

Zero Net Emissions Agriculture CRC Annual Report

2024 - 2025





Acknowledgement of Country

Zero Net Emissions Agriculture CRC acknowledges the Traditional Custodians of the lands across Australia, where we live, work and learn.

We pay deep respect to Elders past and present and extend that respect to all First Nations people who have cared for Country for tens of thousands of years.

We honour their enduring connection to Country and knowledge passed down through generations.

Zero Net Emissions Agriculture CRC is committed to genuine Indigenous inclusion and will actively build respectful relationships with First Nations people, grounded in listening, learning and trust.

These relationships will bring together scientific insight and Indigenous wisdom to foster cultural awareness and understanding, to build a more sustainable future.

Together, we will shape a lower-emissions future for Australian agriculture.

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Our Partners

ZNE-Ag CRC brings together partners spanning universities, industry, and government.

Our network includes major agrifood enterprises, agtech innovators, grower and producer groups representing thousands of farmers, farm service and supply companies, a leading supermarket and bank, all levels of government (state, territory, and federal), and 11 Australian universities.

TIER 1 PARTNERS



TIER 2 PARTNERS



TIER 3 PARTNERS



TIER 4 PARTNERS



About us

Zero Net Emissions Agriculture CRC is Australia's national vehicle for transforming agriculture toward zero net emissions.

Established in early 2024 under the Australian Government's Cooperative Research Program, Zero Net Emissions Agriculture Cooperative Research Centre's (ZNE-Ag CRC) is a collaborative partnership between leading research organisations, industry bodies, companies, and government agencies.

The CRC is funded by the Australian Government Department of Industry, Science and Resources and the contribution of Partners. The CRC operates under the guidelines and requirements of a Commonwealth Agreement, with specific milestones to achieve through the curation and completion of research projects.

Vision

Zero net emissions from a thriving Australian agriculture sector.

Mission

Drive innovation for a low-emissions future by advancing practical, scalable solutions that enable producers and land managers to reduce emissions, enhance productivity, and protect natural resources.

Values



Innovation

We drive research and technology to deliver practical, scalable solutions that reduce emissions in agriculture.



Inclusivity

We value diverse perspectives and engage collaboratively with industries, governments, researchers, and land managers to ensure solutions are equitable, effective, and relevant.



Accountability

We act with transparency, integrity, and credibility, guided by evidence to inform our decisions and actions.



Effectiveness

We are outcomes-focused and committed to delivering measurable results that support the transition to a low-emissions future.



Collaboration

We achieve greater emissions reduction and productivity improvements by working together, building strong partnerships to deliver shared success.

Year in Review

Anchored by our strategic themes – develop technologies, demonstrate value, and deliver impact – our achievements reflect a bold, coordinated push to lower emissions from Australian agriculture.



Chair's Report

Toward a productive, inclusive, and lower emissions future.

It has been my privilege to serve both as the Interim Chair and Inaugural Chair of the Zero Net Emissions Agriculture CRC, and to present our first Annual Report. This first report spans the Company establishment in February 2024 through to 30 June 2025, a formative period in which the CRC moved from concept to reality.

The foundations for success were laid well before our official start, with the University of Queensland team leading the bid from early 2022. Their vision and commitment ensured we were in a strong position to begin with momentum. With the appointment of our CEO, Richard Heath, in March 2024, and the establishment of Richard's core team, we were quickly able to commence operations and build strong organisational capability.

From 1 July 2024, the core executive team and an eight-member, fully independent Board were in place. Over the financial year, the Board held six formal meetings and two out-of-session meetings, reflecting the pace of activity. We also established our three Board committees, and elected our Deputy Chair, Dr Nick Austin. Importantly, we welcomed the establishment of our Industry Advisory Committee in late 2024, strengthening our connection to industry perspectives and needs.

In our first year, as well as establishing governance and company policies, the Board approved a significant number of 'fast start' projects, with eight research projects contracted by 30 June 2025. In my experience in CRC's this is quite an achievement and is testament to the collaborative efforts of our research, industry and government partners.

