navigating rising input costs. GAMR emphasised the vital role of manufacturers in the supply chain, national economy and called for transparency and collaboration to support both the industry and consumers

AFGC CEO Tanya Barden and Executives provided compelling testimonies at over half a dozen Senate and House inquiries, stressing industry pressures, regional impact, and the need for government support

In 2023, the AFGC hosted the Circular Economy Soft Plastics Expo in Canberra, featuring Minister Tanya Plibersek who emphasised the government's commitment to addressing soft plastic waste - member products promoting recycling initiatives were also showcased

Member site visits were organised in 2023/24 for parliamentary officials to gain firsthand insight into the operations of Australian food and grocery manufacturers. Notably, the former Assistant Minister for Manufacturing, the Hon Tim Ayers MP and the Shadow Minister for Manufacturing, the Hon Michelle Landry MP both participated in these factory tours. The visits

aimed to foster a better understanding of the sector's significance to the Australian economy and to facilitate constructive dialogue between policymakers and industry leaders.

Media engagement and promotion

GAMR issued strategic press releases, supported CEO interviews, and contributed to key industry publications. The division's efforts addressed core industry issues, highlighted sector pressures, and advocated for the need of government support for the industry to maintain resilience.

Highlights:

- ▶ Australia's food and grocery manufacturing sector grew 7.4% to \$144.1 billion in 2021-22 but experienced a 0.9% drop in employment and stagnant capital investment, facing challenges from rising freight, labour, and energy costs.
- ▶ The AFGC welcomed the Environment Ministers' announcement on packaging design standards and traceability, emphasising the need for supply chain collaboration to enhance recycled content, improve recycling systems, and create local jobs.
- ▶ Lessons from past floods, bushfires, and COVID strengthened supply chains during the bushfire season, with AFGC CEO Tanya Barden highlighting the National Disaster Preparedness Summit's role in fostering collaboration among stakeholders.
- ▶ The AFGC welcomed the review of the Food and Grocery Code of Conduct, emphasising the importance for the code to improve supplier-retailer relations amid current industry challenges.



AFGC CEO Tanya Barden appears on ABC News

Sustaining Australia TV

Sustaining Australia TV (SATV) launched its fifth season in 2023/24, produced by AFGC and ASN Media.

The GAMR division handled production details, including talent selection and script review.

Season five debuted at Food and Grocery Australia in May 2024, receiving strong praise from AFGC members and the industry.

The revamped format featured shorter scripts for a more engaging viewer experience.

The new website enhances accessibility and provides valuable information on industry sustainability practices.

Committees and Forums

Corporate Affairs Committee

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

AFGC - Scott McGrath, Maguy Keleko, Zandi Shabalala

The Corporate Affairs Committee met four times in 2023/24, engaging in constructive discussions on key industry pressures affecting the sector - These meetings underscored the necessity for increased government support to address challenges such as supply chain disruptions and regulatory changes. Emphasis was also made on the AFGC's continued efforts to advocate for solutions that will bolster the industry's resilience and sustainability.



Member Services & Events

- ▶ **Alyssa Shands - Associate Director, Membership and Events**
- ▶ **Josephine Trudinger - Events Specialist**
- ▶ **Kimberley Brady - Communications Specialist**

The Member Services and Events team leads the recruitment, engagement and management of ongoing relationships with our Members.

Our activities, initiatives and events are curated to reinforce the AFGC's vision and strategic goals, and to serve the needs of our Members. The team delivers the AFGC's suite of events which are targeted to suit the needs of the FMCG industry, from those starting their careers in the sector through to CEOs and Executive Directors.



Highlights

Membership

In 2023-24 the Australian Food and Grocery Council membership held steady, and we saw increased engagement in our existing and new events and our newsletters.

Our member retention remains strong at 96.53%, with member satisfaction levels sitting at 85%. It is pleasing to see that AFGC remains an important part of our industry and members see value in our work.

Member Satisfaction Survey

As part of our goal to maintain a strong member value proposition, the Secretariat ran the annual member survey at the end of the financial year. This year's survey showed:

- ▶ Satisfaction rating has dropped slightly compared to last year with a satisfaction rating of 85% in 2023 compared to 90% last year. Of those satisfied members, 40% were extremely satisfied
- ▶ Members advocacy for continued membership of AFGC was 85% compared with last year's 94% in total, with 63% of the respondents were extremely likely to advocate
- ▶ 98% of our survey respondents listed *Information on issues impacting the industry* as the most important benefit for members
- ▶ *Advocacy on industry issues, raising awareness of the industry, advice/guidance and raising awareness of the industry* rounded out the top four most important member benefits.

