



Australian Government
**Grains Research and
Development Corporation**



GRDC
GRAINS RESEARCH
& DEVELOPMENT
CORPORATION

Modern Slavery Statement 2021–22



Message from the Chair and Managing Director

This is the first annual Modern Slavery Statement by GRDC. GRDC is committed to the intent of the *Modern Slavery Act 2018* (Cth) and to identifying and addressing the risks and impacts of modern slavery in our operations and supply chains. As a value and purpose driven organisation we are committed to responsible and ethical business practices and recognise our role in respecting and promoting the fundamental human rights of our employees, suppliers and stakeholders. We will endeavour to continue to work with suppliers who reflect our commitment. Our values are underpinning transparent and ethical behaviour in delivering on our purpose:

- We are committed and passionate about the Australian grains industry
- We value creativity and innovation

- We build strong relationships and partnerships based on mutual trust and respect
- We act ethically and with integrity
- We are transparent and accountable to our stakeholders

This Statement outlines GRDC's approach to understanding, identifying and addressing the risk of modern slavery in our operations and supply chain. It has been prepared in consultation with GRDC's Audit and Risk Committee and subject matter experts.

This Modern Slavery Statement was approved by a resolution of the GRDC Board on 5 December 2022.



John Woods
Chair

Nigel Hart
Managing Director

Reporting entity – who we are

The Grains Research and Development Corporation (GRDC) is one of 15 Rural Research and Development Corporations (RDCs) responsible for planning, investing in and overseeing research, development and extension (RD&E) for 25 leviable grain crops. Our purpose is to invest in RD&E to create enduring profitability for Australian grain growers.

GRDC's role is to invest in and manage a balanced portfolio of RD&E investments on behalf of Australian grain growers and the Australian Government. These investments are developed to improve the environmental, social and economic position of grain growers, benefit the broader agricultural sector and contribute positively to the wider community.

We are funded through an industry levy and matching Commonwealth contributions. Levies are collected at the first point of sale and based on a percentage of the net farm gate value of the following crops:

- wheat
- coarse grains—barley, oats, sorghum, maize, triticale, millets/panicums, cereal rye and canary seed

- pulses—lupins, field peas, chickpeas, faba beans, vetch, peanuts, mungbeans, navy beans, pigeon peas, soybeans, cowpeas and lentils
- oilseeds—canola, sunflower, safflower and linseed.

The Australian Government matches the levy contributions up to a limit of 0.5% of the three-year rolling average of the gross value of production of the 25 leviable crops. Other sources, including interest, royalties and grants, contribute a smaller proportion of GRDC's income.

Collaboration is critical for the effective delivery of RD&E outcomes, so we partner with researchers, research organisations, universities, governments, farming systems groups, agribusiness and growers to deliver RD&E investments, extend outcomes and maximise adoption on-farm. Grain growers directly contribute to RD&E through their levy contributions, but a significant number also provide their time, knowledge and expertise to contribute to on-farm trials or to inform future RD&E investments.



Business structure, operations and corporate governance

Corporate governance

GRDC is a corporate Commonwealth entity, established by the *Primary Industries Research and Development Act 1989* (Cth). We are governed by the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) and led by a Board of Directors, appointed by the Minister of Agriculture and comprised of 8 Non-Executive Directors (including the Chair) and one Executive Director.

GRDC's Board is responsible for the stewardship of the Corporation and oversees corporate governance within GRDC. The Board's functions include setting strategic direction and monitoring the ongoing performance of the business and the Managing Director. The Executive Committee is comprised of the Managing Director and the General Managers of GRDC's business groups, along with the General Counsel and Company Secretary, Head of Human Resources and Head of Communications. The Executive Committee leads GRDC's business activities, advises the Board and implements the Board's decisions. It meets regularly to ensure that GRDC's operations are monitored and managed efficiently and effectively.

Four advisory panels provide input on priorities and proposals for RD&E investment.

The National Panel which is comprised of:

- the Chairs of each of the three regional panels;
- the Managing Director; and
- our Executive Managers.

The National Panel's role is to:

- assesses national RD&E priorities across GRDC's investment portfolio and makes recommendations on investment priorities and investment proposals to the Managing Director
- assists the Managing Director to maintain links with grain growers, advisers and research partners.