I extend my thanks to our CEO, Richard Heath, whose leadership and vision have been instrumental in establishing a capable team and driving the CRC's early momentum. I also thank my fellow directors for their support and commitment, their willingness to share their expertise, and their guidance in establishing our strategy, culture and governance. Their collective contribution has been invaluable in ensuring we have had strong processes, sound oversight, and a clear strategic direction from the very start.

We owe a special acknowledgement to Tony Lee, a Yawuru man from Broome, who played a pivotal role on the bid advisory team, at interview, on the Establishment Committee, and the Inaugural board. Tony also brought the concept of the Indigenous Academy to the CRC. Although Tony resigned from the Board effective 31 May 2025, his governance experience, cultural leadership and education insights continue to shape the CRC's strategic direction.

The success of our first year reflects the work of the Board and management team, but more importantly the strength of our partnerships. Collaboration is the cornerstone of our CRC, and we look forward to deepening engagement and relationships as we move forward. I thank the partners for their enthusiasm, and their patience, as the CRC was established, and the first projects were brought together.

We operate in a time of rapid change for Australian agriculture, facing both the challenge of reducing emissions and the imperative of adapting to a changing climate to continue producing the high-quality food and fibre that this country is renowned for. The CRC is an ambitious national endeavour, built on the strength of collaboration of our partners. Together, we can develop practical solutions that will support farmers and industry to lower emissions, enhance productivity and protect our natural resources.

I am inspired by the progress made during our first year and am looking forward to seeing our first cohort of PhD students embedded into projects with industry and academic leadership.

The CRC is poised to accelerate innovation, foster collaboration, and drive meaningful change. I look forward to continuing to work with our partners to ensure our efforts make a tangible and lasting difference for agriculture, the environment, and the planet.



Dr Debra Cousins,
ZNE-Ag CRC Chair





CEO's Report

Laying the foundations for impact.

Our first year has been nothing short of remarkable. We built a national, coordinated effort to transform Australian agriculture to a lower-emissions future.

We established systems, partnerships and platforms to enable our success and, in our very first year, contracted eight research projects that are tackling the sector's most pressing emissions challenges.

What made this possible was the power of our partnerships and our world-class team. The CRC has attracted an extraordinary group of experts, people who bring deep expertise, bold thinking and a shared commitment to impact.

Our vision is clear: zero net emissions from a thriving Australian agriculture sector.

Our strategic direction, captured in the Pathway to Zero Net Emissions Strategic Plan, sets our course to achieve this ambition, built around three themes: develop technologies, demonstrate value and deliver impact. Two critical enablers, adoption and commercialisation, and education and training, underpin this work. These pillars have guided our achievements and will continue to drive our delivery of world-leading innovations.

In just 12 months we have:

- ▮ Contracted eight projects by 30 June 2025, representing an investment of \$3.1 million in FY25.
- ▮ Equipped our researchers with advanced measurement tools, such as GreenFeeds and flux towers, to capture emissions data on producer demonstration sites in real time.
- ▮ Selected nine Producer Demonstration Sites across Australia to trial technologies in real farming systems, generating evidence and building producer confidence.
- ▮ Implemented TurnKey, our investment management system, to track milestones, partner contributions and return on investment.
- ▮ Welcomed three new partners, further strengthening our reach and expertise.

- ▮ Formed our Industry Advisory Committee to provide commercial insight and guide investment decisions.
- ▮ Hosted six partner webinars to share progress, gather feedback and foster collaboration.
- ▮ Launched our visual identity, reflecting who we are: science-backed, industry-led and future-focused.
- ▮ Built national and global profile, participating in more than 20 key events, including the State of the Science Summit (California), to build recognition, share knowledge and strengthen our reputation as a leader in emissions reduction.

We also laid important groundwork for long-term transformation. Our education and training programs are in design, including a PhD scholarship scheme and face-to-face training modules. We appointed an Indigenous consultant to lead the co-design of our Indigenous Academy, an initiative that will foster two-way learning, cultural inclusion and the integration of traditional land management practices.

This year has been about building the foundations, both strategic and operational. The momentum we've created, and the trust we've built, will carry us into our second year with clarity and confidence. We are already seeing growing interest from technology providers eager to collaborate and validate their solutions with us, a clear signal of our credibility and reach.

