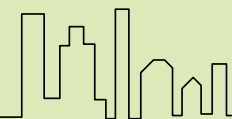




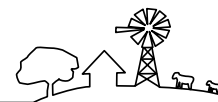
Annual Report 2009/10





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I am pleased to present this, our second Annual Report for the Primary Industries Education Foundation, and the first under our Inaugural Board.

This report relates to the operation of the company from September 2009 to June 2010. Future reports will be for the full financial year.

The transition of governance from our First Directors to our skills-based Inaugural Board during the year has been another milestone in the development of the Foundation. Nominated by a Selection Committee under the chairmanship of Dr Mary Corbett and endorsed by our members at the 2009 AGM, the Inaugural Board of Dr Cameron Archer, Mr Ben Stockwin, Dr Peter Knight, Professor John Lovett, Ms Beth Welden, Ms Joanne Grainger and Mr David Thomason first met on 8 September 2009.

I acknowledge and thank Mr Ben Fargher, Associate Professor John Kent and Mr Nigel Grant who served as First Directors with commitment and dedication.

A priority for our first year was the development of a strategic plan for the Foundation.

This report and all future reports and accounts will align to this framework.

Membership

The Australian Government (Department of Agriculture, Fisheries & Forestry) was not an initial member but joined during the 2009/2010 financial year. During this period the Board developed a membership proposition to seek the support of various industry bodies, and approaches were made to all Rural Research and Development Corporations.

The membership fee of \$75,000 was set for the large corporations and a fee of \$50,000 for the smaller corporations. The Foundation was pleased to welcome Forest and Wood Products Research and Development Corporation and Pork Research and Development Corporation as members. At the conclusion of the financial year a number of other Research and Development Corporations were still considering membership.

Provision exists for smaller organisations and other educational institutions to become members. Membership by these organisations has not yet been sought as it is the Board's preference to have company systems established and main funding sources secured in order to be in a position to service all members.

Tri-partite Networks

The critical element of the company's organisation is its networks, particularly among educators. It was agreed when the company was established so that any interested person could become a network member and receive information about the company via email. During the year this network grew from around 300 to 700 members. It continues to grow. As of June 2010 key people in each state had been identified as interim key contacts for the Foundation. In discussion with these groups dates for state based network meetings have been set. Queensland and Tasmania state-based groups met prior to June and attracted a good number of passionate people within industry, government and education. The remaining state meetings will occur in the second half of 2010.

A National Workshop was held on February 25 and 26 in Canberra and was attended by just under 100 people, with representation from both the education and industry sectors from all states. The workshop provided an opportunity for network members to have input into the strategic planning process for the company.

The workshop was addressed by Mr Robert Randall, General Manager Curriculum from the Australian Curriculum Assessment and Reporting Authority (ACARA). A productive working relationship has been developed with ACARA with PIEF being recognised as the peak industry organisation to liaise with ACARA on all matters relating to primary industries in the new Australian Curriculum.

Services

National stocktake of initiatives

Prior to the National Workshop a stocktake was undertaken of all current activities involving learning about Primary Industries in schools across every state and territory. The work was undertaken by Mr Mal Brown of Scarlett Consulting who had completed an earlier report on Promotion of Agriculture in schools in 2005. This earlier study was one of the foundations upon which the company has been established.

Branding

The company's official name is Primary Industries Education Foundation. However, it is the intent of the Board to develop a trading name in order to provide an identity and instant recognition amongst our stakeholders and especially within schools. Consultants took part in a process with participants at the National workshop to develop the Foundation's 'brand'. This development, including feedback from a sample of

teachers and students, continues and a trading name should be finalised by the Board in the coming months.

Member resources aligned to the Australian Curriculum

Negotiations have begun with Education Services Australia (ESA) regarding their role in the development and alignment of current educational resources for teachers to service the Australian Curriculum. An important goal of the PIEF is to have strong and effective relationships with those organisations that support the delivery of the curriculum in schools and ESA is the organisation that will provide the Australian Curriculum resource examples relevant to the curriculum.

Websites

PIEF website

A basic interim website has been developed to provide information and access to documents about the company's operation.

www.primaryindustrieseducation.com.au

This website will ultimately be replaced by a one-stop-shop website for teachers and students to easily access information and resources. Specifications have been drawn up for the new website and planning is underway for its development.

The Foundation has taken great strides in building its profile and reputation. The development of this can be tracked via our website, which includes a selection of key media articles and interviews since our inception in September 2009.

