BSES

Sugarcane for the future

BSES Limited
Annual Report
2005-2006

BSES QCANES®
Varieties for your future

BSES QCROPS®
Growing your bottom line

sutech SOLUTIONS
Sugar Technologies from BSES

Our business

BSES Limited – essential to profitable, sustainable sugarcane production.

Thorough research, creative development and effective extension of new knowledge and technology are vital to every agricultural industry. BSES is the principal provider of research, development and extension to the Australian sugar industry.

BSES is made up of scientists, engineers, field staff, extension officers and administrative staff who work together to ensure that Australian sugarcane is a valuable, viable commodity.

BSES has three major programs of work, QCanes, QCrops and Sutech Solutions, and conducts these through its stations, centres and laboratories that are located in 18 canegrowing areas throughout Queensland, northern New South Wales and northern Western Australia.

What future are we creating?	**What is our role in contributing to that future?**	**How do we operate?**
An industry-owned BSES partnering in a profitable and sustainable sugarcane industry in Australia.	Delivering realised value to growers, millers and other customers from targeted research, development and extension.	• Industry leader • Customer focus • Commercial performance • Innovation and creativity • Teamwork and effective collaboration • Motivated and skilled staff • Safe workplace
Core business function Deliver realised value to improve grower and miller profitability at a sugar price of $250 per tonne		

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ABN 29 103 760 005
PO Box 86/50 Meiers Road
INDOOROOPILLY Q 4068
Australia

Tel: + 61 07 3331 3333
Fax: +61 07 3871 0383
E-mail: info@bses.org.au
Web: www.bses.org.au

HIGHLIGHTS 2005-06

Deliver improved conventional varieties and enhance their adoption
Seven new high-yielding varieties were released – Q225 in the Southern region, Q226$^{\Phi}$ and Q227$^{\Phi}$ in the Central region, KQ228$^{\Phi}$ in the Burdekin region (jointly released with CSR) and Q229$^{\Phi}$, Q230$^{\Phi}$ and Q231$^{\Phi}$ in the Northern region.

36.5% of Queensland's 2005 production was from new varieties. This indicates that new, more-productive varieties are being adopted at rates exceeding Strategic Plan targets.

Develop and deliver GM varieties to enhance industry profitability and competitiveness
In planta production of polyhydroxybuterate and sorbitol was demonstrated.

Plants with altered shoot growth habit (both increased and decreased stalk growth) were demonstrated following modification of plant-hormone metabolism.

Support an effective biosecurity capability for the Australian sugar industry
The BSES contingency plan and the National Sugar Industry Biosecurity Plan were used extensively in responding to an incursion of sugarcane smut. Screening of clones for smut resistance in Indonesia and the Ord River Irrigation Area over the last 8 years has provided the industry with information on smut-resistant varieties.

Enhance the industry's income stream through development of non-sugar products from sugarcane
Demonstration that NIR spectra of bud scales and leaf surfaces can be correlated with ratings for smut and Fiji leaf gall susceptibility, respectively.

The BSES/Southern Cross University CRC-SIIB project on bioactive molecules has produced extracts from sugarcane plants that have meaningful levels of bioactivity against prostate-cancer and breast-cancer cell lines.

Deliver tailored solutions to increase adoption of R&D to different customers in different regions
Advantages of new farming systems incorporating legume break crops, minimum tillage planting and controlled traffic were promoted through FutureCane, a joint project with DPI&F. Change is gathering momentum, as growers adopt technologies such as GPS guidance systems that provide a means to successfully match row width to machinery width.

Develop technologies to improve gross margins, productivity, sustainability and supply security
Development and delivery of nutrient best-practice packages to growers saw the production of district-specific reference booklets, grower-orientated short courses, demonstration strip trials, and the refinement of the Soil Constraints and Management Package (SCAMP).

BSES engineers designed, constructed and field-tested a zero-till, direct-drill soybean planter and a hydraulically operated cone penetrometer to identify areas of varying soil compaction - both will aid with the adoption the new farming system.

Maximise revenue opportunities and profit from BSES products and services, while developing its internal commercial capabilities
BSES delivered to cane growers an on-line Farm Productivity Assessment Tool (FPA) to encourage adoption of industry best management practices.

BSES prepared its 2006 financial statements in accordance with the Australian equivalent to the International Financial Reporting Standards (A-IFRS).

CHAIR OF DIRECTORS' STATEMENT

Confidence and satisfaction are two words of importance to BSES Limited. Growers and millers derive satisfaction from their confidence that the activities of BSES improve the profitability and sustainability of their enterprises. That satisfaction translates to financial support for BSES and its activities.

During this year, BSES undertook a three-stage process to understand industry needs, industry's perceptions of the value they gain from BSES activities, and the climate for future funding.

The surveys showed strong support for BSES and the services it delivers to the Australian sugar industry. BSES is well recognised for its delivery of varieties. However, much of the full scope of BSES services is forgotten or unknown. In particular, the breadth and depth of 'crop improvement' and 'extension' activities are not well understood. There is a healthy level of demand for BSES services and strong enthusiasm for continuing association with BSES. Neither growers nor millers wanted to see substantial cuts to the suite of BSES services, but they did want to see prudent cost control and productivity increases. Industry is prepared to increase its contributions, but wants to see value for its investment and clear demonstration of what BSES provides.

To improve this, BSES has created three sub-brands, QCanes, QCrops and Sutech Solutions, to enhance the focus on delivery of outcomes to industry. We have coupled this with prudent cost control and an increase in service fees.

Our other stakeholders also need to have confidence in BSES' ability to deliver outcomes. This year, the Queensland Government, through its Department of Primary Industries and Fisheries, invested $3.8 million in the sugar industry through targeted programs delivered by BSES. The Government's confidence that this investment is delivering benefits was assured in an external review of the program. The review found that "BSES appears to be the best vehicle for investment by DPI&F in applied RD&E" and that there is a "high probability of substantial returns on DPI&F's investment to date, and these seem set to increase in the short- to medium-term". Government satisfaction has translated to the investment continuing for a further 3 years.

Community satisfaction with BSES is also important to the company. A highly visible sign of this satisfaction was the appointment of recently retired BSES plant breeder Dr Mac Hogarth as a Member of the Order of Australia for service to the sugar industry through research and development of sugarcane breeding programs. A second sign was the award of the industry's R&D Management Award to our Chief Executive Officer, Eoin Wallis.

This last year saw the retirement of Tom Fenwick, Chairman since 2000, and long-term board members Maryann Salvetti and Grant Maclean. All three have given exceptional service to the company, particularly during the transition from the former statutory authority. I thank them for their input. I also welcome two new board members, John King and Joe Russo, both of whom bring a wealth of industry experience that will be most valuable to BSES, and the industry as a whole.

Confidence in and satisfaction with our outputs will mean that BSES can continue as the principal supplier of RD&E services to an increasingly profitable, productive and sustainable Australian sugar industry.

BSES Limited

Strategic Plan

2006-2009

WHAT FUTURE ARE WE CREATING?

An industry owned BSES partnering In a profitable and sustainable sugarcane Industry in Australia

WHAT IS OUR ROLE IN CONTRIBUTING TO THAT FUTURE?

Delivering realised value to growers, millers and other customers from targeted research, development and extension

HOW WE WILL OPERATE:

Industry leader - Customer focus – Commercial performance – Innovation and creativity -Teamwork and effective collaboration – Motivated and skilled staff – Safe workplace

CORE BUSINESS FUNCTION:

Deliver realised value to improve grower and miller profitability at a sugar price of $250 per tonne

GOAL:

Achieve an internationally competitive and environmentally sustainable sugarcane production system for the reliable supply of sugar and diversified products

High-priority actions we must take to achieve the goal
Deliver improved conventional varieties and enhance their adoption
Develop and deliver GM varieties to enhance industry profitability and competitiveness
Support an effective biosecurity capability for the Australian sugar industry
Enhance the industry's income stream through development of non-sugar products from sugarcane
Deliver tailored solutions to increase adoption of R&D by different customers in different regions
Develop technologies to improve gross margins, productivity, sustainability and supply security
Maximise revenue opportunities and profit from BSES products and services, while developing its internal commercial capabilities

CEO'S STATEMENT

BSES' Strategic Plan sets the company's core business function to deliver realised value to improve grower and miller profitability at a long-term sugar price of $250 per tonne. It does this through a focus on Variety Improvement, Farming Systems and Extension/Knowledge Management, integrated through our three sub-brands QCanes, QCrops and Sutech Solutions. This integration gives BSES a unique place within the Australian sugar industry.

At no time has this integration been as obvious as following the recent discovery of sugarcane smut in the Bundaberg/Childers area. BSES was well prepared. We had developed an incursion management plan to deal with such a contingency, and it was that plan that was put into action within 12 hours of finding the first smut whip. Next morning, as soon as material reached BSES Indooroopilly, we used state-of-the-art DNA technology to confirm the field diagnosis. Together with the Department of Primary Industries and Fisheries and CANEGROWERS, BSES put survey teams into the field the following day and had a full survey program with over 150 people operating within 1 week. The expert knowledge of BSES pathologists helped in drafting protocols to allow the harvesting of mature crops and for the movement of machinery and planting material. The resistance status of all commercial varieties was known from BSES trials in Indonesia, so a variety replacement program to minimise the effects of the disease was put in place immediately. BSES extension officers coordinated the supply of resistant planting material from other regions and pathologists provided trial data so that legislation was amended to allow planting of these in the Bundaberg/Childers area. All in all, an integrated approach.

The Board reacted immediately to this outbreak by agreeing to provide up to $2 million in emergency funding to both investigate and mitigate the effects of the outbreak. This expenditure has continued to 15 August 2006, and assurances have been given by the Queensland Government to reimburse such expenditure as part of the overall response to the incursion. The Company expects that these costs will be reimbursed.

Another good example of this integration is in the development of new farming systems. Development of a better system requires research on the best way to grow cane, how to protect the crop from pests and diseases, and how to harvest the crop – these are current areas of BSES focus. Selection of the best variety is vital for the best yield, so our trial work is screening current varieties under these new systems. It is extension experts, such as the BSES team, that helps convert that research information into real, on-farm changes that earn money. Again, it is the integration of this RD&E that delivers real benefits.