To our partners, researchers, producers, Board, committees and staff - thank you. Together, we are not only imagining a zero net emissions future for Australian agriculture, we are building it.



Richard Heath
ZNE-Ag CRC CEO



Executive Summary

Zero Net Emissions Agriculture CRC (ZNE-Ag CRC) was established in early 2024 to lead a national transformation in agricultural sustainability.

In its first year, the CRC has built the strategic, operational, and collaborative foundations needed to deliver measurable impact across the sector.

Agricultural emissions in Australia vary year to year depending on seasonal conditions, contributing between 12% and 19% of national greenhouse gas emissions since 2005.

Nearly 80% of these agricultural emissions are methane, primarily from cattle and sheep. To maximise impact, the majority of the CRC's research investment is directed toward addressing methane emissions from grazing cattle and sheep, while also supporting solutions for other key sources such as nitrous oxide from fertilisers and carbon dioxide from urea use.

This inaugural year focused on activating the CRC's mission: to drive innovation for a low-emissions future through practical, scalable solutions that reduce agricultural emissions, enhance productivity, and protect natural resources.

The CRC's work is anchored in three strategic themes — Develop Technologies, Demonstrate Value, and Deliver Impact — supported by enabling functions in adoption, commercialisation, education, and training.

Over the past year, eight projects contracted by 30 June 2025. These initiatives united multidisciplinary teams from across Australia and exemplified a systems-level approach, integrating genetics, agronomy, technology, economics, and behavioural science.

Nine Producer Demonstration Sites were selected to trial technologies in Australian conditions, supported by advanced measurement infrastructure including GreenFeeds and flux towers.

The CRC made significant progress in building visibility and engagement, with a new brand and website launched alongside a popular partner webinar series, and monthly newsletters. These channels and targeted participation at industry events across Australia and the world, have helped establish the CRC's profile nationally and internationally.

Education and training initiatives are underway, including the design of a PhD scholarship scheme and industry-aligned training modules. Significant progress is being made to develop and co-design the CRC's Indigenous Engagement Strategy and guide the development of an Indigenous Academy pilot to embed cultural inclusion and two-way learning across programs.

Governance structures have been established to ensure strategic alignment, accountability, and responsiveness. The CRC's investment strategy for FY26 will accelerate progress toward emissions reduction goals, with a focus on technology development, carbon cycle measurement, adoption pathways, and capability building.



Our Research

It's wonderful to see the CRC's vision take shape. For this I am grateful to the Program Leads and project teams who put together such a great set of foundational projects, and to our Producer Demonstration Site Lead, Mick Taylor, for bringing this network to life.

Systems-Level Approach to Emissions Reduction

The breadth of expertise and knowledge that our partners bring together allows us, perhaps uniquely, to build emissions reductions solutions that integrate genetics, agronomy, technology, tools, economics, and behavioural science. This systems approach reflects the reality of farming systems, where emissions outcomes are shaped by a web of interacting decisions, constraints, and opportunities. The systems approach is essential to attack some of the "wicked" challenges we face, such as reducing methane from grazing cattle and sheep.

We are investing in equipment that will allow us to measure carbon sources and sinks on an unprecedented scale across Australia's agricultural zones.

The tools that matter most: real-time emissions measurement infrastructure, robust modelling frameworks, and scalable innovations that will be validated in the paddock.

Our use of GreenFeeds, flux towers and precise nitrous oxide measurement is enabling new levels of precision in quantifying emissions, while our investment in whole-farm modelling will ensure that there are pathways for emissions reductions that are not at the expense of productivity or profitability.

Scientific Significance and Global Relevance

Our research is not only nationally significant, it is globally relevant. We are building on decades of research, including fertilisers that reduce nitrous oxide, carbon accounting modelling, genomic prediction technologies that have transformed livestock breeding, and research into the rumen microbiomes. We are now focusing on the research required to scale up some of the technologies and get them out on farm.

Our participation in global initiatives, including the State of the Science Summit and global methane initiatives, ensures that Australian science is both informed by and

contributing to the frontier of emissions research.