Primary Industries Careers website

Negotiations were held late in the financial year regarding a collaborative project with the Australian Council of Agricultural Deans on the development of a web based careers advice tool for primary industry. PIEF is currently on the working group to establish this site and will continue to provide input and expert advice as required.

Policy

Primary Industries in the Australian Curriculum

The Foundation worked closely with ACARA on Primary Industries Education policy for the developing Australian curriculum. PIEF has been recognised by ACARA as the peak national body for primary industries education in schools and we will continue to work with ACARA to ensure there is adequate representation of these subjects in the school curriculum. The Foundation will also work to ensure that

primary industries related resources are developed and delivered through an external service provider, such as Educational Services Australia, to support curriculum implementation.

Attitude and knowledge benchmarking survey of teachers and students

Planning has been underway to implement a benchmarking survey through the Australian Council for Educational Research (ACER). This survey will give an indication of the level of knowledge about primary industries in the curriculum from both teachers' and students' points of view. This groundbreaking survey, due to be conducted in March 2011, will survey approximately 10,000 students and their teachers in year 6 and year 10. It will provide an important data resource, not only for the Foundation in tailoring and assessing our programs but also for industry bodies and for government. This data or benchmark, will also be used to determine PIEF's effectiveness in tackling attitudinal and knowledge changes within schools as a result of the work we do in schools.

Administration

Effective governance

The Board spent considerable time during the 2009/2010 financial year on developing its administrative and corporate structure. It enlisted the services of Quattro Consulting as its accountancy firm and all corporate operations were also undertaken by them on behalf of the Board. A strategic plan was developed and has been subsequently approved by the Board.

Interim Chief Executive appointment

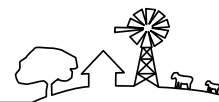
In February 2010 Mr Ben Stockwin, Board Member, indicated interest in undertaking the administrative and executive roles for the company. The Board decided to appoint Mr Stockwin as Interim Chief Executive until January 2011. Mr Stockwin resigned from the Board to undertake these duties.

Financial position

The Foundation's activities resulted in a surplus of \$143,037.

Main areas of expenditure were:

- Employment of the Interim Chief Executive.
- Governance expenses.
- Financial management expenses.
- National Workshop.



- Sponsorship of and attendance at the National Association of Agricultural Educators.
- Service fees.

The future

With community awareness and interest in rural and regional affairs now at a level not enjoyed for decades; with the opportunity of influencing and capitalising on the new Australian Curriculum; and with the awareness and interest in the Foundation growing within the education sector, our primary industries have a unique opportunity to ensure that effective and lasting primary industries education permeates every sector and every aspect of the schools' curriculum.

The critical tasks we see the Foundation must pursue in the coming year to grasp this opportunity include:

- the ACER benchmark study of student and teacher knowledge and attitudes towards primary industries;
- development, launch and promotion of the Foundation's website;
- continuing our work with ACARA to ensure that primary industries feature prominently in further curriculum development
- in partnership with ESA, the development of teaching resource materials, tailored to the needs of teachers and the Australian curriculum;
- further development of the Foundation's teacher networks;
- further development of communication tools and activities within and between all of the Foundation's networks; and
- the appointment of a permanent CEO to the Foundation to implement these programs.

But to deliver these programs effectively requires adequate funding.

While the Board is deeply appreciative of those members who have committed themselves to the Foundation for the long term, we do not yet have the level of industry membership and funding that enables us to proceed with confidence to fully commit to these initiatives.

Accordingly, the issue of industry membership and funding continues to be our most pressing priority, and unfortunately, may impact on our ability to seize the window of opportunity provided by the development of the Australian Curriculum. We will also pursue significant sponsorship and other funding

opportunities outside of the RDC network. Indeed, without a significant boost in funding, the current model of the Foundation may not be viable.

I thank my fellow Directors for their efforts and commitment to ensure the Foundation progresses to achieve our goals, and particularly recognise Ben Stockwin for taking leave from his teaching career to assume the role of Interim Chief Executive.

I particularly thank all of our members and supporters who have backed us in our vision and continue to offer support over and above what might be reasonably expected.

Dr Cameron Archer
Chair
September 2010



Financial report

Primary Industries Education Foundation

ABN 15 133 151 229

From 9 September 2008 to 30 June 2010

Corporate information

Corporate structure

Primary Industries Education Foundation Limited (PIEF) is a company limited by guarantee, incorporated on 9 September 2008 and domiciled in Australia. The company is governed in accordance with its constitution.