During the year, our staff's success has been recognised in a number of forums. Ord extension officer Bill Webb was a joint winner of the President's Medal of the ASSCT for his work on irrigation management. Dr Kerry Nutt was awarded a PhD from the QUT for work on developing canegrub-resistant plants. Isis extension officer Judy Skilton is the 2006 DPI&F Elaine Brough Award winner and plans to use her bursary to visit the United States to study the production of high-quality food-grade soybeans that can be grown in rotation with sugarcane. Dr Alan Garside was made a Fellow of the Australian Institute of Agricultural Science and Technology for his work on sugarcane agronomy. Such recognition shows that BSES is fulfilling its pivotal role through its research, development and extension operations to ensure that the latest appropriate information is available and the most useful technology and operations are adopted by industry.

Sugarcane smut will continue to impact upon the industry's profitability and on BSES' operations over the next few years. Information is the key to minimising this impact and it is in the integrated delivery of such knowledge that BSES can continue to deliver realised value to the industry.

2005-06 IN SUMMARY

BSES' strength is its scientists, engineers, field staff, extension officers and administrative staff who work together with industry and other stakeholders to ensure that Australian sugarcane is a valuable, viable commodity with minimal environmental impact.

BSES focuses on developing improved varieties and productive, profitable and sustainable farming systems and delivering these through its integrated extension program. It conducts these programs through its stations, centres and laboratories that are located in 18 canegrowing areas throughout Queensland, northern New South Wales and northern Western Australia.

Variety Improvement

The BSES-CSIRO conventional sugarcane breeding and selection program uses optimal genetic evaluation systems to select parents, crosses and clones, with the ultimate objective of delivering new, more productive varieties to the Australian sugar industry. These varieties will also have adequate disease resistance to endemic diseases and acceptable milling and sugar quality. Variety introduction (foreign varieties) and variety exchange between regional programs enhance the germplasm used, both for breeding and varietal development. All varieties from this program are protected by Plant Breeders' Rights.

The program is led by Dr Michael Cox.

Highlights

- Seven new high-yielding varieties were released – Q225 in the Southern region (subsequently not distributed because of smut), Q226$^{\Phi}$ and Q227$^{\Phi}$ in the Central region, KQ228$^{\Phi}$ in the Burdekin region (jointly released with CSR) and Q229$^{\Phi}$, Q230$^{\Phi}$ and Q231$^{\Phi}$ in the Northern region.
- Annual benchmarking of genetic gain from new varieties using productivity data indicates that newer varieties are continuing to outperform older varieties and that the rate of gain in cane yield, CCS and sugar yield is more rapid than in the past. Improved methods of breeding and selection and adoption of technology, as a result of R&D, have contributed to this increase.
- Research on marker-assisted selection has identified considerable potential for association-mapping methods to be used in the variety-improvement program for selecting for smut resistance. Implementation of this in the routine program is currently being examined.
- Outcomes of research on alternative selection systems and an optimised genetic-evaluation system have led to the introduction of more efficient selection and the use of more effective methods of data analysis.
- High-speed sugar analyser systems using near infrared spectroscopy (SpectraCane) will be deployed to BSES experiment stations in 2006 for routine analyses of plant-breeding and other research trial samples.
- In 2005/06, BSES and CSIRO Plant Industry reached agreement that the joint venture between the organisations to conduct a unified sugarcane improvement program would be extended until 30 June 2010.

Molecular Breeding

This program aims to apply plant biotechnology strategies to develop varieties that improve the productivity, sustainability and competitiveness of Australian sugar industry. It focuses on developing and applying practically useful gene technologies to create sugarcane with increased CCS, canegrub resistance, nitrogen- and water-use efficiency, and altered shoot architecture. Developing automated sugarcane micropropagation technologies (SmartSett®) to accelerate release and accelerated adoption of new sugarcane varieties is also be a major thrust of this program.

The program is led by Dr Prakash Lakshmanan.

Highlights

- Industry representatives have produced *A Strategy and Shared Vision for the Commercialisation of Genetically Modified Sugarcane* that has been accepted by CANEGROWERS, ACFA, ASMC, QSL and all relevant R&D groups.
- BSES secured an AusIndustry Commercial Ready Grant for $1.1 million for pre-commercialisation of SmartSett® Technology. We will focus on developing a semi-automated rapid sugarcane-propagation system and validating the technology for commercial use through large-scale field trials.
- A new research program comprising 10 projects was developed in collaboration with our partners CSIRO Plant Industry, the University of Queensland and Queensland University of Technology. That program will be conducted through the CRC for Sugar Industry Innovation through Biotechnology, who will invest approximately $1.1 million per annum over the next 3 years in the projects.
- Transgenic technologies, including transformation and selection systems, have been developed for routine use.
- *In planta* production of polyhydroxybuterate (bioplastic) and sorbitol (an alternative industrial sugar) was demonstrated.
- Plants with altered shoot growth habit (both increased and decreased stalk growth) were demonstrated following modification of plant-hormone metabolism.

Biosecurity

A range of diseases and pests represent a significant threat to the continued security of cane supply for the Australian sugar industry. Cooperating with federal and state government departments to prevent entry of these pests and preparation for possible incursions is a high priority for this program. Assisting the Variety Improvement program to breed disease- and pest-resistant varieties and conducting quarantine programs to prevent the spread of pests and diseases within Australia is also a high priority.

The program is led by Mr Barry Croft.

Highlights

- Sugarcane smut was found in the Bundaberg/Childers district in June 2006. BSES smut contingency plan and the National Sugar Industry Biosecurity Plan were used extensively in responding to the incursion. Screening of clones for smut resistance in Indonesia and the Ord River Irrigation Area over the last 8 years has provided the industry with information on smut-resistant varieties that will enable the industry to limit yield losses as it adjusts to the presence of smut in eastern Australia.
- BSES conducted a training course on diseases in May 2006 for BSES, Productivity Service, AQIS, and other sugar industry personnel and training for *Plant Protection Act*

inspectors in March 2006 in conjunction with the DPI&F. Both courses were timely in that they allowed personnel to be well prepared for the smut incursion that was identified a few weeks after the courses.

- A field guide on sugarcane diseases for the Australian sugar industry has been completed and will provide a valuable reference for field workers and growers.
- A suspect stem borer was detected on Thursday Island in late 2005 by AQIS staff and a pest alert was initiated. DPI&F and BSES entomologists surveyed all sugarcane on Thursday, Hammond and Horn Islands in the following week and more borers were found on Thursday Island. The borer larvae were sent to BSES Indooroopilly for DNA fingerprinting and using the DNA fingerprinting database developed in an earlier project BSES was able to show that the borer was not a major pest species and was a native grass-feeding borer that causes only minor damage in sugarcane.

Variety Adoption

Variety Adoption program undertakes operations that maximises the adoption of the most suited varieties by the client and, in doing so, maximises industry productivity and profitability. The program is has an important role in maximising benefits attained from the BSES QCanes operations. The theme of the program's operations is 'The right variety in the right place at the right time'.

The program is led by Mr Robert Cocco.

Highlights

- 36.5% of Queensland's 2005 production was from new varieties. This indicates that new, more-productive varieties are being adopted at rates exceeding the target set by the BSES Strategic Plan.
- Regional proportions for 2005 were Southern 33.6%, Central 33.2%, Burdekin 50.1%, and Northern 31.3%.

BSES QCROPS
Growing your bottom line

Improved Cropping Systems

The Improved Cropping Systems Program comprises four sub-programs that collectively strive to develop technologies to improve productivity, sustainability and supply security on-farm and at district / regional levels. The sub-programs focus on both a wide perspective and component parts of new farming systems, best-practice nutrient management; irrigation and water-use efficiency; and harvesting operations and developments.

This program is led by Dr Bernard Schroeder.

Highlights

- Many growers, in all regions, are now adopting the new farming system based on legume breaks, controlled traffic and minimum/zero tillage - results are very positive.
- A preliminary trial showed that some varieties are more suited to controlled-traffic systems based row spacings of at least 1.8 m than other varieties. This interaction is

being studied in more trials and will impact on the Variety Improvement program with increasing adoption of the new farming system.

- An experiment showed that direct planting into surface-maintained cane trash out-yielded plots where cane trash was tilled into the bed surface by 22%. Direct planting into soybean residue increased the yield by a further 19%. The data showed the advantage of consolidated permanent beds.
- BSES engineers designed, constructed and field-tested a zero-till, direct-drill soybean planter and a hydraulically operated cone penetrometer to identify areas of varying soil compaction - both will aid with the adoption the new farming system.
- Development and delivery of nutrient best-practice packages to growers saw the production of a district-specific reference booklet for Proserpine, grower-orientated short courses for Bundaberg, Plane Creek, Mackay, Proserpine and Herbert districts, demonstration strip trials at Bundaberg, Mackay, Proserpine, Herbert and Johnstone districts, and the refinement of the Soil Constraints and Management Package (SCAMP) to allow the incorporation of temporal risk into nutrient management on-farm. These activities have involved BSES, CSR Sugar, NRMW and CANEGROWERS and funding from SRDC, DPI&F, DEH and Envirofund.
- Field-trial data indicate higher yields from cane cut with an enhanced harvester module over the standard machine setup.
- At least 25% of samples from all regions except the Burdekin come from soils where there is high probability of a yield response to application of plant-available silicon fertiliser. Application of air-cooled blast-furnace slag showed a significant response in leaf-silicon levels in two trials, and one non-lodged trial had a significant response in stalk height to treatments.
- Chemical cane ripeners could become more useful with the earlier crushing following rationalisation of milling capacity. BSES worked with Syngenta Crop Protection to establish a pilot commercial-implementation strategy with MODDUS® (trinexapac-ethyl) in north and central Queensland and varietal response trials at Bundaberg. There were significant and important responses in CCS in some trials.

Crop Protection

Protecting sugarcane crops from pests, diseases and weeds is important in maximising productivity. Diseases have caused extensive yield losses in the past with the recent orange rust epidemic resulting in major cane supply problems in many districts. This program aims to minimise the losses from diseases by integrated management strategies.

Insect pests, such as canegrubs, and vertebrate pests, such as rats, require integrated pest management programs to prevent serious yield losses. BSES has developed innovative IPM programs that combine chemical, biological and cultural controls to reduce the impacts from insect and vertebrate pests.

Weeds compete with sugarcane for light, nutrients and water. BSES has strongly promoted minimum tillage and trash retention that has greatly reduced the need for cultural and chemical control of weeds in sugarcane and has the added benefit of reducing soil degradation and erosion. BSES provides advice to growers on the best methods of weed control from both an economic and effectiveness perspective.

This program is led by Mr Barry Croft, reflecting its strong integration with the Biosecurity Program.