Where the Priorities Lie

As we move into our second year, our research priorities are clear:

- **Measurement and Verification:** We are advancing the science of emissions accounting, developing protocols that align with national inventory methods and international standards. This work is critical to ensuring that on-farm reductions are recognised in supply chains and carbon markets.
- **Technology Stacking:** We will begin to understand how multiple innovations, such as low-emissions pastures, slow release rumen modifiers, and genetics, can be combined to deliver cumulative impact. This requires sophisticated modelling and validation on our Producer Demonstration Sites.
- **Adoption Pathways:** We are investing in the social science of change, understanding the behavioural, institutional, and policy levers that enable adoption of low emissions technologies. This includes co-designing training programs, extension models, and decision-support tools for producers.
- **Indigenous Knowledge Integration:** Initiatives such as the indigenous academy will offer deep insights into land stewardship that are essential to long-term sustainability.

Looking Ahead

The path to zero net emissions in agriculture is not simple. It will require new ways of thinking and some challenging discussions. We are unique in that we have the tools, the talent, and the partnerships all in one place to lead the shift to a lower emissions, profitable future for Australian agriculture.



Prof. Ben Hayes, ZNE-Ag
CRC Research Director

PROGRAM 1

Low Emissions Plant Solutions



Developing highly productive, low emissions pasture and legume varieties, evaluating enhanced efficiency fertilisers, and establishing demonstration sites to assess the emissions reduction potential of cover crops, productive trees, and legumes.

Through targeted breeding, field trials, and data analysis, Research Program 1 supports practical, science-based solutions for methane and nitrous oxide reduction across Australian farming landscapes.



1010: Northern Australia Low Methane Feedbase Program

Identifying pasture and browse plant species that can reduce methane emissions in extensively grazed cattle systems across Queensland, the Northern Territory, and Western Australia.



1030: Low Emissions Grasses for Cattle Feed

Developing low-methane emission tropical grasses for cattle feed. This project targets both methane and nitrous oxide emissions, benefiting crop growers and livestock producers.



1050: Fertiliser Evaluation Framework

Determining how the CRC tests and invests in fertilisers that reduce emissions.



1060: Waste-to-Fertiliser Innovation for Low Emission Farming

Developing novel, waste-derived fertilisers that efficiently deliver nutrients to crops while reducing agriculture emissions.



1021: MultiMix - Methane mitigating multispecies pastures for sheep

Designing and trialling diverse pasture mixes that improve productivity and environmental outcomes.

NEW

A Year of Discovery and Design



By Vicki Lane,
Program 1
Lead

Our focus has been on developing meaningful, productive partnerships and solutions that are not only scientifically robust but also commercially viable and culturally inclusive.

Proudly, Program 1 exemplified the CRC's commitment to partner-led design.

Each project was co-developed with industry, government, and research partners, ensuring relevance and readiness. The fertiliser evaluation framework, for example, will be shaped by over a dozen stakeholders and inform investment decisions across the CRC.

Program 1 is supported by a wide range of CRC Partners, including the Department of Primary Industries and Regional Development (Western Australia), Department of Industry, Tourism and Trade (Northern Territory), and Department of Primary Industries (Queensland). Academic partners include the University of Queensland, University of Western Australia, Charles Darwin University, and University of New England. Our crucial industry partners include AgForce Queensland Farmers Limited, Australian Agricultural Company (AACo), and the AgTech Consortium, the Cotton Research and Development Corporation (CRDC), Corteva and Barenbrug.

As we move into FY26, Program 1 will expand its portfolio while continuing to prioritise industry needs and deliver against our milestones.

*New projects contracted in FY26

PROGRAM 2

Towards Methane Free Cattle and Sheep



Developing affordable ways to help cattle and sheep produce less methane.

Focussing on genetics, nutrition, and how microbes in the animal's stomach work, Research Program 2 includes tools to measure how well these solutions work.



2030: Biodegradable Solutions for Low-Emissions Livestock

Developing biodegradable products to reduce methane emissions from beef and dairy cattle, and potentially sheep.



2010: Proxies for Ruminant Methane Emissions

Developing scalable, cost-effective methods for accurately measuring methane emissions in livestock to support herd management, emissions inventories, and genetic evaluations.