There are three regional advisory panels, one for each grain growing region. Each Regional Panel is comprised of grain growers, agribusiness representatives, industry stakeholders, researchers and a GRDC General Manager. These Regional Panels provide advice and input to GRDC staff and the National Panel.

We have several key stakeholders, being the Australian Government through the Minister for Agriculture, Forestry and Fisheries; the Department of Agriculture, Forestry and Fisheries; and the grains industry's representative organisations, Grain Growers Limited and Grain Producers Australia.

GRDC employs approximately 120 staff, across four offices located in Canberra, Adelaide, Perth and Toowoomba.

Investment process

GRDC investment decisions consider a broad range of factors and are informed by analysis and consultation, including advice from GRDC's three Regional Panels and engagement with industry through our National Grower Network. Decision-making starts with understanding the problem, present and future situations, and the value proposition of various possible solutions. Responsible investment requires active management of a portfolio of investments aligned to an agreed overall investment strategy. We procure our research and development services and goods in accordance with the requirements of the Commonwealth Procurement Rules (CPRs). The CPRs are issued by the Minister for Finance (Finance Minister) under section 105B (1) of the PGPA Act.

GRDC is a prescribed corporate Commonwealth entity listed in section 30 of the Public Governance, Performance and Accountability Rule 2014 and, as such, must comply with the CPRs when undertaking any procurement.

Investment Management Framework



We analyse the proposed investment to produce qualitative and quantitative data to inform GRDC whether this is the right investment at the right time. If it is, a detailed investment proposal is developed. This process includes consultation with key stakeholders from across the business and with our regional panels.



We identify, select and procure RD&E partners best able to deliver investment outputs and value for money for GRDC and its stakeholders.



We actively manage both the contract and relationships with our RD&E partners. We ensure that outputs are delivered within agreed budget and timeframes. We recognise that the partnerships we build are integral to our long-term success.



Throughout an investment we continuously monitor outcomes and outputs through a range of metrics. We evaluate the impact of investments on profitability of Australian grain growers and report the findings to our key stakeholders.

Supply chain

GRDC recognises that there are potential risks associated with its supply chain in the capacity of collaborating on research, development, adoption, extension as well as the supply of goods and services to GRDC. GRDC also recognises that there is risk of linkages with modern slavery practices through the operations of business partners in countries or sectors with higher risk of prevalence of modern slavery.

GRDC's key suppliers and business partners are primarily located in Australia. Our 10 largest suppliers by spend during 2021–22 included:

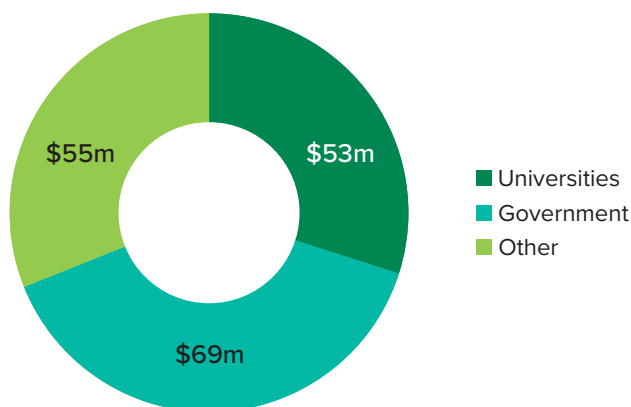
- Commonwealth Scientific Research Organisation (CSIRO)
- Agriculture Victoria
- NSW Department of Primary Industries
- Curtin University
- University of Adelaide
- WA Department of Primary Industries and Regional Development
- Bayer Cropscience
- University of Queensland
- Queensland Department of Agriculture and Fisheries
- University of Sydney

GRDC primarily procures research goods and services from, or makes payments to, Australian suppliers representing 94.1% of the research investment portfolio and 5.9% of the research investment to international research partners. The majority of our research providers are major tertiary institutions and State and Commonwealth Government agencies or entities, accounting for approximately 70% of the research investment portfolio. The remaining 30% are comprised of small–medium Australian private agricultural companies, grower groups and farming systems groups, and other Research and Development Corporations.