Highlights

- Numbers of greyback canegrub populations and associated biological and environmental variables in canefields in districts from Plane Creek to Mulgrave have been collected for 4 years. These data are currently being incorporated into a system for district-wide forecasting of grub risk from year-to-year, and a model for predicting the likelihood of grub infestations in individual fields. The grub likelihood model is being linked to an economic spreadsheet to predict the most cost-effective management strategy for different probabilities of grub attack.
- Studies of habitat and dietary preferences, harbourages and migration times of climbing rats, *Melomys* spp., are underway to develop further the IPM strategy for climbing rats.
- BSES pathologist, Dr Rob Magarey, has been honoured by being elected as President of the Australasian Plant Pathology Society.
- BSES Manager Special Projects, Dr Peter Allsopp, was elected President of the Entomological Society of Queensland.
- BSES hosted an Entomology Workshop on behalf of the International Society of Sugar Cane Technologists and attended by 24 entomologists from 24 countries. The workshop showcased our work on biosecurity and grub management and allowed networking with a range of other sugarcane entomologists.

Technology Support

The Technology Support program is responsible for the provision of chemistry and chemical engineering expertise across BSES. The program concentrates primarily on practical, usable outcomes that can be adopted by the industry, but also includes elements of basic and pure research.

The program pursues a deliberately broad range of work activities and interacts across virtually all other disciplines in BSES. Traditional strengths are in sugar quality, cane quality, NIR technology, separation technologies, analytical determinations and the application of these skills to benefit the industry. Activities directly involve working relationships with plant breeders, agronomists, biotechnologists, entomologists and pathologists and chemical engineers. The multidisciplinary nature of the program is a key strength, and is central to the ongoing conversion of new ideas into significant research opportunities that may lead to subsequent industry benefits.

The team has considerable expertise across a range of disciplines including chemical engineering, organic, inorganic and analytical chemistry, biochemistry, chromatographic separations, microbiology, vibrational spectroscopy and statistical data treatment. In addition, team members have direct sugar-industry experience in factory and laboratory situations.

The program is led by Dr Michael O'Shea.

Highlights

- Evaluation of cane-separation technology for by-product development has progressed to a pilot-plant trial scheduled for late 2006. That trial will provide a preliminary assessment of the economic viability of cane separation to produce juice, bioactive products that have applications lowering glycaemic index, and other products based on fibre and wax ingredients.
- Studies in association with our QUT collaborators showed that NIR spectra of bud scales and leaf surfaces can be correlated with ratings for smut and Fiji leaf gall susceptibility, respectively. Should blind testing prove successful, these tools will be developed for incorporation within the Variety Improvement program to assist with rapid selection of acceptable varieties.

- The BSES/Southern Cross University CRC-SIIB project on bioactive molecules has produced extracts from sugarcane plants that have meaningful levels of bioactivity against prostate-cancer and breast-cancer cell lines. Further work targets identification of the compound(s) responsible for this activity, as well as pursuing other leads in areas such as antioxidants and carbohydrate enzyme inhibition.
- BSES inorganic chemistry laboratory completed about 20,000 assays on about 7,000 samples of soil, water, plant material and mill by-products. These assays are for BSES researchers, extension staff and external clients.

Technology Packaging and Adoption

Technology transfer/extension specialists work with researchers and industry participants to increase the adoption of R&D by different customers in different regions. Extension workers have good working knowledge of all aspects of cane growing and use a variety of channels such as one-on-one contact, grower discussion groups, field days and media to facilitate change in practice for cane grower and other industry clients. Extension is an embedded part of BSES QCanes and QCrops and ensures that research is responsive to industry needs and research findings are communicated timely and effectively. Extension specialists also deliver tailored solutions as part of Sutech Solutions.

This program is led by Mr Trevor Willcox.

Highlights

- Technology transfer/extension specialists based in all districts worked with researchers and industry participants to increase the adoption of R&D throughout the Australian industry.
- The advantages of new farming systems incorporating legume break crops, minimum tillage planting and controlled traffic were promoted through FutureCane, a joint project with DPI&F. Change is gathering momentum, as growers adopt technologies such as GPS guidance systems that provide a means to successfully match row width to machinery width, particularly at harvest.
- Extension officers assisted many grower groups with travel and learning excursions to other districts and other industries to view innovative farming practices, particularly where farms had adopted new farming systems.
- The Farm Productivity Assessment (FPA) package was further developed and used to deliver tailored solutions to increase the adoption of R&D by different customers in different regions.
- Extension officers worked closely with Biosecurity staff to deliver information on sugarcane smut disease and to contain the disease after identifying it in the Bundaberg/Childers area.

sutech SOLUTIONS
Sugar Technologies from BSES

Sutech Solutions devises solutions for individual growers, millers or companies on a needs-basis. Services range from analysis and auditing, to technical support and training through accredited programs, to specific farm assessments and commercial consultancies. It draws on the expertise of BSES staff and others as required.

This program is led by Mr Garry Butler.

Highlights

- BSES delivered to cane growers an on-line Farm Productivity Assessment tool (FPA) to encourage adoption of Industry best management practices.
- A marketing strategy was implemented within BSES to demonstrate to industry the value of BSES products and services.
- We have developed commercial arrangements with national and international companies (food technology, chemical, fertiliser, and nutriceutical) to increase revenue generated from royalties and licences.
- Adoption within BSES of new smart business practices (timesheets, project management, business-case assessment) will help achieve the company's commercial objectives.
- Our international consulting practice has been expanded within non-competing sugar countries.

BSES
Sugarcane for the future

Corporate & Commercial Services

Corporate & Commercial Services provides the systems and processes to deliver commercial and administrative support to BSES operations. These include the provision of financial and accounting systems, library and records management systems, human resources systems and support mechanisms, and information technology systems and helpdesk facilities.

This area is led by Ms Karen Bishop-Stuart and Mr Garry Butler.

Highlights

- BSES, like many other companies, was required to prepare its 2006 financial statements in accordance with the Australian equivalent to the International Financial Reporting Standards (A-IFRS). Application of the relevant accounting standards has resulted in the recognition of expenses pertaining to the defined-benefit superannuation fund that were paid by the fund's surplus, the inclusion of the defined-benefit surplus and actuarial gain in the balance sheet, and the increase in the value of listed shares. A-IFRS also necessitated the development of several new accounting policies and the revision of others.
- In July 2005, Sunsuper became the actuary of the BSES Limited Superannuation Fund and undertook an actuarial valuation of the fund; these values are included in the notes to the 2006 financial statements.
- An improved budgeting process was implemented for the 2007 year - this identifies the scope of resources to be engaged in the successful integration of extension and research and development activities.

CORPORATE GOVERNANCE

The role of the board
The BSES board is responsible for setting the company's strategic direction and monitoring senior management performance.

The board's functions include:

- promoting the good health of the company by embracing appropriate issues of good corporate governance;
- setting the organisation's strategic direction and goals;
- reviewing and approving policies, plans, performance targets and budgets;
- assessing BSES's ongoing performance and strategies and monitoring both the suitability of strategies and the performance of management;
- overviewing the establishment of, and adherence to, appropriate systems to:
  - enable the company's business and financial risks to be identified and managed;
  - enable company's assets to be safeguarded;
  - enable business to be conducted in compliance with laws and regulations;
  - meet ethical and corporate governance standards.

Composition of the board
The board comprises seven non-executive directors, together with the chief executive who, under the company's constitution, is the managing director. Under the company's constitution, two directors are elected by the grower members, and two directors by the mill-owner members. Three directors, other than the chief executive, are selected by the grower directors and the mill-owner directors. These three must have expertise in an area considered by the grower directors and the mill owner directors, as appropriate, including business, commercial, marketing, finance, research, development or extension experience and not be a mill owner or a grower or a director or employee of a mill owner or a grower, and not be a current director or employee of a sugar-industry representative body.

Non-executive directors act as independent officers of the company, rather than representing their own interests or those of their organisations. If a potential conflict of interest does arise, the director concerned does not receive the relevant board papers and leaves the meeting room while the matter is discussed and any vote is taken.

The work of the board
Directors receive monthly reports from the chief executive and senior management on the company's activities since the last report to directors, including information on research and other projects, variety improvement, farming and extension services, and financial performance. These reports are discussed at board meetings. The board also reviews strategies that may assist to further promote and develop the company's role in providing services to the sugar industry. Meeting agendas are set by the chairman and the chief executive.

Remuneration of directors
At the company's first annual general meeting held on 26 October 2004 members set the remuneration of non-executive directors for the time being as an aggregate of $200,000. Directors are reimbursed travel and related expenses incurred in the course of carrying out their duties. Non-executive directors do not receive retirement benefits other than contributions for the compulsory superannuation levy required under the *Superannuation Guarantee Act*.

Board committees
To assist in carrying out its functions, the board has established an Audit, Compliance and Risk Management Committee. The committee has formal terms of reference approved by the board.

The current members of the committee are Mrs MS Boydell (committee chair), Mr RN Chapman, and Mr S Rutherford. Under the committee's terms of reference, the company chairman is an ex officio member of the committee. The chief executive, the financial controller, other members of the management team and representatives of the company's auditors attend by invitation. The committee's role is to assist the board in reviewing systems and controls in place for financial reporting, risk management, and compliance with company policies and with laws and regulations that apply to the company's activities, and in maintaining an effective and efficient audit function.

Specific responsibilities include advising the board on the appointment and remuneration of auditors and reviewing, in consultation with management and the auditors, the audit plans and results of audits and actions proposed arising from them. The committee is a direct link for providing the views of the auditors to the board, if necessary, independently of management influence. The committee also monitors and advises the board in relation to all matters necessary to ensure the company adopts and follows sound principles of corporate governance.

The directors established an administration committee on 10 March 2004 for the limited purpose of authorising the execution of a document under the common seal of the company, or otherwise on behalf of the company, where the document brings into effect or implements a decision already taken by the board, or acknowledges a matter agreed at a board meeting; or where the subject matter of the document falls within the scope of the company's Authorities and Delegations policy and has been approved within the scope of that policy. This committee has formal terms of reference approved by the board. A committee consists of any two directors, one of whom must be either the chairman of the company or the managing director.

Managing risk

In its commitment to managing its exposure to significant business risk, BSES Limited has policies for:

- risk management;
- workplace health and safety;
- equal opportunity, anti-discrimination and freedom from harassment;
- trade practices;
- privacy.

Business conduct

The board has adopted a Code of Conduct requiring directors, management, employees, and contractors to act with integrity and objectivity, and maintain high standards, and ethical behaviour in the execution of their duties.

Under the code, all those associated with BSES Limited must act in accordance with the fundamental principles of integrity and diligence, respect for persons and procedural fairness, objectivity, confidentiality, ethical behaviour, and maintenance of professional and personal standards.