A New Chapter in Livestock Emissions Reduction



By Prof. Sam Clark,
Program 2 Lead

It's a privilege to have joined the CRC as Program 2 Lead. With livestock emissions representing the majority of agriculture's environmental footprint, the work we do here has national and global relevance.

Program 2 has moved from planning to execution, with two projects commencing by 30 June 2025 and another in contracting. This program is focused on three fronts: improving how we measure methane and developing low-cost proxies for methane, enabling genetic selection for low-emission animals, and developing delivery systems that work on Australian farms.

Research projects are designed to deliver against key Commonwealth milestones, including the development of methane measurement proxies, genetic selection tools, and novel rumen delivery systems.

Our partners span government, research and industry and include the Department of Primary Industries and Regional Development (Western Australia), Department of Industry, Tourism and Trade (Northern Territory), Department of Primary Industries and Regional Development (New South Wales), Agriculture Victoria Research Division and Queensland Department of Primary Industries. Academic partners include the University of Queensland, University of Western Australia, Macquarie University, and University of New England. Our industry partners include Ternes Agricultural Consulting Pty Ltd, Meat & Livestock Australia (MLA) and the Australian Agricultural Company (AACo).

In the coming year, we will focus on finalising the execution of more projects and contributing to the CRC's broader strategy for technology stacking at the Producer Demonstration Sites.



PROGRAM 3

Whole Farm and Mixed-Enterprise Systems Analysis



Taking on the industry-identified challenge of developing a single platform where trusted guidelines, resources, and benchmarking tools are integrated.

Research Program 3 is integrating all the science emerging from the CRC to provide farmers with the guidelines, resources, metrics, and benchmarking tools required for a profitable transition to zero net emissions.



3010: Ag GHG Accounting

Developing science-based guidance for on-farm greenhouse gas accounting and inform a national standard for quantifying emissions and removals in Australian agriculture.



3020: Farm Systems GHG Evaluation

Evaluate the emissions reduction potential of new and emerging technologies and their impact on production, profit, and risk within representative farm systems.

A Year of Integration Modelling, Measurement and Management



By Prof. Richard Eckard, Program 3 Lead

Program 3 is making emissions reduction real for producers, by embedding technologies into whole-farm systems and ensuring that the impact of innovation is recognised through credible accounting and reporting frameworks.

This year, we've launched two major projects. This first of which is developing national guidance for on-farm greenhouse gas accounting. It will align CRC research and innovation with international standards and national inventory methods, ensuring that emissions reductions achieved on-farm are recognised in company-level and national reporting. The other is evaluating the performance of CRC technologies in real farming systems. It's integrating biophysical modelling, life cycle assessment, economics and risk to identify the best combinations of technologies for adoption.

Together, these projects address five Commonwealth milestones, including the development of protocols for emissions reporting across supply chains, evaluation of CRC innovations, and integration of technology stacks into emissions modelling.

Program 3 is supported by a national team of collaborators. Academic partners include the University of Melbourne, University of Western Australia, Australian National University, University of New England, Queensland University of Technology, and University of Southern Queensland. Government partners include the New South Wales Department of Primary Industries and Regional Development, Department of Primary Industries and Regional Development (Western Australia), and the Department of Agriculture and Fisheries (Queensland). Industry partners include Meat & Livestock Australia, Nutrien Ag Solutions, Rabobank Australia, and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Our focus ahead is on launching Producer Demonstration Sites, finalising protocols for emissions reporting, and delivering best practice guidelines that support adoption.

PROGRAM 4

Delivering Value from Net Zero

Developing solutions that are widely adopted to create profitable opportunities for agribusinesses and rural communities.

Research in Program 4 integrates social science, economics, data science and engineering to develop renewable energy, circular economy, and supply chain solutions, and address behavioural and institutional barriers to adoption.



NEW

4020: Agrivoltaics: Integrating Profitable Agricultural Production and Renewable Energy Generation

Exploring the integration of solar panels into agricultural enterprises, known as agrivoltaics, to reduce emissions and enable zero fossil fuel farming.