Events

After two years of virtual events and a year of hybrids, the Secretariat was thrilled to bring back our face-to-face events in 2023-24.



FOOD+GROCERY
AUSTRALIA 2024

Food and Grocery Australia - 17-18 May 2024, Melbourne

Food and Grocery Australia (FGA) lived up to its reputation as the FMCG sector's premier event in 2024,

FGA unites CEOs and senior executives from across the fast-moving consumer goods and retail sectors, offering industry leaders the opportunity to learn from local and global experts, and providing unparalleled networking opportunities.

This year's event was held at the Ritz-Carlton in Melbourne, and sold out with 463 attendees. Planning is underway for the 2025 event, which will celebrate the AFGC's 30th Anniversary.



FUTURE
LEADERS
FORUM

Future Leaders Forum - 18 October 2023, Sydney

The Future Leaders Forum, an initiative of the Trading Partner Forum, is one-day program for high potential young leaders and experienced managers who want to build the future of the FMCG and the supermarket retail industry within Australia. The program delivers insights from thought leaders and experienced industry executives on strategy and leadership, exposes delegates to the latest trends, creates new and long lasting contacts in the industry, and helps to develop collaborative manufacturer-retailer relationships. Held at Doltone House in Sydney, the 2023 event attracted over 140 delegates.

Webinars

The AFGC continued to deliver engaging and timely webinars for members this year. 22 webinars were delivered from 1 July 2023 through to June 30 2024, hosting 1,908 participants.

Webinar topics included economic updates, commodities, Scope 3, soft plastic recycling, sustainability reporting requirements, the Food and Grocery Code of Conduct, traceability, PIF, PEAL and allergen management, and much more.

Our webinars are proving to be an excellent method of engaging with our members, and feedback from them has been very positive.

Partnerships

We once again extend our thanks to our three Partners – GSI, our standards partner, NIQ, our insights partner, and Touchstone Executive Search, our executive search partner – for their constant support, leadership and engagement over the past year. Their expertise helps us to deliver positive outcomes for our members and the industry as a whole.

Training and Education

Food and Grocery Code of Conduct

Our Food and Grocery Code of Conduct training, launched in 2015, has welcomed thousands of attendees from over 320 companies. 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 training is provided by NextGen, supported by AFGC.

Australian Competition Law

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.

The FGCC and ACL training programs are available in person, online or in a virtual format.

Australian Grocery Academy

The Australian Grocery Academy is an interactive and outcome-based program comprised of 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, The program is updated regularly to meet the changing needs of the industry, and is once again offered at week long, in-person bootcamps and virtually upon request.



Communications

The AFGC refined its member communications throughout the year by consolidating content into tighter, more relevant packages. Two new newsletters were created in response to demand – Sustainability Insider, for members with an interest in sustainability and packaging issues, and Sales Wrap, which is sent exclusively to Sales Directors. Our other eDM products included:

- ▶ Member Matters - monthly
- ▶ A Message from Tanya - weekly
- ▶ Sci-Tech News - bi-monthly
- ▶ Research Round-up - ad-hoc
- ▶ Economic Bulletin - quarterly
- ▶ Member Briefs - as required

We've invested time into LinkedIn as the best platform to reach our members and the industry as a whole. Over the past year, our following has grown to 9,817.

Our Youtube following has also grown to over 7,700, primarily due to the popularity of Sustaining Australia TV.

In the year to come, we look forward to introducing our members to a new website and an enhanced member centre experience.

Financial Statements

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Financial Statements

For the Year Ended 30 June 2024

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Contents

For the Year Ended 30 June 2024

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Consolidated Entity Disclosure Statement	27
Directors' Declaration	28
Independent Audit Report	29

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Directors' Report

For the Year Ended 30 June 2024

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 and 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. Your Directors present this report on the financial report of the Australian Food and Grocery Council Limited (the council) for the financial year ended 30 June 2024.