Independent advice

BSES Limited 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 such advice are to be directed to the chairman or the company secretary.

BOARD OF DIRECTORS

Tom Fenwick

Chairman from 4 April 2003 (Chairman, Bureau of Sugar Experiment Stations from 24 September 2000) until 31 July 2006. Mr Fenwick occupied the position of Director-General of the Queensland Department of Natural Resources until his retirement in 1999. Prior to that appointment, he was Director-General of the Queensland Department of Primary Industries and Commissioner of Water Resources. Mr Fenwick has served as a member of the Standing Committee on Agriculture and Resource Management, and as Commissioner for Queensland on the Murray Darling Basin Commission. Mr Fenwick is presently a Director of South East Queensland Water Corporation Limited and Managing Director of Tom Fenwick and Associates Pty Ltd.

Luigi Raiteri

Director since 4 April 2003 (Director, Bureau of Sugar Experiment Stations from 24 September 2000), Deputy Chairman since 25 October 2006, and Acting Chairman since 1 August 2006. Mr Raiteri is a third-generation primary producer, with extensive experience in canegrowing, harvesting and haulage. He is Chairman of the Proserpine Co-operative Mill and has been Deputy Chairman of Sugar Services Proserpine and Proserpine Landcare.

Mary Boydell

Director since 4 April 2003 (Director, Bureau of Sugar Experiment Stations from 24 September 2000). A Fellow of the Institute of Chartered Accountants in Australia, with significant experience in business, finance and corporate administration. Mrs Boydell is the Chairperson of the Gladstone Area Water Board and the Rural Industries Research & Development Corporation, is a Director of Energex Limited and was a Director of the Australian Trade Commission and Burnett Water Pty Ltd. She is a former chief financial officer (Australia and Asia) for the international law firm Deacons.

Ross Chapman

Director since 4 April 2003 (Director, Bureau of Sugar Experiment Stations from 24 September 1997). Formerly CANEGROWERS Deputy General Manager with responsibility for managing research and development policy, as well as serving on the board of the Cooperative Research Centre for Sustainable Sugar Production. Mr Chapman is the Deputy Chairman of the AAA Farmbis State Planning Group and is active in facilitation of strategic, business and research planning and management both within and outside the sugar industry.

John King

Director since 25 October 2005. Mr King has over 30 years experience in the sugar industry in both technical and managerial roles. He is currently Manager Research, Development and Business Risk at Tully Sugar Limited, having commenced with that company in June 2003. Mr King has past experience on industry boards, with 6 years on the Sugar Experiment Stations Board during 1988-1994 and 8 years on the board of Australian Molasses Trading during 1994-2002, the last 6 years as Chairman.

Grant Maclean

Director and Deputy Chairman of Directors from 4 April 2003 (Director, Bureau of Sugar Experiment Stations from 23 September 1994) until 25 October 2005. Mr Maclean, a sugar chemist by training, has 38 years experience in the sugar industry. As Chief Executive of Bundaberg Sugar Ltd, he has overall responsibility for the company's activities including cane growing, harvesting, milling, refining, marketing and global engineering. He is also a Director of the Bundaberg Port Authority and Bundaberg Sugar Ltd.

Joe Russo

Director since 25 October 2005. Mr Russo is a third-generation Isis-district cane grower and Managing Partner of Russo Brothers. He is Chairman of CANEGROWERS Isis Limited, Senior Vice President of Queensland Cane Growers Organisation Limited, and a Director of Queensland Farmers Federation, Canegrowers Superannuation Pty Ltd and Canegrowers Financial Services Pty Ltd. In 2003, Mr Russo was the Australian Institute of Management's (Sunshine Coast Region) Rural Remote Manager of the Year.

Shayne Rutherford

Director since 1 October 2003. Mr Rutherford is the General Manager, New Business Development for CSR Limited Sugar Division and serves as a Director on CSR Sugar subsidiary companies. At CSR Sugar, he has responsibility for the identification and development of new growth initiatives. Prior to this appointment, Mr Rutherford held senior management roles in the agribusiness, oil and gas, and manufacturing industries, including international experience in South East Asia.

Maryann Salvetti

Director from 4 April 2003 (Director, Bureau of Sugar Experiment Stations from 24 September 2000) until 25 October 2005. Ms Salvetti has been a primary producer for more than 25 years. She is Co-Managing Director of North Queensland Tropical Seeds, and served four and a half years as the Inaugural Manager of CANEGROWERS Tableland Executive. Ms Salvetti is a Director of Tableland Contracting Services Pty Ltd and Tanita Pty Ltd and Secretary of the Mareeba Banana Growers Association, as well as a former winner of the ABC Queensland Rural Woman of the Year Award.

Eoin Wallis

Managing Director and Chief Executive Officer since 9 April 2003 (Director and Chief Executive of Bureau of Sugar Experiment Stations from 5 March 2001). Mr Wallis began his appointment as Chief Executive Officer of BSES in March 2001. Prior to this engagement, he led the Sugar Research and Development Corporation as its Executive Director and is currently a Director of the CRC for Sugar Industry Innovation through Biotechnology. Mr Wallis also gained extensive knowledge of BSES from his work as a BSES group manager. His career in agricultural management includes work for the Australian Centre for International Agricultural Research, and the Department of Agriculture at the University of Queensland. Mr Wallis is a Fellow of the Australian Institute of Agricultural Science and Technology and was awarded the industry's R&D Management Award in 2006.

COMPANY SECRETARY

David Munro

Dr Munro has 34 years of corporate, legal and corporate governance experience, including 15 years as Company Secretary and General Counsel of MIM Holdings Limited. During that time, he also served as a director on numerous Australian and international companies associated with MIM. In addition to his current role as Company Secretary of BSES, he is Company Secretary of Queensland Sugar Limited. He is a fellow of the Chartered Secretaries Australia Limited and has degrees in Arts and Law and a doctorate in Counselling.

DIRECTORS' REPORT

In conformity with the *Corporations Act 2001*, your directors formally report that:

The Reporting Period
The financial reports of the company have been prepared for its activities for the period beginning on 1 July 2005 and ending on 30 June 2006 (the Reporting Period). The Directors' Report and the Annual Report also relate to this Reporting Period.

Review of Operations and Results
The operations of the company during the Reporting Period and the results of those operations are reviewed in detail on pages 1 to 15 of this annual report and these pages form part of this report.

Change in State of Affairs
The state of affairs of the company and significant changes thereto are set out on pages 1 to 15 of this annual report. Other than set out in these pages, there was no significant change in the company's state of the affairs during the Reporting Period.

Principal Activities
The company's principal activities during the Reporting Period consisted of research and development and extension activities, serving both the agricultural and milling sections of the Australian sugar industry. There have been no significant changes in the nature of those activities during the year.

Events after End of Reporting Period
Other than reported on pages 1 to 15 of the annual report, no matter or circumstance has arisen since the end of the Reporting Period that has significantly affected or may significantly affect:

- the company's operations in future financial years;
- the results of those operations in future financial years; or
- the company's state of affairs in future financial years.

Likely Developments
Likely developments in the company's operations in future financial years and the expected results of those operations are referred to on pages 1 to 15 of this annual report.

Environmental Performance
The company's operations are not subject to significant environmental regulation under Commonwealth and State laws, in relation to its land and chemical usage.

The company has established procedures to monitor and manage compliance with existing environmental regulations and new regulations as they come into force.

Directors are not aware of any significant breaches of environmental regulation during the Reporting Period.

Information Relating to Directors and Secretary

The following table shows the persons who were directors during the financial year ended 30 June 2006 and the attendance of directors at meetings of the board. There were 11 board meetings during the financial year.

TD Fenwick	11	GD Maclean[1]	4	M Salvetti[1]	4
MS Boydell	11	LJ Raiteri	9	ES Wallis	11
RN Chapman	11	JJ Russo[2]	7		
JH King[3]	6	SW Rutherford	10		

[1] attended 4 meetings held to resignation on 25 October 2005.
[2] attended 7 meetings held since appointment on 25 October 2005.
[3] attended 6 of 7 meetings held since appointment on 25 October 2005.

The Audit Compliance and Risk Management Committee met on six occasions during the financial year. Committee chair Mrs M Boydell and Mr RN Chapman attended all meetings and Mr S Rutherford attended five meetings.

A Board Administration Committee met on two occasions during the year. Messrs TD Fenwick and ES Wallis participated in those meetings.

A Remuneration Committee was formed to review specific matters in the period from December 2005 to March 2006. This committee met on three occasions and all committee members, Messrs TD Fenwick, (committee chair), RN Chapman, L Raiteri, and S Rutherford attended all meetings.

Particulars of the qualifications and experience of each director of the company and of the company secretary are set out on pages 14 to 15.

Indemnities and Insurance Premiums

The constitution provides that the company, to the extent permitted by law, must indemnify each person who is, or has been a director or secretary of the company against any liability (resulting directly or indirectly from facts or circumstances relating to the person serving in that capacity in relation to the company):

- to any person (other than the company) which does not arise out of conduct involving the lack of good faith or conduct known to the person to be wrongful;
- for costs and expenses incurred by the person in defending proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted, or in connection with any application in relation to such proceedings in which the court grants relief to the person under the Corporations Law.

The constitution also provides that the board of directors may authorise the company to, and the company may enter into any insurance policy for the benefit of any person who is, or has been, a director, secretary, auditor, employee or other officer of the company. The obligation of the company to indemnify persons as set out in the preceding paragraph is reduced to the extent that a person is entitled to an indemnity in respect of that liability under a contract of insurance.

The company has paid or has agreed to pay premiums in respect of contracts insuring against the liability the following persons, being persons who are or have been officers of the company: namely, any past, present or future director or officer of the company. The liabilities insured are legal costs that may be incurred in defending civil and criminal proceedings that may be brought against the officers in their capacity as officers of BSES Limited, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of

information to gain an advantage for themselves or someone else or to cause detriment to BSES Limited. It is not possible to apportion premium between amounts relating to the insurance against legal costs and those relating to other liabilities. The contracts prohibit disclosure of the extent of the cover and the amounts of the premium.

Auditor's Independence

The auditor has provided to the directors the following Auditor's Independence Declaration to the directors of BSES Limited under Section 307C of the *Corporations Act 2001*:

"As lead auditor for the audit of BSES Limited for the year ended 30 June 2006, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON QUEENSLAND PARTNERSHIP
Chartered Accountants

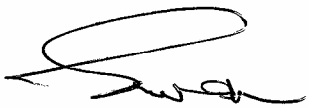
D J CARROLL
Partner

Brisbane 8 September 2006"

Rounding

BSES Limited is a company of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial report. Unless otherwise shown in this Annual Report, amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is signed for and on behalf of the directors in accordance with a resolution of the board of directors.