No shares have been issued and in accordance with the constitution members guarantee to contribute \$2 to the property of the Company in the event of it being wound up.

Directors

The directors of the Company at the date of this report are:

Alan Cameron Archer
Joanne Elizabeth Grainger
Peter Kenneth Knight
John Victor Lovett
David Elkington Thomason
Beth Louise Welden

Company Secretary

Alan Cameron Archer

Registered office and principal place of business

Level 3, 10–12 Brisbane Avenue
Barton ACT 2600

Solicitors

Hunt & Hunt
74 Hunter Street
Newcastle NSW 2300

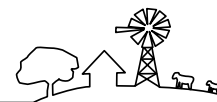
Bankers

Westpac Banking Corporation
420 High Street
Maitland NSW 2320

Auditors

Moore Stephens Canberra Audit Pty Ltd
1st Floor, 65–67 Constitution Avenue
Campbell ACT 2612

Directors' report



Your directors submit their first report for the company for the period 9 September 2008 to 30 June 2010.

Directors

The names, qualifications, special responsibilities and experience of Primary Industries Education Foundation Limited's (the company's) directors in office during the period and until the date of this report are as follows:

Alan Cameron Archer

PSM, BSc Agric (Hons), B Ed Stud, M Ed, PhD

Appointed 09/09/2008

Chair: Primary Industries Education Foundation. Principal: Tocal College (1987–present). Director Tocal Agricultural Centre (2000–present). Director: Belgenny Farm Trust (2008–present). Board Member: Tom Farrell Institute, University of Newcastle (2005–present). Board Member: Regional Development Australia- Hunter (2009–present). Director: Royal Agricultural Society Foundation (2008–present). Trustee: Australian Wool Education Trust (2004–present).

John Harold Kent

B App Sc Rur Tech, G Dip Plant Protl, M App Sc (Agric), Grad Cert University Leadership & Management

Appointed 09/09/2008 – Resigned 28/08/2009

Assoc. Prof. and Head, School of Agricultural and Wine Sciences: Charles Sturt University (2008–present). Assoc. Prof. and Head, School of Agricultural and Veterinary Sciences: Charles Sturt University (2005–2007). Deputy Director: E.H. Graham Centre for Innovative Agriculture – CSU and NSW DPI (2005–2007). Director: ChemCert Australia (NSW) (1990–2004). Senior Lecturer in Agricultural Protection: Charles Sturt University (1984–2006). Lecturer/Senior Lecturer: Fiji College of Agriculture (1977–1980). Teacher/Senior Teacher: Navuso Agricultural School (1974–1976)

Benjamin John Fargher

BSc (Agric)

Appointed 09/09/2008 – Resigned 28/08/2009

Chief Executive Officer: National Farmers' Federation (2005–present). Senior Policy Manager, Trade: National Farmers' Federation. Director Rural Policy: National Farmers' Federation. Secretary: Australian Farmers' Fighting Fund. Policy Officer: Cattle Council of Australia

John Victor Lovett

BSc Hons (Agric), PhD, FIBiol, FAIAST, MAICD

Appointed 28/08/2009

Chair: Cooperative Research Centre for National Plant Biosecurity (2005–present). Chair: Agrifood Awareness Australia Ltd (2004–present). Chair: CRC for Greenhouse Accounting (2004–2006). Board member: HRZ Wheats Pty Ltd (2004–2006). Member Executive Board: Global Crop Diversity Trust (2006–present). Managing Director: Grains Research and Development Corporation (1994–2003). Managing Director: Lovett Associates Pty Ltd (2004–present). Professor of Agronomy: University of New England (1987–1993). Professor of Agricultural Science: University of Tasmania (1984–1987).

David Elkington Thomason

B Bus (Mngt), AMAMI

Appointed 09/09/2008

General Manager Marketing & Member Executive Committee: Meat & Livestock Australia Ltd (1998–2010). National Marketing Manager & Member Divisional Management Committees: George Weston Foods Ltd (1988–1998). Member: Expert Advisory Panel on Commonwealth Government Advertising (2009–present). Member: Advisory Board of the Ehrenberg Bass Institute for Marketing Science (2009–present).

Joanne Elizabeth Grainger

BA, Dip Ed, GAICD

Appointed 28/08/2009

Mixed farmer and irrigator of 28 years from Queensland/New South Wales Border Rivers; Chair: Cotton Australia (2008 – present). Vice President: Queensland Farmers Federation (2006–present). Member Delegate: National Farmers Federation (2008–present). Director: Queensland Workplace Health and Safety Advisory Board (2008 – present). Director: Price & Grainger Enterprises Pty Ltd (1991–present). Teacher: New South Wales Department of Education (1977–1992).