Directors

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

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

Mr Darren Francis O'Brien President Australian, New Zealand, Japan Mondelez International Director since: 9 December 2019	Ms Sandra Edit Martinez Penaloza Chief Executive Officer Nestlé Australia Ltd Director since: 8 November 2018
Ms Emma Welsh Chief Executive Officer Emma & Tom Foods Pty Ltd Director between: 9 November 2021 – 20 November 2023	Mr Raymond Hanly Chief Executive Officer Beak and Johnston Pty Ltd Director since: 8 November 2021
Mr Paris Golden Managing Director McCormick Foods Australia Pty Ltd Director since: 12 November 2021	Mr Nigel Parsons Chief Executive Officer Asahi Lifestyle Beverages Director since: 11 February 2022

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Directors' Report

For the Year Ended 30 June 2024

Ms Belinda Driscoll VP & Managing Director ANZ Kimberly-Clark Director since: 20 March 2023	Mr Anthony Holme Managing Director Kellogg's Australia and New Zealand Director since: 1 December 2022
Ms Lyn Radford Managing Director McCain Director since: 20 March 2023	

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.

No significant changes in the nature of the Company's activity occurred during the financial year.

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Directors' Report

For the Year Ended 30 June 2024

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 insight to navigate complex industry issues.

To achieve these objectives, the Council has focused 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 2024 were satisfactory.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2024 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 2024.

Dividends

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

Directors' Benefits

No directors 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.

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Directors' Report

For the Year Ended 30 June 2024

Meetings of directors

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

25 August 2023
 30 August 2023
 13 October 2023
 09 November 2023
 13 February 2024
 14 February 2024
 14 May 2024

Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Darren Francis O'Brien	7	7
Ms Sandra Edit Martinez Penaloza	7	7
Mr Raymond Hanly	7	6
Mr Paris Golden	7	7
Mr Nigel Parsons	7	7
Mr Anthony Holme	7	7
Ms Lyn Radford	7	7
Ms Belinda Driscoll	7	7
Ms Emma Welsh	4	4

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Date: 23 October 2024



Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Food and Grocery Council Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


 Saward Dawson


 Matthew Crouch
 Partner

Blackburn, Victoria

Dated: 23 October 2024

20 Albert St, Blackburn VIC 3130
 T +61 3 9894 2500 F +61 3 9894 1622
 contact@sawarddawson.com.au
 sawarddawson.com.au



Liability limited by a scheme approved under Professional Standards Legislation

Australian Food and Grocery Council

ABN: 23 068 732 883

Statement of Profit or Loss For the Year Ended 30 June 2024

		2023
	2024	Restated
Note	\$	\$
Operating Activities		
Revenue from Contracts with Customers	5 6,166,332	5,799,976
Other income	5 189,753	242,375
Total Operating Revenue	6,356,085	6,042,351
General expenses		
Administration and Business Operations	(703,306)	(395,795)
IT and Communication Expenses	(192,294)	(184,965)
Wages and Salaries	(3,909,341)	(3,667,902)
Depreciation and Amortisation Expenses	7 (315,114)	(228,186)
Divisional Expenses		
CEO and Board Expenses	(79,456)	(92,304)
Government and Media Relations	(107,705)	(48,355)
Nutrition and Regulation	(89,662)	(81,586)
Industry Affairs	(94,713)	(113,302)
Sustainability	(69,640)	(31,157)
Membership and Marketing	(29,713)	(72,122)
Events	(500,515)	(717,518)
Other Expenses		
Code Training Expenses	(67,663)	(52,569)
Trading Partner Forum	(171,155)	(114,333)
Realised Currency Gains	(2,635)	(4,493)
Project Expenses		
Project Expenses	(192,483)	(117,561)
Surplus/(Deficit) from Operating Activities	(169,310)	120,203
NPRS Activities		
NPRS - Foundation Supporters Contribution	1,594,046	784,842
NPRS - Supporter Funded Expenses	(808,864)	(379,264)
Surplus/(Deficit) from Supporter Funded NPRS Activities	785,182	405,578
NPRS - Government Grant Income	-	408,341
NPRS - Government Grant Funded Expenses	-	(539,312)
Surplus/(Deficit) from Government Funded NPRS Activities	-	(130,971)
NPRS - AFGC Funded Expenses	(500,000)	-
Total surplus/(deficit) from NPRS Activities	285,182	274,607
Non-operating activities		
Investment Income	6 280,350	268,900
Surplus/(deficit) for the year	396,222	663,710

The accompanying notes form part of these financial statements.

