



SUGAR RESEARCH AUSTRALIA LIMITED
ANNUAL REPORT

2020/21

sra
Sugar Research
Australia®



CONTENTS

SRA at a glance	04
2020/21 highlights	06
Message from the Chairman	08
Message from the Chief Executive Officer	10
About SRA	12
Leadership	13
A transformational lens for the future	14
Delivering impact through investment	18
Research impact	20
KFA 1 Variety development	22
Plant Breeding Program	24
KFA 2 Soil health nutrient management and environmental sustainability	26
Environmental sustainability for industry	28
KFA 3 Pest, disease and weed management	30
Biosecurity	32
KFA 4 Farming systems and harvesting	34
KFA 5 Milling efficiency and technology	36
KFA 6 Product diversification and value addition	38
KFA 7 Knowledge and technology transfer and adoption	40
Communications channels	42
KFA 8 Collaboration and capability development	44
KFA 9 Organisational effectiveness	51
Corporate governance framework	53
Statutory reports: Directors' Report	65
Financial statements	72
Appendix A Annual reporting compliance checklist	94
Appendix B Alignment to industry and government priorities	96
Appendix C Expenditure against national research priorities	98

(Cover) Young plants making their way through the early stages of the sugarcane breeding program. Picture by Chandra Patel, SRA Burdekin.
(Left) SRA variety trial planting underway.

Sugar Research Australia Limited

Brisbane Office 50 Meiers Road, Indooroopilly QLD 4068 Australia
Mailing Address PO Box 86 Indooroopilly QLD 4068 Australia

T 07 3331 3333
F 07 3872 0383
E sra@sugarresearch.com.au
sugarresearch.com.au

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SRA AT A GLANCE

Sugar Research Australia (SRA) is the nation's specialist sugarcane research organisation. SRA invests in evidence-based research, development and adoption (RD&A) activities on behalf of sugarcane growers and millers to meet industry challenges and opportunities.

OUR VISION

A trusted partner, shaping the future prosperity of the Australian sugarcane industry and regional communities through innovation and ingenuity.

OUR PURPOSE

We keep the Australian sugarcane industry competitive, productive and sustainable through innovative research and product development.

STRATEGIC PILLARS



Strategic pillar 1
Strong foundations



Strategic pillar 2
A high-performing research portfolio



Strategic pillar 3
Translation expertise



Strategic pillar 4
World-class sugarcane varieties



Strategic pillar 5
Commercial benefits and rewards

HOW WE OPERATE



We actively engage with industry.



We constantly seek opportunities to innovate and improve.



We take a long-term view.



We create opportunities for collaboration.



We act ethically and responsibly.

Our foundations

History

SRA was established in 2013 as a sugarcane grower- and miller-owned company and the declared Industry Services Body for the Australian sugarcane industry. At its formation, SRA was created as part of an amalgamation of the former entities, the Sugar Research and Development Corporation (SRDC) and the BSES (formerly the Bureau of Sugar Experiment Stations). Almost eight years after its inception, SRA is a vital component of the overall sugar industry supply chain, working in close partnership with growers, millers and service providers to deliver meaningful impact on the ground.

Funding

SRA's revenue is obtained primarily through the statutory sugarcane levy and Commonwealth Government matching funding for eligible Research and Development (R&D) activities.

The statutory sugarcane levy of 70c per tonne of cane has remained constant since 2013, with growers and millers each contributing 35c per tonne of cane.

Importantly, statutory levies and Commonwealth matching funds enable SRA to form co-investment partnerships by leveraging resources to engage in larger research programs than SRA could fund alone. During the year, SRA entered into co-investment partnerships with the Cooperative Research Centre for Developing Northern Australia (CRCNA), the Queensland Department of Environment and Science, and the Great Barrier Reef Foundation.

SRA also enjoys significant support from the Queensland Government through the Sugar Research and Development Funding Deed between SRA and the Queensland Department of Agriculture and Fisheries.

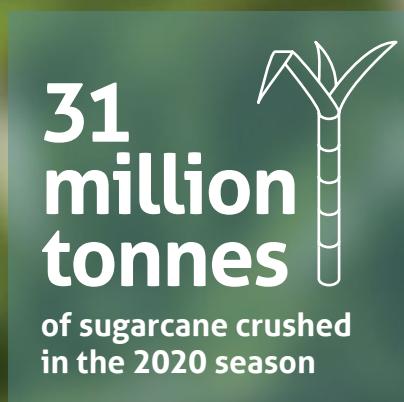
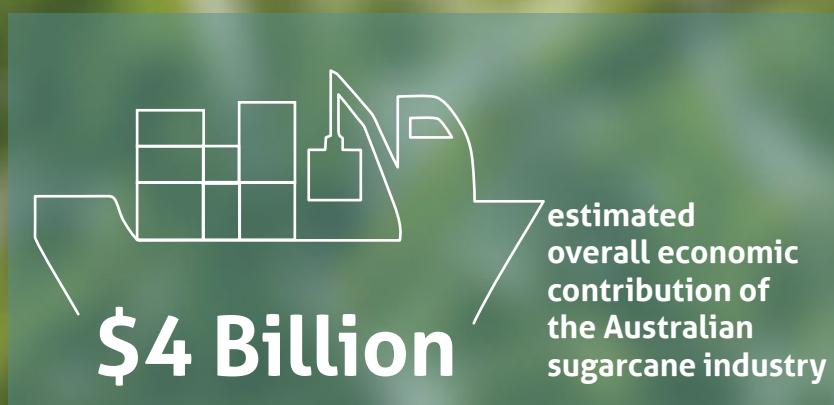
2020/21		
Revenue	(\$'000)	(%)
● Statutory Sugarcane Levy	21,539	59
● Commonwealth Matching Funds	6,416	18
● Queensland Government*	3,212	9
● Other co-investments	2,854	8
● Services income	1,140	3
● Interest	191	1
● Other income	960	3
Total	36,312	100



*including \$2.85m under funding deed with Department Agriculture and Fisheries

2020/21 HIGHLIGHTS







MESSAGE FROM THE CHAIRMAN

Dr Ron Swindells

On behalf of the SRA Board, and for the final time, I once again welcome you to the Sugar Research Australia Annual Report, 2020/21 edition.

In the past 12 months, the industry has had to navigate the challenges of the COVID-19 pandemic, rising costs of production and relatively low sugar prices. Australian sugarcane production in 2020 did increase by about one million tonnes over the 2019 crop, despite loss of cane land to competing agricultural pursuits and unfavourable weather, particularly in southern Queensland. We have also seen the closure of the Maryborough and Bingera sugar mills prior to the commencement of the 2021 crushing season.

On the plus side, this year has seen global raw sugar prices rise markedly from the depths experienced in 2019. However, production appears to be at a similar level to that in 2020.

At the AGM in December 2020, I noted that there is a plurality of views in the industry as to the best way forward on a number of the issues that confront us. I also said that it would be advantageous to have a single body that could broadly represent the entire industry on the national stage because disparate organisations can dilute industry effectiveness. Pleasingly, over the past number of months, a strong partnership has developed within a large section of the industry to create a guiding sugar industry vision. Thanks to this collaboration, we are working together on a roadmap for the sugar industry, under an agreed 'working vision':

Sugar Plus: a vibrant, transforming industry, sustainably producing sugar and bioproducts at the heart of regional communities.

The establishment of such a vision was a recommendation of the 2020 Independent Performance Report. SRA is proud to be a partner in this vision. We are looking forward to our role in implementing this vision for the future. By working together, our industry has an exciting future, especially through the opportunity to position the sugar industry at the centre of the renewable economy through research and policies that can underpin and create commercial opportunities.

This vision aligns strongly with the new strategic direction of SRA, which was developed with extensive consultation throughout 2020, culminating in the recent release of our new Strategic Plan 2021–2026. The Board is excited about this new strategic direction and the opportunity we are creating to deliver value. We have developed a strategy that addresses the opportunities that we have right now, while also looking to capitalise on future potential. SRA is distilling our focus to the activities that deliver the most value and we are playing to our strengths that come with our industry knowledge and relationships.

In a recent Australian Institute of Company Directors article, it was noted that Australia remains a global laggard in the translation and commercialisation of research, with a need to focus on economic and social impact and not on academic outcomes. David Gonski was quoted as stating that in Australia we are quite weak in translational research – taking a developed idea to a well-developed market. He emphasised the need to look to the long term because the short-term approach does not allow for the development of innovative thinking nor for translational research and development, and he further noted that we often don't take calculated and necessary risks on

(Above) SRA Chair, Dr Ron Swindells.

(Right) SRA Agronomist, Dr Danielle Skocaj, talking with growers at the Tully sustainable farming day.



innovation. Gonski also pointed out that Boards often don't have the requisite expertise around the Board table to understand where innovation can go and that the input from people who understand the translation of ideas and innovative thinking should be provided to the Board.

In many ways our new Strategic Plan and structure, in conjunction with a future re-chartering of the mission and constituency of the Research Funding Panel, attempts to address some of the important issues raised above. As well, we are broadening our research partnerships to work with more investors and research partners, with the aim of bringing more investment and impact into the sugar industry. We are too small an industry to do anything else.

You can read more about SRA's strategy on the following pages as well as in SRA's recently-published five-year Strategic Plan.

I am pleased to report that we have concluded the 20/21 financial year with a marked improvement in our financial position. Thanks are due to our CEO and her colleagues for this improved result. However, much remains to be done in the future to not only stabilise this situation but to increase expenditure in the contestable funding space. We look to all stakeholders to help us to achieve our lofty objectives.

This will be my final year as Chairman of SRA, having been on the Board since 2013 as an Initial Director and serving as Chairman since 2015. It has been a pleasure and honour to serve as your Chairman for this period, working with two CEOs during that time, a supportive Board and Directors, and a dependable and dedicated SRA team. I thank the industry for this privilege.

I would also like to specifically thank:

- growers and millers who provide guidance and information through a range of activities, and who are the primary investors in SRA through the joint 70c per tonne levy
- the Commonwealth Government who provided co-investment of \$6.4 million in 2020/21
- the Queensland Government Department of Agriculture and Fisheries, who co-invested \$2.85 million
- external research providers and investors including the Queensland Department of Environment and Science, the Department of Agriculture, Water and the Environment (Rural R&D for Profit and the Reef Trust), the Great Barrier Reef Foundation (GBRF), and the Australian Centre for International Agricultural Research (ACIAR)

- the Australian Sugar Industry Alliance (ASA), CANEGROWERS, the Australian Sugar Milling Council (ASMC), the Australian Cane Farmers Association (ACFA), AgForce, as well as all the industry bodies and research and extension providers with whom we collaborate
- my fellow Directors on the SRA Board and the members of the Research Funding Panel (RFP), who provide guidance and leadership
- the SRA staff, who continue to deliver upon our values of teamwork, investor satisfaction, accountability, and innovation, and have responded with distinction in managing the COVID-19 situation
- SRA's CEO, Ms Ros Baker, who is guiding SRA on a new pathway for the future.

I believe that this industry is not a sunset industry. It has a future but not if we continue with more of the same. Success will only come if we all work together because our common goals outweigh our differences. I wish you all well as you embark on this journey.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Ms Roslyn Baker

The past year has been significant for Sugar Research Australia. During the last 12 months, we have completed a major transformation of SRA's strategy, operating model, and proposed service delivery at a scale comparable to the initial establishment of this company almost eight years ago.

This transformation of SRA involved extensive and regular industry consultation and feedback to help shape our new strategic direction. Almost 18 months since we began this journey, I can proudly say that the SRA team has built the foundations of a strategy that is guided by the needs of the industry – now and in the future.

With the new five-year strategy approved and a new SRA structure in place, we have taken the first steps of a new direction that will capture bold new opportunities around complementary diversification, the green economy, and commercialisation, as well as our traditional areas of investment including plant breeding, biosecurity, and industry services.

The future is always complex and full of opportunities and challenges. Of course, as a research company, it is in SRA's DNA to be excited about the future, so it is natural that this strategy is firmly focused on the future. We are doing this in a way that will help to secure the industry's long-term future and profitability and also to ensure SRA is sustainable over the long term by diversifying our revenue streams.

It is generally well understood that the transformation of SRA was critically needed, both for the sustainability and stability of your research company, and for the industry itself, which continues to require high impact research outcomes.

To achieve this, we have set ambitious targets around developing our industry services and commercialising past and present R&D. We have built the support framework within SRA to make this happen, and we will be working hard to develop these opportunities in a way that enhances and complements our existing work for the sugar industry.

At the time of publishing this Annual Report, we are at the beginning of our new journey. The real work to revitalise SRA and deliver value is still ahead of us as we build our industry relationships, improve the way we translate research, and invest in exciting new opportunities that have impact on the ground.

I am tremendously excited about these opportunities and the way that the SRA team is embracing the challenge and opportunity ahead of us.

When I started with SRA 18 months ago, I knew there was a big challenge ahead to transform the organisation and deliver better value. I am proud of the teamwork to get us to this point and I am grateful to the SRA Board for embarking on a growth strategy for SRA on behalf of the industry.

Like any new strategy, there are risks and modifications that will occur along the journey, but with a dedicated SRA team and with ongoing industry feedback, I am confident that SRA is in a solid position for the future.

In presenting this Annual Report, I thank the Australian Sugar Industry Alliance, CANEGROWERS, the

Australian Sugar Milling Council, Australian Cane Farmers Association, AgForce, regional industry organisations, productivity services organisations, and all our research collaborators including commercial entities and research institutions.

Thank you to the Commonwealth Department of Agriculture, Water and the Environment, the Queensland Department of Agriculture and Fisheries, the Cooperative Research Centre for Developing Northern Australia (CRCNA), the Queensland Department of Environment and Science, and the Great Barrier Reef Foundation for their co-investments into SRA.

All our work is possible thanks to the contribution and support of our grower and miller investors. They are the focus of all that we do at

SRA. In addition to this investment, many growers and millers contribute significant time and energy into SRA activities, such as participation in meetings and advisory groups or assisting with on-farm trials.

I thank the SRA team, who have been through a year of significant change and transition and have always demonstrated their passion for the Australian sugarcane industry.

Finally, I thank the SRA Board for their strategic advice and support.

I look forward to continuing to work with all of you to improve upon SRA and our strategy and, ultimately, to ensure we have a sustainable and innovative SRA for the Australian sugarcane industry.



Burdekin Variety Officer, Catherine Kettle, and Joy Allegri, checking over cane in the early stages of the breeding program in Burdekin region.



ABOUT SRA

Why we exist

SRA keeps the Australian sugarcane industry competitive, productive, and sustainable through innovative research and product development.

What we do

As the declared Industry Services Body for the Australian sugarcane industry under the *Sugar Research and Development Services Act 2013* (Cth), SRA is responsible for the direct provision of RD&A activities as well as the ongoing management and investment of funds received from industry levy payers and government, for the benefit of the sugarcane industry and for the wider public good. The fundamental responsibilities of SRA are to:

- deliver cost-effective research and development services to the Australian sugar industry to enhance its viability, competitiveness and sustainability
- carry out, coordinate and provide investment for R&D activities in relation to the Australian sugar industry
- facilitate the dissemination, extension, adoption and commercialisation of results of R&D activities
- support and develop industry research capacity.

The SRA research effort extends across the industry and occurs for all growers and millers.

Where we operate

To support close engagement with stakeholders and strengthen visibility of industry needs, SRA maintains eight research stations and six farms across nine regional locations stretching along the east coast from north Queensland to northern New South Wales. At these farms and stations, SRA teams deliver research and development, biosecurity and plant breeding activities, providing real-world experimentation and trials.

All SRA farms are accredited under Smartcane BMP to 100% compliance. This accreditation captures SRA's commitment to Industry Best Practice standard for its farm operations. It further sets an important base for good environmental practice across the regional sites.

SRA's 122 employees operate in a range of roles that support and drive RD&A for the Australian sugarcane industry.

Our in-house capability

SRA is uniquely positioned with extensive in-house research and adoption capability with 122 staff who work in metropolitan and regional Queensland and northern New South Wales across critical research disciplines including:

- Entomology*
- Plant pathology*
- Agronomy*
- Environmental science*
- Farming machinery and engineering*
- Digital agriculture, geo-spatial and data science*
- Plant breeding*
- Plant physiology*
- Agriculture economics*
- Biosecurity*

LEADERSHIP

The Board

Robust and transparent governance processes underpin SRA's role as a trusted partner. SRA's Corporate Governance Framework describes the key corporate governance policies and practices which enable the organisation to meet its legislative and regulatory requirements and the expectations of the industry. The Board reviews and updates the corporate governance framework, policies and practices to ensure that they reflect changes in law, stakeholder expectations, and the current operating environment. It also aligns SRA's practices to developments in governance such as enhancing its Risk Appetite Statement and risk management processes and an increased focus on workplace culture and diversity. The Board aspires to meet a 50/50 gender ratio for SRA Directors by 2024.

More information on the role of the Board is provided in the Directors' Report, from page 65, and in the Corporate Governance Framework section, from page 53.



The executive team

SRA has an executive team in place to define responsibility and accountability across the business. Each area of the business is led by an executive manager who reports to the CEO. The CEO reports to the SRA Board.



A TRANSFORMATIONAL LENS FOR THE FUTURE

This year has been the final year of implementation under SRA's Strategy 2017–2021 and as such SRA has taken major strides in shaping a new direction for the future. The new strategic plan for 2021–2026 has a transformational focus, both within SRA and for the industry. It provides a vision for progressing and evolving SRA to stay relevant, innovative, commercial and sustainable.

Developed following extensive consultation, the new strategy keeps industry at the heart of decision making, committing to strong collaborations across the innovation sector, and to growing industry satisfaction with, and adoption of, research and development that will foster productivity and growth.

Under a new operating model, SRA is striving to strengthen services and build a high-performing research portfolio that tackles the biggest challenges and opportunities ahead for the Australian sugarcane industry.

Engaging with industry

Despite some constraints of COVID-19, SRA continued to engage with its industry stakeholders throughout 2020/21, to understand the key issues and challenges for growers and millers. Where possible, in-person events continued, providing opportunities for knowledge sharing and increased awareness of issues.

With a focus on purposeful engagement, SRA has worked to refresh its engagement processes, including direct touch points through each district, to build a deep understanding of the problems and constraints that industry faces within their local context.

Building from an earlier CEO listening tour with industry and staff, SRA undertook a series of strategy workshops involving representatives from industry, government and the research community. These sessions examined SRA's value proposition to shape new research missions, a balanced research portfolio and to design a regional engagement model.

In other highlights:

- SRA undertook dedicated engagement with local extension providers involving productivity services companies and local private agronomists.
- Approximately 20 in-person events were held across sugar regions, in addition to numerous shed meetings and field trials.

Pleasingly, insights from miller and grower surveys suggest satisfaction with engagement has improved from 2019 levels, particularly for the milling portfolio. Feedback noted SRA's consultation "demonstrated a desire to be open and receptive to industry feedback under difficult circumstances" (low crop and sugar price environment).

60
NUMBER OF PEOPLE AT EXTENSION PROVIDER MEETINGS



700
INDUSTRY AND RESEARCH REPRESENTATIVES ENGAGED IN DEVELOPING THE NEW STRATEGIC PLAN



250
STAFF AND INDUSTRY JOINED THE STRATEGY ROADSHOW IN NOVEMBER AND DECEMBER 2020



150
PEOPLE ATTENDED WORKSHOPS ON KEY TOPICS. ATTENDEES INCLUDED GROWERS, MILLERS, INVESTMENT PARTNERS AND SERVICE PROVIDERS

330
INDUSTRY STAKEHOLDERS AND RD&E PROVIDERS ACROSS 12 REGIONAL LOCATIONS

The moon overlooking growing sugarcane in the Childers region



In other insights:

- 75% of milling respondents agree SRA is a trusted source of information.
- 71% of growers agree SRA is a trusted source of information.
- Perceptions among milling CEOs about SRA's milling portfolio has shifted positively over the past 12-months.

There remains room for improvement. SRA has committed to further enhance grassroots engagement, adopting a strengthened focus on regional productivity and adoption through district managers and translation scientists. This is part of the new service delivery model and new strategic plan that was co-created with industry.

An enhanced value proposition

The SRA Strategic Plan 2021–2026 has been created to drive enduring prosperity and productivity in the Australian sugarcane industry and help re-position the industry for the future. The plan is built upon the needs of investors and key stakeholders and draws on the experience of SRA to date, while establishing a firm vision for the future.

The new strategy and its five strategic pillars and overarching objectives will form the basis of operational planning and performance reporting in the years ahead.

The full Strategic Plan is published on the [SRA website](#).



Strategic pillar 1 **STRONG FOUNDATIONS**

Evolve SRA to keep pace with the changing industry landscape by developing a capable, engaged, and safe workforce, and a lean, agile and entrepreneurial organisation with an agile and efficient cost-base.



Strategic pillar 2 **A HIGH-PERFORMING RESEARCH PORTFOLIO**

Design a focused, balanced and collaborative portfolio of research, development and extension investments and initiatives that deliver tangible solutions and options to advance the productivity, sustainability, profitability, and long-term growth prospects for the Australian sugarcane industry.



Strategic pillar 3 **TRANSLATION EXPERTISE**

Translate research findings into tools, products and services that save industry time and money, and improve environmental performance.



Strategic pillar 4 **WORLD-CLASS SUGARCANE VARIETIES**

Accelerate innovation in variety development to offer varieties that consistently underpin the success of the industry's current and future product objectives, crop production and protection while lowering development costs and shortening cycle times.



Strategic pillar 5 **COMMERCIAL BENEFITS AND REWARDS**

Take our research work and investments to the next level by securing investors and funding and extracting commercial value from our intellectual property, research capability, facilities and strategic partnerships.

Strong collaboration and partnerships

SRA's new approach will strengthen industry collaboration, moving beyond merely drawing on industry as interviewees or subjects of research, but involving them as equals in the co-creation of research strategies. A new model for district planning provides a direct conduit into planning for SRA's research activities and a pathway to translate research into practical commercial benefit for the industry. District Managers will be able to capture industry needs at the local level and feed those into SRA's decision-making processes.

SRA's new strategy is also designed to bring together interdisciplinary and cross-sectoral expertise in response to complex industry problems. It is about moving beyond funding research through a competitive process in favour of opening up the channels of communication and debate between research disciplines (and institutions) and making it easy for researchers to collaborate and guide the development of programs that will achieve SRA's Research Mission objectives. SRA's sugarcane industry expertise is critical, but it is not sufficient. The challenges and opportunities ahead for the industry are far too complex for SRA to tackle alone. Success will require a multi-disciplinary research response, together with a culture that supports collaboration and commerciality. Therefore, SRA's new strategy is supported by an operating model refresh that underpins an industry-centric approach to research, an expansion of domestic and global partnerships, and increased opportunities for commercialisation and co-investment.

Sugarcane Industry Roadmap

At its essence, the sugarcane industry is an interrelated biomass production and processing platform, mostly dedicated to accessing a single biomass feedstock for a single commodity product – sugar (albeit with coproducts of molasses and bagasse, subsequently used for bioenergy). This 'one feedstock – one product' business model is precariously positioned in the face of an increasingly challenging market outlook, characterised by increasing competition from lower-cost sugar producing countries. The industry is also facing increasing threats to social licence due to the industry's location and proximity to the Great Barrier Reef.

While the industry faces significant immediate and ongoing economic, environmental, and social ('triple bottom line') challenges, opportunities for the Australian sugarcane industry to emerge from this period as a multi-product (sugar plus) industry that makes significant positive contributions to the economy and the environment, are real and attainable.

