



Chairman's Annual Report 2010 Annual General Meeting 30 November 2010

Welcome Members.

I would like to acknowledge the Traditional Custodians on whose land this meeting takes place: the Giabal and Jarowair peoples of Toowoomba.

In keeping with the more recent history of the Leslie Research Centre, the Grains Research Foundation calls on Minister Mulherin and the Queensland Government to rule out the sale of this grower owned facility in the assets sell off that is currently underway in Queensland. Furthermore, we call on the Queensland Government to return the asset to its rightful owners-the Queensland Grain Growers.

To reiterate:

- grain growers took the initiative and decided to build a Wheat Research Institute
- they found the land and arranged for its purchase with grower money
- at the time the land was purchased, the Queensland Wheat Industry Research Committee was not allowed to own land, so they asked the Minister of the day to hold the land for them in Trust
- that arrangement was put in place and the Queensland Wheat Industry Research Committee then proceeded to use additional voluntary grower funds to build this facility
- so Queensland grain growers undeniably have a proprietary interest in the Leslie Research Centre
- the Grain Research Foundation was set up by QWIRC to hold property and it has legal standing when it comes to the LRC. In short, the Government cannot sell or significantly change the use of the LRC without the agreement of GRFL.

- Therefore, under its latest plans, if the Queensland Government no longer wants to use the LRC, they can either hand its Title back to growers (through the Foundation), or negotiate a deal to have growers' proprietary interest vested in another grains research property.

Frankly, grain growers recognize that they paid for and rightfully own the LRC, and the State Government needs to recognize it as well.

The Grains Research Foundation in good faith participated in discussions with DEEDI and The Fresh Approach. The discussions proved less than transparent and had a worrying lack of detail about the Government's way forward, to the point where we were no longer able to have an honest conversation. The 2007 Chairman's Report stated that we were likely to have 'uncomfortable' conversations. We will continue to do so. We will not 'rubber stamp' loosely 'badged' and clumsily executed initiatives.

The Grains Research Foundation will continue to argue for grower equity in the LRC. It must be substantively recognized; a new management structure needs to be implemented; and the new system must incorporate strong community involvement.

On a National level in 2007 the national grain industry leadership was in a turbulent and uncoordinated state. There was reluctance from conventional grower groups to confront and adapt to the changing landscape. Subsequently over the last number of years, the Foundation has developed a vision that caters for the national R & D framework.

In July the Foundation released a discussion paper outlining a proposal for the establishment of a Grains Levy Payers' Association – a national grower representative body which would have a direct membership of all grains levy payers.

We think that such a Levy Payers' Association would deliver a robust mechanism for R&D advocacy and accountability. (2009 Chairman's Report)

Today I am proud to say that Grain Producers Australia is now a reality. Grains Council Australia is no longer and the functions that it fulfilled with Grains R & D is now the province of G.P.A.

GRFL initiated developed and sold the G.P.A. concept to the rest of Australia, not without a large degree of background noise from some of the more intransigent state farming organisations. It is difficult to imagine how much energy it takes to overcome the obstacles that are often needlessly placed in front of progressive grower representation. The Foundation would like to take this opportunity to thank previous Director Peter Mailler and Executive Officer Nicole Jensen for shouldering most of the work.

Last year we reported that the National R & D Framework had provided an avenue for the Queensland Government to exit from a number of programs some of which were internationally recognised for their excellence. We concluded at that time, *“It is also unclear what guarantees there will be that big gaps will not be created under the National Framework: for example who will do variety development work for Central Queensland; and who will do barley research for the North, et cetera. If these areas are not a priority for Queensland it is hard to see how or why they would be a priority for another State.”* (2009 Chairman’s Report)

It is becoming increasingly clear that these concerns are not being addressed and the exercise is indeed a cost cutting measure. The Foundation’s response will be to call on the Minister to set up a Field Crops Institute with a skill based Board with Grower representation to determine the strategy and management of Grains Research in Queensland. It is apparent that after an appalling chickpea and barley production 2010 year and extreme difficulties with wheat diseases, that the future direction of grains research needs to be firmly in the hands of Growers. This will benefit the whole of the Queensland economy.

The National R & D Framework is a Federal initiative that is proving to have many flaws. This National agenda fails to take in regional differences and effectively limits competition for ideas and innovation to monopoly players, mostly inefficient State Departments.

RAC's continue to be the backbone of the research priority setting of GRFL. The Priority Issues Paper for the Northern Region which RAC's publish still leads productive discussions between industry and researchers. GRFL will review the RAC operations in 2011.

Although co-ordination of the Northern Region RACs is now split along State lines, GRFL is committed to maintaining a Northern Region focus, so we will continue to publish a Northern Region Priority Issues Paper. (2009 Chairman's Report)

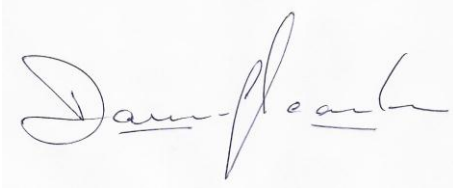
The Foundation notes whilst GRDC is increasing spending on further research priority setting, we believe that old State lines are not appropriate for a northern vision.

GRFL and Conservation Farmers co hosted a forum designed to allow the RACs and broader Grain Community to engage the question of whether we are "Getting Bang for Our Buck" in the R&D arena. There was a large attendance of 120 people. RAC Chairmen were very much involved in the presentations. The clear message again was, Growers need to set the future R&D direction; it is not the role of Government.

In looking at the Company's Annual Financial Statements, the Board recognises that reserves have again been called upon to meet the short fall in income needed to finance operations. The amount required was \$60,891.06. The reserves currently stand at approximately \$534,500 and are invested in accordance with independent Financial Advisors recommendation. Seeking means of justifiable operational income remains a prime Board objective.

Additionally we saw a change in the Executive Officer's role. Nicole Jensen, who greatly contributed to the growing integrity of GRFL Policy resigned in April 2009. The role has subsequently been filled by Les Webb. Les has an extensive knowledge in the grain industry and more particularly in finance and marketing.

In finishing, I thank the members of the Board for their support and our growing number of progressive GRFL members for their commitment.

A handwritten signature in black ink on a light grey background. The signature is written in a cursive style and reads "Damien Scanlan".

Damien Scanlan
Chairman GRFL