Australian Food and Grocery Council

ABN: 23 068 732 883

Statement of Financial Position As at 30 June 2024

	2024	2023
	\$	Restated
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8 1,033,745	333,370
Trade and other receivables	9 648,166	352,343
Financial assets	10 2,343,046	3,143,046
Other assets	13 188,549	95,183
TOTAL CURRENT ASSETS	4,213,506	3,923,942
NON-CURRENT ASSETS		
Financial assets	10 2,779,033	2,636,165
Plant and equipment	11 60,986	73,164
Intangible assets	12 101,937	240,399
Right-of-use assets	14 585,878	512,032
TOTAL NON-CURRENT ASSETS	3,527,834	3,461,760
TOTAL ASSETS	7,741,340	7,385,702
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	15 350,250	515,527
Lease liabilities	14 140,909	97,638
Employee benefits	16 499,802	407,931
Other liabilities	17 110,340	227,095
TOTAL CURRENT LIABILITIES	1,101,301	1,248,191
NON-CURRENT LIABILITIES		
Lease liabilities	14 593,804	522,452
Employee benefits	16 123,530	88,576
TOTAL NON-CURRENT LIABILITIES	717,334	611,028
TOTAL LIABILITIES	1,818,635	1,859,219
NET ASSETS	5,922,705	5,526,483
EQUITY		
Reserves	1,168,971	436,659
Retained earnings	4,753,734	5,089,824
TOTAL EQUITY	5,922,705	5,526,483

The accompanying notes form part of these financial statements.

Australian Food and Grocery Council

ABN: 23 068 732 883

Statement of Changes in Equity For the Year Ended 30 June 2024

2024

	Retained Earnings	Investment Revaluation Reserve	NPRS Reserve	TPF Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2023	5,089,824	-	274,607	162,052	5,526,483
Surplus/(deficit) for the year	396,222	-	-	-	396,222
Transfers between retained earnings and reserves	(732,312)	-	785,182	(52,870)	-
Balance at 30 June 2024	4,753,734	-	1,059,789	109,182	5,922,705

2023

	Retained Earnings	Investment Revaluation Reserve	NPRS Reserve	TPF Reserve	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2022	4,682,378	(45,990)	-	-	4,636,388
Retrospective restatement for change in accounting policies	4	(45,990)	45,990	-	226,385
Balance at 1 July 2022 restated	4,636,388	-	-	226,385	4,862,773
Surplus/(deficit) for the year	663,710	-	-	-	663,710
Transfers between retained earnings and reserves	(210,274)	-	274,607	(64,333)	-
Balance at 30 June 2023	5,089,824	-	274,607	162,052	5,526,483

The accompanying notes form part of these financial statements.

Australian Food and Grocery Council

ABN: 23 068 732 883

Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023 Restated
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, partners and customers	8,357,518	7,248,809
Payments to suppliers and employees	(8,383,927)	(7,161,693)
Interest received	1,113	142,458
Interest paid on lease liability	(52,816)	(50,418)
Dividend and distribution received	39,911	85,235
Net cash provided by/(used in) operating activities	(38,201)	264,391
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from/(payment for) investments	62,276	(1,989,221)
Payments for property, plant and equipment	-	(28,995)
Redemption/(Placement) of term deposits	800,000	(100,000)
Payment for intangibles	(15,794)	-
Net cash provided by/(used in) investing activities	846,482	(2,118,216)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liability	(107,906)	(101,957)
Net cash provided by/(used in) financing activities	(107,906)	(101,957)
Net increase/(decrease) in cash and cash equivalents held	700,375	(1,955,782)
Cash and cash equivalents at the beginning of the year	333,370	2,289,152
Cash and cash equivalents at the end of the financial year	8 1,033,745	333,370

The accompanying notes form part of these financial statements.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

The financial report covers Australian Food and Grocery Council Limited ("the Company") as an individual entity. Australian Food and Grocery Council Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2024 were being the voice of Australia's food, beverage and grocery supply industry and valued service provider to members. The industry that the Company 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 Company's vision is for a thriving, trusted food and grocery supply industry that sustains Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporation Act 2001*.