Five key industry organisations – Sugar Research Australia, CANEGROWERS, Australian Sugar Milling Council (ASMC), Australian Cane Farmers Association (ACFA) and AgForce, came together during 2020/21 to form a Sugarcane Industry Leadership Forum. The forum collaborated to

co-create a new draft working vision for the industry, recognising that broad and ongoing collaboration is needed to bring this vision into reality, along with leadership and planning to develop a new industry roadmap.

Recognising the importance of the Australian sugarcane industry, the following organisations are supporting the development of an overarching strategy and roadmap that takes a 'best for industry' view:

- Cooperative Research Centre for Developing Northern Australia (CRCNA)
- Queensland Department of Agriculture and Fisheries
- Sugar Research Australia
- CANEGROWERS
- Australian Sugar Milling Council (ASMC)
- AgForce
- Australian Cane Farmers Association

The Sugarcane Industry Roadmap will be instrumental in providing a clear path for the Australian industry to secure and grow value and will become a platform for the industry to work together on the universal priorities of strategic importance.

Our new Research Missions

SRA responds to the challenges and opportunities of the sugarcane industry and, more broadly, the priorities of the agricultural sector, government and the wider Australian public.

As part of the strategic review conducted during 2020/21, SRA undertook extensive consultation across the industry, including in relation to research, development and adoption into the future.

Picture by Paul Calcino, SRA Meringa



As part of the new Strategic Plan 2021–2026, SRA has adopted five new research missions developed in collaboration with industry. These missions are grounded in industry's greatest challenges and opportunities; the things that 'keep industry up at night'. The intent of SRA's mission-oriented research is to identify and articulate the concrete problems that can galvanise research effort around smart, collaborative and sustainable solutions.

Research Missions

1 PROFITABLE AND PRODUCTIVE

Continuous improvement in farming and milling profitability

2 RESILIENT AND ENDURING

Position the industry to stay ahead of climate, environmental and biosecurity threats

3 DIVERSIFIED AND ADAPTABLE

Capitalise on changing consumer preferences, and the growing bio and green economies to develop diversification opportunities

4 WEALTH GENERATING THROUGH LAND STEWARDSHIP

Position the Australian sugarcane industry as leaders in profitability, environmental sustainability and resource-use efficiency

5 SKILLED FOR THE FUTURE

Support the development of an adaptable, professional, commercial and entrepreneurial industry and research community

By directing research investment through the lens of missions, SRA will narrow its focus to delivering outcomes in the areas most critical to industry's long-term prosperity and sustainability. Using missions to drive innovation for the industry means focusing less on individual projects within discrete research areas, and more on designing research programs that take a whole-of-system approach to tackle the problems that matter.

Importantly, targeting SRA's investments in new strategic areas, will require greater collaboration across different disciplines and sectors, and provides opportunity to attract more diverse investments across the public sector and through private sector investors.



DELIVERING IMPACT THROUGH INVESTMENT

In outlining performance and the value delivered to industry over 2020/21, SRA has reported against the Key Focus Areas (KFAs) of its 2017–2021 Strategic Plan. The nine KFAs were derived to address four overarching goals for SRA and the broader sugar industry.

GOALS	KEY FOCUS AREAS
Drive profitability through innovation-led productivity gains, step-change and value-adding	KFA 1 Variety development
Improve sustainability through evidence-based research and sustainable production, biosecurity and environmental management	KFA 2 Soil health, nutrient management and environmental sustainability
Enhance capability through strengthened research and industry partnerships, capability development programs and collaborative knowledge transfer and adoption mechanisms	KFA 3 Pest, disease and weed management
Strengthen organisational excellence through enhanced RD&A investment management, best practice organisational governance and a positive performance-focused organisational culture	KFA 4 Farming systems and harvesting
	KFA 5 Milling efficiency and technology
	KFA 6 Product diversification and value addition
	KFA 7 Knowledge and technology transfer and adoption
	KFA 8 Collaboration and capability development
	KFA 9 Organisational effectiveness

The new Strategic Plan 2021–2026 will form the basis of performance reporting and value creation for future years.

Research Impact

SRA recognises that the future of the industry will be underpinned by innovation and a focus on impactful investment in research and development, together with an industry motivated to adopt and adapt.

Research and development (R&D) innovation is critical for the sugarcane industry where there is a need for productivity and profitability gains to keep ahead of escalating costs of production and competitive challenges, as well as increasing competition for land use, the impact of climate variability and growing social licence to operate concerns. With the industry facing increasing levels of disruption and change, there is a pressing need for SRA to deliver transformational innovation to underpin the Australian sugarcane industry's competitiveness and long-term viability.

During 2020/21, SRA invested \$34.4 Million in research, development and adoption for the benefit of the industry, as outlined in KFAs 1–8. Research, development and adoption (RD&A) outputs, outcomes and impacts outlined in this report span current and past investments for which evaluations were undertaken during 2020/21.



SRA investment 2020/21 by Key Focus Area (KFA)*

KFA	MILLION
 KFA1	\$14.0
 KFA2	\$4.5
 KFA3	\$4.2
 KFA4	\$0.8
 KFA5	\$2.2
 KFA6	\$0.2
 KFA7	\$7.2
 KFA8	\$1.3
Total investment	\$34.4

Numbers are rounded.

*The pie chart and table address KFAs 1–8. KFA 9 is addressed separately on page 51.

RESEARCH IMPACT

During 2020/21 SRA had four overarching goals and nine key focus areas (KFAs) with RD&A programs as per the Strategic Plan 2017–2021. This alignment provided clarity in purpose and alignment with investor priorities.

KFA	1 / VARIETY DEVELOPMENT	2 / SOIL HEALTH, NUTRIENT MANAGEMENT AND ENVIRONMENTAL SUSTAINABILITY	3 / PEST, DISEASE AND WEED MANAGEMENT	4 / FARMING SYSTEMS AND HARVESTING
OUTPUTS/OUTCOMES	Increased sugarcane yield and commercial cane sugar (CCS)	Better soil health, reduced nutrient losses and improved water quality	Reduced or avoided yield losses and/or input costs	Improved farm input-output efficiencies and profitability
PRIORITIES	Restructure and modernise the breeding program and broaden the genetic base	Integrated and focused soil health program and enhanced SIX EASY STEPS guidelines and nitrogen management	Integrated new precision technologies and activities on a cost/benefit basis	Economic analyses and demonstration of new or improved technology, farm management practices and analysis tools
KPI PERFORMANCE	<p>A 2% genetic gain per annum, as measured by Final Assessment Trial (FAT) clone performance</p> <p>A 12% increase in varietal performance over 10 years</p> <p>SRA's breeding program utilises molecular markers in selection by 2022</p>	<ul style="list-style-type: none"> Release of updated nitrogen management recommendations by 2020 Release of recommendations for the use of Enhanced Efficiency Fertilisers by 2021 90% of growers using SIX EASY STEPS by 2022 	<ul style="list-style-type: none"> Up-to-date dossiers reflecting current knowledge for high-risk exotic threats, reviewed annually At least 20% of growers adopted new and/or improved pest management strategies within last five years At least 2,000 clones from various stages of the selection programs, parents and foreign clones screened annually 	<ul style="list-style-type: none"> Positive input-output efficiency ratios resulting from adoption of new technology and practices A 10% increase in harvesting best practice demonstration sites per region per annum
PROGRAMS	<ul style="list-style-type: none"> Plant genetics/selection Physiology and trait development Diagnostics Fundamental research for gene characterisation and editing 	<ul style="list-style-type: none"> Soil health Nutrient management Climate variability and forecasting Environmental sustainability and social licence to operate 	<ul style="list-style-type: none"> Biosecurity Pest control Disease management Weed management Yellow canopy syndrome (YCS) 	<ul style="list-style-type: none"> Precision agriculture Water management Farming systems Harvesting systems and cane cleaning
	<p>47 RD&A outputs</p> <p>● Green = 94%</p> <p>● Amber = 2%</p> <p>● Red = 4%</p>	<p>27 RD&A outputs</p> <p>● Green = 81%</p> <p>● Amber = 0%</p> <p>● Red = 19%</p>	<p>36 RD&A outputs</p> <p>● Green = 78%</p> <p>● Amber = 14%</p> <p>● Red = 8%</p>	<p>11 RD&A outputs</p> <p>● Green = 100%</p> <p>● Amber = 0%</p> <p>● Red = 0%</p>
EXPENDITURE**	\$14.0m	\$4.5m	\$4.2m	\$0.8m

OUTPUT PERFORMANCE RATING:

- DELIVERED/ON TRACK
- NOT DELIVERED/IN PROGRESS/A RISK BUT NOT AN ISSUE YET
- NOT DELIVERED/SERIOUS DELAYS/MAJOR ISSUES

* Performance data was not collected during 2020/21.

** Expenditure includes impact of allocation of centrally managed function costs and associated corporate overheads

5 / MILLING EFFICIENCY AND TECHNOLOGY	6 / PRODUCT DIVERSIFICATION AND VALUE ADDITION	7 / KNOWLEDGE AND TECHNOLOGY TRANSFER AND ADOPTION	8 / COLLABORATION AND CAPABILITY DEVELOPMENT
Optimised production, improved capital utilisation and waste minimisation	Diversified revenue streams and product innovation	Accelerated adoption of new technology and practice change	Enhanced efficiency and a more focused research capability and capacity
Enhanced capability and new technology for improving processing and energy efficiency	Prioritised diversification opportunities for further R&D activity or market analysis	New strategy targeting industry needs, problems and solutions	Leveraged industry, government and research partnerships and enhanced human capability programs
A 10% increase in SRA Performance Rating over five years by millers	Completion of technical review of diversification opportunities by 2019	At least 70% of growers producing more than 7,000 tonnes per annum adopted new practices and/or technology over two-year period	* SRA participation and investment in relevant collaborative and cross-sectoral programs, including the Commonwealth's Rural R&D for Profit Program
Average miller satisfaction for SRA information products and services rating of at least 4 out of 5 achieved by 2022	Identification of new opportunities for product diversification by 2020	At least 50% of growers producing less than 7,000 tonnes per annum adopted new practices and/or technology over two-year period	* Maintain a minimum of four postgraduate scholarships and two research awards each year
<ul style="list-style-type: none"> • Cane quality and transport • Sugar quality • Mill operations • Energy efficiency • Knowledge transfer and adoption 		Average grower and miller satisfaction with SRA adoption and communication activities rating of 4 out of 5 achieved by 2022	● At least two short-term placements per annum of students and/or professionals in research or industry positions for industry exposure
<ul style="list-style-type: none"> • Enhancing value 		Improved industry adoption outcomes through implementation of the Strategy for Industry Led Adoption Activities	
24 RD&A outputs	3 RD&A outputs	27 RD&A outputs	15 RD&A outputs
<ul style="list-style-type: none"> ● Green = 92% ● Amber = 8% ● Red = 0% 	<ul style="list-style-type: none"> ● Green = 0% ● Amber = 100% ● Red = 0% 	<ul style="list-style-type: none"> ● Green = 100% ● Amber = 0% ● Red = 0% 	<ul style="list-style-type: none"> ● Green = 87% ● Amber = 13% ● Red = 0%
\$2.2m	\$0.2m	\$7.2m	\$1.3m

KFA 1

VARIETY DEVELOPMENT

Key Focus Area 1 includes SRA's sugarcane plant breeding program for the production of new and improved sugarcane varieties and their release and distribution for commercial production. In addition, the investment portfolio for KFA 1 is aimed at developing tools, technologies and platforms to enable the breeding program to develop those varieties, including the exploration and creation of new genetic diversity and improved genome and trait knowledge.

RD&A OUTPUTS, OUTCOMES AND IMPACTS



Advancements in image processing and machine learning for disease resistance screening



Mid-stage indirect traits-based approach developed for clonal assessment trials



For every **\$1** invested in producing a compendium of sugarcane traits and their genes for SRA's Plant Breeding Program there is at least **\$2.50** of economic value created

28

28 new varieties developed by SRA in the last five years to 2021



Mid-stage high throughput, low-cost SNP markers will enable early screening of traits in SRA's Plant Breeding Program

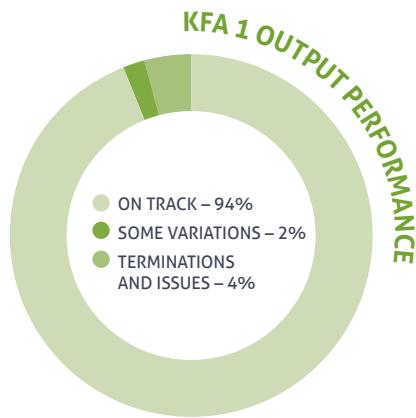


1,388 samples and **2,667** assays of plant material for industry and fee-for-service customers by SRA's chemical laboratory services

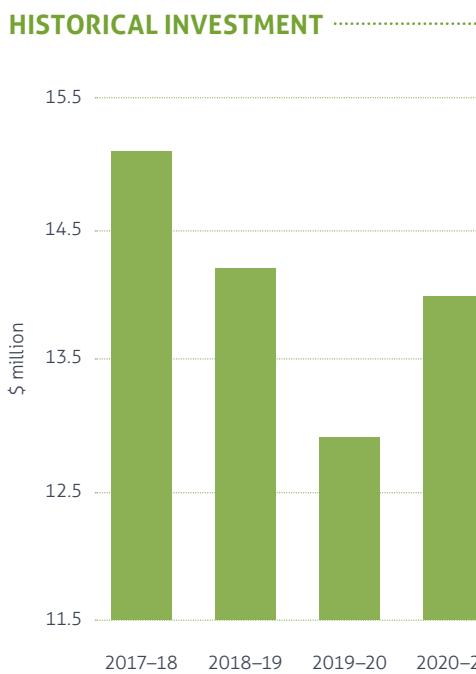


Mid-stage genomic selection software was produced to enable early screening of traits for SRA's Plant Breeding Program





In 2020/21 there were **20 investment activities** that planned to produce **47 RD&A outputs**.



PARTNERS

3 co-investors and collaborative partners

SRA32 sets new yield benchmark for the Burdekin

This year, 30,300 seedlings of potential new varieties went into field trials at the SRA Brandon research station.

The potential new varieties progressed to Final Assessment Trials (FATs) conducted under commercial agronomic management conditions on farms across the Burdekin. A range of specialist tests were also completed to determine the disease resistance profile, sugar quality, and fibre quality of advanced clones.

One promising variety, SRA32, completed testing through to second ratoon in seven Burdekin FATs between 2015 and 2020. In these trials, SRA32 showed exceptional productivity with an advantage of 16 TCH when compared to standard, established varieties.

The results for SRA32 were consistent, with cane yield above the average of the standards in 19 of the 20 harvests and 13 of these were statistically significant.

The new variety does have lower CCS than established varieties, averaging 0.8 units below the standards. However, the high yield potential of SRA32 means that the variety offers an advantage in terms of sugar per hectare. The difference in CCS varies with harvest date and crop age so there are opportunities to maximise CCS from SRA32 through management practices.

SRA32 is resistant to leaf scald, mosaic and Pachymetra. It is rated intermediate in reaction to smut, and in Burdekin observation trials infection levels have been higher than Q208[®] and KQ228[®] but significantly lower than SRA8. Growers have been advised that planting into high smut risk situations should be avoided.

The Burdekin Regional Variety Committee (RVC) and local productivity providers, working in close collaboration with SRA, approved the release of SRA32 in mid-2021.

Clean seed is a foundation for productivity, but it does take time to generate high volumes for new varieties.

Following standard protocols for propagation through mother plots to distribution plots would see SRA32 become available to growers for billet planting in the 2024 season. However, thanks to SRA and Burdekin Productivity Services (BPS) working together to use tissue culture to rapidly produce enough SRA32 plantlets to establish a one-hectare mother plot this year, growers will have clean seed of SRA32 available in 2023, one year ahead of the normal schedule.

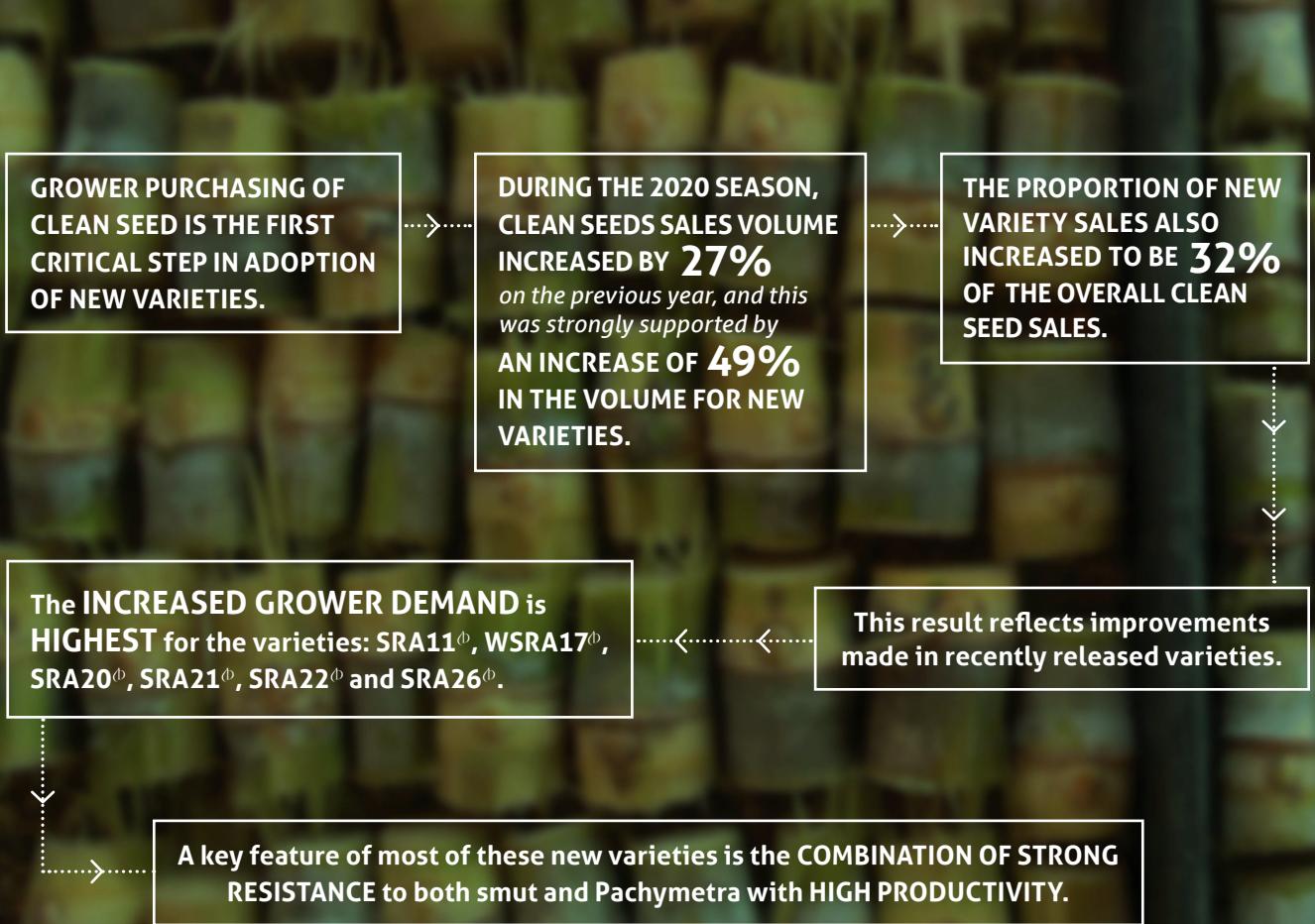
SRA's rigorous plant breeding program, in collaboration with BPS, and the technical expertise of the RVC has delivered a novel new variety for Burdekin farmers to consider for their future farming operations.

PLANT BREEDING PROGRAM

Varieties form the foundation of SRA's work to improve the productivity, sustainability and competitiveness of Australia's sugarcane industry. Every year SRA plants around 100,000 new seedlings as potential varieties for the future. In each region, the local industry plays a critical role in identifying and releasing the top performers. Although it takes between 10 and 12 years for a seedling to progress through the program, every year new varieties are assessed for their suitability for release. These varieties are continually compared to the major commercial varieties of the region to ensure they improve the overall industry profitability. Each variety is assessed on three criteria before release: performance, disease resistance and industry needs.

Variety development efforts will continue to be aligned to grower and miller priorities using a sophisticated economic selection index incorporating whole-of-industry value for target traits tuned on a regional basis. SRA will partner with research providers to develop selection technology and new traits to support the prosperity and sustainability of sugarcane production. Through District Managers, SRA will work with local providers to improve the adoption of clean seed, and overall variety adoption, across the industry.

The variety development program is a clear demonstration of the significant consultation undertaken with levy payers and industry representative organisations. Under the program, six Regional Variety Committees, comprising growers, millers and industry bodies, collectively review the performance of new varieties to make whole-of-industry decisions regarding the commercial release of new varieties. More than 100 individuals contributed to these decisions in 2020/21 culminating in the release of five new varieties that will contribute to making the Australian sugarcane industry more productive, sustainable and competitive.



Latest releases:

- **SRA31 (Herbert)** – resistant to smut and Pachymetra, targeted to lower yield potential situations
- **SRA32 (Burdekin)** – a new yield benchmark averaging 16 tonnes of cane per hectare (TCH) advantage
- **SRAW33 (South)** – small improvement in both TCH and CCS, good fibre quality
- **SRA34 (NSW)** – for one-year production, limited release with strip trials at Condong initially
- **SRA35 (NSW)** – for two-year production in the Broadwater and Harwood mill areas.

As part of its new strategic direction, SRA will:

- develop world-class varieties to maximise a whole-of-industry profitability for sugar production
- continuously innovate variety production methods to improve efficiency
- incorporate novel traits into elite new varieties to improve profitability in current and future markets
- protect the Australian sugar industry from biosecurity threats
- ensure the availability of fit-for-purpose infrastructure and facilities to support SRA's core functions.

Plant breeding review

As part of its broader strategic review, SRA commissioned an independent review of its investments in plant breeding for the Australian sugarcane industry. This review examined information from 12 international breeding programs to benchmark SRA and the Australian program.

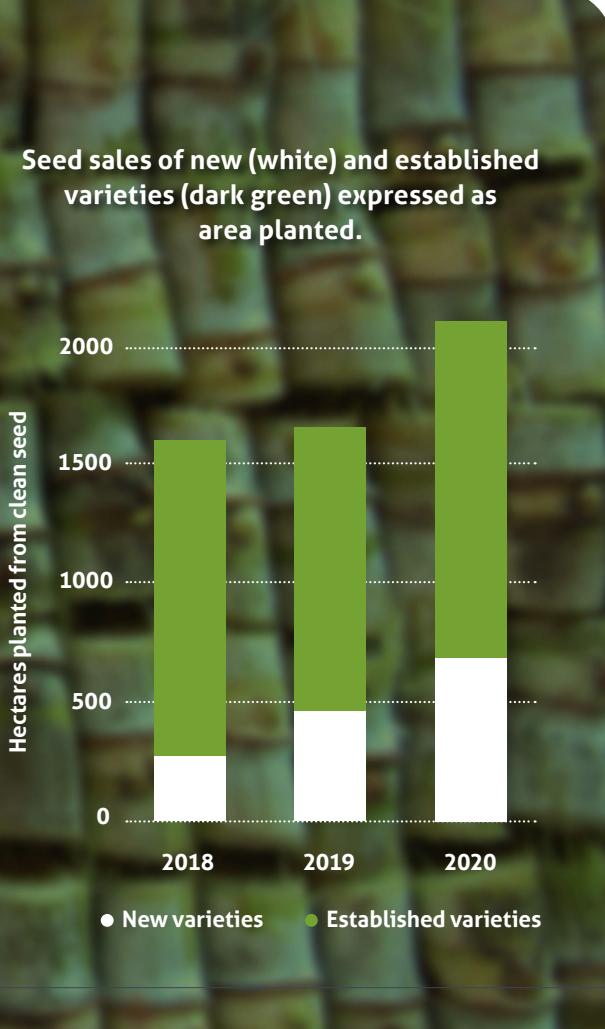
Overall, the results of the review reflected positively on SRA in terms of a leading position in clarity of objectives, application of new technology, and lead metrics to assess program performance.