Nigel Grant

B Agr Sc, B Ed, Grad Cert Sust Agric

Appointed 09/09/2008 – Resigned 28/08/2009

President: National Association of Agricultural Educators. Secondary Teacher: Queensland Department of Education (30 years). Director: Learning at The Scots PGC College (Present).

Peter Kenneth Knight

BVSc, PhD, MBA

Appointed 28/08/2009

Senior Lecturer: Sydney Medical School, University of Sydney (1992–present). Official veterinarian: NSW Harness Racing Club, Australian Jockey Club, Racing NSW (1988–present). Assessor: NSW Greyhound Racing Appeals Tribunal (1999–present). Member: Harness Racing Australia Breeding, Animal Welfare and Registration Committee (2004–present). Non-judicial member: General Division, NSW Administrative Decisions Tribunal (2007–present)

Benjamin Paul Stockwin

B Ed MAICD

Appointed 28/08/2009 – Resigned 07/06/2010

Interim Chief Executive: 2010. Principal: Abbotsfield Primary School (2009–2010). Gagebrook Primary School (2008). Bruny Island District School (2005–2008). Clarendon Vale Primary School (2003–2004). Teacher: Queensland (1998–2002). Tasmania (1996–1997). Bachelor of Education, UTAS (1992–1995)

Beth Louise Welden

B App Sc (Biology), BSc Hons (Zoology), P Grad Dip Ed (Secondary Science), Cert IV WTA, Cert IV TESOL

Appointed 28/8/2009

Program Coordinator: AgForce Queensland School to Industry Partnership (2004–2010). President: AgAware Inc. (2009–2010). Steering Committee: AgAware Inc (2007–2009). Steering Committee: Primary Industries Week Inc (2004–2010). Steering Committee: Queensland Gateway Schools to Agribusiness (2007–2010). Working Group: University Queensland Agribusiness School Liaison Group (2008–2010). National Education coordinator: Sheep CRC (2007). Principal Policy Officer: Rural Skills Training and Labour Strategy, DPI&F (2007). Coordinator: Rural Industry Skilling, Rural Skills Training & Labour Strategy (2007). Participant: Australia 2020 Forum – Future Directions for Rural Industries and Rural Communities (2008). Participant: DAFF “Pathways to Rural Leadership Course” (2007). Participant: DPI&F Qld Industry Advisory Group (2007–2009). Participant: DPI&F Agriculture 2032 forum (2007). Steering committee: Primary Industries Education Foundation (2007–2008).

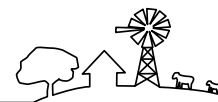
Company secretary

Alan Cameron Archer

Appointed 09/09/2008



PIEF Board: front (L-R) – Joanne Grainger, Cameron Archer and Beth Welden. Back (L-R) – John Lovett, David Thomason and Peter Knight.



Principal activities

The Primary Industries Education Foundation Limited's objectives are to:

1. Provide national leadership and coordination of initiatives to encourage Primary Industries education in schools through a partnership between industry, government and educators.
2. Commission, co-ordinate, facilitate and manage national projects to encourage Primary Industries education in schools.
3. Provide a source of credible, objective and educational resources for Schools to maintain and improve community confidence in Australia's Primary Industries.
4. Communicate Primary Industries research and development outcomes in a format accessible for Schools and encourage interest within Schools in Primary Industries related careers.

During the report period the operations of the PIEF focused on the:

- Recruitment of directors.
- Establishment of the organisation.
- Facilitation of a National Workshop.
- National Stocktake project.
- Submission to the Australian Curriculum Assessment Reporting Authority regarding the Australian national curriculum.
- Development of a strategic plan.

Operating and financial review

Overview

PIEF financial performance and position for the reporting period reflects the early stage of the life of the organisation.

Revenue has been predominantly sourced from foundation member fees and expenditure has been focused on establishment of the Board of Directors and the organisation.

Some expenditure has been incurred on core business including the national workshop, national stocktake project, stakeholder consultation submission in relation to the national curriculum.

The extended reporting period for this report is considered appropriate given the fact that the organisation operated

with an interim Board of Directors until September 2009 at which time a skills based Board was appointed and the company began operations.