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.

Material accounting policy information relating to the preparation of these financial statements are presented below, and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Material Accounting Policies

(a) Revenue and other income

The revenue recognition policies for the principal revenue streams of the Company are:

Membership subscription

Membership fee income is recognised on a straight-line basis over the membership period.

NPRS Foundation supporters contribution

Supporters contribution income for the National Plastic Recycling Scheme Project is recognised on a receipt or receivable.

NPRS government grant revenue

Government grant income for the National Plastic Recycling Scheme Project is recognised when performance obligations under the contract with the Australian Government have been satisfied over the period of the project.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(a) Revenue and other income

TPF contribution income

Trading Partners Forum contribution income is recognised on a receipt or receivable.

Conference and events income

Events revenue is recognised for conferences organised by the Company. Event income is recognised at a point-in-time, which corresponds with the timing of the event taking place.

Sponsorship income

Sponsorship income is recognised when performance obligations under the contract with the customer have been satisfied. For fixed-term sponsorships, income is generally recognised on a straight-line basis over the period of the sponsorship agreement. For event based sponsorships, income is recognised at the point-in-time the event is held.

Partnership income

Partnership income is recognised on a straight-line basis over the partnership period.

Project income

Project income is recognised with respect to research and development of funded projects. Revenue is recognised when performance obligations under the contract have been satisfied, which will be at a point-in-time, or over time, based on the nature of performance obligations contained in the contract.

Interest income

Interest income is recognised using the effective interest rate method, which for floating financial instruments is the rate inherent in the instrument

Investment income

Investment income is recognised when the right to receive payment is established.

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* because it is an entity established for the purpose of promoting the development of Australian manufacturing resources.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(c) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Furniture and fittings, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10%-25%
Computer Software	20%-25%
Leasehold improvements	17%-50%

(d) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Interest income is recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial assets

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Company holds managed investments portfolio.

Impairment of financial assets

Where the simplified approach to expected credit loss (ECL) is not applied, the Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments (generally three months deposit term or less) which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(f) Leases

At inception of a contract, the Company assesses whether a lease exists.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model, depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Adoption of short term leases or low value asset exception

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(g) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of leasehold improvement, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - provisions

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 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.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgments

Key judgments - revenue recognition

For a performance obligation to exist under AASB 15, the promise is sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific to be able to determine when the obligation is satisfied.

Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the agreement with the customer, explicit or implicit, regarding the promised good or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

4 Retrospective Restatement

During the year, the company has changed the following accounting policies to comply with the Australian Accounting Standards:

- Revenue for contribution from supporters for the National Plastic Recycling Scheme Project is recognised in accordance with *AASB 1058 Income of Not-for-profit Entities*. Unused supporters contributions is reported in equity as a reserve instead of unearned income in liability.
- Investments through JB Were consistent of equity instruments and other managed funds. Based on *AASB 9 Financial Instruments* the company do not have an option to classify all investment through JB Were as fair value through other comprehensive income (FVOCI) financial assets. Accordingly, all investments through JB Were have been reclassified as fair value through profit or loss (FVTPL) financial assets.

The aggregate effect of the error on the annual financial statements is as follows:

	Previously stated	30 June 2023 Adjustments	Restated	Previously stated	1 July 2022 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
Statement of Profit or Loss						
Revenue from contracts with customers	5,789,976	10,000	5,799,976			
NPRS Foundation supporter contribution income	510,235	274,607	784,842			
Other income	306,708	(64,333)	242,375			
Investment income	86,293	182,607	268,900			
Statement of Financial Position						
Retained earnings	4,943,207	146,617	5,089,824	4,682,378	(45,990)	4,636,388
Reserves	136,617	300,042	436,659	(45,990)	272,375	226,385

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

5 Revenue and Other Income

	2024	2023
	\$	\$
Revenue from contracts with customers		
- Member subscriptions	4,748,471	4,532,595
- Events revenue	877,325	868,525
- Projects Income	140,940	97,589
- Partnerships	215,278	188,181
- Sponsorships	184,318	113,086
	6,166,332	5,799,976
Other income		
- Trading Partner Forum Contribution	118,285	50,000
- Interest income	37,468	142,458
- Licence fee	34,000	49,917
	189,753	242,375