The review team commented that the combination of the economic selection index (rEGV) and lead performance indicators provides possibly the best formal selection framework they have seen in any crop species.

SRA is working to drive improved cost efficiencies, since benchmarking identified higher costs than international programs. This is driven by labour-cost and the labour-intensive nature of SRA's field operations.

SRA is continuing to implement a range of enhancements to the breeding program, as part of its response to the review and as part of the overall revitalisation of the company, with 22 of the 25 recommendations accepted and three subject to financial and technical gates.

2020/21 saw the release of five new varieties that will contribute to making the Australian sugarcane industry more productive, sustainable and competitive.





KFA 2 SOIL HEALTH NUTRIENT MANAGEMENT AND ENVIRONMENTAL SUSTAINABILITY

Key Focus Area 2 is concerned with improving soil health, managing nutrients and chemical inputs, building capability to predict and adapt to variable climatic conditions and the industry's environmental sustainability and social licence to farm. The focus area includes SRA's dedicated Soil Health Program, charged with the coordination and delivery of long-term investment to research and develop solutions to the industry's soil-based constraints.



RD&A OUTPUTS, OUTCOMES AND IMPACTS



For every **\$1** invested in climate forecasting to improve nitrogen management in the Wet Tropics, at least **\$3.90** in economic value was created



A prototype seasonal forecast tool that maps extremes for rainfall and temperatures was developed in collaboration with cross-sectoral co-investors



4,059 samples and **24,470** assays of plant material, soil and water were examined for industry and fee-for-service customers by SRA's chemical laboratory services



68 growers from the central region engaged in shed meetings and events as part of soil health benchmarking



An economic analysis produced for the More Profit for Nitrogen Program found sugarcane yields showed no statistically significant difference between soil mineral nitrogen supplied by conventional urea and nitrogen supplied by EEFs

SIX EASY STEPS®

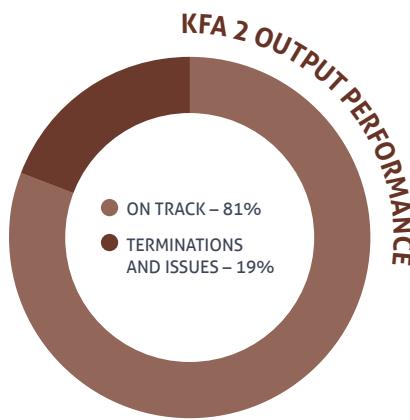
For every **\$1** invested by SRA in developing the SIX EASY STEPS nutrient management program, it is estimated that at least **\$2.70** of economic value is created



60 growers were involved in testing the effectiveness of sustainable farming practices using Enhanced Efficiency Fertilisers (EEFs)

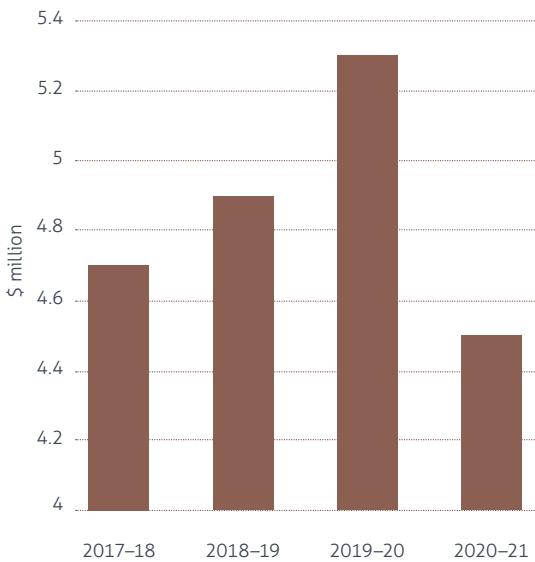


New method developed by SRA laboratory services to detect **26** industry-specific pesticide compounds in water run-off to support land stewardship



In 2020/21 there were **11** investment activities that planned to produce **27** RD&A outputs.

HISTORICAL INVESTMENT



PARTNERS

40 co-investors and collaborative partners

*Project no: 2017/901
 Principal R&D provider: The Queensland Department of Agriculture and Fisheries
 Chief Investigator: Neil Cliffe

Forewarned is Forearmed experimental forecasts and their use in managing red witchweed eradication biosecurity program*

PROBLEM

Red Witchweed is a parasitic plant that attaches to the roots of host plants, including sugarcane. The weed robs its host of water and nutrients, suppressing its growth and causing wilting and in some cases, death.

Managing red witchweed can be problematic particularly during rainfall events, which occur frequently in many sugarcane growing regions. Such rainfall events can increase the costs and reduce the effectiveness of management efforts through impacts on additional labour and machinery costs and herbicide run-off.

SOLUTION

The **Forewarned is Forearmed (FWFA)** project will equip farmers with new weather forecasting products enabling them to proactively manage the impacts of extreme climate events.

The Queensland Department of Agriculture and Fisheries Red Witchweed Biosecurity Response team used the new forecasting products to plan eradication activities more effectively around forecast dry and wet weather periods.

IMPACT

This collaborative project has delivered improved weed eradication, by minimising herbicide run-off due to rainfall events, at the same time reducing equipment and labour costs.

The climate forecasting products were developed by the **Forewarned is Forearmed (FWFA)** project.

FWFA is co-funded by the Managing Climate Variability program, the Commonwealth Department of Agriculture and Water's Rural R&D for Profit Program, Queensland Department of Agriculture and Fisheries, SRA and other research and development organisations.

ENVIRONMENTAL SUSTAINABILITY FOR INDUSTRY

SRA plays a pivotal role investing in and researching activities related to nitrogen use and other issues concerning interactions between farming systems and water quality impacting the Great Barrier Reef.

SRA provides robust and independent research in relation to the environmental sustainability of the sugarcane industry and assists our industry investors to optimise productivity and profitability while also moving towards meeting water quality and other environmental targets.

SRA will continue to leverage its research funds to maximise research impact.

To achieve these objectives, SRA partners with a range of credible research agencies and co-investors.

As part of its commitment to understand the cradle-to-grave environmental impacts of the Australian sugar industry, SRA, with support from CANEGROWERS, the Australian Sugar Milling Council, and the Australian Cane Farmers Association, has commenced a life cycle analysis (LCA) project.

The current LCA project will advance previous research to present findings within the context of contemporary frameworks such as United Nations Sustainable Development Goals and the European Union Product Environmental Footprint.

The outcomes of the LCA project, which is due for completion in March 2023, will assist industry to:

- minimise environmental impacts
- exploit opportunities for improving resource use efficiency
- support industry diversification
- influence policy
- improve social licence to operate by demonstrating a proactive stance to measuring, reporting and reducing environmental impacts
- provide information to underpin future sustainability frameworks
- underpin market access in markets such as the EU and others that introduce supply chain sustainability reporting requirements.

Generating wealth through land stewardship: Nutrient management adoption by sugarcane growers in the Cane to Creek 2.0 program*

PROBLEM

The Reef 2050 Plan by the Department of Agriculture, Water and the Environment and the Queensland Government reports that nutrients, fine sediments and pesticides pose the greatest water quality risk to the Great Barrier Reef (GBR). It notes improving the quality of water entering the GBR is critical to building resilience and maintaining the Reef's fundamental contribution to the Australian community through tourism and food production.

Queensland's wet tropics region, home to many sugarcane growers, is high risk for water quality particularly due to dissolved inorganic nitrogen (DIN) loads from nutrient management. Research by SRA suggests reducing nitrogen (DIN) loads can be achieved using SRA's SIX EASY STEPS nutrient management guidelines which minimise nitrogen losses (leaching, run-off and/ or gaseous losses) whilst increasing profitability through reduced inputs. Despite this there are some growers who have not adopted the guidelines and may be using superseded practices that pose a risk to land stewardship.

SOLUTION

Cane to Creek 2.0 sought to address this adoption issue by using best practice extension to engage growers and co-design solutions with them. Working in collaboration with 74 growers in the Far North Queensland and Herbert regions, the project utilised low-cost monitoring equipment installed on growers' farms to demonstrate the potential to reduce nitrogen losses by refining nutrient management. Importantly, the project clearly demonstrated to growers that it was possible to achieve this whilst maintaining productivity and increasing profitability.

*Project no: 2018/803
Principal R&D provider: SRA
Chief Investigator: Belinda Billing



Environmental sustainability within SRA

Under an established Environmental Management Framework, SRA is committed to its environmental obligations and its position in the industry demonstrating best farming practices. The CANEGROWERS Smartcane Best Management Practices (Smartcane BMP) as well as best practice farming methods incorporate many environmental aspects that require appropriate management and 100% of SRA's farming operations have received Smartcane accreditation.

Site-specific Environmental Management Plans (EMPs) are in place to address other environmental aspects and impacts not covered by the Smartcane BMP accreditation or the biosecurity and Office of the Gene Technology Regulator (OGTR) regulatory regimes.

IMPACT

Finishing in June 2021 the program delivered several key outputs and outcomes. Firstly, a total of 77 demonstrations were delivered to growers to reduce barriers to adoption such as awareness and understanding. Secondly, 40% of participating growers adopted nutrient and/or chemical management best practices including land stewardship frameworks to inform chemical selection. Thirdly, the project delivered a 10% reduction in DIN run-off and drainage within the target area and participating growers reported increased profitability with no loss to productivity. These results demonstrate that it is possible to support sugarcane growers to achieve water quality improvements.

The Cane to Creek 2.0 Project, completed in June 2021, was delivered by SRA, through the Regional Water Quality program and funded by the partnership between the Australian Government's Reef Trust and the Great Barrier Reef Foundation.

KFA 3

PEST, DISEASE AND WEED MANAGEMENT

Key Focus Area 3 houses SRA's internal pathological and entomological expertise and capability to diagnose and manage domestic and international biotic threats to the Australian sugarcane industry. The focus area also comprises the portfolio of research and development investment delivering improvements in pest, disease and weed management and SRA's Yellow Canopy Syndrome (YCS) research portfolio.



RD&A OUTPUTS, OUTCOMES AND IMPACTS



A three-part Biosecurity Webinar Series was presented, attracting more than **150** attendees over the series



12,216 samples screened by SRA's Ratoon Stunting Disease (RSD) laboratory



New method to detect imidacloprid residue levels in the low parts per trillion (ppt) developed by SRA's chemical laboratory services to support land stewardship



For every **\$1** invested in validating soil-applied insecticides to manage moth borers for future product registration it is estimated that at least **\$4.20** of economic value through avoided losses will be created



For every **\$1** invested by SRA in validating novel insecticides to manage canegrubs for future product registration, it is estimated that at least **\$3.60** of economic value through avoided losses will be created



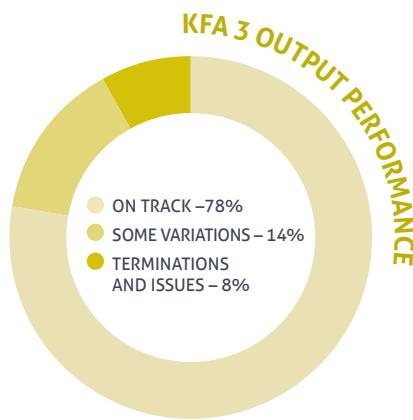
Validation trials of soil-applied insecticides to manage moth borers to support future product registration



Pre-commercial testing underway for an RSD assay that detects the pathogen in every rake of cane entering the sugar mill

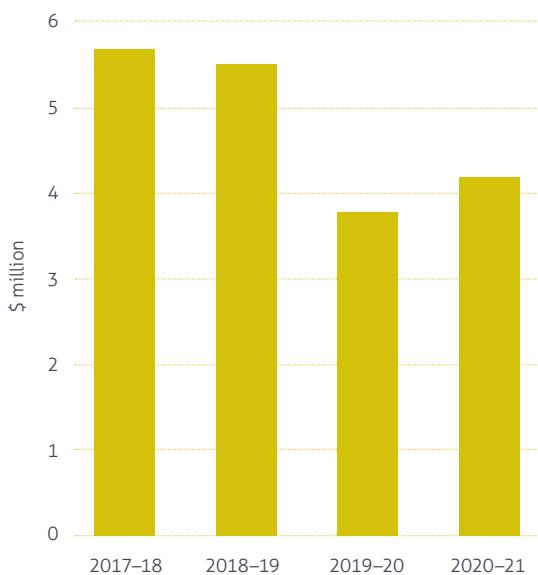


PhD student employed by SRA to advance diagnostic techniques of Yellow Canopy Syndrome



In 2020/21 there were **17 investment activities** that planned to produce **36 RD&A outputs**.

HISTORICAL INVESTMENT



PARTNERS

41 co-investors and collaborative partners

*Project no: 2020/007
 Principal R&D provider: EnviroDNA Pty Ltd
 Chief Investigator: Dr Andrew Weeks

Environmental DNA technologies and predictive modelling for rapid detection and identification of sugarcane priority pests and diseases*

PROBLEM

Biosecurity planning and surveillance is important for the ongoing profitability and sustainability of the sugarcane industry. Existing biosecurity surveillance is based on trapping pests or in-field identification of diseases by specialist entomologists and pathologists. This can be time consuming and costly for biosecurity personnel and problematic in the event of an incursion.

SOLUTION

All organisms shed their DNA into the environment and this environmental DNA (eDNA) can reveal recent presence even when the pest is no longer present. In-field DNA-based identification can be done without the need for specialist entomologists and pathologists.

Using eDNA technology increases the chances of detection before an incursion becomes established. There are multiple recent examples of eDNA technology being successfully used to detect pests in a range of crops.

To ensure that the eDNA surveillance is as cost-effective as possible, sophisticated forecasting is incorporated to identify the areas that are most at risk of pest incursions.

IMPACT

The combination of forecasting and eDNA testing will improve the speed, efficiency, cost effectiveness and accuracy of biosecurity surveillance. For every \$1 invested by SRA in developing this technology it is estimated to create least \$2.80 of economic value for the industry.

SRA acknowledges the funding contribution of the Queensland Department of Agriculture and Fisheries towards this research activity.



Fall armyworm on sweet corn

BIOSECURITY

Protection of the Australian sugarcane industry from losses caused by pests and diseases is the fundamental purpose of the biosecurity program at SRA. The scope of the work includes: disease-resistance screening of varieties; provision of pathology and entomology services for stakeholders; provision of an RSD testing service; research into current and future pest and disease threats; and collaborative research in cutting-edge biosecurity technologies. SRA provides information for state and commonwealth governments and provides sugarcane-specific advice as required.

In 2020, ACIL Allen completed a Benefit Cost Analysis of the Variety Development and Biosecurity programs. For biosecurity, this included the examples of RSD, Fiji leaf gall, and exotic pests or disease incursions over 20 years. The analysis was done using a comparison of with- and without-SRA involvement and is indicative of avoided losses. The results show each of these programs provides substantial benefit to the Australian sugarcane industry:

- For every \$1 invested by SRA in managing RSD at least \$15.50 of economic value through avoided losses is created.
- SRA's management activities of RSD have a net present value of \$67.5M to the industry.
- For every \$1 invested by SRA in managing Fiji leaf gall at least \$316.40 of economic value through avoided losses is created.
- SRA's management activities related to Fiji leaf gall have a net present value of \$72.8M to the industry.
- For every \$1 invested by SRA in exotic incursion control activities at least \$84.90 of economic value is created through avoided losses to industry.
- SRA's management activities of exotic incursions have a net present value of \$147.6M to the industry.

2020/21 biosecurity highlights



2021 saw the establishment of an SRA Biosecurity Working Group that maintains active collaboration across all areas of biosecurity including pests, diseases and weeds. The group comprises members of the Industry Services, Variety Development and Research Investments business units. Members meet regularly to ensure cross-discipline collaboration, coordinate biosecurity actions and discuss current biosecurity challenges.



Improved diagnostics for exotic diseases (e.g. phytoplasma and Ramu stunt) and established diseases (e.g. Fiji leaf gall) have been developed by SRA staff in the iMapPESTS project. A new High Throughput Sequencing approach has been used to identify previously unknown variants of sugarcane striate mosaic.



Three dossiers for exotic moth borers have been produced for the genera of Sesamia, Chilo and Scirpophaga. These dossiers include up-to-date information on species, location and diagnostics, which is all instrumental in case of an incursion.



A new method for red rot resistance screening was developed and is currently being fine-tuned for adoption in the disease resistance screening program. This will make screening for this important disease much more efficient, reducing the turnaround time for results by nearly 12 months.



A new species of root lesion nematode (*Pratylenchus parazeae*) has been identified by the South Australian Research and Development Institute (SARDI) using DNA tests, which has been confirmed by SRA. Research is underway to determine the impact of this new species in sugarcane.



There has been a 40% increase in demand for RSD testing services during the year.



During 2020/21 the variety exchange program imported elite varieties from the following countries: 19 from Brazil, 5 from Mauritius, 5 from Fiji, 8 from South Africa. The program has completed quarantine for elite varieties from the following countries: 4 from Japan, 10 from France (Reunion), 1 from South Africa and 5 from Brazil. The program exported 10 SRA varieties to Argentina, and 5 varieties to Brazil. No significant diseases have been intercepted this year.



A paper detailing the import program over the last 20 years was presented at ASSCT 2021, including the important diseases that were intercepted in quarantine.



KFA 4 FARMING SYSTEMS AND HARVESTING

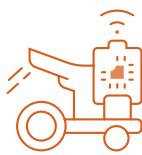
Key Focus Area 4 comprises SRA's research and development activities dedicated to optimisation of sugarcane farming and harvesting systems. The portfolio encompasses precision agriculture, water management and on-farm energy efficiency research. KFA4 also includes SRA's flagship Harvesting Best Practices (HBP) program which is driving improvements in harvester design and practices, with promising industry outcomes emerging from the harvesting groups participating in SRA's demonstration trials.



RD&A OUTPUTS, OUTCOMES AND IMPACTS



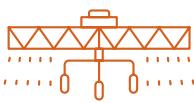
Harvesting cane loss monitors installed



Machine vision sensing early stage prototype developed to assess real-time harvester losses



Basics of Sugarcane Irrigation Systems training modules developed and presented to growers to increase knowledge and skills



Nine Irrigation Ready Reckoner tools and support materials developed to support growers and advisors to undertake irrigation field assessments



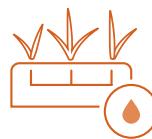
New findings validate digital soil mapping as an approach to map various topsoil and subsoil physical and chemical properties in different sugarcane growing districts



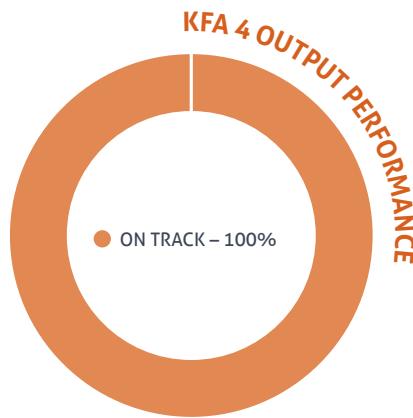
For every **\$1** invested in a harvesting decision-support tool it is estimated that at least **\$5.50** of economic value will be created



Harvesting demonstration days conducted by SRA, DAF, Tully Sugar Limited, Tully CANEGROWERS and Mackay Sugar Limited

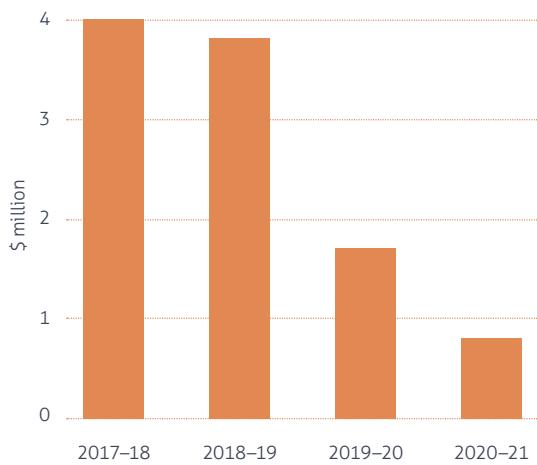


For every **\$1** invested in new irrigation technologies, it is estimated that between **\$1.20** and **\$2.00** of economic value will be created



In 2020/21 there were **5 investment activities** that planned to produce **11 RD&A outputs**.

HISTORICAL INVESTMENT



PARTNERS

17 co-investors and collaborative partners

*Project no: 2019/901
 Principal R&D provider: Cotton Research and Development Corporation
 Chief Investigator: Dr Malcom Gillies

Smarter Irrigation for Profit Phase II: Economics of irrigation system conversion: big gun irrigation to furrow irrigation, Bundaberg Qld*

PROBLEM

Farmers with ageing irrigation infrastructure face decisions about whether to refurbish existing systems or invest in new irrigation equipment. Rising energy costs add another dimension to this issue, particularly for growers relying on high pressure travelling big gun irrigators, which involve minimal capital cost but high energy costs.

Furrow irrigation is an option for growers. However, lack of knowledge about costs, benefits, and applicability of this technology can be a barrier to adoption.

SOLUTION

An economic analysis was completed to assess the benefits and costs involved in changing from big gun to furrow irrigation. Building on previous SRA research that found not all soil types are suited to furrow irrigation, the analysis, completed by Ag Econ, applied sensitivity testing to understand the impact of soil type and account for labour costs.

Results suggest there is a 13% return on marginal capital to change from big gun to furrow irrigation, providing field slope and soil type are suitable. Also, the marginal return on capital remained above 10%, even at sub-optimal irrigation application rates of furrow irrigation, due to the high costs related to pressurised water required for big gun application.

Labour costs were double that of big gun irrigation systems, however, the high energy requirements of big gun irrigation expose growers to increases in variable costs from future energy price rises.

IMPACT

These findings enable growers in the Bundaberg region to make informed decisions about converting from big gun to furrow irrigation, contributing to improved productivity and profitability.

This project was supported by funding from the Australian Government Department of Agriculture, Water and the Environment as part of its Rural R&D for Profit Program.

KFA 5 MILLING EFFICIENCY AND TECHNOLOGY

Key Focus Area 5 houses SRA's investments pursuing greater milling process efficiency and utilisation, optimised cane quality and transport, and improved sugar quality. It includes SRA's internal near infrared (NIR) capability supporting Australian millers in the ongoing installation and calibration of Cane, Sugar and Bagasse Analysis Systems and adoption of laboratory and online NIR solutions. KFA5 also includes SRA's Small Milling Research Program providing a vehicle for targeted investment in small milling investor projects that develop a product, service or process that delivers tangible outputs with almost immediate outcomes within the sugar factory.