Directors are of the opinion that the company is income tax exempt and Fringe Benefits Tax rebateable however, on advice, have applied for a private ruling from the Australian Taxation Office in this regard. The private ruling has not yet been issued at report date.

Operating results for the period

PIEF is funded by membership fees and specific program or project funding from either industry or government.

PIEF achieved a \$143,037 surplus for the period to 30 June 2010. This result reflects the establishment stage of the organisation during the reporting period. Directors expect to more fully utilise membership fees in future years for core business activities and solvency reserves.

The Statement of Comprehensive Income within the Financial Report reflects the performance of the company for the reporting period.

Review of financial condition

Capital structure

Members approved the constitution of The Company which determines that the company is a public company limited by guarantee.

Cash from operations

Assets are predominantly made up of cash and cash equivalents and receivables. The company achieved net cash flows from operating activities of \$152,890.

Liquidity and funding

Liabilities are predominantly made up of trade creditors and revenue in advance.

Review of operations

Operations are guided by a strategic plan which is implemented through annual operating plans which establish the financial budget parameters.

Risk management

The company currently pursues a proactive approach to risk management. The Board, through its Finance and Audit Committee, is responsible for ensuring that the risk management systems in place are designed to identify, assess, manage and monitor significant risks. Formal risk management plans will be implemented throughout the course of the next financial year.

Significant changes in the state of affairs

In the opinion of the Directors there have been no significant changes in the state of affairs of the company.

Significant events after the balance date

In the opinion of Directors, there has not been any activity, transaction or event of a material nature, between 30 June 2010 and the date of this report, which significantly affects the operations of the Company, the results of those operations, or the state of affairs of the company.

Likely developments and expected results

In the opinion of the Directors there are no likely developments foreseen which could impact on the company's ability to deliver outcomes and milestones.

Environmental regulation and performance

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Idemnification and insurance of directors and officers

During the financial period, the company has paid premiums in respect of a contract insuring all the directors and officers of the company against legal costs incurred in defending proceedings for conduct involving:

- (a) a willful breach of duty; or
- (b) a contravention of sections 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

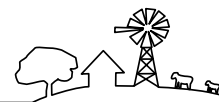
The total amount of insurance contract premiums paid was \$6,226.

Auditor independence and non-audit services

The auditor's independence declaration for the period from incorporation on 9 September 2008 to 30 June 2010 has been received and can be found under the Independent Auditor's Report.

Directors' meetings

	Appointed	Term expired or resignation	Directors' Meetings		Meetings of Committees	
			Number eligible to attend	Number attended	Finance & Audit Number eligible to attend	Number attended
Alan Cameron Archer	9 Sep 08	—	23	23		
Benjamin John Fargher	9 Sep 08	28 Aug 09	9	7		
Benjamin Paul Stockwin	28 Aug 09	7 June 10	11	11		
Beth Louise Welden	28 Aug 09	—	14	13	1	1
David Elkington Thomason	9 Sep 08	—	23	21		
Joanne Elizabeth Grainger	28 Aug 09	—	14	14	1	1
John Harold Kent	9 Sep 08	28 Aug 09	9	8		
John Victor Lovett	28 Aug 09	—	14	14	1	1
Nigel Grant	9 Sep 08	28 Aug 09	9	6		
Peter Kenneth Knight	28 Aug 09	—	14	12		



Directors remuneration

The company constitution states the remuneration of the Directors, including the Chairperson but not including the CEO (if appointed as a Director under clause 16.3) will be determined by the Board and must be consistent with the remuneration for Committees of Research and Development Corporations determined from time to time by the Australian Government Remuneration Tribunal.

Directors resolved their remuneration in accordance with these requirements.

Corporate governance

Board function

The Board of Directors of PIEF is responsible under clause 22 of the Company's Constitution to manage the business of the company. Clause 4 of the company's Constitution outlines the objectives of the Company.

The Board guides and monitors the business and affairs of the company in accordance with the Constitution of the company and on behalf of the members by whom they are elected and to whom they are accountable. The Board has appointed an Interim Chief Executive to operate the company on its behalf and has made appropriate delegations to the Interim Chief Executive to enable this to occur.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations of the Board and will use the following mechanisms to ensure this is achieved:

- Board approval and ongoing development of a strategic plan designed to meet stakeholders' needs and manage business risk; and
- Implementation of budgets by management and monitoring progress against budget – via the establishment and reporting of both financial and non financial key performance indicators.