6 Investment income

Dividend and distribution income	75,206	85,235
Net movement in FVTPL financial assets	205,144	183,665
	280,350	268,900

7 Result for the Year

The result for the year includes the following specific expenses:

Employee benefits expenses		
Salaries and wages	3,586,907	3,228,450
Superannuation contributions	322,434	320,033
NPRS - Salaries and wages	308,109	152,368
NPRS - Superannuation contributions	32,981	40,244
Total employee benefits expenses	4,250,431	3,741,095
Depreciation and amortisation		
Depreciation & amortisation	166,431	120,042
Lease amortisation expense	148,683	108,144
Total depreciation and amortisation	315,114	228,186

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

8 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank	983,745	328,342
Short-term deposits	50,000	5,028
	<u>1,033,745</u>	<u>333,370</u>

9 Trade and Other Receivables

CURRENT		
Trade receivables	548,422	232,426
Provision for impairment	(2,750)	-
Net trade receivables	<u>545,672</u>	<u>232,426</u>
Other receivables	102,494	119,917
Total current trade receivables	<u>648,166</u>	<u>352,343</u>

10 Financial Assets

(a) Financial assets at amortised cost

CURRENT		
Term deposits held with banks	2,343,046	3,143,046
	<u>2,343,046</u>	<u>3,143,046</u>

Term deposit investments consist of term deposits held with the Commonwealth Bank of Australia for a term of more than three months, at interest rates of 4.85% p.a.

(b) Financial assets at fair value through profit or loss

NON-CURRENT		
Listed securities and managed funds	2,779,033	2,636,165
	<u>2,779,033</u>	<u>2,636,165</u>

JB Were investments consist of a portfolio of equity instruments and managed funds investments.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

11 Property, Plant and Equipment

Furniture, fixtures and fittings		
At cost	200,839	201,229
Accumulated depreciation	(195,436)	(190,408)
Total furniture, fixtures and fittings	<u>5,403</u>	<u>10,821</u>
Computer equipment		
At cost	157,022	-
Accumulated depreciation	(132,277)	-
Total computer equipment	<u>24,745</u>	<u>-</u>
Leasehold Improvements		
At cost	214,309	216,309
Accumulated depreciation	(183,471)	(153,966)
Total leasehold improvements	<u>30,838</u>	<u>62,343</u>
Total property, plant and equipment	<u>60,986</u>	<u>73,164</u>

(a) Movements in carrying amounts

	Furniture, Fixtures and Fittings \$	Computer Equipment \$	Leasehold Improvements \$
Year ended 30 June 2024			
Balance at the beginning of the the year	10,821	-	62,343
Additions at cost	-	15,794	-
Transfers	-	40,530	-
Depreciation expense	(5,418)	(31,579)	(31,505)
Balance at the end of the year	<u>5,403</u>	<u>24,745</u>	<u>30,838</u>

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

11 Property, Plant and Equipment

(a) Movements in carrying amounts

	Total \$
Year ended 30 June 2024	
Balance at the beginning of the the year	73,164
Additions at cost	15,794
Transfers	40,530
Depreciation expense	<u>(68,502)</u>
Balance at the end of the year	<u>60,986</u>

Transfer into computer equipment relates to reclassification of computer equipment from intangible assets class. The comparatives have not been restated due to its immaterial nature.

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

12 Intangible Assets

	2024 \$	2023 \$
Computer and software		
At cost	553,788	776,048
Accumulated amortisation and impairment	<u>(451,851)</u>	<u>(535,649)</u>
Total intangible assets	<u>101,937</u>	<u>240,399</u>

(a) Movements in carrying amounts

	Computer and software \$
Year ended 30 June 2024	
Balance at the beginning of the year	240,399
Transfers	(40,530)
Amortisation	<u>(97,932)</u>
Balance at the end of the year	<u>101,937</u>

13 Other Assets

	2024 \$	2023 \$
CURRENT		
Prepayments	<u>188,549</u>	95,183

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

14 Leases

Company as a lessee

The Company has a lease over its office in Canberra with a lease term of 7 years ending 31 July 2026. The company has an option to extend the lease for another 3 years.