*New projects contracted in FY26



Creating the Conditions for Change



By Prof. Marit Kragt,
Program 4 Lead

Program 4 has a broad remit, from developing novel renewable energy and circular economy technologies, to creating solutions across the broader value chain system. This is the program where we identify how people, processes, and institutional structures enable change to ensure that emission reduction innovations are adopted, scaled, and sustained.

Integrating social sciences into the 'hard' sciences is never easy. Through numerous discussions and workshops regulators, farm advisors, farmers and other supply chain participants, Program 4 has co-designed activities that will enable practice change at a system's level.

Supported by Sunrise Energy, we approved a project that investigates what crops can profitably be integrated with photovoltaics ('agrivoltaics'). Such integrated solutions can create multiple value streams for farmers, while the renewable energy that is generated will reduce emissions.

I am delighted that we are also about to start two important projects that address institutional challenges to emission reduction. These projects will collaborate with a broad range of government and industry stakeholders to develop new insetting approaches for the sector. Working with the Australian Agricultural Company (AACo), Impact Innovation, Producer Demonstration Sites and others, we will design behavioural, institutional, and policy interventions that enable the roll-out of CRC solutions. The work will be supported by short courses and training to build capacity in extension and advisory networks.

Program 4 is supported by a transdisciplinary team from the University of Western Australia, University of Melbourne, University of Queensland, Australian National University, Agriculture Victoria and the WA Agricultural Research Collaboration. Farmers groups, through Farmers for Climate Action and the Grower Group Alliance, play an important role in everything we do.

This year, we will kick off a number of collaborative innovation initiatives, set up a national Community of Practice, and continue to develop new projects that address our industry challenge.



Adoption and Commercialisation

Translating research into impact.

At the heart of the CRC's mission is a commitment to ensuring that research doesn't sit on a shelf, it's tested, trusted, and taken up.

The Adoption and Commercialisation program is a strategic enabler providing the critical bridge between innovation and implementation, enabling technologies, practices, and tools to be trialled on-farm, at scale, and over time in various Australian climates.

Through a growing national network of Producer Demonstration Sites, the CRC will generate reliable data, validate emissions reduction solutions, and build the confidence needed for widespread adoption.

This is the foundation for commercialisation pathways that are grounded in evidence, aligned with industry needs, and capable of delivering measurable impact across Australian agriculture.

Demonstrating Technologies and Selecting Sites for Stacking Success



By Michael Taylor, PDS Lead

The focus in our first year was firmly set on identifying and selecting the preferred sites to enable us to test CRC research on farms.

Through a collaborative and considered process, we selected nine pilot sites across Australia to begin building our unprecedented network of living laboratories.

Working closely with partners, we ensured each site was the right fit, not only for the research we're undertaking now, but for the long-term vision of what this network will become. The relationships built during this process have been instrumental, reinforcing the CRC's commitment to working hand-in-hand with producers to deliver outcomes that matter.

To support this work, we invested in critical infrastructure, including GreenFeed units and flux towers. These tools, once deployed, will allow us to capture high-resolution data on methane emissions and carbon fluxes, data that will underpin our benchmarking tools, inform national policy, and help producers make confident, evidence-based decisions.

These first nine sites mark the beginning of a national network that will grow to 25 by 2034.

Producer Demonstration Sites will play a central role in validating technologies, demonstrating value, and delivering impact, bringing our strategic themes to life in real farming systems.



Education and Training

Equipping people with knowledge and cultural awareness to lead change.

The Education and Training program is a strategic enabler designed to equip the agricultural sector with the knowledge, skills, and confidence to implement new technologies and practices that reduce emissions.

This function supports the development of a future-ready workforce through tailored training, industry-aligned research, and inclusive learning pathways.

With a strong focus on Indigenous engagement, the program fosters two-way knowledge exchange and cultural inclusion, ensuring that traditional land management practices and lived experience inform the transition to low-emissions agriculture.

From PhD scholarships and undergraduate modules to short courses and professional development for educators, this focus ensures that capability building is embedded across the CRC's research and adoption efforts.