RD&A OUTPUTS, OUTCOMES AND IMPACTS



10,934,281 near infrared (NIR) scans



2,269 days NIR operational



Optimal materials identified that reduce erosion in boiler tubes and corrosion in air heater tubes, which should reduce boiler maintenance costs and improve boiler lifespans



For every **\$1** invested by SRA in developing standardised competency-based training for sugar milling operations at least **\$4.00** of economic value was created



Small Milling Research Projects have demonstrated mud level sensors, and identified materials with enhanced resistance to the corrosive evaporator condensates and the conditions which biocide treatments can reduce microbial breakdown of sucrose



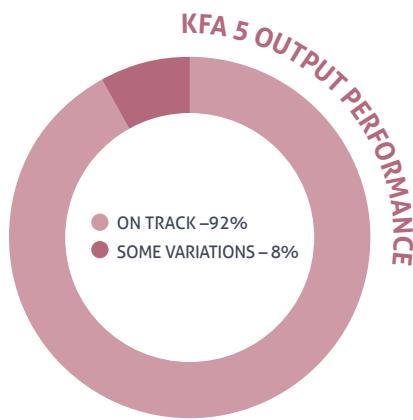
One novel chromatographic method was developed by SRA's chemical lab to determine key oligosaccharide impurities in mill process streams



Late-stage evaporator design developed to minimise the impacts of acid formation on factory operations

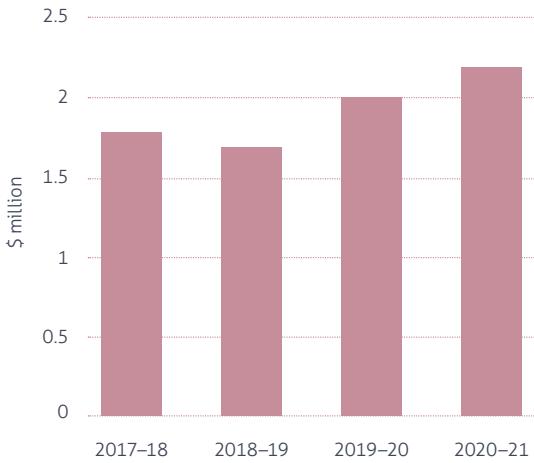


Roll coating by MIG welding was demonstrated to be an effective and viable approach to eliminate roll arcing



In 2020/21 there were **14** investment activities that planned to produce **24** RD&A outputs.

HISTORICAL INVESTMENT



PARTNERS

9 co-investors and collaborative partners

*Project no: 2020/201
 Principal R&D provider: Wilmar Sugar and QUT
 Chief Investigator: Robert Stobie (Wilmar)

Evaluating the suitability of two mud level sensing technologies for juice clarifiers*

PROBLEM

Accurately determining the level of mud/juice interface in sugar mill clarifiers has traditionally been determined by operators checking through the sight glass windows. The interface level needs to be maintained at a 'safe' operating position by altering the mud filtration rates: if too high it can lead to mud in clarified juice (impacting downstream evaporation and crystallisation), and if too low it can result in elevated sucrose losses in mud.

SOLUTION

Two mud level measuring technologies were evaluated:

- an internally mounted ultrasonic level transducer system (Entech EchoSmart Level Transducer 'BinMinder');
- an externally mounted system using visual monitoring (VPMS) of the interface through the sight glasses.

During the 2020 crushing season both systems were found to reliably measure the mud/juice interface.

IMPACT

Both sensors were shown to be effective, and each had their own specific advantages. Using these sensors will improve the efficiency of the clarification process and reduce both mud carryover into evaporator supply juice (estimated benefit of \$14,000 per annum for a mill crushing 1.5M tonnes of cane per season), and Pol loss in mud (estimated benefit of \$80,000 per annum assuming pol loss in mud is reduced by 0.1% Pol in cane). As such, the annual benefits from each sensor far exceeds the installation costs, and therefore these sensors have the potential to improve the profitability of most mills.



KFA 6 PRODUCT DIVERSIFICATION AND VALUE ADDITION

Investment in Key Focus Area 6 encompasses the identification of new opportunities and uses for sugarcane, economic and market analysis of value-add opportunities and prioritisation of future industry diversification options. The focus area invests in the development of diversification and by-product revenue streams to safeguard enduring industry profitability and sustainability.

RD&A OUTPUTS, OUTCOMES AND IMPACTS



Novel livestock feed (prebiotics, energy and protein ingredients) early-stage prototype developed



Novel prebiotic feed (made from bagasse) proof of concept established

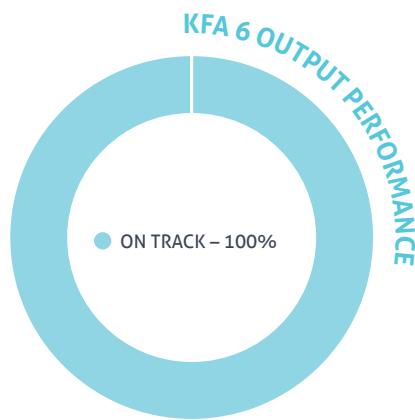


Total investment in Biorefineries for Profit Phase 2 is expected to produce a net present value of **\$4.84M**



One novel chromatographic method was developed by SRA's chemical lab to determine total and soluble oxalates in treated bagasse for animal feedstock





In 2020/21 there was **1 investment activity** that planned to produce **3 RD&A outputs**.

HISTORICAL INVESTMENT



PARTNERS

9 co-investors and collaborative partners

*Project no: 2019/902
 Principal R&D provider: QUT
 Chief Investigator: Professor Ian O'Hara

Creating system change for the sugarcane industry through the Biorefineries for Profit Phase II program*

PROBLEM

The growing bio and green economies are creating diversification opportunities for Australian producers. The global demand for probiotics for livestock feed is predicted to reach a value of US\$7 billion by 2025, up from \$4.6 billion currently. There is also widespread recognition that converting sugarcane bagasse (the fibrous material left after the sugar-rich juice is extracted) into a digestible and nutritious feed for livestock offers new value streams for producers. The amount of surplus bagasse available for diversification opportunities depends on how steam-efficient a mill is and increasing steam efficiency will increase the amount of bagasse available. For the sugarcane industry, a system change is needed to capitalise on these opportunities and create new value streams for milling companies and growers.

SOLUTION

Recognising the potential market opportunity, the SRA-led Biorefineries for Profit Program is a cross-sectoral investment that is developing technologies to enable this system change whilst commercialising novel products. Now in its second phase, the investment has developed technologies to convert crop and crop-processing residues into valuable products for the sugarcane, cotton, forestry and livestock industries.

Sugarcane-related research is concentrated on testing bagasse-derived animal feed ingredients (including functional fibre, prebiotic xylooligosaccharides and probiotic bacterial strains isolated from bagasse stockpiles) in feeding trials with chickens and weaned pigs. To date, these early-stage technologies have been successfully scaled-up and are now undergoing pilot-scale testing to demonstrate safety, palatability and efficacy before products are commercially available.

IMPACT

Biorefineries for Profit is creating system change and new value streams for sugarcane producers. For every \$1 invested by SRA and partners in Biorefineries for Profit Phase 2, it is expected there will be at least \$3.60 of economic value created. Moreover, SRA and co-investors expect significant revenue will result from this investment when products have been commercialised.

The work was undertaken as part of the Biorefineries for Profit project which was funded by Sugar Research Australia and the Australian Government Department of Agriculture, Water and the Environment through the Rural R&D for Profit Program and Queensland Government Department of Agriculture and Fisheries, Cotton Research and Development Corporation, Forest & Wood Products Australia, Australian Pork Ltd, Southern Oil Refining, Queensland University of Technology and NSW Department of Primary Industries.



KFA 7 KNOWLEDGE AND TECHNOLOGY TRANSFER AND ADOPTION

Key Focus Area 7 concentrates on the development and implementation of knowledge transfer and adoption strategies, process and activities to ensure transfer of research outputs and translation into on-the-ground outcomes. The focus area houses SRA's internal Adoption unit and a contestable research portfolio facilitating specific adoption activities, research to understand and improve knowledge transfer and projects to improve sugarcane farm business, risk management and decision making. KFA7 also encompasses SRA's Communication unit and industry engagement through the delivery of timely and professional publications and other communication across several media.



RD&A OUTPUTS, OUTCOMES AND IMPACTS



New method developed by SRA's chemical laboratory services to detect **26** industry-specific pesticide compounds in water run-off



88% of growers use SRA publications and eNewsletter as the main source of knowledge of SRA activities



Six training and extension workshops on nutrient management and pesticide application delivered to **45** central-based growers representing 4,500 ha as part of Cane to Creek Mackay Whitsunday



Economic feasibility report produced detailing various technology components available to growers to reduce the cost of irrigation in a micro grid situation



48 demonstrations of herbicide efficacy and rainfall simulations for pesticide selection delivered in the Herbert and FNQ regions by Cane to Creek 2.0



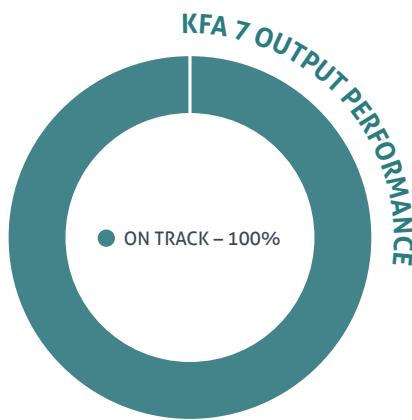
24 Burdekin-based growers participating in the Burdekin Irrigation Project



Decision support tool to predict which varieties become successful commercial varieties was developed

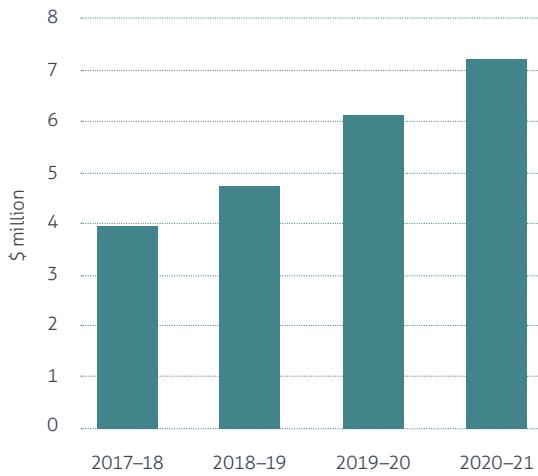


60% of growers use SRA's QCANESelect® for information about varieties



In 2020/21 there were **9 investment activities** that planned to produce **27 RD&A outputs**.

HISTORICAL INVESTMENT



PARTNERS

16 co-investors and collaborative partners

*Project no: 2019/803
 Principal R&D provider: Sugar Research Australia
 Chief Investigator: Cathy Mylrea

Nutrient management planning in the Russell Mulgrave*

PROBLEM

The Russell-Mulgrave catchment in the FNQ region is identified as high risk for dissolved inorganic nitrogen (DIN) loads affecting water quality, including the health of the Great Barrier Reef. Reducing DIN loads can be achieved through best practice nutrient management that, among many things, minimises the risk of losses in nutrients (leaching, run-off and/or gaseous losses).

SOLUTION

Russell-Mulgrave Complete Nutrient Management Planning for Cane Farming has delivered nutrient management plans (NMP) through tailored advice and agronomic support to 48 growers in the catchment. The project assists growers to develop nitrogen and phosphorous budgets based on soil tests and soil types to implement a balanced nutrient program on farm. The NMPs are underpinned by the SIX EASY STEPS and agronomic support to improve the sustainability of sugarcane farms while maintaining productivity, and therefore profitability, with ongoing refinement of nutrient rates occurring. The project aims to increase knowledge and adoption of each stage of the SIX EASY STEPS.

IMPACT

To date, 10,000 ha of sugarcane farming in the catchment is being managed using the SIX EASY STEPS. In addition:

- 1226 soil samples have been interpreted and digitised
- 1823 maps have been developed, split between fertiliser recommendations, soil and topography, disease risk and constraints, class, varieties and block productivity
- 68.3t less nitrogen was applied in 2020 compared with 2019
- \$82,000 less spent on fertiliser across the project in 2020 compared to the 2019 baseline
- all growers involved have been introduced to the SIX EASY STEPS Toolbox in 2021, with all of their plans incorporating some refinements from the Toolbox.

The project is supported through funding from the Department of Environment and Science.



Burdekin grower, Mark Vass.

COMMUNICATIONS CHANNELS

SRA communicates with members through multiple print, electronic and face-to-face channels including the quarterly *CaneConnection*, bi-annual *Milling Matters*, the fortnightly eNewsletter and through its website and social media channels.

SRA also releases manuals and booklets, as well as Variety and Plant Breeding Newsletters and has an eLibrary through which members can access research reports.

Webinars, along with shed meetings across districts, provide further means through which members can obtain information about SRA activities and the broader industry, and keep up-to-date on key activities and research outcomes.

SRA regularly undertakes surveys of levy payers to gauge satisfaction with services and communications channels and to identify improvement opportunities.

As communications changed with COVID-19, webinars have seen increased popularity. In social media channels, LinkedIn engagement is typically highest for webinars, while posts on in-field work typically achieve high-engagement on Facebook. Videos hosted on YouTube receive regular views.

Enhancing grassroots engagement

SRA's new Service Delivery Model is focused on engaging at the grassroots. New District Manager roles are central to SRA's work to develop a deep understanding of profitability, productivity and sustainability drivers in each district. The District Managers are working directly with local industry and service providers to develop local productivity plans, identify opportunities for SRA's broader team to contribute to those plans and to manage relationships with local productivity services companies for extension support and distribution of clean seed. They are also connecting researchers to industry.

SRA recognises the importance of making it as easy as possible for industry to extract value from research; to translate, adapt and develop complex science and technology into a compelling product and service offering that is relevant at a local level. SRA is also supporting distribution of tools, products, services and scientific expertise at the district level, through its heightened focus on working with and through local extension providers.



2020/21 channel highlights



A thorough review and update of the Weed Management Manual was undertaken culminating in a reprint of the manual. Since delivery in April 2021, more than **800** copies have been posted to individuals, industry bodies and made available at SRA stations and events. The manual can also be downloaded from the SRA website.



71% of growers agree that SRA is a trusted source of information.



A majority of milling stakeholders report that they are satisfied with *Milling Matters* and the Milling Webinar Series.



"Communication platforms are visually appealing, simple to navigate and are provided with military regularity" (comment provided in SRA survey).



Webinars continue to be a popular way to disseminate research findings with **13** conducted in 2020/21.



Milling regional research seminars were attended by more than **50** individuals. Feedback from attendees was very positive with satisfaction being rated as **4.4** out of **5** and **48** of the attendees confirming that their knowledge had increased as a result of attending.



SRA has a growing online presence with followers on Facebook, LinkedIn, Twitter and YouTube. Over **3000** individuals subscribe to our digital communications which include a fortnightly eNewsletter, email announcements and event invitations.



Print publications, *CaneConnection* and *Milling Matters* have **2700** and **284** subscribers respectively.



KFA 8 COLLABORATION AND CAPABILITY DEVELOPMENT

Key Focus Area 8 covers SRA's efforts and investment towards ensuring the Australian sugarcane industry is highly skilled and is supported by a research workforce with the knowledge, capability and capacity to meet current and future industry needs. Through KFA8, SRA also actively invests in 'industry good' collaborative initiatives, such as social and scientific research into social licence to operate and trade policy and market access research. KFA 8 also includes collaborations with other agricultural research and development corporations to leverage knowledge and resources, and extend SRA's capacity to deliver value to investors.

RD&A OUTPUTS, OUTCOMES AND IMPACTS



More than **50** peer-reviewed publications produced since 2018



Building capacity by funding **1** master, **10** PhD and **7** post-doctoral positions



SRA Adoption Officer, Ms Molly O'Dea, named Queensland Agricultural Minister's Emerging Leader Award Finalist 2020



Research Award to develop early-stage hyperspectral imaging system prototype to detect diseases



14,225 people participated in the Community Trust in Australia's Rural Industries National Survey that identified key trust drivers for rural industries including sugarcane

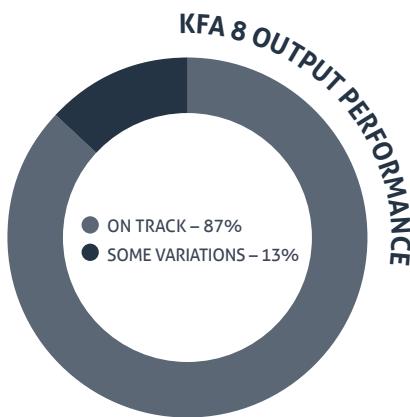


SRA funded research on genetic analysis and marker delivery for sugarcane breeding by Dr Karen Aitken won 'Best Poster Talk' at the 2021 Australian Society of Sugar Cane Technologists Conference



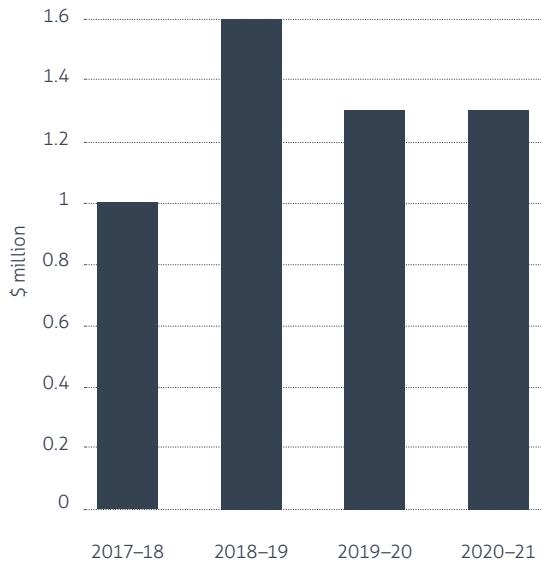
For every **\$1** invested by SRA in the research award aimed at enhancing the resilience of sugarcane with photoactive carbon nanodots it is estimated that at least **\$46.10** of economic value will be created





In 2020/21 there were **13** investment activities that planned to produce **15** RD&A outputs.

HISTORICAL INVESTMENT



PARTNERS

23 co-investors and collaborative partners

Australian sugar industry training – development of training factory modules (phase 2)

PROBLEM

Australian sugar mills employ diverse people with a range of educational achievements and workplace experience. Gaps in knowledge and training were identified, so training solutions were required.

SOLUTION

The Australian Sugar Industry Training Learning Management System (ASIT LMS) has been developed and made available to all individuals within the Australian sugar industry. The ASIT LMS provides an online training platform for all sugar industry-based courses.

Courses were developed to meet the specific training needs of factory-based positions, and each mill company can develop tailored courses accessible by their staff only. Where possible, training courses have been mapped to national competencies.

IMPACT

By April 2021, the LMS platform had 2761 learners (an increase of more than 70% over the preceding 12 months) who had access to 157 courses. At that time, 3762 enrolments were active, including staff from every sugar milling company in Australia.

The capacity to develop tailored courses in a range of topics means the ASIT LMS can meet a very wide range of industry needs. The ASIT LMS improves productivity, compliance with regulations and maintenance of a safe work environment.

Project no: 2019/006
 Principal R&D provider: QUT
 Chief Investigator: David Moller

PARTNERSHIPS AND COLLABORATIONS

SRA has strong RD&A partnerships and collaborates with a wide range of research and agricultural organisations including universities, research institutions, productivity services providers, niche consultants and scientific specialists. Through these purposeful relationships, SRA is able to leverage valuable resources to deliver optimum outcomes for the Australian sugarcane industry. See below/right for a full list of our RD&E partners.

Cross-sectoral research

Australian agriculture faces significant broad challenges, such as biosecurity, climate variability, community expectations and land stewardship, the responses to which cannot be adequately sought or addressed by individual sectors. Focused cross-sectoral collaboration is the key to sustained progress on these large-scale issues.

SRA undertakes cross-sectoral collaboration with other Industry-Owned Companies (IOCs) and Rural Research and Development Corporations (RDCs) to benefit both the Australian sugar industry, other agricultural sectors and the broader Australian community.

These collaborations, which take different forms and vary in scale, achieve greater outcomes from investments than would otherwise have been achieved alone. The improved communication and coordination within these activities helps to better disseminate R&D activities and outcomes across different industries and improves the prospects of future collaboration. SRA also participates in a range of cross-sectoral activities within the National Primary Industries RD&E Framework as an investor, participant, program manager or steering committee member.

Research collaborations include initiatives spanning the following sectors:

- Cotton*
- Dairy*
- Eggs*
- Fisheries*
- Forest and Wood*
- Grains*
- Horticulture*
- Meat and Livestock*
- Pork*
- Wine*
- Wool*

Many of these external grants programs secure significant additional research investment for the industry through external funding providers.

Cross-sectoral research examples

Actively collaborating through grow^{AG}

grow^{AG} was launched by the Minister for Agriculture and Northern Australia the Hon. David Littleproud MP in April 2021. The grow^{AG} program is designed to create a global gateway into the Australian research and innovation system, with a focus on deal-flow, attracting capital investment and driving collaboration. It makes research and development (R&D) outcomes transparent for growers and the community. It positions Australia as a global agrifood innovation hub and makes it easy to explore, find and connect with potential partners and opportunities. grow^{AG} is a collaborative effort by the Department of Agriculture, Water and the Environment (DAWE) and Australia's 15 Rural Research and Development Corporations (RDCs), including SRA.

To the end of June 2021, grow^{AG} showcased 31 commercial opportunities to more than 10,000 users from 117 countries (70% from Australia). As well as connecting pathways to commercialisation that enable research innovation to be delivered back to the farm and the food supply-chain, grow^{AG} is enabling research organisations and funding bodies to reduce duplication and readily identify potential collaborators. It features over 2000 research projects including 44 led by Sugar Research Australia (SRA). grow^{AG} was designed by a Steering Committee made up of individuals from SRA and 18 other organisations across the Australian and New Zealand agricultural innovation network.

Agricultural Innovation Australia (AIA)

SRA is working with other Rural Research and Development Corporations (RDCs) to drive cross-industry research, leverage private

sector investment and target transformational innovation.

One example is through working with Agricultural Innovation Australia (AIA), a new not for profit, public company established to facilitate joint investment and collaboration in cross industry agricultural issues of national importance.

AIA is focused on transformational innovation. As a single point of contact for cross-industry strategies, AIA will make it easier for investors from around the world to navigate and partner with the Australian agricultural system.

SRA is a founding member and among multiple co-investors for the first AIA-led project to develop a Common Approach to Sector-level Greenhouse Gas Accounting for Australian Agriculture. The initiative is focused on creating transparency and trust in GHG accounting and informing international market access discussion.

Building Community Trust in Rural Industries

SRA is among the Australian rural industries collaborating via the Community Trust in Rural Industries (CTRI) project, to collectively and proactively address community trust in the sector. The program's aim is to develop an aligned approach to long-term engagement with the community through a three-year research program that commenced in late 2019.

The program is providing deeper understanding of what leads to community trust in rural industries. To date, more than 14,000 Australians have been engaged in the program and shared their views on a wide range of topics and issues related to rural industries.

Insights gained over the past 12 months suggest the COVID-19 pandemic has increased confidence in the work of rural industries in

ensuring a safe and reliable source of food and natural products. Research analysis revealed that taking action based on community concerns is fundamental to building trust with Australians. Acknowledging mistakes and actively responding, rather than remaining silent on challenging issues, received strong endorsement from community members.

Research has confirmed the four strongest drivers of the community's trust in rural industries are:

- environmental responsibility – having confidence that industries are using the land in a sustainable, responsible way with minimal impact or damage, and not sacrificing the environment for profit
- responsiveness – industry demonstrating that they are listening to, respecting and responding to community concerns and perspectives
- products of rural industries – the community highly values the sector's outputs
- distributional fairness – regional communities are important, and they should receive a fair share of the benefits produced by rural industries.

While trust and acceptance of rural industries in the community is high, there is opportunity to build on this already strong position. Being proactive around key drivers of trust is an investment in the future success of rural industries.

The Program is a jointly funded initiative of AgriFutures Australia, Australian Eggs, Australian Pork Limited, Cotton Research and Development Corporation, Dairy Australia, Fisheries Research and Development Corporation, Hort Innovation, Sugar Research Australia, Grains Research and Development Corporation, LiveCorp, Meat and Livestock Australia and the NSW

Department of Primary Industries. National Farmers' Federation is also a project partner and AgriFutures Australia is the managing agent.