LJ Raiteri
Acting Chairman

ES Wallis
Chief Executive Officer

8 September 2006

BSES Limited
Income Statement
For the year ended 30 June 2006

	Notes	2006 $'000	2005 $'000
Revenue	2	20,239	15,870
Research, development and extension expenses		(19,077)	(19,790)
Gross profit / (loss)		**1,162**	**(3,920)**
Other income	3	166	175
Administration expenses		(2,847)	(2,958)
Profit/(loss) before financing income		(1,519)	(6,703)
Financial income	6	1,243	1,307
Financial expenses	6	-	-
Net financing income	6	1,243	1,307
Profit/(loss) before income tax		(276)	(5,396)
Income tax expense/(benefit)	4	-	(516)
Profit/(loss) for the year		**(276)**	**(4,880)**

The Income Statement should be read in conjunction with the accompanying notes.

BSES Limited
Statement of Recognised Income and Expense
For the year ended 30 June 2006

	Notes	2006 $'000	2005 $'000
Actuarial gains/(losses) on defined benefit plan	16(e)	928	(181)
Deferred tax benefit on actuarial gains/(losses) on defined benefit plan	4(c)	-	54
		928	(127)
Change in fair value of equity securities available-for-sale	17	17	2
Net income recognised directly in equity		945	(125)
Profit / (loss) for the year		(276)	(4,880)
Total recognised income and expense for the year		669	(5,005)

The Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

BSES Limited
Balance Sheet
As at 30 June 2006

	Notes	2006 $'000	2005 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	20,506	21,663
Trade and other receivables	9	3,967	2,663
Inventories	10	129	365
Total current assets		**24,602**	**24,691**
Non-current assets			
Property, plant and equipment	11	16,777	18,089
Financial assets	12	43	26
Deferred tax assets	13	-	-
Employee benefits	15	2,429	1,903
Total non-current assets		**19,249**	**20,018**
TOTAL ASSETS		**43,851**	**44,709**
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,469	3,009
Employee benefits	15	1,812	1,895
Total current liabilities		**3,281**	**4,904**
Non-current liabilities			
Trade and other payables	14	60	72
Employee benefits	15	1,385	1,277
Total non-current liabilities		**1,445**	**1,349**
TOTAL LIABILITIES		**4,726**	**6,253**
NET ASSETS		**39,125**	**38,456**
EQUITY			
Retained earnings	17(a)	39,105	38,453
Fair value reserve	17(b)	20	3
TOTAL EQUITY		**39,125**	**38,456**

The Balance Sheet should be read in conjunction with the accompanying notes.

BSES Limited
Cash Flow Statement
For the year ended 30 June 2006

	Notes	2006 $'000	2005 $'000
Cash flows from operating activities			
Receipts			
Cash receipts from customers		19,366	16,782
Interest received		1,213	1,307
Net GST input tax credits		1,031	929
Payments to suppliers and employees		(21,082)	(18,675)
GST remitted to the ATO		(1,000)	(877)
Net cash used in operating activities	19	**(472)**	**(534)**
Cash flows from investing activities			
Payments for property, plant & equipment		(985)	(2,033)
Proceeds from sale of property, plant & equipment		300	212
Net cash used in investing activities		**(685)**	**(1,821)**
Net increase/(decrease) in cash and cash equivalents		**(1,157)**	**(2,355)**
Cash and cash equivalents at beginning of financial year		21,663	24,018
Cash and cash equivalents at end of financial year	8	**20,506**	**21,663**

The Cash Flow Statement should be read in conjunction with the accompanying notes.

BSES Limited
Notes to and forming part of the Financial Statements
For the year ended 30 June 2006

Note 1 Significant accounting policies

BSES Limited (the "Company") is a company domiciled in Australia. The Company is an unlisted public company, limited by guarantee.

The financial report was authorised for issue by the directors on 8 September 2006.

(a) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs), Urgent Issues Group Interpretations (UIGs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards (AASBs) adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (AIFRS) to distinguish from previous Australian GAAP.

This is the Company's first financial report prepared in accordance with Australian Accounting Standards, being AIFRS, and IFRS and AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 23.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The entity has elected to early adopt the following revised accounting standards:

- AASB 119 Employee Benefits (December 2004);
- AASB 2004-3 Amendments to Australian Accounting Standards (December 2004) amending AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards (July 2004), AASB 101 Presentation of Financial Statements, AASB 124 Related Party Disclosures.
- AASB 2005-1 Amendments to Australian Accounting Standards (May 2005) amending AASB 139 Financial Instruments: Recognition and Measurement.
- AASB 2005-3 Amendments to Australian Accounting Standards (June 2005) amending AASB 119 Employee Benefits (either July or December 2004).
- AASB 2005-4 Amendments to Australian Accounting Standards (June 2005) amending AASB 139 Financial Instruments: Recognition and Measurement, AASB 132 Financial Instruments: Disclosure and Presentation, AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (July 2004), AASB 1023 General Insurance Contracts, AASB 1038 Life Insurance Contracts.
- AASB 2005-5 Amendments to Australian Accounting Standards (June 2005) amending AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards (July 2004), and AASB 139 Financial Instruments: Recognition and Measurement.
- AASB 2005-6 Amendments to Australian Accounting Standards (June 2005) amending AASB 3 Business Combinations.
- AASB 2005-8 Amendments to Australian Accounting Standards (June 2005) amending AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards (July 2004).
- AASB 2005-9 Amendments to Australian Accounting Standards (September 2005) amending AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts, AASB 132 Financial Instruments: Disclosure and Presentation, and AASB 139 Financial Instruments.
- AASB 2005-11 Amendments to Australian Accounting Standards (September 2005) amending AASB 101 Presentation of Financial Statements, AASB 112 Income Taxes, AASB 132 Financial Instruments: Disclosure and Presentation, AASB 133 Earnings per Share, AASB 139 Financial Instruments: Recognition and Measurement, and AASB 141 Agriculture.
- UIG 4 Determining whether an Arrangement contains a Lease
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

The Company has not elected to early adopt AASB 7, Financial Instruments: Disclosures, which is required to be adopted for annual reporting periods beginning on or after 1 January 2007. AASB 7 requires disclosure of the significance of financial instruments to the company's financial position and performance, and the nature and extent of risks arising from financial instruments to which the company is exposed during the period, and how the company manages those risks. The company intends to adopt AASB 7 in its financial report for the year ending 30 June 2008. The impact of AASB 7 has not been determined.

The financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as available-for-sale.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005) and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied.

Note 1 Significant accounting policies (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in Note 1(s).

The accounting policies set out below have been applied consistently to all periods presented in the financial report and in preparing an opening AIFRS balance sheet at 1 July 2004 for the purposes of the transition to Australian Accounting Standards – AIFRS.

(c) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses - see Note 1(i). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2004, the date of transition to Australian Accounting Standards - AIFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.
Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses - see Note 1(i).

(iii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Income Statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- Buildings 33.3 years
- Laboratory Equipment 3-15 years
- Plant and Machinery 5-19 years
- Motor Vehicles 5-15 years
- Office Furniture & Equipment 3-10 years
- Information Technology Equipment 3-8 years

The residual value, if not insignificant, is reassessed annually. The useful lives of assets are also reassessed annually.

Note 1 Significant accounting policies (continued)

(e) Financial assets

Equity financial instruments held by the Company are classified as being available-for-sale financial assets and are stated at fair value (except where the equity financial instrument is unquoted, in which case it is carried at cost), with any resultant gain or loss being recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Income Statement.

The fair value of financial instruments classified as available-for-sale financial assets is their quoted bid price at the balance sheet date.

Financial instruments classified as available-for-sale financial assets are recognised/derecognised by the Company on the date it commits to purchase/sell the investments.

(f) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses - see Note 1(i).

(g) Inventories

Inventories represent work in progress associated with the delivery of research and development and extension services, being costs accumulated that have not been invoiced. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated recoverable income in the ordinary course of business, less the estimated costs of completion.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and at call deposits.

(i) Impairment

The carrying amounts of the Company's assets, other than inventories, see Note 1(g), and deferred tax assets, see Note 1(o), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and compared to the asset's carrying amount - see Note 1(i)(i).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the Income Statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of goodwill (if any) allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Indefinite-lived intangible assets were tested for impairment at 1 July 2004, the date of transition to AIFRSs, even though no indication of impairment existed.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the Income Statement even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the Income Statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement.

(i) Calculation of recoverable amount

The recoverable amount of the Company's investments in receivables carried at amortised cost, is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, in the context of a not-for-profit entity, depreciable replacement cost has been adopted as the value in use.

Note 1 Significant accounting policies (continued)

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through the Income Statement.

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.

(j) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Income Statement as incurred.

(ii) Defined benefit superannuation funds

The Company's net obligation in respect of defined benefit superannuation funds is calculated by estimating 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, and the fair value of any fund assets is deducted.

The discount rate is the yield at the balance sheet date on government bonds that have maturity dates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a fund are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the Income Statement.

All actuarial gains and losses as at 1 July 2004, the date of transition to AIFRSs, were recognised. The Company has elected to recognise actuarial gains and losses that arise subsequent to 1 July 2004 directly to retained earnings.

Past service cost is the increase in the present value of the defined benefit obligation for employee services in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service costs may either be positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(iii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits, other than superannuation funds, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

(iv) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

(k) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

(l) Trade and other payables

Trade and other payables are stated at cost.

Note 1 Significant accounting policies (continued)

(m) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the Income Statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the Balance Sheet until the service has been rendered or the Company has successfully completed agreed-to milestones. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, if the costs incurred or to be incurred cannot be measured reliably, if there is a risk of return of goods, or if there is continuing management involvement with the goods.

(ii) Grants

Grants that compensate the Company for expenses incurred are recognised as revenue in the Income Statement on a systematic basis in the same periods in which the expenses are incurred.

Grants of assets, or that compensate the Company for the cost of an asset, are recognised in the Income Statement when the Company obtains control of the contribution or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to the Company; and the amount of the contribution can be recognised reliably.

(iii) Net financial income

Interest income is recognised in the Income Statement as it accrues, using the effective interest method. Dividend income is recognised in the Income Statement on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest method.

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, dividends on redeemable preference shares, interest receivable on funds invested, dividend income, and foreign exchange gains and losses.

(n) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income Statement as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(o) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(p) Segment reporting

The company has not applied AASB114, Segment Reporting, as the Standard does not apply to not-for-profit entities.