Right-of-use assets

	2024	2023
	\$	\$
Balance at the beginning of the year	512,032	620,177
Remeasurement of right-of-use asset	222,529	-
Amortisation charge	(148,683)	(108,145)
Balance at the end of the year	585,878	512,032

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2024					
Lease liabilities	184,148	644,519	-	828,667	734,713
2023					
Lease liabilities	159,904	642,480	80,310	882,694	620,090

	2024	2023
	\$	\$
Current liabilities	140,909	97,638
Non-current liabilities	593,804	522,452
Total	734,713	620,090

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

14 Leases

Statement of Profit or Loss

The amounts recognised in the statement of profit or loss relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2024	2023
	\$	\$
Interest expense on lease liabilities	52,816	50,418
Expenses relating to leases of low-value assets	755	655
	53,571	51,073

15 Trade and Other Payables

CURRENT

Trade payables	189,425	133,431
Other payables	160,825	382,096
	350,250	515,527

16 Employee Benefits

CURRENT

Annual leave	328,738	271,148
Long service leave	171,064	136,783
	499,802	407,931

NON-CURRENT

Long service leave	123,530	88,576
--------------------	---------	--------

17 Other Liabilities

CURRENT

Amounts received in advance	110,340	227,095
-----------------------------	---------	---------

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

18 Reserves

(a) NPRS Reserve

The NPRS Reserve records the unspent funds from the National Plastic Recycling Scheme program Foundation supporter contribution. This reserve balance is intended for transfer to a new entity with a focus on this program when it is established.

	2024	2023
	\$	\$
NPRS - Foundation Supporters Contribution	1,594,046	784,842
NPRS - Government Grant Income	-	408,341
Total NPRS income	1,594,046	1,193,183
NPRS - Supporter Funded Expenses	(808,864)	(379,264)
NPRS - Government Grant Funded Expenses	-	(539,312)
Total NPRS expenses	(808,864)	(918,576)
Unspent funds transferred to reserve	785,182	274,607

(b) TPF Reserve

The TPF Reserve records the unspent funds from the Trading Partners Forum supporter contribution.

Trading Partner Forum Contribution	118,285	50,000
Trading Partner Forum Expenses	(171,155)	(114,333)
	(52,870)	(64,333)

19 Financial Risk Management

Financial assets

Financial assets at amortised cost		
Cash and cash equivalents	1,033,745	333,370
Term deposits held with banks	2,343,046	3,143,046
Trade and other receivables	648,166	352,343
Financial assets at fair value through profit or loss		
Listed securities and managed funds	2,779,033	2,636,165
Total financial assets	6,803,990	6,464,924

Financial liabilities

Financial liabilities measured at amortised cost		
Trade and other payables	350,250	515,527
Lease liabilities	734,713	620,090
Total financial liabilities	1,084,963	1,135,617

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

20 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstanding obligations of the Company. At 30 June 2024 the number of members was 132 (2023: 140).

21 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 848,871 (2023: \$ 923,869).

22 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor		
- auditing the financial statements for the year then ended	21,250	26,000
- auditing the NPRS government grant acquittal	1,250	5,000
Total	22,500	31,000

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

24 Related Parties

Key management personnel - refer to Note 21.

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

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

Australian Food and Grocery Council

ABN: 23 068 732 883

Notes to the Financial Statements For the Year Ended 30 June 2024

25 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

26 Statutory Information

The registered office and principal place of business of the company is:

Australian Food and Grocery Council
Unit 5G, 65 Canberra Ave
Griffith 2603
Australia

Australian Food and Grocery Council

ABN: 23 068 732 883

Consolidated Entity Disclosure Statement For the Year Ended 30 June 2024

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the Company, because the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The consolidated entity disclosure statement is true and correct for the year ended 30 June 2024.

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

Director  Director 

Dated 23 October 2024



Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Independent Audit Report to the members of Australian Food and Grocery Council Limited

Opinion

We have audited the financial report of Australian Food and Grocery Council Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures 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 the Company 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 (including Independence Standards)* (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 the Company, 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.



Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Independent Audit Report to the members of Australian Food and Grocery Council Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability 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 the Company 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 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

30



Australian Food and Grocery Council Limited

ABN: 23 068 732 883

Independent Audit Report to the members of Australian Food and Grocery Council Limited

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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


Saward Dawson


Matthew Crouch
Partner

Blackburn, Victoria

Dated: 23 October 2024

31