Research delivery partners and collaborators

SRA has working research relationships with the following entities:

- ACIL Allen
- Advisian
- AgEcon
- Agriculture Victoria
- AgriFutures Australia
- AgriTech Solutions
- Australian Bureau of Agricultural and Resource Economics and Sciences
- Australian Cane Farmers Association
- Australian Eggs Corporation
- Australian Meat Processor Corporation
- Australian Museum Trust
- Australian National University
- Australian Pork
- Australian Research Council
- Australian Sugar Milling Council
- Australian Cane Farmers Association
- Australian Wool Innovation
- AutoWeed
- Bayer
- Better Border Biosecurity
- Biosecurity Tasmania
- Bio-Protection Research Centre
- Bioptron
- Birchip Cropping Group
- Bundaberg Sugar

- Bundaberg Sugar Services
- Burdekin Bowen Integrated Floodplain Management Advisory Committee
- Burdekin Productivity Services
- Bureau of Meteorology
- Burkard Manufacturing
- CANEGROWERS
- Cesar Australia
- Centre of Excellence for Climate System Science
- Cotton Research and Development Corporation
- CSIRO
- Dairy Australia
- Deakin University
- Department of Agriculture, Water and the Environment
- EnviroDNA
- Far Northern Milling
- Farmacist
- Fisheries Research and Development Corporation
- FMC Australia
- Forest and Wood Products Australia
- Grains Research & Development Corporation
- Great Barrier Reef Foundation
- Griffith University
- Herbert Cane Productivity Services Limited
- Hort Innovation
- Indonesian Sugar Research Institute
- Innisfail Babinda Cane Productivity Services
- Integrity Ag and Environment
- Isis Central Sugar Mill
- Isis Productivity
- James Cook University
- Light Light Solutions
- LiveCorp
- Mackay Area Productivity Services
- Mackay Sugar

- Maryborough Cane Productivity Services
- Meat & Livestock Australia
- Mercurius Australia
- Monash University
- Mossman Agricultural Services
- MSF Sugar
- National Landcare Program
- New South Wales Department of Primary Industries
- NESP Earth Systems and Climate Change Hub
- Norris ECT
- Northern Territory Department of Industry, Tourism and Trade
- Nufarm
- Plane Creek Productivity Services
- Plant and Food Research New Zealand
- Plant Health Australia
- Queensland Department of Agriculture and Fisheries
- Queensland Department of Environment and Science
- Queensland Drought Mitigation Centre
- Queensland University of Technology
- Ramu Agri Industries
- Riverlea Australia
- Rothamsted Research
- South Australian Research and Development Institute
- Southern Cross University
- Sugar Research Institute
- Sugar Services Proserpine
- Sugron
- Suncorp
- Sunshine Sugar
- Tasmania Department of Primary Industries, Parks, Water and Environment
- Tasmanian Institute of Agriculture
- The University of Queensland
- T.R.A.P. Services

- Tully Cane Productivity Services
- Tully Sugar
- University of Adelaide
- University of Melbourne
- University of New South Wales
- University of Tasmania
- University of Southern Queensland
- Western Australia Department of Primary Industries and Regional Development
- Wilmar Sugar
- Wine Australia

SRA also collaborates with sugar-related research institutes around the world. Variety exchange agreements are in place with major sugarcane breeding countries such as Brazil, Guatemala, the United States of America, China, Japan, Sri Lanka, Mauritius, Vietnam and Reunion (via France).

SRA continues to negotiate with other countries to enhance the genetic material being used in the industry's plant breeding.

Commercialisation

Under its new executive structure and transformational strategic plan, SRA has engaged a dedicated Executive Manager for Commercial Development to provide strategic leadership and commercial focus for investment and collaboration to drive innovation and insights to commercialise new products and services.

SRA's commercialisation focus goes beyond technology transfer of research outcomes, to embedding an understanding of the path to sustainable impact delivery for research from conception of the industry need or opportunity.

SRA is implementing an internal innovation system that draws on deep industry, community and stakeholder engagement to identify and validate opportunities; define the system required to deliver sustainable impact; invest alongside and collaborate with commercial, investor, research and government partners; and support the solution delivery and adoption, including through industry capacity building.

The systems-based innovation approach will deliver outcomes to the existing sugarcane industry and regional communities, in addition to providing the platform for the establishment and growth of new regional industries and associated job creation.

Plant Breeder's Rights

SRA develops and delivers new sugarcane varieties to the Australian sugar industry from its Breeding Program. These varieties are protected by Plant Breeder's Rights, with 89 granted varieties and a further five currently accepted by IP Australia. Of these 94 varieties, seven have been developed under an industry collaboration with Wilmar Sugar, who is a joint title holder of the PBR rights.

Sugarcane varieties protected by PBR are licensed to Australian cane growers through SRA's cane distribution arrangements with the Productivity Boards in each region and SRA's PBR online terms and conditions published on the SRA website.

Collaboration delivers new era in spraying technology

See & Spray™ Select uses integrated camera technology to rapidly detect green plants within fallow ground and automatically triggers an application of herbicide. It is the industry's first factory-installed targeted-spray solution. As weed pressure increases across a field, the sprayer operator can switch from an effective targeted-spray solution to a highly productive traditional broadcast machine without leaving the sprayer cab, giving farmers two time-saving sprayers in one. Typical herbicide savings delivered through the technology average 77%.

The collaboration between John Deere and the University of Southern Queensland has led to the development of vision-based precision spray technology for use on fallow ground that will reduce input costs and minimise environmental impact in farming businesses across the globe.

The research to develop the vision-based plant detection technology in See & Spray™ Select was funded through a combination of industry projects from Sugar Research Australia, Cotton Research and Development Corporation, and Horticulture Innovation Australia.

Industry collaborations such as this assist to sustain the development of future technologies and products which will transform agricultural industries in years to come.

See & Spray™ Select is available to purchase through John Deere from mid-2021. In addition to commercial returns to the collaborators, the research relationship will continue to develop new and improved on-farm solutions and address environmental and cost challenges related to herbicide use.

STRONG FOUNDATIONS FOR THE FUTURE

SRA's 2020/21 Operational Plan set targets to achieve a sustainable financial position and improve treasury and budgetary management oversight.

SRA's end-of-year financials saw a \$5.2 Million improvement in Net Financial Position from the previous year. While forecasts for 2020/21 were for a \$1.6M operating deficit, SRA finished the year in a stronger position with a \$0.1M operating deficit. This was achieved through the implementation of a new operating model and organisational design, along with savings in travel and utilities.

Under the new Strategic Plan 2021–2026 and through a targeted shift in efficiency savings and new revenue streams, SRA is forecasting a future budget scenario that puts the company in a sustainable financial position that is no longer reliant on cash reserves. Five-year projections for a small net surplus each year (excluding extra-ordinary one-off items) are based on four key dependencies:

- profit from collaborative research consultancy – where researchers consult at commercial market rates
- profit from commercialisation opportunities
- delivery of efficiency savings – to be largely implemented in FY22
- levies based on 30Mt per annum.

During the past year, SRA has undertaken multiple reviews with a focus on being a high-performing organisation. Actions during the past year include:

- Risk Management Framework review
- Independent Performance Review
- strategy and operating model review, including review of SRA's investor/provider model, research capability and asset base
- work health, safety and environmental management framework and system improvements, reporting and support services, including ongoing COVID-19 Management Plan
- review of core competencies of staff and learning and development programs to align skill sets with strategic priorities identified in new strategic plan.

From next year, performance targets will be linked to the new strategic plan and related operating plan.



KFA 9 ORGANISATIONAL EFFECTIVENESS

Strategic Plan 2017-21

Annual Operating Plan 2020/21

KFA	9 / ORGANISATIONAL EFFECTIVENESS
OUTCOMES	Enhanced efficiency and increased investor satisfaction and returns on investment
PRIORITIES	Embedded investor and performance-centric culture
KPI PERFORMANCE	<p>SRA Investor performance rating increase to 85% by 2022</p> <p>Aggregated research investment benefit-cost ratio of 4:1 or above by 2022</p> <p>Maintain 100% compliance with statutory and contractual requirements</p> <p>Develop and implement a safety management plan for safe operations during COVID-19 pandemic</p> <p>Review SRA's safety culture and safety management systems to determine strategies for continuous improvement over the next 3 years</p>
PROGRAMS	<ul style="list-style-type: none"> • Culture • People • Workplace <p>39 RD&A outputs</p> <ul style="list-style-type: none"> • Green = 87% • Amber = 8% • Red = 4%
EXPENDITURE*	\$2.1m

* Expenditure includes impact of allocation of centrally managed function costs and associated corporate overheads

For 2020/21 reporting, Key Focus Area 9 covers SRA's investment management and corporate functions. It includes driving improvement across the strategic and investment framework, governance processes and other systems and processes to effectively support the delivery of an RD&A investment portfolio that delivers valued impact and returns on investment. KFA9 includes initiatives to strengthen organisational effectiveness and drive internal operations towards excellence through the ongoing enhancement of SRA's values-based culture and performance-centric processes and systems. Of particular focus is improving investment decision-making and securing financial sustainability with a highly skilled, innovative and engaged workforce.

A strong culture

The SRA Board and leadership team have worked to drive a high-performance culture where excellence is encouraged and rewarded, thus delivering optimal outcomes for the industry.

SRA has developed internal values as a collaborative process across the company. The values are focused on the dual outcomes of delivering outcomes for SRA investors and ensuring that SRA is a rewarding place to work.



SRA Values

Innovation
Investor satisfaction
Accountability
Teamwork

Work health and safety

In the last 12 months, SRA's continuous improvement journey for an even safer and healthier work environment was reinforced by an in-depth review of its work health and safety (WHS) management system against ISO45001.

A three-year safety improvement plan has been developed and is being implemented. This is already seeing a range of improvements including:

- 18% improvement in rolling 12-month average Total Recordable Injury Frequency Rate (TRIFR) to 23
- a stronger consultative approach that incorporates representatives from all SRA sites and disciplines
- a revised and simplified architecture for WHS frameworks and documents
- a developing focus on the impact of leadership in managing and raising awareness of WHS hazards and risks, underpinned by the principle that at SRA everyone is a WHS leader.

Improved WHS communication has also been a focus, complementing enhanced rigour around managing and reporting risks and incidents, and measurement and evaluation of WHS performance.

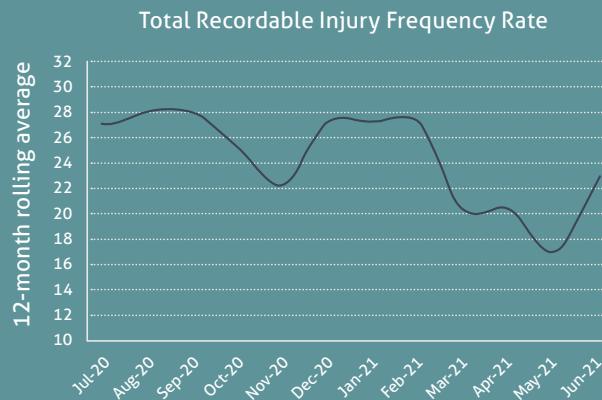
SRA has also continued to monitor and actively respond to developments of the COVID-19 pandemic, supported by its COVID-Safety Management Plan. The Plan enables the organisation to remain agile and adapt to the changing conditions that increased restrictions, lockdowns and the risk in the community may present. The approach has enabled the organisation to continue its operations in an almost undisturbed way so it can continue providing the support that the industry needs.

During 2020/21, SRA undertook a range of activities across the business including key personnel interviews, a safety culture survey, regional site visits with staff focus group sessions and two executive workshops. There was also a detailed review of SRA's Health and Safety Management system and associated procedures.

A major initiative was the implementation of a new safety pledge that has been endorsed by the Board and committed to by staff.

The Safety Management Plan and related pledge is underpinned by five key WHS principles:

- acknowledgement that there is no task, activity, or schedule so critical that safety should be compromised
- all staff at SRA have the right to a healthy and safe working environment
- safe and compliant operations require a cooperative and consultative approach between SRA, its staff, and key external stakeholders

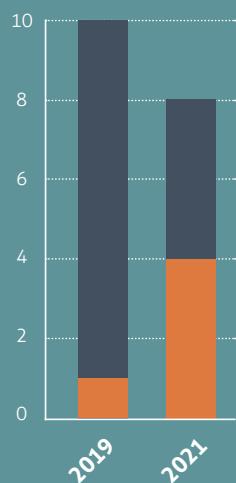


18% improvement in rolling 12-month average Total Recordable Injury Frequency Rate (TRIFR) to 23.

Building diversity

SRA is committed to being an inclusive workplace and has set ambitious targets for diversity within its workforce, the executive team and Board. SRA is justifiably proud the membership of its executive team is balanced evenly between males and females. Across SRA's broader workforce, 58% of employees are male and 42% are female.

SRA Executive team



58%
of SRA employees are male. (71 out of 122)



42%
of SRA employees are female. (51 out of 122)



- well-designed, healthy and safe work environments and workflow processes will allow SRA staff to have more productive working lives
- staff are empowered and encouraged to continually seek improvements in safety excellence, to question work practices and to report safety concerns.

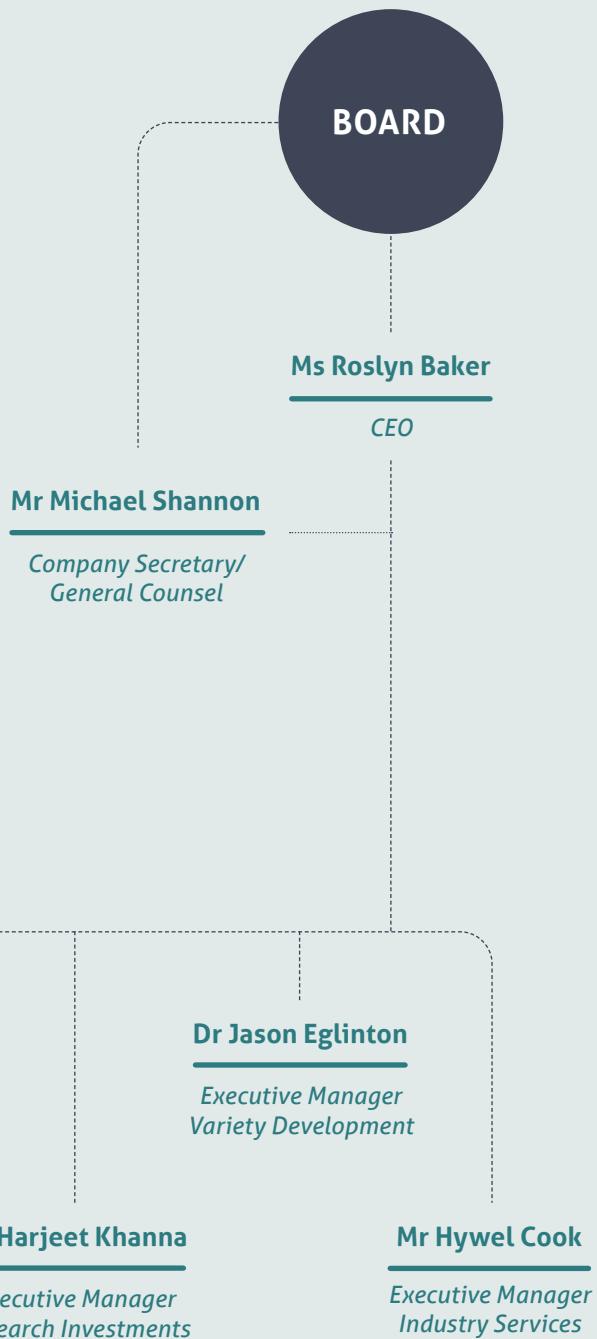
These principles are consistent with duties of care established in the *Work Health & Safety Act 2011*.

CORPORATE GOVERNANCE FRAMEWORK

Structured around value creation for industry

While building a strong culture, SRA has taken the challenging decision to restructure its business to ensure a sustainable financial position. Adopting the new structure and operating model was critical to ensure SRA has the skills and functions in place to deliver on the new strategy. Under its optimised structure and new executive team, SRA has improved the focus on planning and measurement to deliver value to the industry. The organisational structure provides executive accountability for each of the industry value areas plus dedicated support functions to drive efficiency.

SRA has an executive team in place to define responsibility and accountability across the business. Each area of the business is led by a manager who reports to the CEO. The CEO reports to the SRA Board.





How are we governed?

Sugar Research Australia Limited ("SRA" or "Company") was incorporated on 8 May 2013 as a public company limited by guarantee. SRA is an industry-owned corporation with a membership consisting of grower and miller members. SRA operates within a corporate governance framework consisting of the *Corporations Act 2001* (Cth) supervised by the Australian Securities & Investments Commission (ASIC), other relevant laws and its Constitution. SRA is the "industry services body" as declared for the purposes of the *Sugar Research and Development Act 2013* (Cth).

SRA entered into a Statutory Funding Contract 2017–2021 (dated 4 August 2017) with the Commonwealth of Australia acting through the Department of Agriculture, Water and the Environment (as it is now termed). The Statutory Funding Contract expired on 4 August 2021 and as a result SRA is now party to a new Statutory Funding Contract (entitled "Funding Contract 2021–2031" (dated 3 August 2021) with the Commonwealth of Australia represented by the Department of Agriculture, Water and the Environment.

The Directors and executive team of SRA are committed to conducting the Company's business in a manner that ensures we are investing in a way that delivers a high-impact portfolio of research that creates outcomes for the industry.

The Company's Corporate Governance Framework describes the key corporate governance policies and practices which enable us to meet our legislative and regulatory requirements, and the expectations of the industry.

In developing and implementing SRA's corporate governance framework and practices SRA has taken into account the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition). Refer to the comparison table at the end of this governance statement.

The Board reviews and updates the Company's corporate governance framework, policies and practices to ensure that they reflect changes in law, stakeholder expectations, and the current operating environment, as well as aligning the Company's practices to better practice developments in governance.

The Constitution, the Statutory Funding Contract and other documents and policies relevant to SRA's corporate governance framework (including a Governance Policy) are available on SRA's website at: www.sugarresearch.com.au.

Constitution

SRA's Constitution contains rules regarding, among other things:

- The objects of the Company;
- Activities not permitted by the Company (including agri-political activities);
- Criteria for eligibility for membership as a Group G member or Group M member;
- Voting procedures and entitlements for members' meetings;
- Appointment of Group G and Group M members of the Director Selection Committee;

- Requirements for strategic and annual operating plans and reviews of performance;
- Composition, selection, election and rotation of the Board and various committees;
- Procedures for Board and committee meetings; and
- Reporting responsibilities to its members (in conjunction with the *Corporations Act 2001* (Cth)).

SRA membership

Under the Constitution, there are two classes of members: Group G members and Group M members. A sugarcane growing business or milling company who pays the Sugarcane Levy in the calendar year concerned (or previous calendar year) is eligible for membership of SRA. Group G members and Group M members can participate in general meetings of the Company and in the election of Directors. As at 30 June 2021, there were 9 Group M members and 2,453 Group G members.

The Board has adopted a Board Governance Policy which includes details on:

- The constitutional requirements for Board composition and eligibility;
- Procedures for Board meetings and Board minutes;
- Board performance evaluation; and
- CEO performance evaluation.

A copy of SRA's Board Governance Policy is available on SRA's website at: www.sugarresearch.com.au/sugar_files/2021/06/Board-Governance-Policy.pdf

Composition

As at 30 June 2021, the Board comprised seven non-executive directors ("Directors"). As at the date of this Annual Report the Board comprised six Directors following the resignation of one of the non-executive directors, Mr Lee Blackburn, on 29 July 2021 (refer to Directors' Report). The Board is committed to ensuring its composition has the appropriate collective mix of skills, experience, expertise and diversity to enable them to appropriately discharge their duties effectively.

Collectively, the Board has an extensive range of commercial skills and other relevant experience to ensure the effective management of the business. Board members, together have a combination of experience in business areas required under SRA's Constitution, which include:

- Corporate governance (incl. organisational/cultural change, legal and compliance);
- Executive and strategic leadership;
- Sugarcane growing;
- Sugarcane processing for any product;
- Crop-based agriculture;
- National and international Research and Development ("R&D"), technology, technology transfer, commercialisation and adoption;

- Conservation and management of natural resources; and
- Administration, prioritisation, oversight, monitoring of R&D (including an understanding of benefits of economic analysis in relation to R&D projects).

The SRA Board aspires to meet a 50/50 gender diversity ratio for SRA Directors by 2024.

As required by the Constitution, the Board undertook an annual review (prior to 30 June 2021) of the skills required to effectively lead and manage the Company and contribute to Board processes and advised these to its investors.

Board members

The names and details of the Company's Directors in office during the reporting period and until the date of this report are listed on pages 67–69.

Role and responsibility of the Board

SRA's purpose is to undertake targeted RD&A programs for the Australian sugar industry. The Board seeks to carry out the Company's objects set out in the Constitution and guide its strategic direction. The role and responsibilities of the Board are set out in detail in a formal Board Charter. More specifically, the Board's responsibilities include:

- Ensuring the Company has an appropriate corporate governance structure;
- Monitoring and assessing the Company's performance against the Strategic Plan 2017–2021 Strategic Plan (superseded by a new Strategic Plan 2021–26 in June 2021) and Annual Operational Plans;
- Monitoring compliance with legal and regulatory obligations;
- Monitoring SRA's risk management systems and processes;
- Providing accountability to SRA members, investors, and stakeholders;
- Appointment and oversight of the Chief Executive Officer;
- Ensuring adequate resourcing to meet objectives of the Company;
- Monitoring and reviewing succession planning for executive management;
- Establishing Board committees with roles and responsibilities, delegations and reporting frameworks;
- Making sound financial decisions; and
- Reviewing and approving policies, plans, performance targets and budgets.

Rotation of the Board

The SRA Constitution was amended at the SRA Annual General Meeting held on 25 October 2018. As a result of the amendments to the Constitution approved by Members, a Director must retire from office at the conclusion of the third Annual General Meeting after the Director was last elected or re-elected. The positions of the Directors retiring under this rule will be open for selection

by the Director Selection Committee established in that particular year. A person may serve a maximum of 11 years as a Director of SRA.

Board meetings

The Board held nine (9) scheduled meetings during the financial year ending 30 June 2021. Meeting agendas are formulated in preparation for each Board meeting and also include items from an annual Board reporting agenda that sets out various items to be considered and reviewed throughout the year. These items include reviews of the Company's strategic environment, KFAs, operational and industry issues and forecasts. Regular management reports, Committee reports, WHS reports and Risk Management reports are prepared for each Board meeting. The annual reporting agenda also sets review dates for items that must come before the Board under performance, compliance and governance. Meeting agendas are set by the Chairman in consultation with the Chief Executive Officer and Company Secretary. Where necessary, management attends and provides input into agenda items of particular Board meetings relevant to their portfolios. Directors have regular exposure to management and other employees through convening regular Board meetings at a regional location. At these regional visits the Board meets with SRA staff, industry bodies, growers and millers and attends industry forums and events.

Directors receive regular reports from the Chief Executive Officer on the Company's activities since the last report to Directors, including information on research and other projects, variety improvement, farming and extension services, financial performance and strategic initiatives and performance against SRA's Strategic and Operational Plans and KFAs. Matters arising from these reports are discussed at Board meetings. The Board regularly considers and discusses strategic issues and the KFAs set out in the Strategic Plan 2017–2021 Strategic Plan (superseded by a new Strategic Plan 2021–26 in June 2021) and matters that may assist to further promote and develop the Company's role in providing RD&A services to the Australian sugar industry.