Note 1 Significant accounting policies (continued)

(q) Non-current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in the Income Statement, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

(r) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(s) Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. Instances when accounting estimates and judgements were used are outlined below:

(i) Actuarial assumptions: The Company accepted the actuarial assumptions in the determination of its net asset or liability related to the defined benefit superannuation fund as set out in Note 16.

(ii) Long service leave provisions: Estimates and judgements used to determine the likelihood of staff qualifying for long service leave in future accounting periods are based on historical trends within the Company. Historical data was used to determine when existing entitlements would be taken, and redundancies were excluded.

(iii) Work in progress and revenue received in advance: Assessment is based on several assumptions that have been fully disclosed to the auditors and the Audit Committee.

		2006	2005
		$'000	$'000
Note 2	**Revenue**		
	Fees and service charges	9,849	5,649
	Research grants		
	Queensland Government - Department of Primary Industries & Fisheries	3,800	3,800
	Other parties (including SRDC, CRCSIIB, NRMW)	6,163	6,000
	Other revenue	427	421
		20,239	15,870
Note 3	**Other income**		
	Miscellaneous income	166	175
		166	175
Note 4	**Income tax**		
	(a) Income tax expense/(benefit)		
	Recognised in the income statement		
	Current tax expense/(benefit)		
	Current year	-	-
	Adjustments for prior years	-	(167)
		-	(167)
	Deferred tax expense/(benefit)		
	Origination and reversal of temporary differences	-	(349)
	Benefit of tax losses recognised	-	-
		-	(349)
	Total income tax expense/(benefit) in income statements	-	(516)
	Attributable to:		
	Continuing operations	-	(516)
		-	(516)
	Deferred income tax expense/(benefit) included in income tax expense/(benefit) comprises:		
	Decrease/(increase) in deferred tax assets	-	590
	(Decrease)/increase in deferred tax liabilities	-	(939)
		-	(349)
	(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax		
	Pre-tax profit/(loss)	(276)	(5,396)
	Tax at the corporate tax rate of 30%	(83)	(1,619)
	Increase in income tax expense due to:		
	Non-deductible expenses	2	10
	Benefit of losses and deferred tax balances not brought to account	81	1,260
		-	(349)
	Under/(over) provided in prior years	-	(167)
	Income tax expense/(benefit)	-	(516)
	Attributable to:		
	Continuing operations	-	(516)
	Discontinuing operations	-	-
		-	(516)
	(c) Deferred tax recognised directly in equity		
	Relating to actuarial (gains)/ losses recognised on defined benefit plan	-	54

		Notes	2006 $'000	2005 $'000
Note 5	**Personnel expenses**			
	Wages, salaries and oncost		12,366	13,454
	Superannuation contributions - accumulation members		631	175
	Defined benefit plan expense	16(d)	402	747
			13,399	14,376
Note 6	**Net financing income**			
	Interest income		1,243	1,307
	Interest expense		-	-
			1,243	1,307
Note 7	**Auditors' remuneration**			
	Auditors of the company's financial reports			
	Grant Thornton Queensland Partnership			
	Audit of financial reports		35	25
Note 8	**Cash and cash equivalents**			
	Cash on hand		3	3
	Imprest bank accounts		11	11
	Cash at bank		834	946
	Deposits at call		19,658	20,703
			20,506	21,663
Note 9	**Trade and other receivables**			
	Current			
	Trade debtors		2,270	2,110
	Prepayments		191	271
	Accrued income		1,499	279
	Other receivables		7	3
			3,967	2,663
Note 10	**Inventories**			
	Work in progress		129	365
Note 11	**Property, plant & equipment**			
	Land - at cost		7,911	7,983
	Buildings - at cost		6,851	6,899
	Less: Accumulated depreciation		(1,301)	(853)
			5,550	6,046
	Plant and machinery - at cost		2,792	2,554
	Less: Accumulated depreciation		(1,627)	(1,271)
			1,165	1,283
	Laboratory equipment - at cost		2,620	2,346
	Less: Accumulated depreciation		(1,654)	(1,267)
			966	1,079
	Motor vehicles - at cost		924	1,161
	Less: Accumulated depreciation		(524)	(490)
			400	671
	Office furniture and equipment - at cost		225	170
	Less: Accumulated depreciation		(119)	(80)
			106	90
	Information technology equipment - at cost		2,050	1,825
	Less: Accumulated depreciation		(1,371)	(888)
			679	937
	Total property, plant and equipment		**16,777**	**18,089**

Note 11 Property, plant & equipment (continued)

Movements during the reporting period

	Land	Buildings	Plant and Machinery	Laboratory Equipment	Motor Vehicles	Office Furniture and Equipment	Information Technology Equipment	Total
Cost	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 1 July 2004	7,132	6,855	2,526	2,309	1,310	122	1,192	21,446
Additions	851	44	138	124	147	48	715	2,067
Disposals	-	-	(110)	(87)	(296)	-	(82)	(575)
Balance at 30 June 2005	7,983	6,899	2,554	2,346	1,161	170	1,825	22,938
Balance at 1 July 2005	7,983	6,899	2,554	2,346	1,161	170	1,825	22,938
Additions	-	36	258	280	-	69	276	919
Disposals	(72)	(84)	(20)	(6)	(237)	(14)	(51)	(484)
Balance at 30 June 2006	7,911	6,851	2,792	2,620	924	225	2,050	23,373

	Land	Buildings	Plant and Machinery	Laboratory Equipment	Motor Vehicles	Office Furniture and Equipment	Information Technology Equipment	Total
Accumulated depreciation and impairment losses	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*	*$'000*
Balance at 1 July 2004	-	393	667	601	300	31	369	2,361
Depreciation expense	-	460	663	731	316	49	585	2,804
Disposals	-	-	(59)	(65)	(126)	-	(66)	(316)
Balance at 30 June 2005	-	853	1,271	1,267	490	80	888	4,849
Balance at 1 July 2005	-	853	1,271	1,267	490	80	888	4,849
Depreciation expense	-	459	365	390	197	44	527	1,982
Disposals	-	(11)	(9)	(3)	(163)	(5)	(44)	(235)
Balance at 30 June 2006	-	1,301	1,627	1,654	524	119	1,371	6,596
Carrying amounts								
At 1 July 2004	7,132	6,462	1,859	1,708	1,010	91	823	19,085
At 30 June 2005	7,983	6,046	1,283	1,079	671	90	937	18,089
At 1 July 2005	7,983	6,046	1,283	1,079	671	90	937	18,089
At 30 June 2006	7,911	5,550	1,165	966	400	106	679	16,777

	2006	*2005*
	$'000	*$'000*
Profit or (loss) on disposal of property, plant and equipment	51	(47)

Note 12 Financial assets

	2006	*2005*
Non-current	*$'000*	*$'000*
Equity instruments, available-for-sale		
Shares in Sugar Terminals Ltd, at fair value	43	26
	43	26

Note 13 Deferred tax assets and liabilities

	2006 $'000	2005 $'000
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Assessable temporary differences	529	582
Tax losses	974	840
	1,503	1,422

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that the future taxable profit will be available against which the company can utilise the benefits.

Note 14 Trade and other payables

	Notes	2006 $'000	2005 $'000
Current			
Trade creditors		684	1,517
Other creditors		29	43
Accrued expenses		531	207
Income received in advance		225	1,242
		1,469	3,009
Non-current			
Rent in advance		60	72
		60	72

Note 15 Employee benefits

Assets			
Non-current			
Defined benefit plan surplus	16(a)	2,429	1,903
Liabilities			
Current			
Salaries and wages accrued		349	271
Liability for annual leave		1,169	1,101
Liability for long-service leave		294	523
		1,812	1,895
Non-current			
Liability for long-service leave		1,385	1,277

Note 16 Superannuation

Plan information

BSES Limited is the sponsor of the BSES Limited Superannuation Plan. The last actuarial valuation of the plan was conducted as at 1 July 2005. Accordingly, the actuary determined this fund had surplus assets to allow BSES Limited to continue its contribution holiday for the defined benefit plan until 30 June 2009. The superannuation fund was moved into a Sunsuper Master Trust Fund effective from 1 July 2005. The contribution holiday for the defined benefit fund has continued from 1 July 2005 to 30 June 2006. Contribution for the accumulation members commenced on 1 October 2005.

Defined benefit members receive lump sum benefits on retirement, death, total permanent disablement and withdrawal. The defined benefit section of the plan is closed to new members.

The last actuarial assessment of the fund was made at 1 July 2005 and is detailed in Note 16(n).

	Notes	***2006***	***2005***
a) The amounts recognised in the balance sheet are as follows:		***$'000***	***$'000***
Present value of funded defined benefit obligations at end of year	16(b)	13,102	14,227
Fair value of plan assets at end of year	16(c)	15,531	16,130
		(2,429)	(1,903)
Unrecognised past service cost		-	-
Unrecognised gain/(loss)		-	-
Adjustment for limitation on net asset		-	-
Net liability/(asset) recognised in balance sheet at end of year	15	**(2,429)**	**(1,903)**

b) Reconciliation of the present value of the defined benefit obligation:		
Present value of defined benefit obligations[1] at beginning of the year	14,227	12,769
Current service cost	762	1,054
Interest cost	629	645
Contributions by plan participants	189	141
Defined benefit salary sacrifice contributions met from defined benefit assets	(61)	(144)
Actuarial (gains)/losses	(226)	791
Benefits and taxes paid	(2,251)	(565)
Accumulation contributions met from defined benefit assets	(167)	(464)
Past service cost	-	-
Curtailments	-	-
Settlements	-	-
Exchange rate changes	-	-
Present value of defined benefit obligations[1] at end of the year	13,102	14,227

[1] *Includes contributions tax provision on plan surplus or deficit*

c) Reconciliation of movement in the fair value of plan assets is as follows:		
Fair value of plan assets at beginning of the year	16,130	15,600
Expected return on plan assets	989	952
Actuarial gains/(losses)	702	610
Employer contributions	-	-
Contributions by plan participants	189	141
Defined benefit salary sacrifice contributions met from defined benefit assets	(61)	(144)
Benefits and taxes paid	(2,251)	(565)
Accumulation contributions paid from defined benefits assets	(167)	(464)
Settlements	-	-
Business combinations	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of the year	**15,531**	**16,130**