Training Tomorrow's Climate Changemakers



By Prof. Janelle Wilkes,
Education and Training Lead

This year we set out to better understand how knowledge is shared and what it means to build capability in a changing agricultural landscape. With this insight, we've been able to progress with several exciting projects to develop the Education and Training program that is both future focused and culturally informed.

A stand-out achievement was the work we progressed with our specialist Indigenous Engagement Consultants, Yaran Business Services. Yaran Business Services is guiding the CRC in the development of a co-designed Indigenous Engagement Strategy. This initiative is embedding two-way learning and cultural inclusion into our education framework, ensuring that traditional knowledge and lived experience actively shape how we train and grow the sector. It's a respectful, deliberate step toward equity and cultural strength in agricultural innovation.

We also progressed the design of our PhD scholarship scheme and face-to-face training modules, with a focus on practical, scalable learning that meets the needs of producers, researchers, and advisors. These efforts are tightly aligned with our broader CRC strategy, supporting adoption, contributing to extension networks, and amplifying impact through targeted training and education.

Key priorities ahead include launching the Indigenous Academy pilot, with a focus on continual co-design, culturally grounded training and work-integrated learning opportunities for Indigenous partners. The PhD program will expand with onboarding support and professional development tailored to low-emissions agriculture research.

Industry training modules will be developed with industry input, supported by case studies from Producer Demonstration Sites and aligned with national curriculum standards. Undergraduate modules will be available for use/adoption at partner universities.

Across all pillars, the program will enable the strategic themes of Develop Technologies, Demonstrate Value and Deliver Impact.

Looking Ahead

A year of delivery, connection and ambition.

The year ahead will feature scaled execution of research projects, adoption and commercialisation, and education and training programs, across Australia. The investment strategy for FY26 is designed to accelerate progress towards 2030 goals set out in the Pathway to Zero Net Emissions Strategic Plan, while establishing the groundwork for long-term transformation.

Efforts will focus on enabling technologies, building capability, and embedding systems that support measurable outcomes and scalable solutions. Investment will focus on:

- ▶ **Technology development:** advancing emissions reduction technologies across plant, livestock and whole-farm systems, including trials of pasture seed lines, methane-reducing supplements, and enhanced efficiency fertilisers.
- ▶ **Carbon cycle baselining and measurement:** establishing and expanding the Producer Demonstration Site network, including deployment of direct measurement infrastructure such as GreenFeeds and flux towers, digital twins which are virtual models of farm, and commercial baselining.
- ▶ **Adoption and commercialisation:** co-designing trials with producers, validating technology stacks, and developing case studies and communication tools to support industry uptake. The CRC will also deliver its Adoption Strategy and progress commercialisation partnerships.
- ▶ **Education and training:** delivering national training programs, launching the Indigenous Academy pilot, and supporting PhD placements and undergraduate curriculum development to build capability across the sector.
- ▶ **Systems and governance:** embedding internal systems, data platforms, and governance processes to support long-term delivery, including the CRC Data Platform, refreshed website, and strategic communications outputs.

The year ahead will also be a year of deepened collaboration. Partners and industry will continue to shape investment priorities through structured review processes, and engaging in co-design, delivery and evaluation of projects. The CRC will also host the inaugural Annual Conference, a key opportunity to showcase progress, share insights, and strengthen connections across the CRC network.

Forecast expenditure in FY26 is \$19.9 million, including:

- ▶ \$9.9 million invested in Research Programs
- ▶ \$1.8 million in Research Management
- ▶ \$1.7 million in Capex, to purchase GreenFeeds and flux towers which will support research projects
- ▶ \$1.9 million in Education and Training including PhD's embedded in research projects
- ▶ \$1.7 million in Adoption and Commercialisation activities including the establishment of pilot Producer Demonstration Sites to support research projects
- ▶ \$2.9 million in Operational Expenditure



Risks and Challenges

Our vision is ambitious, and the path forward is not without challenge.

The CRC operates in a dynamic environment shaped by policy shifts, market expectations, and the lived realities of producers. We navigate this complexity with clarity, credibility and purpose.

One of the most significant risks we face is low adoption of research outcomes.