Code of Conduct

SRA's Code of Conduct ("Code") for Directors, Senior Officers, and Committee members (together "Office Holders") outlines the standard of behaviour that is expected of its Directors and Office Holders.

Under the Code, all Office Holders must act in accordance with seven fundamental principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. By accepting appointment as an Office Holder, each Office Holder agrees to be bound by and comply with the Code. During the reporting period, no material breaches of the Code were reported to the Board or came to its notice.

A copy of the Code is available at www.sugarresearch.com.au/sugar_files/2021/08/Code-of-Conduct-for-Office-Holders.pdf.

Conflicts of interest

Each Director provides information about their business and other interests to the Board at the time of their appointment and this information is updated following further notifications

by a Director. The Board has adopted a Declaration of Interests Policy which applies to all Office Holders.

Independent advice

The Constitution recognises there may be occasions when the Board as a whole, or Directors as a group or as individuals, believe it to be in their interests and in the interests of the Company to seek independent professional advice, on matters such as accounting, taxation or law, at the Company's expense.

Requests for the provision of Board performance

Under the Board Governance Policy, the Board must conduct an annual review to evaluate performance of the Board as a whole, the Chairman, each individual Director and committees as it considers appropriate. The Board uses independent consultants to assist in performing the annual Board performance evaluation.

Delegations to Management

The Board has delegated responsibility for management of SRA's day-to-day operations to the Chief Executive Officer. SRA has a formal policy on delegations and authorities, which sets out levels of financial and contractual delegations to management and staff.

Board Committees

SRA has established four committees (each a "Committee") as follows:

Audit and Risk Committee

The Audit and Risk Committee reviews, on an ongoing basis, a suite of reports that cover SRA's operational and strategic performance. The suite of performance reports that are considered by the Committee include: SRA operational reports, such as Finance, Workplace Health and Safety and Risk Management, and Research Funding Unit reports on the investment project portfolio. Where required, the Committee provides the Board with recommendations for remedial action to be taken to ensure SRA's operational and strategic performance remains on-track. The Committee has formal

Each Committee has a charter setting out its roles and responsibilities. The Audit and Risk Committee and the People, Performance and Remuneration Committee are comprised solely of non-executive Directors, with management attending Committee meetings by invitation only. The Research Funding Panel is a Committee of the Board and was comprised of an independent Chair and four other independent people appointed by the Board plus one Director of SRA. The Director Selection Committee is to be comprised of an independent Chair appointed by the Board and two members each nominated and appointed by the industry peak organisation. The members of each Committee, together with each member's attendance at meetings are set out in the Director's Report on pages 65–70.

terms of reference approved by the Board as detailed in its Charter.

The Audit and Risk Committee consists of Mr Sam Bonanno (chair), Dr Ron Swindells and Mr Lee Blackburn as at 30 June 2021. At the date of this Annual Report the committee consisted of Mr Bonanno and Dr Swindells following the resignation of Mr Blackburn on 29 July 2021.

The Committee met five (5) times during the financial year ending 30 June 2021. Under the Committee's Charter, the Chief Executive Officer, Chief Financial Officer and other members of the management team and representatives of the Company's auditors attend by invitation.

Research Funding Panel

The Research Funding Panel (RFP) has formal terms of reference approved by the Board as detailed in its Charter. The key functions and accountabilities of the RFP, and which are set out in its Charter, are as follows:

- To conduct a contestable research grants process to identify project applications for support from Company contestable research investment;
- To develop and promulgate processes for selection of a portfolio of projects, from applications from internal and external providers, on merit against the strategic plan; and Industry and national priorities and through a robust, transparent system timed to optimise research performance and to meet reporting requirements;
- To work with the Board to ensure separation of Company research staff and SRA Research Funding Unit (RFU) staff responsible for the contestable research funding process, including monitoring and evaluation management, so that internally and externally provided projects are selected and managed objectively and without bias; and
- To work with the Board to ensure systems for efficient contracting and research program and R&D project monitoring and to develop and establish a project performance evaluation system to meet Industry, government and Council of Rural RDC expectations.

During the reporting period, the RFP consisted of Mr Gary Longden (Chair), Dr Phillip Jackson, Mr Jeffrey Snoad, Mr Andrew Dougall and Dr Guy Roth (SRA Board Director). The term of appointment of Dr Roth expired on 1 August 2021 and Dr Jeremy Burden has been appointed as the SRA Director on the RFP. The respective terms of appointment of Mr Longden and Dr Jackson expired on 30 June 2021 and at the date of this Annual Report new members of the RFP have been appointed by the Board following recommendations made by a RFP selection committee. These are Mr Shaun Coffey (Chair), Dr Lynne McIntyre and Mr Philip Steel. SRA wishes to thank and acknowledge the contributions and role that Mr Longden and Dr Jackson have played in the RFP.

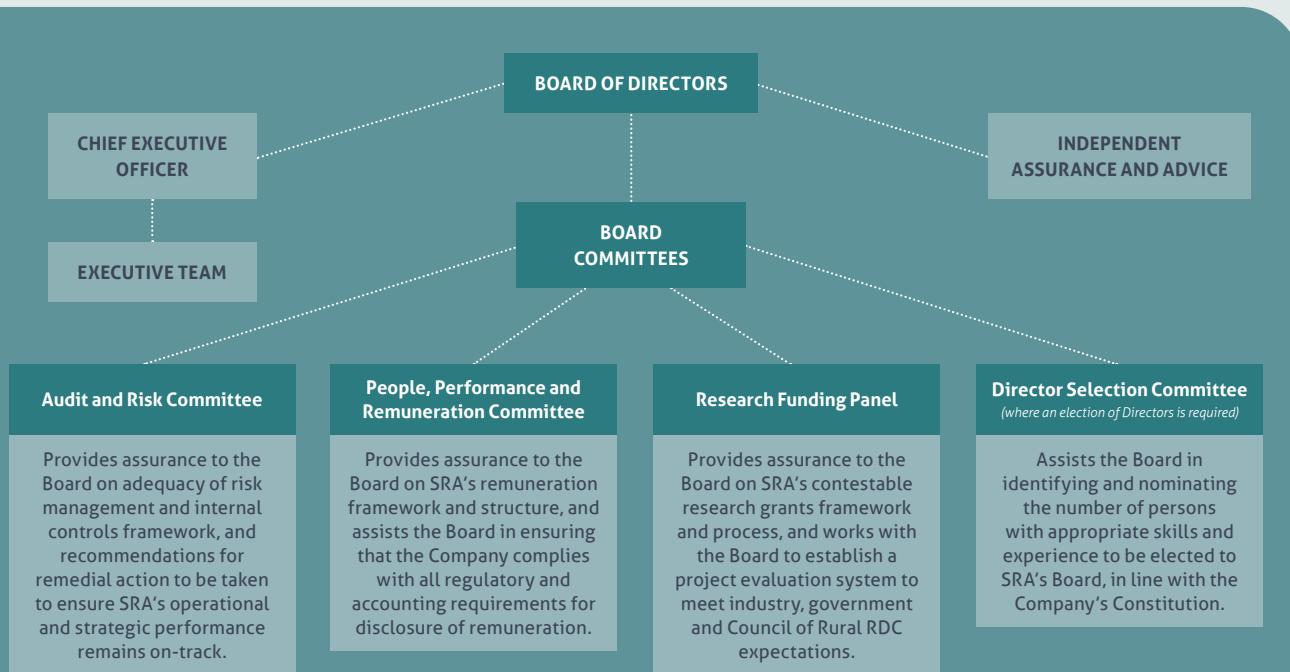
The Committee met three (3) times during the financial year ending 30 June 2021.

The People, Performance and Remuneration (PPR) Committee

The PPR Committee has formal terms of reference approved by the Board as detailed in its Charter. The key functions and accountabilities of the Committee, as set out in its Charter, include:

- To review remuneration agreements for senior officers of the Company;
- To conduct assessments of key senior officers in relation to the performance objectives of the Company, and advise the Board;
- To assist the Board in ensuring that the Company complies with all regulatory and accounting requirements for disclosure of remuneration; and
- To deal with policy development that focuses on the quality of the workplace such as staff policies, diversity, workplace culture, professional development and Indigenous issues.

The Committee is comprised of Ms Lindy Hyam (Chair), Dr Jeremy Burdon and Mr Peter Russo as at 30 June 2021 and as at the date of this Annual Report. The committee met five (5) times during the financial year ending 30 June 2021.



A copy of the Charter is available at www.sugarresearch.com.au/sugar_files/2021/08/People-Performance-and-Remuneration-Committee-Charter.pdf.

Director Selection Committee

The Director Selection Committee has formal terms of reference approved by the Board as detailed in its Charter. The key functions and accountabilities of the Committee and which are set out in its Charter are as follows:

- To identify and nominate the number of persons needed for election to the Board as Directors of the Company;
- To ensure a field of candidates and to choose from the available candidates for nomination those persons who will in its view best ensure the Board collectively has an appropriate balance of skills and experience in the areas identified under the Constitution;
- If the Chair is a retiring Director, to identify and nominate a person with appropriate skills for election to be Chair of the Company; and
- Each Director Selection Committee may take any action it thinks appropriate to advertise vacancies and using a transparent search process, to identify persons suitable for election or re-election to the office of Director. The Constitution (as amended on 25 October 2018) and the Committee Charter set out the requirements for the proceedings of the Committee and the qualifications, skills and experience necessary for the Board and which the Committee must consider.

The Board Composition matrix is available to view on SRA's website at www.sugarresearch.com.au.

During the reporting period, the Committee comprised of: Ms Elizabeth Alexander (Chair), Mr Joseph Marano (Group G Member representative), Mr Owen Menkens (Group G Member representative), Mr John Pratt (Group M Member Representative), and Mr Guy Basile (Group M Member Representative).

Risk management

SRA's risk management policies and assessments are set out in its Risk Management Plan, which outlines the process to identify, assess and manage risks in accordance with International Standard Organisation (ISO) 31000:2018: Risk Management. Individual risks identified are assessed and categorised in line with SRA's risk assessment criteria which covers consequence categories such as strategy, safety, reputation and legal/regulatory.

SRA's existing Risk Management Framework was reviewed by the Board and executive management in 2020 and a new Risk Management Framework including an enterprise wide Risk Management Plan, strategic and operational risk registers and a Risk Management improvement plan with various initiatives was developed and approved. The Board endorsed changes to the framework, including clarification of the likelihood and consequence categories and the inclusion of an example "assurance map" which will be used to map the main sources and types of assurance on risk across the Three Lines of Defence model.

The Board also commenced revising its risk appetite in 2021 across a range of strategic risk areas, with key risk indicators developed to inform risk appetite by providing measures of success or tolerance in each strategic risk area. The enhanced Risk Appetite Statement will provide management with the information needed to make decisions and execute on strategic objectives, in a manner that aligns with the Board's specified risk appetite.

The management of risk is overseen by the Board. The Audit and Risk Committee oversees, reviews and reports to the Board on the integrity and soundness of SRA's risk management processes. The way in which SRA considers, assesses and reports risks to the Audit and Risk Committee, and subsequently to the Board, is being enhanced.

Reporting and accountability

Under the new Funding Contract 2021–2031 with the Commonwealth of Australia represented by the Department of Agriculture, Water and the Environment, a reporting framework is set out under which SRA must report to the Commonwealth.

Key reporting obligations include:

- Strategic Plan 2017–2021 Strategic Plan (superseded by a new Strategic Plan 2021–26 in June 2021);
- Performance Principles and Guidelines; and
- Annual Report.

SRA's Chair, CEO and key management personnel meet with government representatives on a regular basis to discuss SRA's performance of its functions and compliance with the terms of the Funding Contract 2021–2031.

Intellectual property creation and protection

SRA has developed formal processes for the protection and administration of Intellectual Property ("IP") that is created and managed as a result of its research investment. An IP SRA Policy and IP Management Plan has been developed and approved by SRA. The Policy is available on the SRA website www.sugarresearch.com.au. The IP Management Plan (as amended) has been submitted to the Department of Agriculture, Water and the Environment. The SRA IP Policy and IP Management Plan supports the objects of SRA by providing clear direction to SRA and its personnel, and also research provider personnel, in respect of the identification, protection and management of IP rights arising from SRA's RD&A investment. This is to ensure that the products and services arising from this investment are delivered to the Australian sugar industry through the most efficient and appropriate route to adoption and without excessive encumbrances. SRA operates an online IP management system which records all third party IP, background IP and proposed project IP for all research projects funded by SRA. Each SRA funded research project for the reporting period was required to maintain and administer an IP Register utilising this online system.

COMPARISON OF SRA'S CORPORATE GOVERNANCE PRINCIPLES TO ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (4th EDITION)

Principle/recommendation	Description/reference of disclosure/compliance
PRINCIPLE 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
Recommendation 1.1	
A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	This is outlined in the Board Charter and detailed Delegations and Authorities.
Recommendation 1.2	
A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<p>As part of the Director Selection Committee process in relation to annual director selection, appropriate background checks are undertaken each year.</p> <p>Candidates are shortlisted by reference to the selection criteria that act as terms of reference for the committee to ensure there is an appropriate mix of skills in the candidates nominated for election.</p> <p>Candidates' biographical details, included on the SRA Notice of Annual General Meeting, are prepared from the material submitted through the Director Selection Committee process.</p>
Recommendation 1.3	
A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	SRA has written engagement letters for directors and executive employment contracts with all members of the Executive Team.
Recommendation 1.4	
The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable to the Board through the Chair on all matters related to the proper functioning of the Board.
Recommendation 1.5	
A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a Diversity Policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the <i>Workplace Gender Equality Act</i>, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	<p>The Diversity Policy is available on SRA's website: www.sugarresearch.com.au/about/policies/diversity-policy/</p> <p>The Board recognises and fosters a culture that encourages divergent views and robust discussion. In assessing candidates, the Director Selection Committee considers diversity of education, the nature of the businesses and business functions in which candidates have gained experience and the roles held, as well as the more obvious aspects of diversity such as gender, age, ethnicity and cultural background.</p> <p>SRA also enunciates its commitment to diversity in other policies such as the Discrimination, Bullying and Grievance Policy which are regularly reported to, monitored by and adjusted with approval by the Board.</p> <p>The proportion of women as at the date of this report:</p> <ul style="list-style-type: none"> ■ Board members: 17% ■ Executive Team: 50% ■ Whole organisation: 42%.

Recommendation 1.6	
<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The Board evaluates its performance through an annual performance review, which is facilitated by an external consultant.</p>
Recommendation 1.7	
<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The People, Performance and Remuneration Committee and Board conduct an annual assessment of the performance of the CEO and the executive team against agreed KPIs.</p>

PRINCIPLE 2. STRUCTURE THE BOARD TO ADD VALUE	
Recommendation 2.1	
<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. 	<p>SRA's Constitution and operation of the Director Selection Committee reflects this requirement.</p> <p>Refer also to the section about the Director Selection Committee in the 'Corporate Governance Framework'.</p>
Recommendation 2.2	
<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>The SRA Board Skills Matrix and biographical details of Directors are published on the SRA website at: www.sugarresearch.com.au/sugar_files/2021/01/2021_Specifications-of-SRA-Board-Skills-and-Expertise.pdf</p> <p>The biographical details of current directors is published on the SRA website at: www.sugarresearch.com.au/about/team/</p>
Recommendation 2.3	
<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. 	<p>SRA discloses the independence of its Directors in its Board Skills Matrix on an annual basis at the same time as considering its skills and experience matrix. The SRA Board Skills Matrix of directors are published on the SRA website at: www.sugarresearch.com.au/sugar_files/2021/01/2021_Specifications-of-SRA-Board-Skills-and-Expertise.pdf</p> <p>Refer also to the Director Independence section in the 'Corporate Governance Framework'.</p> <p>Length of service of each director is included in the Director biographies.</p>

Recommendation 2.4	
A majority of the board of a listed entity should be independent directors.	A majority of the directors are independent.
Recommendation 2.5	
The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The SRA Chair is an independent director. The role of the Chair and the CEO are not performed by the same person. The CEO is not a member of the Board.
Recommendation 2.6	
A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	SRA has a Director Induction Program for inducting new directors and provides appropriate professional development.

PRINCIPLE 3. ACT ETHICALLY AND RESPONSIBLY	
Recommendation 3.1	
A listed entity should articulate and disclose its values.	SRA has a Code of Conduct which covers the governance and sets the expectation for the Board and all SRA personnel. The Code of Conduct, which was last revised and endorsed by the Board in February 2021, is on SRA's website. SRA discloses and articulates its values in its Strategic Plan and Annual Operational Plan.
Recommendation 3.2	
A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	SRA has a Code of Conduct which covers the governance and sets the expectation for the Board and all SRA personnel. The Code of Conduct sets out the process for reporting breaches of the code.
Recommendation 3.3	
A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	SRA has a Whistleblower Policy and reporting procedures to the chairs of the Board and Audit and Risk Committee are set out in the policy.
Recommendation 3.4	
A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	SRA does not currently have an Anti-bribery and Corruption Policy but does have a Fraud Policy and Fraud Control Plan.

PRINCIPLE 4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING	
Recommendation 4.1	
<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit and Risk Committee which is structured so that consists only non-executive Directors and:</p> <ul style="list-style-type: none"> ■ is chaired by an Independent Chair who is not Chair of the Board; and ■ consists of at least three members of the Board. <p>Biographical details of directors and committee members are published to the SRA website: www.sugarresearch.com.au/about/team</p> <p>The charter of the committee is on SRA's website.</p> <p>Refer also to the section about the Audit and Risk Committee in the 'Corporate Governance Framework'.</p>
Recommendation 4.2	
<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The wording of the declaration reflects the wording in the recommendation.</p>
Recommendation 4.3	
<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>Not applicable to SRA.</p>
PRINCIPLE 5. MAKE TIMELY AND BALANCED DISCLOSURE	
Recommendation 5.1	
<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>As SRA is an unlisted public company it is not an ASX disclosing entity but does report annually to its members and to the Commonwealth Government on its operations and financial results.</p>
Recommendation 5.2	
<p>A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.</p>	<p>As per 5.1 above.</p>
Recommendation 5.3	
<p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>As per 5.1 above.</p>
PRINCIPLE 6. RESPECT THE RIGHTS OF SECURITY HOLDERS	
Recommendation 6.1	
<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>SRA provides information about itself and its governance framework on its website. Refer www.sugarresearch.com.au/about/investor-information</p>

Recommendation 6.2	
A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	SRA has a Communications team and Communication Plan to promote effective two-way communication with members, levy payers, industry representative bodies and the State and Commonwealth Governments.
Recommendation 6.3	
A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	SRA holds an Annual General Meeting. SRA releases an e-newsletter to members, industry representative bodies and the State and Commonwealth Governments.
Recommendation 6.4	
A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The SRA Constitution sets out the process for meetings of members and voting at meetings including via a poll.
Recommendation 6.5	
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	SRA allows members to decide in what format it wishes to receive communications, either by post or electronically.

PRINCIPLE 7. RECOGNISE AND MANAGE RISK	
Recommendation 7.1	
The board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	The Board has established an Audit and Risk Committee which is structured so that consists only non-executive Directors; <ul style="list-style-type: none"> ■ is chaired by an Independent Chair who is not Chair of the Board; and ■ consists of at least three members of the Board. The Charter of the Committee is on SRA's website. Refer also to the section about the Audit and Risk Committee in the 'Corporate Governance Framework'.
Recommendation 7.2	
The board or a committee of the board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place. 	The Board sets its Risk Appetite pursuant to a Risk Management Policy and Risk Management Plan which is reviewed regularly. Refer to the section about the Audit and Risk Committee section in the 'Corporate Governance Framework'.
Recommendation 7.3	
A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	SRA conducts an internal audit function using qualified external consultants under an internal audit plan reviewed by the Audit and Risk Committee. Refer to the section about the Internal Audit program in the 'Corporate Governance Framework'.

Recommendation 7.4	
A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	SRA reports annually to its members and to the State and Commonwealth Governments on its key risks, operations and financial results.

PRINCIPLE 8. REMUNERATE FAIRLY AND RESPONSIBLY	
Recommendation 8.1	
<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> 	<p>The Board has established a People, Performance and Remuneration Committee which is structured so that consists of three non-executive Directors.</p> <p>The Charter of the Committee is on SRA's website.</p> <p>Refer also to the People, Performance and Remuneration Committee section in the 'Corporate Governance Framework'.</p>
Recommendation 8.2	
A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	SRA discloses key management personnel compensation in its audited Financial Statements.
Recommendation 8.3	
<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Not applicable as SRA does not have an equity-based remuneration scheme.

STATUTORY REPORTS: DIRECTORS' REPORT

for the year ended 30 June 2021

The Directors of Sugar Research Australia Limited ABN 16 163 670 068 ("Company" or "SRA") submit their report for the year ended 30 June 2021 ("reporting period") as follows:

Company limited by guarantee

The Company was incorporated on 8 May 2013 and is a public company limited by guarantee. The Company has Group G members and Group M members (together the "members"). The Constitution states that, if the Company is wound up, the liability of each member is limited as follows:

- (a) each member at the time the winding up starts; and
- (b) each person who, at any time in the 12 months before the winding up started, was a member,

undertakes to contribute to the assets of the Company up to an amount not exceeding \$2 for payment of the debts and liabilities of the Company, including the costs of winding up.

As at 30 June 2021, there were 9 Group M members and 2,453 Group G members. The total amount the members of the Company are liable to contribute if the Company is wound up for 2020/21 is \$4,924.

On any winding up of the Company, any surplus property must not be paid to members but must be paid or transferred to another corporation, fund, authority or institution with:

- (a) objects similar to the Company's objects; and
- (b) a constitution which prohibits the distribution of its income and property among its members.

Objectives

The primary long-term objective of SRA over the reporting period has been to enable Australia's sugarcane industry to be profitable, sustainable and resilient.

In support of this objective, SRA has been focused over the short to medium-term on the following goals:

- Increasing profitability across the sugarcane value chain through innovation-led productivity gains, step-change, and value-adding;
- Improving sustainability through evidence-based research and sustainable production, biosecurity and environmental management;
- Enhancing capability through strengthened research and industry partnerships, capability development programs and collaborative knowledge transfer and adoption mechanisms; and
- Strengthening organisational excellence through enhanced research, development and adoption investment management, best practice organisational governance and a positive performance-focused organisational culture.

Strategy for achieving objectives

To deliver on these strategic objectives and goals, SRA had established nine key focus areas ("KFA's") – each with a suite of objectives, outputs, expected outcomes and measures by which to demonstrate success. These KFA's have been intended to provide focus for SRA's research, development and adoption activities to address the primary productivity, profitability and sustainability challenges and opportunities facing industry, over the short-, medium- and long-term horizons. The KFA's have been:

1. Variety development;
2. Soil health, nutrient management and environmental sustainability;
3. Pest, disease and weed management;
4. Farming systems and harvesting;
5. Milling efficiency and technology;
6. Product diversification and value addition;
7. Knowledge and technology transfer and adoption;
8. Collaboration and capability development; and
9. Organisational effectiveness.

The complete strategy for delivery on SRA's objectives, goals and KFA's over the reporting period is detailed in SRA's 2017–2021 Strategic Plan ("Strategic Plan") which is available on SRA's website at www.sugarresearch.com.au/sugar_files/2021/08/Strategic-Plan-2017-2021.pdf

On 24 June 2021, just prior to the end of the reporting period, SRA developed and adopted a new Strategic Plan 2021–2026 which is available on SRA's website at www.sugarresearch.com.au/sugar_files/2021/08/Strategic-Plan-2021-2026.pdf

The New Strategic Plan sets out a revised vision of being:

A trusted partner, shaping the future prosperity of the Australian sugarcane industry and regional communities through innovation and ingenuity

and establishes the following five Research Missions:

1. PROFITABLE AND PRODUCTIVE

Continuous improvement in farming and milling profitability.