Note 16	Superannuation (continued)		2006 $'000	2005 $'000
d)	The amounts recognised in the income statement are as follows:			
	Current service cost[1]		595	590
	Interest cost		629	645
	Expected return on plan assets (net expenses)		(989)	(952)
	Amortisation of past service cost		-	-
	Amortisation of actuarial (gain)/loss		-	-
	Movement in adjustment for limitation on net asset		-	-
	Curtailment or settlement (gain)/loss		-	-
	Contributions to accumulation section funded from defined benefit assets		167	464
	Expense/(income) recognised	5	**402**	**747**

[1] Includes expected change in provision for contributions tax on plan surplus or deficit.

e)	Amounts recognised in the statement of recognised income and expense:		
	Actuarial gains/(losses)	928	(181)
	Adjustment for limit on net asset	-	-
f)	Cumulative amount recognised in the statement of recognised income and expense		
	Cumulative amount of actuarial (gains)/losses	747	(181)
g)	Plan assets		
	The percentage invested in each asset class at the balance sheet date:		
	Australian equities	33%	32%
	Overseas equities	27%	23%
	Fixed interest securities	23%	28%
	Alternatives	10%	0%
	Property	5%	6%
	Cash	2%	11%
		100%	100%

h) Fair value of plan assets

The fair value of plan assets includes no amounts relating to:

- any of the Company's own financial instruments
- any property occupied by, or other assets used by, the Company.

i) Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax, investment fees and administration fees.

j)	Actual return on plan assets		
	Actual return on plan assets	1,691	1,562
k)	Principal actuarial assumptions at the balance sheet date		
	Discount rate	4.9 %pa	4.4% pa
	Salary increase rate	4.5% pa	4.0% pa
	Expected rate of return on assets*	6.2% pa	6.2% pa

** Net of investment tax and expenses and administration expenses*

Note 16	**Superannuation (continued)**		***2006***	***2005***
			$'000	***$'000***
l)	Historical information			
	Present value of defined benefit obligation at year end		13,102	14,227
	Fair value of plan assets at year end		15,531	16,130
	(Surplus)/deficit in plan		(2,429)	(1,903)
	Experience (gains)/losses adjustments – plan liabilities	16(b)	(226)	791
	Experience (gains)/losses adjustments – plan assets	16(c)	(702)	(610)
m)	Expected contributions			
	Expected employer contributions		-	-

n) Employer contributions

(i) Surplus/deficit

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made at no more than three yearly intervals and the last such assessment was made as at 1 July 2005.

The following is a summary of the most recent financial position of the BSES Limited Superannuation Plan (with respect to both defined benefit and accumulation members) calculated by the actuary in accordance with AAS 25 "Financial Reporting by Superannuation Plans":

	Last reporting date	***$'000***
Net market value of plan assets	1/07/2005	19,842
Accrued benefits	1/07/2005	17,668
Net surplus/(deficit)	1/07/2005	2,174

(ii) Contribution recommendations

BSES Limited is currently on a contribution holiday for its defined benefit members, contributions for accumulation members commenced on 1 October 2005. This is in line with the recommendation from the actuary at the previous valuation of the fund as at 1 July 2005. Contributions for defined benefit members are not expected to resume until 1 July 2009.

(iii) Funding method

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuary has adopted a method of funding benefits known as the aggregate method.

Under the aggregate method, the future contribution rates are determined, and are expected to be sufficient to fund the difference between the value of future benefits for existing defined benefit members and the value of plan assets attributable to defined benefit members, over the future working lifetime of the existing defined benefit members.

An aggregate financing method can be expected to produce a higher level of volatility in recommended employer contribution rates, particularly as the defined benefit membership ages and reduces in size. Variations between actual and expected experience have a greater financial effect on future employer contribution rates as the future working lifetime of the existing defined benefit members reduces.

(iv) Economic assumptions

The economic assumptions used by the actuary for the last review, to make the funding recommendations were an expected rate of return on plan assets of 12.0% per annum for the first year and 7% per annum thereafter with a salary increase of 5.0% per annum.

(v) Nature of asset/liability

The BSES Limited Superannuation Plan does not impose a legal liability on BSES Limited to cover any deficit that exists in the plan. If the plan were wound up, there would be no legal obligation on BSES Limited to make good any shortfall. The trust deed of the plan states that if the plan winds up, the remaining assets are to be distributed by the trustee of the plan in an equitable manner as it sees fit.

BSES Limited may at any time by notice to the trustee terminate its contributions. BSES Limited has a liability to pay the monthly contributions due prior to the effective date of the notice, but there is no requirement for BSES Limited to pay any further contributions, irrespective of the financial condition of the plan.

BSES Limited may benefit from any surplus in the plan in the form of a contribution reduction or contribution holiday. Any reduction in contributions would normally be implemented only after advice from the plan's actuary.

		2006 $'000	2005 $'000
Note 17	**Retained earnings and reserves**		
a)	**Retained earnings**		
	Retained earnings at the beginning of the year	38,453	43,460
	Total recognised income and expense	652	(5,007)
	Retained earnings at the end of the year	39,105	38,453
b)	**Reserves**		
	Fair value reserve at the beginning of the year	3	1
	Total recognised income and expense	17	2
	Fair value reserve at the end of the year	20	3

BSES Limited is a company limited by guarantee, as such, it does not have share capital.

The fair value reserve incudes the cumulative net change in the fair value of available-for-sale financial instruments until the investment is derecognised.

Note 18 Contingent assets/liabilities

Contractual commitments include warranties given in the normal course of commercial arrangements. Allegations of a breach of contract have been made in relation to a research project. The Company maintains that no contractual relationship existed and will defend any action brought vigorously. There were no other known contingent assets or liabilities of a significant nature at 30 June 2006.

In the event of BSES being wound up, each of its members (numbering almost 3000) has undertaken to contribute an amount not exceeding $1.00.

Note 19 Cash flow statement

Reconciliation of profit/(loss) from ordinary activities after income tax to net cash inflow from operating activities		
Profit/(loss) for the year	(276)	(4,880)
Adjustments for:		
Depreciation	1,984	2,804
(Profit)/loss from sale of property, plant and equipment	(51)	47
(Increase)/decrease in defined benefit surplus	402	747
Change in working capital and provisions:		
(Increase)/decrease in trade and other receivables, and prepayments	(1,305)	592
(Increase)/decrease in inventories	236	(154)
Increase/(decrease) in payables	(1,486)	656
Increase/(decrease) in income tax payable	-	(167)
Increase/(decrease) in deferred tax liabilities	-	(349)
Increase/(decrease) in employee benefits	24	170
Net cash used in operating activities	**(472)**	**(534)**

Note 20 Financial instruments

(a) Interest rate risk exposures

The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial instruments	Note	Floating interest rate		Fixed interest rate maturing in: One year or less		Fixed interest rate maturing in: One year or less		Non interest bearing		Total carrying amount as per Balance Sheet		Weighted average interest rates %	
		2006 $'000	*2005 $'000*	*2006 $'000*	*2005 $'000*	*2006 $'000*	*2005 $'000*	*2006 $'000*	*2005 $'000*	*2006 %*	*2005 %*
Financial assets											
Cash and cash equivalents	8	20,492	21,649	-	-	14	14	20,506	21,663	5.70	5.73
Trade and other receivables	9	-	-	-	-	3,776	2,392	3,776	2,392		
Other investments	12	-	-	-	-	43	26	43	26		
Total financial assets		20,492	21,649	-	-	3,833	2,432	24,325	24,081		
Financial liabilities											
Trade and other payables	14	-	-	-	-	1,244	1,767	1,244	1,767		
Total financial liabilities		-	-	-	-	1,244	1,767	1,244	1,767		

(b) Net fair values of financial assets and liabilities

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date approximate their carrying values.

(c) Credit risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the statement of financial position. There are no concentrations of credit risk.

Note 21 Commitments

	2006 $'000	***2005 $'000***
Capital commitments		
There were no significant capital expenditure commitments as at 30 June 2006.		
Operating commitments		
(i) Lease commitments		
Motor vehicle lease commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
- not later than one year	171	166
- later than one year but not later than five years	85	43
- later than five years	-	-
	256	209
Operating lease expense during the year	245	160

(ii) Other significant operating commitments

Total operating expenditure contracted for at balance date but not provided for in the financial statements, and payable:

(a) Co-operative Research Centre for Sugar Industry Innovation through Biotechnology (CRCSIIB) agreement		
- not later than one year	278	1,693
- later than one year but not later than five years	5,072	7,233
- later than five years	-	-
	5,350	8,926

BSES Limited is a core participant in the CRCSIIB. At year end negotiations with CRCSIIB were continuing on a new project portfolio for the next 3 years and a verbal agreement has been reached. Subject to formal documentation, continued participation in the CRCSIIB requires a commitment of $4.75 million in-kind contributions and $0.6 million in cash contributions over a 3-year period ending 30 June 2009.

(b) Co-operative Research Centre for Tropical Plant Protection (CRCTPP) agreement		
- not later than one year	-	470
- later than one year but not later than five years	-	-
- later than five years	-	-
	-	470

The agreement ended on 30 June 2006.

	2006 $'000	2005 $'000

Note 22 Key management personnel disclosures

Remuneration paid to Directors of BSES Limited, including the Managing Director, in the period 1 July 2005 to 30 June 2006 in connection with the management of BSES Limited includes salary, fees and commissions and contributions to members' superannuation and other benefits paid to them and on their behalf.