Other functions reserved to the Board include:

- Approval of financial reports; and
- Reporting to stakeholders and members.

Structure of the Board

The qualifications and experience relevant to the position of director, held by each director in office at the date of the report, is included in the Directors' Report on pages 5 to 9.

Whilst at all times the Board retains full responsibility for guiding and monitoring the company in discharging its stewardship it makes use of the following committee which focuses on particular responsibilities and provides informed feedback to the Board.

Finance and Audit Committee

The Board has established a Finance and Audit Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Finance and Audit Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Finance and Audit Committee are non-executive directors.

Signed in accordance with a resolution of directors.

Alan Cameron Archer
Canberra
26 July 2010

Joanne Elizabeth Grainger
Canberra
26 July 2010

INDEPENDENT AUDITOR'S REPORT

To the Members
Primary Industries Education Foundation Limited
(ABN: 15 133 151 229)

Report on the Financial Report

We have audited the accompanying financial report of Primary Industries Education Foundation Limited (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the period from incorporation on 9 September 2008 to 30 June 2010, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to auditing engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Moore Stephens Canberra Audit Pty Ltd Authorised Audit Company No. 301280 ABN 45 104 227 063
1st Floor, 65-67 Constitution Avenue, Campbell, Australian Capital Territory 2612

PO Box 27, Campbell, Australian Capital Territory 2612

Telephone: +61 2 6245 3300 Facsimile: +61 2 6230 6161 Web: www.moorestephens.com.au

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Audit Opinion

In our opinion, the financial report of Primary Industries Education Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the period from incorporation on 9 September 2008 to 30 June 2010; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

MOORE STEPHENS CANBERRA AUDIT PTY LTD
Authorised Audit Company



Selina Stanford
Director

26 July 2010

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PRIMARY INDUSTRIES EDUCATION FOUNDATION LIMITED

I declare that, to the best of my knowledge and belief, during the period from incorporation on 9 September 2008 to 30 June 2010 there has been:

- 1. no contraventions of the auditor independence requirements as set out in 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.

MOORE STEPHENS CANBERRA AUDIT PTY LTD
Authorised Audit Company



Selina Stanford
Director

26 July 2010



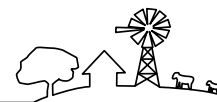
Statement of comprehensive income

For the period from 9 September 2008 to 30 June 2010

	Notes	2010 \$
Revenue		
Memberships		375,000
Grant revenue		59,241
Conference revenue		10,229
Interest		881
Expenses		
Employee expenses		(74,495)
Office supplies and services		(34,143)
Depreciation		(113)
Travel expenses		(41,490)
Consultants and contractors expenses		(124,271)
Insurance and other expenses		(3,460)
Other expenses		(24,341)
Surplus from operations		143,037
Other comprehensive income		0
Total comprehensive income		143,037

The accompanying notes form part of these financial statements.

Statement of financial position



As at 30 June 2010

	Notes	2010 \$
ASSETS		
Current assets		
Cash and cash equivalents	5	150,638
Trade and other receivables	6	114,985
Prepayments		3,135
Total current assets		268,758
Non-current assets		
Property, plant and equipment	7	2,139
Total non-current assets		2,139
TOTAL ASSETS		270,897
LIABILITIES		
Current liabilities		
Trade and other payables	8	87,101
Revenue in advance		40,759
Total current liabilities		127,860
TOTAL LIABILITIES		127,860
NET ASSETS		143,037
EQUITY		
Retained earnings		143,037
TOTAL EQUITY		143,037

The accompanying notes form part of these financial statements.



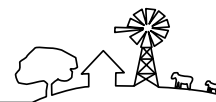
Statement of changes in equity

For the period from 9 September 2008 to 30 June 2010

	Retained earnings \$	Total \$
Surplus for the period	143,037	143,037
Other comprehensive income	0	0
Balance at 30 June 2010	143,037	143,037

The accompanying notes form part of these financial statements.

Statement of cash flows



For the period from 9 September 2008 to 30 June 2010

	Notes	2010 \$
Cash flows from operating activities		
Receipts from Members and others		423,788
Payments to suppliers and employees		(271,779)
Interest received		881
Net cash generated from operating activities	5	152,890
Cash flows from investing activities		
Purchase of property, plant and equipment		(2,252)
Net cash flows from investing activities		(2,252)
Net cash flows from/(used in) financing activities		0
Net increase in cash and cash equivalents		150,638
Cash and cash equivalents at beginning of period		0
Cash and cash equivalents at end of period	5	150,638

The accompanying notes form part of these financial statements.