2. RESILIENT AND ENDURING

Position the industry to stay ahead of climate, environmental and biosecurity threats.

3. DIVERSIFIED AND ADAPTABLE

Capitalise on changing consumer preferences, and the growing bio and green economies to develop diversification opportunities.

4. WEALTH GENERATING THROUGH LAND STEWARDSHIP

Position the Australian sugarcane industry as leaders in profitability, environmental sustainability and resource-use efficiency.

5. SKILLED FOR THE FUTURE

Support the development of an adaptable, professional, commercial and entrepreneurial industry and research community.

It also establishes five Strategic Pillars:

STRATEGIC PILLAR 1 – STRONG FOUNDATIONS

Evolve SRA to keep pace with the changing industry landscape by developing a capable, engaged, and safe workforce, and a lean, agile and entrepreneurial organisation with an agile and efficient cost-base.

STRATEGIC PILLAR 2 – A HIGH-PERFORMING RESEARCH PORTFOLIO

Design a focused, balanced and collaborative portfolio of RD&E investments and initiatives that deliver tangible solutions and options to advance the productivity, sustainability, profitability, and long-term growth prospects for the Australian sugarcane industry.

STRATEGIC PILLAR 3 – TRANSLATION EXPERTISE

Translate research findings into tools, products and services that save industry time and money, and improve environmental performance.

STRATEGIC PILLAR 4 – WORLD-CLASS SUGARCANE VARIETIES

Accelerate innovation in variety development to offer varieties that consistently underpin the success of the industry's current and future product objectives, crop production and protection while lowering development costs and shortening cycle-times.

STRATEGIC PILLAR 5 – COMMERCIAL BENEFITS AND REWARDS

Take our research work and investments to the next level by securing investors and funding and extracting commercial value from our intellectual property, research capability, facilities and strategic partnerships.

Future reports will be made against the New Strategic Plan, however, this report is made against the 2017–2021 Strategic Plan.

Principal activities during the reporting period

The Company's principal activities during the reporting period consisted of research, development and adoption activities to contribute to

the development of the Australian sugar industry. As detailed in the Constitution, the Company receives, amongst other funding, funds from the Commonwealth of Australia by way of proceeds from the sugarcane levy payable by sugarcane growers and millers under the *Primary Industries (Excise) Levies Act 1999* (Cth).

Through utilisation of the sugarcane levy (and funding from other sources) the Company carries out, co-ordinates and invests in research and development activities so as to facilitate dissemination, adoption and commercialisation of results of research and development activities in relation to the Australian sugar industry.

Financial Result

The financial result for the reporting period is a \$144 thousand loss (2020: \$5,354 thousand loss), including:

- \$335 thousand loss (2020: \$5,845 thousand loss) from operating activities; and
- \$191 thousand (2020: \$491 thousand) of interest income.

Performance measurement

SRA's five-year Strategic Plan and Annual Operational Plans set out SRA's strategic and operational agenda, along with the Key Performance Indicators ("KPIs") by which delivery against this agenda is measured.

The 2017–2021 Strategic Plan was developed in collaboration with SRA's industry and government investors and is underpinned by four impact-driven goals of profitability, improved sustainability, enhanced capability and organisational excellence.

SRA's Monitoring and Evaluation (M&E) Framework employs an impact pathway logic-based model to guide the assessment of SRA's performance against delivery of its Strategic and Annual Operational Plans. The primary mechanisms within SRA's M&E Framework include:

- Project milestone and output monitoring and reporting;
- Operational and strategic reporting to the Audit and Risk Committee;
- Six-monthly impact-pathway reporting, including traffic light reporting on output delivery;

- Six-monthly reporting on performance to the Commonwealth Department of Agriculture, Water and the Environment, as required under SRA's Statutory Funding Contract 2017–2021 with the Commonwealth Government ("SFC");
- Project and program impact assessments;
- Annual grower and miller surveys on practice change and investor satisfaction;
- Annual performance reports, including traffic light reporting against the KPIs in SRA's Strategic Plan and Annual Operational Plan;
- Independent Performance Reviews; and
- Cross Research and Development Corporations Impact Assessment Program.

The Audit and Risk Committee reviews, on an ongoing basis, a suite of reports that cover SRA's operational and strategic performance. These include: SRA operational reports, such as Finance, Workplace Health and Safety and Risk Management; and Research Funding Unit ("RFU") reports on the investment project portfolio. Where required, the Audit and Risk Committee provides the SRA Board with recommendations for remedial action to be taken to ensure SRA's operational and strategic performance remains on-track.

SRA also regularly communicates with its investors and other stakeholders on the Company's strategic and operational performance and uses feedback on its performance to continually improve the quality of its research and investment processes, programs and activities.

Directors

The names, particulars, qualifications and experience of the Directors of the Company in office during the reporting period and until the date of this report are as follows. Directors and officers were in office for this entire period unless otherwise stated.

DIRECTOR	EXPERIENCE, SPECIAL RESPONSIBILITIES AND INDEPENDENCE STATUS
Dr Ron Swindells <i>FIE Aust, FAICD B.E. (Chem) (Hons), PhD</i>	<p>Chairman – SRA Board</p> <p>Dr Swindells has been a Director of Sugar Research Limited and served as its Chairman between 1993–2003. He has also been a Director for Mackay Refined Sugars and the Australian Sugar Milling Council as well as an alternate Director of Sugar Australia Ltd and the New Zealand Sugar Company.</p> <p>Dr Swindells has operated at the senior management level in a number of companies including:</p> <ul style="list-style-type: none"> ■ Chief executive officer of Mackay Sugar for ten years ■ Bundaberg Sugar Company as Manager of Millaquin Mill and Bundaberg Refinery. <p>More recently he has worked on a number of sugar-related consulting projects for various clients.</p> <p>Member - Audit and Risk Committee</p>
Ms Lindy Hyam <i>B.Ed, Dip Teach, MBA, FAICD</i>	<p>Ms Hyam has worked extensively in agriculture with engagement across more than 40 established, new and emerging commercial plant based and levy paying industries and their research communities including sugar addressing issues along the value chain ranging from grower based through to commercialisation of R&D outcomes, biosecurity and international marketing of product.</p> <p>Ms Hyam has over 20 years of leadership experience at board and CEO levels in the private and public sectors across urban and regional Australia and internationally with a diverse range of organisations of all sizes and governance structures. Ms Hyam has held many board roles across a range of disciplines in addition to agriculture including city leadership, health, airports, resources recovery, legal services, professional services, the environment and education.</p> <p>During the reporting period, Ms Hyam served as:</p> <ul style="list-style-type: none"> ■ Director for Hunter Central Coast AFL; and ■ Presiding Member for Fisheries Research and Development Corporation Selection Committee (appointed 15 February 2021 until 30 November 2023). <p>On the 1 July 2021 Ms Hyam will take up her appointment as Chair of the Centre of Excellence for Biosecurity Risk Analysis funded by the Australian Commonwealth Government and NZ Ministry for Primary Industries.</p> <p>Ms Hyam was a Fellow of the Australian Institute of Company Directors for 14 years.</p> <p>Chair – People, Performance and Remuneration Committee</p>

DIRECTOR	EXPERIENCE, SPECIAL RESPONSIBILITIES AND INDEPENDENCE STATUS
Dr Guy Roth <i>B Rural Science (Hons), Masters Applied Science, PhD</i>	<p>Dr Guy Roth has extensive experience as a director, executive, and leader in agricultural research, development, and consulting. He has particular expertise in services related to irrigation, water, soil, farming systems and natural resource management for agriculture and rural communities.</p> <p>Dr Roth was formerly the Chief Executive Officer of the Cotton Catchment Communities Cooperative Research Centre and Program Manager for the National Program for Sustainable Irrigation. In 2016 Dr Roth was awarded the Cotton Industry's Researcher of the Year Award.</p> <p>Dr Roth is currently:</p> <ul style="list-style-type: none"> ■ Director Northern Agriculture with The University of Sydney, Plant Breeding Institute at Narrabri; ■ Chair National Water Use in Agriculture RD&E strategy; and ■ Director – Roth Rural and Regional Pty Ltd. <p>Member – Research Funding Panel</p>
Mr Sam (Salvatore) Bonanno <i>B.E. (Mechanical), Adv Dip Business Management, GAICD</i>	<p>Mr. Sam Bonanno is an independent non-executive director with more than 40 years' experience in ports, logistics, infrastructure, mining and agricultural industries in Australia and overseas.</p> <p>Mr Bonanno has experience in strategic planning and implementation, commercial negotiations, business planning, operations management, asset management, project management, materials processing and bulk supply chain management.</p> <p>Mr Bonanno has held four non-executive board positions in Australia—with three key industry-wide service providers and a government corporation for regional economic development—as well as being a director and chair of a global industry association for bulk export coal ports and terminals.</p> <p>Mr. Bonanno is currently serving directorships with:</p> <ul style="list-style-type: none"> ■ STL - Sugar Terminals Limited; and ■ CQU - Central Queensland University: Member of the Strategic Planning and Projects Committee, University Council. <p>Chair – Audit and Risk Committee</p>
Mr Peter Russo <i>MAICD</i>	<p>Mr Peter Russo has over 40 years of experience in sugarcane growing and milling. Working in a farming partnership with his two sons in the Childers region, Mr Russo is knowledgeable in all aspects of sugarcane farming and is particularly passionate about the adoption of innovative practices ranging from irrigation to land management to harvesting.</p> <p>Mr Russo is Chairman of the Board of the Isis Central Sugar Mill and has served on the Board since 1990. Mr Russo has served on various committees while on the Isis Central Sugar Mill Board and has also previously been a Board member of St Luke's Anglican School, Bundaberg.</p> <p>Mr Russo is currently serving directorships with:</p> <ul style="list-style-type: none"> ■ Isis Central Sugar Mill Co Ltd (ceased 27 November 2020); and ■ PNR Nuts Pty Ltd. <p>Member – People, Performance and Remuneration Committee</p>

DIRECTOR	EXPERIENCE, SPECIAL RESPONSIBILITIES AND INDEPENDENCE STATUS
Mr Lee Blackburn GAICD	<p><i>(ceased as Director and member of Audit & Risk Committee – 29 July 2021)</i></p> <p>Mr Lee Blackburn has been a sugarcane grower for 26 years and has been managing the family farm and harvesting business since 2002. He is chair of Eton Irrigation Scheme PTY LTD, is a director on the boards of Mackay Sugar PTY LTD, Queensland Commodity Services, Mackay Area Productivity Services and Kinchant Dam Water Users Association. He is a former director of Mackay Canegrowers Limited and former member of the Canegrowers Mackay Area Committee.</p> <p>Member – Audit and Risk Committee</p>
Dr Jeremy Burdon <i>BSc (Hons), PhD, Hon DSc, FAA, FTSE, MAICD</i>	<p>Dr Jeremy Burdon has an international reputation as both a scientist (evolutionary biology) and a research manager and strategic planner. In the early 2000s he was involved in the sugar industry guiding research relationships between CSIRO and BSES and as a Director of the CRC for Sugar Industry Innovation through Biotechnology. More recently he has served for four years as a member of SRA's Research Funding Panel.</p> <p>Dr Burdon has broad interests across all plant-based agricultural industries developed through a previous role as Chief of the Division of Plant Industry, CSIRO (2003–2012). Additionally, and subsequently, he has served on the Board of Trustees of Bioversity International (a member of the CGIAR: 2009–2015), on the Board of the Grains Research & Development Corporation (2011–2017), and as the Chair of the Australian Academy of Science's National Committee for Agriculture, Fisheries & Food. During the current year he served as a non-executive director on the Board of the Cotton Research & Development Corporation (ceased 30th September 2020), and was an advisor to the Australian Plant Phenomics Facility.</p> <p>Member – People, Performance and Remuneration Committee</p>

COMPANY SECRETARY	
Mr Michael Shannon <i>BA LLB (Hons), GradDipACG, GAICD</i>	<p>Company Secretary and Legal Counsel</p> <p>Mr Shannon is an experienced company secretary and lawyer specialising in corporate and commercial law having worked in private legal practices in Australia and the UK and has performed in-house company secretarial and legal roles at an ASX listed company and at a large Australian retail banking organisation.</p> <p>Mr Shannon specialises in corporations and commercial law, corporate governance, risk and compliance. He is a Solicitor of the Supreme Court of Queensland and a member of the Queensland Law Society, an Associate of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.</p> <p>As SRA's Company Secretary, Michael provides the company secretarial and corporate governance advice to the Chairman, the Board, the CEO and the executive management team.</p> <p>As SRA's General Counsel, Mr Shannon is responsible for providing legal advice on all commercial, contractual, intellectual property (IP), procurement and insurance matters and broader legal matters as required.</p>

Insurance of officers

During the reporting period, the Company paid an insurance premium in respect of an insurance policy for the benefit of directors, company secretary and other officers of the Company and an additional premium in respect of professional indemnity insurance. The directors' and officers' liability insurance policy grants indemnification in respect of certain liabilities for which the *Corporations Act 2001* (Cth) allows indemnification.

In accordance with normal commercial practice and under the terms of the insurance policies, the nature of the liabilities insured against and the amount of premiums paid remain confidential.

Meetings of Directors

The number of Directors' meetings and Board committee meetings held during the reporting period and the number of meetings attended by each Director were as follows:

SRA BOARD AND COMMITTEE MEETINGS 1 JULY 2020 TO 30 JUNE 2021*						
	Full Board			Board Committees		
	Scheduled	Meetings held between scheduled Board meetings	Total	Audit and Risk	People, Performance and Remuneration	Research Funding Panel
Dr Ron Swindells	7^ [7]	2	9^ [9]	5 [5]	5 [5]^^	-
Ms Lindy Hyam	7 [7]	2	9 [9]	-	5^ [5]	-
Dr Guy Roth	7 [7]	2	9 [9]	-	-	3 [3]
Mr Salvatore Bonanno	7 [7]	2	9 [9]	5^ [5]	-	-
Mr Peter Russo	7 [7]	2	9 [9]	-	4 [5]	-
Mr Lee Blackburn	7 [7]	2	9 [9]	5 [5]	-	-
Dr Jeremy Burdon	7 [7]	2	9 [9]	-	5 [5]	-

Where a director did not attend all meetings of the Board or relevant committee, the number of meetings for which the director was eligible to attend is shown in brackets.

*The Company also established a Director Selection Committee which does not comprise any Directors and is comprised of an independent chairman and 2 representatives from Group M members and 2 representatives from Group G members. This Committee held 3 meetings during the reporting period.

^ Indicates Chair

^^ Dr Swindells attended PPRC meetings as SRA Board chair

Company Secretary

Mr Michael Shannon was appointed Company Secretary on 13 January 2014 and continues in the role of Company Secretary as at the date of this report.

Statement of corporate governance

A statement of corporate governance is set out in the section of the *Annual Report 2020/21 entitled Corporate Governance Framework* and these pages form part of this report.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial report and director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Registered office

50 Meiers Road
Indooroopilly
Qld 4068

Auditor's independence

The Auditor's Independence Declaration in relation to the audit for the year ended 30 June 2021 as required under section 307C of the *Corporations Act 2001* (Cth) has been received by the Company. A copy follows the Financial Statements.

This report is made in accordance with a resolution of the Board of Directors and is authorized for and on behalf of the Directors by:



Ron Swindells (Chairman)



Sam Bonanno (Director)





CONTENTS OF STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

Statement of profit or loss and other comprehensive income	73
Statement of financial position	74
Statement of changes in equity	75
Statement of cash flows	76
Notes to the financial statements	77
1. Reporting entity	77
2. Basis of preparation	77
3. Significant accounting policies	78
4. Revenue from operating activities	84
5. Other revenue	84
6. Operating expenses	85
7. Leases	85
8. Cash and cash equivalents	86
9. Cash flow reconciliation	86
10. Trade and other receivables	87
11. Property, plant and equipment	87
12. Intangible assets	88
13. Trade and other payables	89
14. Employee benefits	89
15. Contingencies and commitments	89
16. Capital and reserves	89
17. Related parties	89
18. Events occurring after the reporting date	89
Directors' Declaration	90

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

<i>in thousands of dollars</i>	Notes	2021	2020
Revenue	4	35,676	36,717
Other revenue	5	445	231
		<u>36,121</u>	<u>36,948</u>
Employee benefits		17,340	19,907
Operating expenses	6	16,150	20,076
Depreciation and amortisation	7,11,12	2,966	2,810
		<u>36,456</u>	<u>42,793</u>
Results from operating activities		<u>(335)</u>	<u>(5,845)</u>
Finance Income		191	491
Profit (Loss) for the year		<u>(144)</u>	<u>(5,354)</u>
Other comprehensive income		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>(144)</u>	<u>(5,354)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2021

<i>in thousands of dollars</i>	Notes	2021	2020
Assets			
Cash and cash equivalents	8	24,009	23,971
Trade and other receivables	10	3,141	1,852
Prepayments		536	497
Total current assets		27,686	26,320
Property, plant and equipment	11	28,782	30,363
Right of Use Asset	7	669	1,123
Intangible assets	12	1,405	1,754
Total non current assets		30,856	33,240
Total assets		58,542	59,560
Liabilities			
Trade and other payables	13	2,550	2,558
Lease liabilities	7	311	472
Employee benefits		1,880	2,266
Total current liabilities		4,741	5,296
Lease liabilities	7	351	599
Employee benefits		318	389
Total non current liabilities		669	988
Total liabilities		5,410	6,284
Net assets		53,132	53,276
Equity			
Retained earnings		53,132	53,276
Total equity		53,132	53,276

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

Statement of changes in equity

For the year ended 30 June 2021

in thousands of dollars

	2021	2020
Opening balance	53,276	58,581
Total comprehensive income		
Profit / (Loss)	(144)	(5,354)
Adjustment on adoption of AASB 16	-	49
Total comprehensive income for the period	<u>(144)</u>	<u>(5,305)</u>
Closing balance	<u>53,132</u>	<u>53,276</u>

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

Statement of cash flows

For the year ended 30 June 2021

<i>in thousands of dollars</i>	Notes	2021	2020
Operating activities			
Receipts from Statutory Authority and industry		34,181	39,111
Payments to suppliers and employees		(33,000)	(42,417)
Interest on lease liabilities		-	-
Payments for short-term leases		(176)	(278)
Payments for low value leases		(4)	(5)
Payments for variable lease payments (not included in the measurement of the lease liabilities)		(5)	(22)
Net cash used in operating activities	9	996	(3,611)
Investing activities			
Interest received		191	491
Payments to acquire property, plant and equipment	11	(600)	(1,628)
Proceeds from sale of property, plant and equipment		45	19
Payments to acquire intangibles and other long term assets	12	(58)	(236)
Net cash used in investing activities		(422)	(1,354)
Financing activities			
Payments of lease liabilities		(536)	(605)
Net cash from financing activities		(536)	(605)
Net decrease in cash and cash equivalents		38	(5,570)
Cash and cash equivalents at beginning of period		23,971	29,541
Cash and cash equivalents at end of period	8	24,009	23,971

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

Notes to the financial statements

For the year ended 30 June 2021

1. Reporting entity

Sugar Research Australia Limited (the Company) is a not-for-profit company limited by guarantee, domiciled and incorporated in Australia.

The Company's registered office is at 50 Meiers Rd, Indooroopilly, Brisbane. The Company primarily invests in and manages a portfolio of research, development and extension (RD&E) projects that drive productivity, profitability and sustainability for the Australian sugarcane industry.

2. Basis of preparation

(a) Statement of compliance

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act (2001).

Tier 2 reporting, which comprises the same recognition and measurement requirements of Tier 1 (standard reporting) but with substantially reduced disclosure requirements, assists users by providing a clearer and less technical explanation of the results of the Company.

These financial statements were authorised for issue by the Board of Directors on 25 August 2021.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Director's Reports) instrument 2016/191 and in accordance with that instrument, amounts in the financial report and director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of judgements and estimates

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimation of useful lives of assets

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

2. Basis of Preparation (continued)

(d) Use of judgement and estimates (continued)

Employee benefits provision

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

Lease agreements

Critical judgement in identifying a lease

The Company has identified readily observable factors to determine whether a contract conveys the right to control the use of an identified asset for a period of time. Once a contract has been identified as having a lease, further analysis is conducted to ensure that it is correctly reflected in the financial statements.

Critical judgement in determining the lease term

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option or remain in a leased position. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Critical judgement in determining components of a lease

In determining the components of a lease, the Company considers all facts and circumstance that distinguish between the different components of a lease as well as any services provided within the lease contract. Where non-lease components are found, they are accounted for separately from lease components and are based on their relative stand-alone selling price. Otherwise non-lease components are bundled together with lease components as a single lease component.

Critical judgement in determining the appropriate discount rate

In determining the appropriate discount rate, the Company considers all fact and circumstances surrounding the lease and whether it forms part of a portfolio of leases, the current economic environment in which the Company operates, the underlying nature of the lease asset, available resources and whether the impact on the financial statements is material or not.

The Company has also identified readily observable factors to determine if the rate should change due to changes in those underlying factors.

3. Significant accounting policies

The accounting policies set out below have been applied consistently for the period presented in these financial statements.

(a) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

3. Significant accounting policies (continued)

(c) Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company uses a 5-step recognition and measurement model for revenue recognition:

1. identifies the contract with a customer
2. identifies the performance obligations in the contract
3. determines the transaction price
4. allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered
5. recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grants

Grant revenue is recognised in profit or loss when the Company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

(d) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts for example, a superannuation plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. Significant accounting policies (continued)

(d) Employee Benefits (continued)

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the current reporting date on corporate bonds that have maturity dates approximating the terms of the Company's obligations.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(e) Income tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997, as amended. Under this division the Company is considered to be classified as an entity established for the purpose of promoting the development of various Australian resources, including agricultural resources and not carried on for the profit or gain of its individual members.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits that are subject to an insignificant risk of change in fair value and are used by the Company in the management of its short-term commitments.

(g) Financial instruments

Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

The Company reclassifies debt investment when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments: Subsequent measurement of debt instruments are done under the amortised cost method. This is based on the Company's business model for managing asset and cash flow characteristics of the asset.

Assets that are held for collection on contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line items in the statement of profit or loss.

3. Significant accounting policies (continued)

(h) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials,
- any other costs directly attributable to bringing the assets to a working condition for their intended use,
- when the Company has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in the profit or loss unless the amount is included in the carrying amount of another asset. Land is not depreciated.

The estimated useful lives for the current year of significant items of property, plant and equipment are as follows:

	2021	2020
• buildings	5 - 40 years	5 - 40 years
• plant and equipment	3 - 40 years	3 - 40 years
• fixtures and fittings	2 - 15 years	2 - 15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

3. Significant accounting policies (continued)

(i) Intangible assets (continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(iii) Amortisation

Intangible assets, less amount impaired, are amortised on a straight-line basis in the profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current year are as follows:

	2021	2020
• Software	2 - 10 years	2 - 10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through the profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the lack of presence of an active market.

Financial assets measured at amortised cost

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity financial assets) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by trend analysis.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

3. Significant accounting policies (continued)

- (j) Impairment (continued)
- (ii) Non-financial assets (continued)

Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(l) Leases

The Company has entered into several lease arrangements primarily covering properties, motor vehicles and some office equipment.

AASB 16 requires all leases to be recognised on the Balance Sheet unless the underlying asset is of low value or the lease has a term of 12 months or less. From 1 July 2019, the Company will recognise a 'right-of-use asset' representing its right to use leased assets and a 'lease liability', measured as the present value of future lease payments. The income statement will include depreciation of the right-of-use asset and any interest expense on the lease liability over the lease term.