Types of supply chains

We primarily invest our available funds into research, development and extension projects. In 2021–22 this accounted for 83% of our expenditure.

Research Providers in 2021–22 by RD&E Expenditure



Other expenditures were staffing costs (7%) and suppliers (7%). A smaller amount was allocated to amortisation and depreciation, finance costs and other expenses.

A proportion of the supplier costs was made up of office services, including leases, cleaning, stationery and IT related expenses such as capital and software acquisition and maintenance costs.

Control of supply chains

Most of our expenditure is managed through short, medium and long-term contracts with external research providers.

GRDC supply chains are controlled with robust contracting arrangements as defined by the CPRs and GRDC's internal Investment Management Framework which provides guidance on the procurement and contract management process as well as tools and templates to assist Investment Managers and Contract Administrators effectively manage procurements and contracts. The GRDC Procurement Guidelines provide a clear, standardised approach to managing and administering contracts for goods and services purchased from suppliers.

The main objective of contract management is to ensure commitments and obligations from our partners are met and delivering value for money outcomes, as well as meeting GRDC's purpose of delivering impact to Australian grain growers.

GRDC's Modern Slavery risk assessment actions

GRDC has reviewed and updated its risk assessment practices in procurement providing greater confidence that modern slavery risks are being managed and mitigated appropriately. The following strategies have been utilised to support GRDC's improved capability:

- Updating key policies and procedures, such as internal Procurement Guidelines, to include modern slavery provisions
- Updating our internal Investment Management System to include new risk assessment criteria to address modern slavery risks in consideration based on the Modern Slavery and Trafficking Supplier Questionnaire issued by the Australian Government
- Implementing modern slavery training to assist GRDC employees to identify, prevent and mitigate modern slavery risks across GRDC's procurement activities

- Updating GRDC's procurement documentation to ask pertinent questions of prospective tenderers in relation to their own modern slavery controls
- Updating research agreements (contracts) to manage consistency of terms and conditions and the application of modern slavery risk approaches (including imposing obligations on GRDC's suppliers and research partners)
- Embedding responsibility for managing modern slavery risks across the organisation.

GRDC will continue to monitor risks in the procurement of ICT components, cleaning services and general goods such as stationery in recognition that these supply chains can pose higher levels of modern slavery risk. This will be undertaken in conjunction with a broader focus on corporate procurement activities in addition to the research and development investment activities.

Assessing the effectiveness of our actions

GRDC is committed to continuous improvement in our investment management process, including addressing modern slavery risks in our supply chain. Assessing the effectiveness of our approach to managing modern slavery risks includes:

- Analysis of risk assessment data in our Investment Management System
- Periodically reporting modern slavery risk data to our Audit and Risk Committee
- Capturing and analysing modern slavery risk assessments at the beginning of a procurement.
- Using contractual clauses in our supplier contracts requiring adherence to our policy standards and legislative modern slavery obligations
- Conducting due diligence on suppliers in relation to modern slavery where the relevant supply chain has been identified as medium to high risk

- Auditing rights that allow us to audit our contracted partners
- Periodically auditing our approach to procurement including an assessment of the effectiveness of our framework and controls
- Regularly reviewing our modern slavery position and activities with oversight from our Audit and Risk Committee
- Providing training and information resources to key internal stakeholders on modern slavery as required
- Providing training to new employees about modern slavery as part of their induction
- Regularly reviewing and updating (as required) our standard contracting suite.

Compliance schedule

This Modern Slavery Statement was prepared to meet the seven mandatory reporting criteria set out under the Modern Slavery Act. The table below identifies where each criterion is disclosed within the different sections of the statement.

1. Identify the reporting entity	Reporting entity – who we are
2. Describe the structure, operations, and supply chains of the reporting entity	Business structure, operations and corporate governance
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Supply chain
4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	GRDC's Modern Slavery risk assessment actions
5. Describe how the reporting entity assesses the effectiveness of such actions	Assessing the effectiveness of our actions
6. Describe the process of consultation with any entities that the reporting entity owns or controls	No additional information relevant
7. Provide any other information that the reporting entity considers relevant	No additional information relevant

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