Notes to the financial statements

For the period from 9 September 2008 to 30 June 2010

1 CORPORATE INFORMATION

The financial report of the company for the period ended 30 June 2010 was authorised for issue in accordance with a resolution of directors on 26 July 2010.

Primary Industries Education Foundation Limited is a public company limited by guarantee. The nature of the operations and principal activities are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Table of contents

- (a) Basis of preparation
- (b) Compliance with IFRS
- (c) New Accounting Standards and Interpretations
- (d) Cash and cash equivalents
- (e) Receivables
- (f) Inventories
- (g) Property, plant and equipment
- (h) Leases
- (i) Impairment
- (j) Payables
- (k) Provisions
- (l) Employee benefits
- (m) Revenue
- (n) Income tax
- (o) Other taxes

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs and presented in Australian dollars.

(b) Compliance with AIFRS

The financial report complies with Australian Accounting Standards and the Australian Equivalents of International Financial reporting Standards (AIFRS).

(c) New accounting standards and interpretations

The company has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2010.

- AASB 7 Financial instruments: disclosures effective 1 July 2009
- AASB 101 Presentation of financial statements effective 1 July 2009
- AASB 123 Borrowing costs effective 1 July 2009

AASB 7 Financial instruments: disclosures

The amended Standards requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognized and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy.

AASB 101 Presentation of financial statements

The revised standard separates owner and non owner changes in equity. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present one statement.

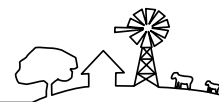
AASB 123 Borrowing costs

The revised AASB 123 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The company's previous policy was to expense borrowing costs as they were incurred. The company did not capitalise any borrowing costs in the current period.

d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity date of twelve months or less that are reliably convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.



2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(e) Receivables

Receivables, which generally have 30 day terms, are recognised and carried at fair value less an allowance for uncollectable amounts.

Collectability of receivables is reviewed on an ongoing basis. Individual receivables that are known to be uncollectable are written off when identified. An allowance for doubtful receivables is raised when there is objective evidence that the Company will not be able to collect the receivable.

(f) Inventories

Inventories held for distribution are valued at the lower of cost and current replacement costs.

(g) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 3 to 20 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is no longer recognised upon its disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(h) Leases

Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit and loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating lease payments where substantially all the risks and benefits remain with the lessor are recognised as an expense in the income statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and the reduction of the liability.

(i) Impairment of assets

The company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(j) Payables

Payables are carried at amortised cost and not discounted due to their short term nature. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the Statement of Comprehensive Income.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the report date using a discounted cash flow methodology. If the effect of time value of money is material, provisions are discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued***(l) Employee benefits****(i) Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

(m) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured

(n) Income tax

The company is a not-for profit organisation and is considered by the Directors to be exempt from income tax and rebateable for Fringe Benefits Tax. It is currently applying for a private ruling to confirm this status.

(o) Other taxes

Revenues, expenses and other assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are stated with the amount of GST included.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise of cash. The main purpose of these financial instruments is to efficiently support the Company's operations. The risks arising from the Company's financial instruments are interest rate risks, however, these exposures are considered to be minimal given the contractual and funding arrangements and the investment policies of the Company.

The Company has other financial instruments in the form of trade debtors and trade creditors, which arise directly from its operations.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions based on experience and other factors it believes to be reasonable under the circumstances that affect the reported amounts in the financial statements. Actual results may differ from these judgments and estimates under different assumptions and conditions.

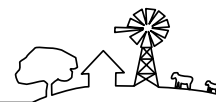
Significant judgments, estimates and assumptions made by the management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments*Impairment of non-financial assets other than goodwill*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. Management does not consider that the triggers for impairment testing have been significant enough and as such these assets have not been tested for impairment in this financial period.

(ii) Significant accounting estimates and assumptions*Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.



2010
\$

5 CASH AND CASH EQUIVALENTS

Reconciliation of cash

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:

CURRENT

Cash at bank and in hand	130,638
Term Deposit	20,000
	<hr/>
	150,638
	<hr/>

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is \$150,638.