The Company has determined that the absence of applying a discount rate will not create a material impact on the measurement and disclosure to the financial statements.

Payments associated with short-term lease and leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss. Short term leases are lease with a term of 12 months or less. Low-value assets primarily comprise office equipment.

Extension Options

Extension options are included in several property and equipment leases across the Company. The terms are used to maximise operational flexibility in terms of managing contracts. All extension options held are exercisable by the Company and not the respective lessor.

4. Revenue from operating activities

<i>in thousands of dollars</i>	2021	2020
Industry contribution (i)	21,539	21,244
Commonwealth matching contribution (i)	6,416	6,259
Queensland government income (iii)	3,212	3,127
Commonwealth government grant income (ii)	-	1,265
Collaboration income (iv)	3,994	4,114
Sale of cane	515	708
	35,676	36,717

(i) Industry contribution and Commonwealth matching contribution

A statutory funding contract is in place between the Commonwealth Government of Australia (Commonwealth) and Sugar Research Australia Limited. This agreement establishes terms on which the Commonwealth remits industry contributions toward research and development to the Company. The agreement also establishes the terms for Commonwealth matching contributions. Commonwealth matching contribution matches industry contribution dollar for dollar to a maximum level of 0.5% of the gross annual value of production of the sugar industry, provided conditions of the agreement are met.

The current five-year agreement expires on the 6 August 2021. A new ten-year agreement was signed on 3 August 2021.

(ii) Commonwealth government grant income

The Company has entered into Commonwealth Grant Agreements to fund collaborative research and development projects to support continued innovation in Australia's primary industries. The grants are provided as part of the Commonwealth government Rural R&D for Profit programme. The grants are paid in instalments by the Commonwealth upon completion of agreed milestones to the reasonable satisfaction of the Commonwealth, and compliance by the Company with its obligations under the grants. As at the reporting date, there are no unfulfilled conditions.

(iii) Queensland government income

The company entered into grant deed agreements with Queensland government to carry out research and development project activity that aligns to objectives of the Department of Agriculture and Fisheries Strategic Plan.

As at the reporting date, there are no unfulfilled conditions.

(iv) Collaboration income

Collaboration income is contribution received from third parties where the Company is collaborating with them to achieve project objectives.

As at the reporting date, there are no unfulfilled conditions.

5. Other revenue

<i>in thousands of dollars</i>	2021	2020
Lease and rental income	166	144
Sundry income	253	193
Profit (loss) on sale of asset	26	(106)
	445	231

6. Operating expenses

<i>in thousands of dollars</i>	2021	2020
External research providers	5,319	7,595
Asset and property management	2,125	2,752
Professional and consulting	4,441	4,629
Research consumables	958	1,435
Industry consultation	141	423
Registration, subscriptions and licences	654	542
Telecommunications	615	534
Other operating costs	1,897	2,166
	16,150	20,076

7. Leases

During the year ended 30 June 2021, the following was recognised in the profit and loss relating to:-

<i>in thousands of dollars</i>	2021	2020
Income from sub-leases	-	-
Short-term leases	176	278
Low-value leases	4	5
Variable lease payments (not included in the measurement of the lease liability)	5	22
Interest expense on lease liabilities	-	-

RIGHT-OF-USE-ASSETS

<i>in thousands of dollars</i>	Land and buildings	Plant and equipment	Office equipment	Total
Balance at 1 July 2020	429	658	36	1,123
Additions / Modifications	11	110	7	128
Depreciation	(72)	(501)	(9)	(582)
Balance at 30 Jun 2021	368	267	34	669

<i>in thousands of dollars</i>	Land and buildings	Plant and equipment	Office equipment	Total
Balance at 1 July 2019	486	787	-	1,273
Additions	13	403	40	456
Depreciation	(70)	(532)	(4)	(606)
Balance at 30 Jun 2020	429	658	36	1,123

7. Leases (continued)

LEASE LIABILITIES

in thousands of dollars

	2021	2020
Opening Balance	1,071	1,224
Additions / Modifications	128	456
Repayments	(537)	(609)
Closing Balance	662	1,071

Current	311	472
Non-current	351	599
	662	1,071

8. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in on call term deposits. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:

in thousands of dollars

	2021	2020
Bank balances	3,520	4,250
Call deposits	20,489	19,721
Cash and cash equivalents	24,009	23,971
 Cash and cash equivalents in the statement of cash flows	 24,009	 23,971

Cash and cash equivalents are held with bank and financial institution counterparties, which are rated A-1 or better, based on rating agency Standard and Poor's ratings.

9. Cash flow reconciliation

in thousands of dollars

	2021	2020
Profit (Loss) for the period	(144)	(5,354)
<i>Adjustments for:</i>		
Depreciation and amortisation	2,966	2,810
Impairment loss	183	-
Interest received	(191)	(491)
Profit from sale of property, plant and equipment	(26)	106
<i>Change in working capital and provisions:</i>		
Decrease / (Increase) in trade and other receivables, and prepayments	(1,328)	1,379
Increase in payables	(7)	(2,156)
(Decrease) / Increase in provisions for employee benefits	(456)	95
Net cash from operating activities	996	(3,611)

10. Trade and other receivables

in thousands of dollars

	2021	2020
Accrued income	1,458	1,261
Other trade receivables	1,683	591
Contract assets	-	-
	<u>3,141</u>	<u>1,852</u>
Current	3,141	1,852
Non-current	-	-
	<u>3,141</u>	<u>1,852</u>

On the adoption of AASB 15, the Company assessed that there were no contracts with customers giving rise to a nil opening balance in Contract Assets.

11. Property, plant and equipment

<i>in thousands of dollars</i>	<i>Note</i>	Land and buildings	Plant and equipment	Office equipment	Total
Cost					
Balance at 1 July 2020		25,335	13,950	1,075	40,360
Additions	9	9	591	-	600
Disposals		-	(49)	(81)	(130)
Balance at 30 June 2021		<u>25,344</u>	<u>14,492</u>	<u>994</u>	<u>40,830</u>
Accumulated depreciation and impairment losses					
Balance at 1 July 2020		(2,280)	(6,886)	(831)	(9,997)
Depreciation for the period		(452)	(1,447)	(80)	(1,979)
Impairment for the period		-	(183)	-	(183)
Disposals		-	30	81	111
Balance at 30 June 2021		<u>(2,732)</u>	<u>(8,486)</u>	<u>(830)</u>	<u>(12,048)</u>
Carrying amounts					
at 1 July 2020		23,055	7,064	244	30,363
at 30 June 2021		<u>22,612</u>	<u>6,006</u>	<u>164</u>	<u>28,782</u>
 Cost					
Balance at 1 July 2019		25,205	12,723	941	38,869
Additions		207	1,286	134	1,627
Disposals		(77)	(59)	-	(136)
Balance at 30 June 2020		<u>25,335</u>	<u>13,950</u>	<u>1,075</u>	<u>40,360</u>
Accumulated depreciation and impairment losses					
Balance at 1 July 2019		(1,839)	(5,467)	(741)	(8,047)
Depreciation for the period		(448)	(1,425)	(90)	(1,963)
Disposals		7	6	-	13
Balance at 30 June 2020		<u>(2,280)</u>	<u>(6,886)</u>	<u>(831)</u>	<u>(9,997)</u>
Carrying amounts					
at 1 July 2019		23,366	7,256	200	30,822
at 30 June 2020		<u>23,055</u>	<u>7,064</u>	<u>244</u>	<u>30,363</u>

As at 30 June 2021 there were no assets under construction (2020: \$329 thousand).

12. Intangible assets

<i>in thousands of dollars</i>	Software	Intellectual Property	Total
Cost			
Balance at 1 July 2020			
	2,202	8,900	11,102
Additions	57	-	57
Balance at 30 June 2021	2,259	8,900	11,159
Accumulated amortisation and impairment losses			
Balance at 1 July 2020	(448)	(8,900)	(9,348)
Amortisation for the period	(406)	-	(406)
Balance at 30 June 2021	(854)	(8,900)	(9,754)
Carrying amounts			
at 1 July 2020	1,754	-	1,754
at 30 June 2021	1,405	-	1,405
<i>in thousands of dollars</i>	Software	Intellectual Property	Total
Cost			
Balance at 1 July 2019	1,967	8,900	10,867
Additions	235	-	235
Balance at 30 June 2020	2,202	8,900	11,102
Accumulated amortisation and impairment losses			
Balance at 1 July 2019	(207)	(8,900)	(9,107)
Amortisation for the period	(241)	-	(241)
Balance at 30 June 2020	(448)	(8,900)	(9,348)
Carrying amounts			
at 1 July 2019	1,760	-	1,760
at 30 June 2020	1,754	-	1,754

As at 30 June 2021 there were no intangible assets under construction (2020: nil).

Impairment charge

In the year ended 30 June 2021, there was impairment of property, plant & equipment totalling \$182,747 (2020: nil)

Plant breeders' rights, with a fair value of \$8,900 thousand were acquired on 2 August 2013 as part of a business combination involving the acquisition of most activities of BSES Limited by the Company.

The Company assessed the recoverable amount of the plant breeders' rights (PBR) on 2 August 2013 to be nil. The PBRs were acquired as part of the business combination and transfer of assets from BSES limited. The main source of funding of the Company is the receipt of a Statutory Levy and as a result there are no cash flows from PBRs in the Company and an \$8,900 thousand impairment loss was recognised in the statement of profit or loss and other comprehensive income in the period 8 May 2013 to 30 June 2014.

13. Trade and other payables

<i>in thousands of dollars</i>	2021	2020
Trade payables	1,179	1,573
Other payables and accrued expenses	1,371	360
Contract liabilities	-	625
	2,550	2,558
Current	2,550	2,558
Non-current	-	-
	2,550	2,558

14. Employee benefits

Defined contribution superannuation plans

The Company has paid contributions of \$1,438 thousand (30 June 2020: \$1,641 thousand) to defined contributions plans on behalf of employees for the reporting period.

15. Contingencies and commitments

The Company has outstanding milestone commitments of \$6,745 thousand as at 30 June 2021 (2020: \$8,582 thousand).

16. Capital and reserves

The Company is a company limited by guarantee, and as such, does not have share capital. The Company's capital consists of financial assets and retained earnings.

Membership is divided into grower members (group G) and miller members (group M).

At the reporting date there were 2,453 (2020: 2,458) group G members and 9 (2020: 9) group M members guaranteeing to contribute up to \$2.00 each to the property of the Company in the event of it being wound up.

17. Related parties

(i) Related party transactions

During the year ended 30 June 2021, the Company did not enter into transactions with related parties (2020: \$2,699).

These transactions were conducted on an arm's length basis and on normal commercial terms.

No amounts remain outstanding or commitments as at 30 June 2021.

(ii) Key management personnel compensation

The key management personnel compensation was \$2,683,361 (2020: \$3,327,801) for the reporting period.

18. Events occurring after the reporting date

The financial report was authorised for issue on 25 August 2021 by the Board of Directors.

Excluding the event noted below, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

- Signing of a Statutory Funding Contract 2021-2031, signed 3 August 2021, between the Company and the Minister for Agriculture, Drought and Emergency Management on behalf of the Commonwealth of Australia represented by the Department of Agriculture, Water and the Environment.

Directors' declaration

In the opinion of the directors of Sugar Research Australia Limited ('the Company'):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 73–89 are 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 2021 and of its performance, for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Brisbane this 25th day of August 2021.



Ron Swindells

Director

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY K L COLYER TO DIRECTORS OF SUGAR RESEARCH AUSTRALIA LIMITED

As lead auditor of Sugar Research Australia Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

K L Colyer
Director

BDO Audit Pty Ltd

Brisbane, 25 August 2021

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Independent Auditor's Report to the Members of Sugar Research Australia Limited



Tel: +61 7 3237 5999
 Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
 Brisbane QLD 4000
 GPO Box 457 Brisbane QLD 4001
 Australia

To the members of Sugar Research Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sugar Research Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Sugar Research Australia Limited, 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 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 *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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, but does not include the financial report and our auditor's report thereon.

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

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 has no realistic alternative but to do so.

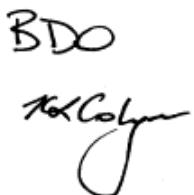
Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



K L Colyer
 Director

Brisbane, 25 August 2021

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Appendix A

ANNUAL REPORTING COMPLIANCE CHECKLIST

The following checklist shows SRA's compliance with key annual reporting requirements completed during the 2020/2021 financial year in accordance with the Company's Constitution, *the Corporations Act 2001* (Cth), *the Sugar Research and Development Services Act 2013* (Cth) and the Statutory Funding Contract (SFC) 2017–2021 (superseded by Statutory Funding Contract 2021–2031).

ANNUAL REPORTING REQUIREMENTS	WHAT SRA DELIVERED 2020/21 FINANCIAL YEAR
Annual Report requirements — SRA Constitution (rules 22.6, 24.3)	
<p>The Board must include in the Annual Report for each financial year:</p> <ul style="list-style-type: none"> ■ a report on the operations of the Committees specified in the Constitution during the year; and ■ a report on the operations of the code of conduct during the year including how the Board dealt with material breaches (if any). 	<p><i>Annual Report 2020/21 pp 56–58</i> includes a report on the operations of each Committee; and</p> <p><i>Annual Report 2020/21 pp 56</i> includes a report on the operations of the SRA Code of Conduct.</p>
Annual reporting to members of a company limited by guarantee — Corporations Act 2001 (Cth) (section 316A)	
<p>A member of a company limited by guarantee may, by notice in writing to the company, elect to receive a hard copy or an electronic copy of the:</p> <ul style="list-style-type: none"> ■ the financial report; and ■ the directors' report; and ■ the auditor's report. <p>The company must send a copy of the above listed reports, free of charge, to each member who has made an election for that financial year, in accordance with the election, by the earlier of:</p> <ul style="list-style-type: none"> ■ 21 days before the next AGM after the end of the financial year; and ■ four (4) months after the end of the financial year. 	<p><i>Annual Report 2020/21 pp 65–93</i> contains the financial report, directors' report and auditor's report.</p> <p>Members have been advised in the Notice of Annual General Meeting dated on or about 24 September 2021 that they may, by notice in writing, elect to receive a hard copy or an electronic copy of the financial report, directors' report and auditor's report.</p> <p>An electronic copy was made available to the members via the SRA website at www.sugarresearch.com.au.</p>
Laying reports before AGM — Corporations Act 2001 (Cth) (section 317)	
<p>The directors of a public company must lay before the AGM:</p> <ul style="list-style-type: none"> ■ the financial report; and ■ the directors' report; and ■ the auditor's report <p>for the last financial year that ended before the AGM.</p>	<p><i>Annual Report 2020/21</i> to be presented to AGM scheduled for 21 October 2021.</p>

ANNUAL REPORTING REQUIREMENTS	WHAT SRA DELIVERED 2020/21 FINANCIAL YEAR
Lodging Annual Report with ASIC — <i>Corporations Act 2001 (Cth)</i> (section 319)	
A company must lodge the annual report with the Australian Securities and Investments Commission (ASIC) within four months after the end of the financial year.	<i>Annual Report 2020/21</i> to be sent to ASIC within four months after the end of the financial year.
Annual Report to include any direction from the Minister — <i>Sugar Research and Development Services Act 2013 (Cth)</i> (section 11(4))	
The Industry Services Body must, within 14 days of lodging a financial report (the annual report), give the Minister for Agriculture, Drought and Emergency Management, the Hon. David Littleproud MP, a copy of the report. The report must comply with section 295 of the <i>Corporations Act 2001</i> and section 11 of the <i>Sugar Research and Development Services Act 2013 (Cth)</i> .	No written direction from the Minister for Agriculture pursuant to section 11 of the <i>Sugar Research and Development Services Act 2013 (Cth)</i> , was given to SRA as Industry Services Body during the financial year.
Provision of Annual Report to the Commonwealth — <i>Statutory Funding Contract 2021–2031</i> (clause 12.1)	
SRA to do certain things as follows: <ul style="list-style-type: none"> ■ must prepare an annual report complying with the <i>Corporations Act 2001 (Cth)</i> and the requirements of the Statutory Funding Contract 2021–2031 and ■ must publish on its public website by 31 October 2021, a copy of its Annual Report 2020–2021 	<i>Annual Report 2020/21</i> to be published on SRA website by 31 October 2021.

Appendix B

ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES

ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES UNDER THE 2020–2021 ANNUAL OPERATIONAL PLAN

STAKEHOLDER PRIORITIES	SRA KEY FOCUS AREAS								
	1. VARIETY DEVELOPMENT	2. SOIL HEALTH, NUTRIENT MANAGEMENT AND ENVIRONMENTAL SUSTAINABILITY	3. PEST, DISEASE AND WEED MANAGEMENT	4. FARMING SYSTEMS AND HARVESTING	5. MILLING EFFICIENCY AND TECHNOLOGY	6. PRODUCT DIVERSIFICATION AND VALUE ADDITION	7. KNOWLEDGE AND TECHNOLOGY TRANSFER AND ADOPTION	8. COLLABORATION AND CAPABILITY DEVELOPMENT	9. ORGANISATIONAL EFFECTIVENESS
National Sugarcane Industry RD&E Strategy – Themes ¹									
1. Products: Expanding uses for sugarcane									
2. Productivity: Achieving significant productivity gains and increasing adoption									
3. Stewardship: Improving environmental performance and industry's social licence									
4. People: Building the capability of industry and research									
National Science and Research Priorities ²									
1. Food									
2. Soil and water									
3. Transport									
4. Cybersecurity									
5. Energy									
6. Resources									
7. Advanced manufacturing									
8. Environmental change									
9. Health									
Rural RD&E Priorities ³									
1. Advanced technology									
2. Biosecurity									
3. Soil, water and managing natural resources									
4. Adoption of R&D									
Queensland Department of Agriculture and Fisheries – Theme Areas for Sugarcane Research Investment ⁴									
1. Sugarcane improvement – to improve productivity, quality and production efficiency									
2. Sugarcane plant protection									
3. Farming Systems broad acre dry land and irrigated, and mixed crop farming systems in Queensland									
4. Soil health									
5. New market opportunities and processes									
6. Agri-intelligent systems									
7. Breaking barriers to adoption									

¹ National Sugarcane Industry RD&E Strategy, 2017.

² National Science and Research Priorities, Australian Government, 2015.

³ Rural RD&E Priorities, Agricultural Competitiveness White Paper, Australian Government, 2015.

⁴ Department Strategic Objectives for funding projects for SUGARCANE, Queensland Department of Agriculture and Fisheries, 2018.

ALIGNMENT TO INDUSTRY AND GOVERNMENT PRIORITIES UNDER THE 2021–2026 STRATEGIC PLAN

STAKEHOLDER PRIORITIES	VARIETY DEVELOPMENT	SRA INVESTMENT AREA					INDUSTRY SERVICES GROUP
		POSITION THE INDUSTRY TO STAY AHEAD OF CLIMATE, ENVIRONMENTAL AND BIOSECURITY THREATS	CAPITALISE ON CHANGING CONSUMER PREFERENCES, AND THE GROWING BIO AND GREEN ECONOMIES TO DEVELOP PRODUCT DIVERSIFICATION OPPORTUNITIES	CONTINUOUS IMPROVEMENTS IN FARMING AND MILLING PROFITABILITY	SUPPORT THE DEVELOPMENT OF AN ADAPTABLE, PROFESSIONAL, COMMERCIAL AND ENTREPRENEURIAL INDUSTRY AND RESEARCH COMMUNITY	POSITION THE AUSTRALIAN SUGARCANE INDUSTRY AS LEADERS IN PROFITABILITY, ENVIRONMENTAL SUSTAINABILITY AND RESOURCE-USE EFFICIENCY	
National Sugarcane Industry RD&E Strategy – Themes ¹							
1. Products: Expanding uses for sugarcane							
2. Productivity: Achieving significant productivity gains and increasing adoption							
3. Stewardship: Improving environmental performance and industry's social license							
4. People: Building the capability of industry and research							
National Science and Research Priorities ²							
1. Food							
2. Soil and water							
3. Transport							
4. Cybersecurity							
5. Energy							
6. Resources							
7. Advanced manufacturing							
8. Environmental change							
9. Health							
SRA Strategic Plan investment areas ³							
1. Ecosystem leadership							
2. Funding and investment							
3. World-class innovation practices							
4. Strengthening our regions							
5. Next generation innovation platform							
Queensland Department of Agriculture and Fisheries – Theme Areas for Sugarcane Research Investment ⁴							
1. Sugarcane improvement – to improve productivity, quality and production							
2. Sugarcane plant protection							
3. Farming systems broad acre dry land and irrigated, and mixed crop farming systems							
4. Soil health							
5. New market opportunities and processes							
6. Agri-intelligent systems							
7. Breaking barriers to adoption							

¹ National Sugarcane Industry RD&E Strategy, 2017.

² National Science and Research Priorities, Australian Government, 2015.

³ Pillars of Reform within the National Agricultural Innovation Agenda.

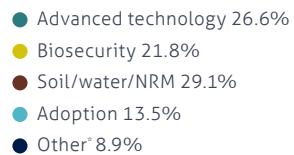
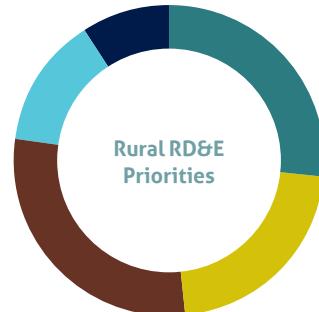
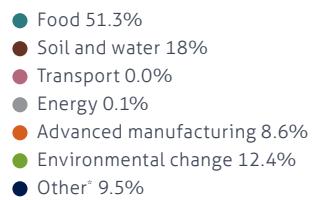
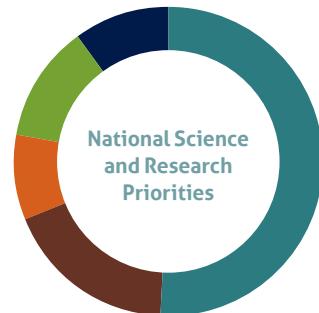
⁴ Department Strategic Objectives for funding projects for SUGARCANE, Queensland Department of Agriculture and Fisheries, 2018.

Appendix C

EXPENDITURE AGAINST NATIONAL RESEARCH PRIORITIES

The table details SRA's total expenditure for 2020/21 allocated against each of the National Science and Research Priorities and the Rural RD&E Priorities.

STAKEHOLDER PRIORITIES	TOTAL INVESTMENT 2020/21	
	ACTUAL	
	(\$M)	%
National Science and Research Priorities¹		
1. Food	18.705	51.3
2. Soil and water	6.554	18.0
3. Transport	0.008	0.0
4. Energy	0.050	0.1
5. Advanced manufacturing	3.120	8.6
6. Environmental change	4.526	12.4
Other*	3.446	9.5
Total	36.456[^]	100
Rural RD&E Priorities²		
1. Advanced technology	9.711	26.6
2. Biosecurity	7.939	21.8
3. Soil, water and managing natural resources	10.621	29.1
4. Adoption of R&D	4.929	13.5
Other *	3.256	8.9
Total	36.456[^]	100



¹ National Science and Research Priorities, Australian Government, 2015.

² Rural RD&E Priorities, Agricultural Competitiveness White Paper, Australian Government, 2015.

* Other includes unallocated research, R&D management and corporate support.

[^]Expenditure applied to priority areas include expenditure across KFAs 1 through 9.



Sugar Research Australia Limited

ABN 16 163 670 068

Brisbane Office 50 Meiers Road, Indooroopilly QLD 4068 Australia

Postal Address PO Box 86 Indooroopilly QLD 4068 Australia

T 07 3331 3333

E sra@sugarresearch.com.au

sugarresearch.com.au