The key management personnel compensation included in administration expenses are as follows:

Short-term employee benefits	332	325
Post-employment benefits	101	58
Other long-term benefits	14	11
	447	394

Note 23 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Reconciliation of retained earnings at 1 July 2004	Notes	Previous GAAP at 1 July 2004 $'000	Adjustment $'000	Australian Equivalents to AIFRS at 1 July 2004 $'000
ASSETS				
Current assets				
Cash and cash equivalents		24,018	-	24,018
Trade and other receivables		3,255	-	3,255
Inventories		211	-	211
		27,484	**-**	**27,484**
Non-current assets				
Property, plant and equipment		19,085	-	19,085
Financial assets	(e)	23	1	24
Employee benefits	(a)(i)	-	2,831	2,831
Deferred tax assets	(d)	590	(590)	-
Total non-current assets		**19,698**	**2,242**	**21,940**
TOTAL ASSETS		**47,182**	**2,242**	**49,424**
LIABILITIES				
Current liabilities				
Trade and other payables	(b)	3,942	(1,639)	2,303
Employee benefits	(b)	-	1,639	1,639
Current tax liability		167	-	167
Total current liabilities		**4,109**	**-**	**4,109**
Non-current liabilities				
Trade and other payables	(f)	-	88	88
Deferred tax liability	(a)(i), (d)	144	259	403
Employee benefits		1,363	-	1,363
Other	(f)	88	(88)	-
Total non-current liabilities		**1,595**	**259**	**1,854**
TOTAL LIABILITIES		**5,704**	**259**	**5,963**
NET ASSETS		**41,478**	**1,983**	**43,461**
EQUITY				
Retained earnings	(a)(i)	41,478	1,982	43,460
Fair value reserve	(e)	-	1	1
TOTAL EQUITY		**41,478**	**1,983**	**43,461**

Note 23 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

Reconciliation of retained earnings at 30 June 2005	Notes	Previous GAAP at 30 June 2005 $'000	Adjustment $'000	Australian Equivalents to AIFRS at 30 June 2005 $'000
ASSETS				
Current assets				
Cash and cash equivalents		21,663	-	21,663
Trade and other receivables		2,663	-	2,663
Inventories		365	-	365
Total current assets		**24,691**	**-**	**24,691**
Non-current assets				
Property, plant and equipment		18,089	-	18,089
Financial assets	(e)	23	3	26
Employee benefits	(a)(ii)	-	1,903	1,903
Total non-current assets		**18,112**	**1,906**	**20,018**
TOTAL ASSETS		**42,803**	**1,906**	**44,709**
LIABILITIES				
Current liabilities				
Trade and other payables	(b)	4,904	(1,895)	3,009
Employee benefits	(b)	-	1,895	1,895
Total current liabilities		**4,904**	**-**	**4,904**
Non-current liabilities				
Trade and other payables	(f)	-	72	72
Employee benefits		1,277	-	1,277
Other	(f)	72	(72)	-
Total non-current liabilities		**1,349**	**-**	**1,349**
TOTAL LIABILITIES		**6,253**	**-**	**6,253**
NET ASSETS		**36,550**	**1,906**	**38,456**
EQUITY				
Retained earnings	(a)(ii)	36,550	1,903	38,453
Fair value reserve	(e)	-	3	3
TOTAL EQUITY		**36,550**	**1,906**	**38,456**

Note 23 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

Reconciliation of profit/(loss) for the year ended 30 June 2005	*Notes*	**Previous GAAP at 30 June 2005** ***$'000***	**Adjustment** ***$'000***	**Australian Equivalents to AIFRS at 30 June 2005** ***$'000***
Revenue		15,870	-	15,870
Research, development and extension expenses	(a)(iii)	(19,043)	(747)	(19,790)
Gross profit/(loss)		(3,173)	(747)	(3,920)
Other income	(c), (g)	1,694	(1,519)	175
Administration expenses	(c)	(3,170)	212	(2,958)
Profit/(loss) before financing income		(4,649)	(2,054)	(6,703)
Financial income	(g)	-	1,307	1,307
Financial expenses		-	-	-
Net financing income		-	1,307	1,307
Profit/(loss) before income tax expense		(4,649)	(747)	(5,396)
Income tax (expense)/benefit	(a) (iii)	(279)	795	516
Net profit/(loss) for the year		**(4,928)**	**48**	**(4,880)**

Reconciliation of cash flow statement for the year ended 30 June 2005

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

Notes to the reconciliations of equity and profit and loss at 1 July 2004 and 30 June 2005

(a) BSES Limited is the sponsor of the BSES Limited Superannuation Plan with a defined benefit section and a defined contribution section. Under previous AGAAP, cumulative actuarial gains and losses on the defined benefit plan were not recognised on the balance sheet. At the date of transition, an asset is recognised in employee benefits. It is measured as the difference between the present value of the employees' accrued benefits at that date and the net market value of the superannuation fund's assets at that date. The effect of this is:

(i) At 1 July 2004

At 1 July 2004 the fair value of the fund was more than its present value by $2,831,000 resulting in the recognition of an asset related to the defined benefit fund. A deferred tax liability of $849,000 arises under AASB 112, Income Taxes, in relation to this asset.

(ii) At 30 June 2005

At 30 June 2005 the fair value of the fund was more than its present value by $1,903,000 resulting in the recognition of an asset related to the defined benefit fund. The reduction in the asset during the year ended 30 June 2005 is represented by superannuation expense of $747,000, which has been recognised in the income statement, and actuarial losses of $181,000 which has been recognised directly in retained earnings. While a deferred tax liability of $571,000 arises under AASB 112, Income Taxes, in relation to this asset, this has been applied to reduce the net deferred tax asset not recognised by the Company due to the existence of carried forward tax losses.

(iii) For the year ended 30 June 2005

Employee benefits expense for the year has increased by $747,000 and the income tax expense has decreased by $795,000. The decrease in income tax expense is represented by the de-recognition of the deferred tax liability, referred to note (a)(i) above of $849,000, less income tax benefit related to the actuarial loss recognised directly in equity of $54,300 ($181,000 x 30%).

(b) The company previously recognised liabilities for employee benefits within the balance of trade and other payables. Upon transition to AIFRS, the company has recognised these as a separate item on the face of the balance sheet.

(c) Under previous GAAP, the company disclosed as income the gross proceeds on disposal of non-current assets of $212,000. Under AIFRS, the net loss on sale is presented within administration expenses.

(d) Under previous GAAP, the company disclosed deferred tax assets and deferred tax liabilities as separate line items in the balance sheet. Under AIFRS, the net deferred tax liability is presented.

(e) Under previous GAAP, the company recognised its investment in equity securities at cost. Under AIFRS, these available-for-sale financial assets are recognised at fair value, with fair value adjustments recognised as a separate component of equity.

(f) Under previous GAAP, the company disclosed a separate non-current liability which should be classified as a non-current trade and other payable.

(g) Under previous GAAP, interest income of $1,307,000 was disclosed as "other income" and has been re-presented as "financial income" under AIFRS.

Note 24 Related parties

The names of persons who were directors of BSES at any time during the financial period are:
Mr Tom Fenwick, Chairperson
Mr Eoin Wallis, Managing Director
Ms Mary Boydell
Mr Ross Chapman
Mr Shayne Rutherford
Mr Lou Raiteri
Ms Maryann Salvetti (retired 25 October 2005)
Mr Grant Maclean, Deputy Chairperson (retired 25 October 2005)
Mr John King (appointed 25 October 2005)
Mr Joe Russo (appointed 25 October 2005)

Four directors are directors and/or officers of milling companies and the company has entered into agreements with these milling companies, such as cane analysis services agreements, research agreements, confidentiality agreements and BSES PBR and Services Agreements. These Directors are: GD Maclean, Bundaberg Sugar Limited; SW Rutherford, CSR Limited; LJ Raiteri, Proserpine Co-operative Sugar Milling Association Limited; JH King, Tully Sugar Limited. In addition, Grower Directors M Salvetti, LJ Raiteri and JJ Russo, or entities related to them, have entered into BSES PBR and Services Agreements with the company. All such related transactions are on normal commercial terms and conditions occurring in a normal customer or supplier relationship at arms' length and are trivial or domestic in nature.

Note 25 Events occurring after reporting date

As outlined in the managing director's statement, an outbreak of sugarcane smut occurred in the Bundaberg-Childers cane-growing area in June 2006. The Board reacted immediately to this outbreak by agreeing to provide up to $2 million in emergency funding to both investigate and mitigate the effects of the outbreak. At 30 June 2006, the Company had incurred $180,000 in costs related to the outbreak and has recorded that amount as a receivable in the financial report. Subsequent to year end, assurances have been given by the Queensland Government to reimburse such expenditure as part of a larger response to the incursion of this disease. The Company has no reason to believe that these costs will not be reimbursed.

Allegations of a breach of contract have been made in relation to a research project. The Company maintains that no contractual relationship existed and will defend any action brought vigorously.

Other than above, there are no events after the reporting date that have material financial effects on the accounts at 30 June 2006.

Note 26 Registered office and principal place of business

50 Meiers Road
Indooroopilly
Queensland 4068

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 19 to 41:

(a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
(b) give a true and fair view of the company's financial position as at 30 June 2006 and of its performance, as represented by the results of its operations and its cash flows, for the financial period ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 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.

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

LJ Raiteri
Acting Chairman

ES Wallis
Chief Executive Officer

8 September 2006

Grant Thornton

Grant Thornton Queensland Partnership
ABN 13 131 589 059
Chartered Accountants, Business Advisers and Consultants

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF BSES LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of recognized income and expenses, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for BSES Limited (the company), for the year ended 30 June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Level 4
Grant Thornton House
King George Square
102 Adelaide Street
Brisbane Qld 4000 Australia
GPO Box 1008
Brisbane Qld 4001 Australia
T +61 7 3222 0200
F +61 7 3222 0444
W www.grantthornton.com.au

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration in the financial report has not changed as at the date of providing our audit opinion.

Audit opinion

In our opinion, the financial report of BSES Limited is in accordance with:

(a) the Corporations Act 2001, including:

i) giving a true and fair view of the company's financial position as at 30 June 2006, and of its performance for the year ended on that date; and

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

(b) other mandatory financial reporting requirements in Australia.

GRANT THORNTON QUEENSLAND PARTNERSHIP
CHARTERED ACCOUNTANTS

Grant Thornton Queensland Partnership

Dan Carroll

D J Carroll
Partner

Signed in Brisbane this 8TH day of September 2006

GLOSSARY OF TERMS

ACFA	-	Australian Cane Farmers Association
A-IFRS	-	Australian International Financial Reporting Standards
AQIS	-	Australian Quarantine Inspection Service
ASMC	-	Australian Sugar Milling Council
CCS	-	Commercial Cane Sugar
CRC-SIIB	-	Cooperative Research Centre for Sugar Industry Innovation through Biotechnology
CSIRO	-	Commonwealth Scientific and Industrial Research Organisation
CSR	-	Colonial Sugar Refinery
DEH	-	Department of Environment and Heritage
DNA	-	Deoxyribonucleic Acid – chemical structure that forms chromosomes
DPI&F	-	Department of Primary Industries and Fisheries
FPA	-	Farm Productivity Assessment
GM	-	Genetically Modified
GPS	-	Global Positioning System
IPM	-	Integrated Pest Management
NIR	-	Near Infra Red
NRMW	-	Natural Resources, Mines and Water
QSL	-	Queensland Sugar Limited
QUT	-	Queensland University of Technology
R&D	-	Research and Development
RD&E	-	Research, Development and Extension
SCAMP	-	Soil Constraints and Management Package
SRDC	-	Sugar Research Development Corporation

BSES Limited 50 Meiers Road / PO Box 86 Indooroopilly Qld 4068
Phone: 07 3331 3333 Fax: 07 3871 0383
Email: info@bses.org.au
www.bses.org.au