Reconciliation from the net surplus after tax to the net cash flows from operations

Profit from continuing operations	143,037
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Adjustments for:

Depreciation	113
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Changes in assets and liabilities:

(Increase) in receivables	(114,985)
(Increase) in other current assets	(3,135)
Increase in trade and other payables	87,101
Increase in revenue in advance	40,759
	<hr/>
Net cash from operating activities	152,890
	<hr/>

Unused credit facilities

Credit card limit	20,000
Credit Used	(3,640)
Unused credit facility	16,360
Term deposit of \$20,000 pledges as security over credit card facility	

6 RECEIVABLES (CURRENT)

Grant receivable	110,000
GST receivable	4,985
	<hr/>
	114,985
	<hr/>

Trade receivables are unsecured, non-interest bearing and are generally on 30-day terms.

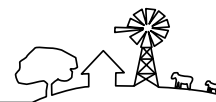


Notes to the financial statements continued

For the period from 9 September 2008 to 30 June 2010

	2010 \$
7 PROPERTY, PLANT AND EQUIPMENT	
Opening balance, net of accumulated depreciation	0
Additions	2,252
Disposals	–
Depreciation charge for the period	(113)
Closing balance, net of accumulated depreciation	2,139
Closing balance	
Cost	2,252
Accumulated depreciation	(113)
Net carrying amount	2,139
8 PAYABLES (CURRENT)	
Accrued expenses	13,346
PAYG payable	9,724
Trade payables	61,691
Accrued employee leave entitlements	2,340
	87,101

Trade payables are non-interest bearing and are generally settled on 30-day terms.
The net of GST payable and GST receivable is remitted to the Australian Taxation Office on a quarterly basis.



	Note	2010 \$
9 FINANCIAL RISK MANAGEMENT		
(a) Financial risk management		
The company's financial instruments consist mainly of cash at bank, accounts receivable and payable.		
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:		
Financial assets		
Cash and cash equivalents	5	150,638
Receivables	6	114,985
Total financial assets		265,623
Financial liabilities		
Trade and other payables	8	87,101
Total financial liabilities		87,101

The company does not have any derivative instruments at 30 June 2010.

Financial risks – The main risks the company is exposed to through its financial instruments are interest risk, liquidity risk and credit risk.

Liquidity risk – the company manages liquidity risk by monitoring forecast cash flows and ensuring that activities are managed in accordance with available funds.

Credit risk – the company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Price risk – The entity is not exposed to any material commodity price risk.

Notes to the financial statements continued

For the period from 9 September 2008 to 30 June 2010

9 FINANCIAL RISK MANAGEMENT continued

(b) Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk

	Weighted average effective interest rate	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	2010 %	2010 \$	2010 \$	2010 \$	2010 \$
Financial assets					
Cash at bank	0.35	130,638			130,638
Term deposit	6.00		20,000		20,000
Receivables	N/A			114,985	114,985
Total financial assets		130,638	20,000	114,985	265,623
Financial liabilities					
Trade and sundry creditors	N/A			87,101	87,101
Total financial liabilities				87,101	87,101

10 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

Alan Cameron Archer	Director, Chairman
John Victor Lovett	Director, Member Finance and Audit Committee
David Elkington Thomason	Director
John Harold Kent (resigned)	Director
Benjamin John Fargher (resigned)	Director
Joanne Elizabeth Grainger	Director, Chair Finance and Audit Committee
Nigel Grant (resigned)	Director
Benjamin Paul Stockwin (resigned)	Director
Beth Louise Welden	Director, Member Finance and Audit Committee

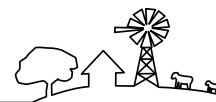
(ii) Executives

Benjamin Stockwin	Interim Chief Executive
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(b) Compensation of Key Management Personnel

	2010 \$
Employment benefits (including termination payments)	70,485

The compensation of Key Management Personnel includes payments of \$40,091 to the Directors of the company.



11 EVENTS AFTER THE BALANCE SHEET DATE

There were no material events after the Balance Sheet date.

12 AUDITORS REMUNERATION

Amounts received or due and receivable by Moore Stephens Canberra Audit Pty Ltd for:

	2010 \$
Audit of the financial report	5,500

13 MEMBERS GUARANTEE

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the entity. At 30 June 2010 the number of members was four.



Directors' declaration

In accordance with a resolution of the directors of Primary Industries Education Foundation Limited (the Company), we state that:

In the opinion of the directors:

(a) the financial statements and notes of the Company 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 2010 and of its performance for the period from 9 September 2008 to 30 June 2010; and

(ii) complying with the Accounting Standards and Corporations Regulations 2001; and

(b) 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 on behalf of the Board.



Alan Cameron Archer

26 July 2010



Joanne Elizabeth Grainger

26 July 2010