Producers are balancing productivity, profitability and sustainability, often in the face of climate fatigue and competing narratives. Our challenge is to ensure that the solutions we develop are not only scientifically robust, but practical, scalable and relevant to the people who will use them.

There is also increasing scrutiny on claims of impact. The CRC is committed to transparency and evidence-based communication informed by credible data, validated technologies and clear reporting.

Measuring impact remains a challenge. The absence of standardised tools for tracking emissions reduction limits the ability to assess effectiveness and adjust course. That is why we are investing in the development of measurement frameworks and data platforms that will support consistent, reliable reporting across diverse production systems.

Cross-sector collaboration is essential, but complex. Misalignment of goals, timelines or communication between research, industry and government can slow momentum. Governance structures and engagement processes are designed to support alignment, foster shared ownership and enable co-design at every stage.

Some innovations may demonstrate strong potential in controlled trials but face barriers when scaled to commercial settings. These barriers may include cost, complexity, regional variability, or integration with existing systems. The investment in Producer Demonstration Sites is designed to address this

challenge by validating technologies in Australian farming environments, generating practical insights, and supporting tailored adoption pathways.

Commercialisation partnerships further support the transition from research to market, helping ensure that promising innovations are not only technically viable but also economically and operationally feasible at scale.

Shifting regulatory settings, whether related to carbon accounting, land use, or emissions reporting, can impact the viability of certain technologies. This uncertainty can slow investment, stall adoption, or create confusion across the sector. Maintaining active engagement with government and industry is vital to ensure alignment with emerging policy directions and to provide evidence that supports informed decision-making.

As the CRC builds its data platform and expands measurement infrastructure, ensuring secure, ethical and transparent data management is critical. The volume and sensitivity of emissions-related data requires robust governance frameworks, clear protocols, and trusted systems. The CRC is committed to upholding the highest standards of data integrity, privacy and accessibility, and is working closely with partners to ensure that data systems support both scientific rigour and stakeholder confidence.

Skills shortages and capacity gaps also pose a risk to delivery. Building capability across the sector, from researchers to producers, is a core focus of the education and training investments.

Finally, there is the risk of strategic drift. We must remain focused on our mandate: delivering emissions reduction impact through research, adoption and commercialisation.



Governance

The CRC is governed by an independent Board of Directors that is responsible for strategic direction, organisational culture, funding allocations, risk management, compliance and accountability of the organisation. The CRC's progress is closely monitored with regular reviews, financial oversight and risk assessment to maintain accountability and transparency.

Currently established committees are:

- ▮ Finance, Audit, Security and Risk Committee (FASRC) – This committee oversees financial integrity, audit processes, risk management, and information security to ensure effective governance and accountability.
- ▮ Industry Advisory Committee (IAC) – This committee ensures open, collaborative and constructive partnerships between research and industry and is responsible for evaluating project investment cases with respect to industry needs, commercialisation prospects and pathways, and assessing adoption potential in Australian agricultural industries.
- ▮ Nominations, Remuneration and Performance Committee (NRPC) – Responsible for overseeing board nominations, executive remuneration, and performance evaluation to support effective leadership and governance.
- ▮ Research Advisory and Management Committee (RAMC) – Fosters open, collaborative, and constructive partnerships between researchers and industry, playing a central role in aligning priorities and coordinating the development of robust, high-impact investment cases with our partners.
- ▮ Research Investment and Commercialisation Committee (RICC) – This group considers investment cases put to it from the Research Advisory and Management Committee, takes guidance from the Industry Advisory Committee, and recommends project investment cases to the Board for approval.
- ▮ Led by the CEO, the Executive Management Team delivers the day-to-day management of the organisation, ensuring that all aspects of business administration and objectives are being met. The Research Director, four Research Program Leaders, and the Education and Training Program Leader and Producer Demonstration Site Leader, provide technical expertise, oversee research projects and ensure industry relevance.

For further information about the ZNE-Ag CRC Board and its Directors, please see Page 23.

Our Team

Name	Position
Richard Heath	Chief Executive Officer
Georgia Sheil	Chief Operating Officer
Riaan Retief	Chief Financial Officer & Company Secretary
Rob Hamper	General Counsel
Prof. Ben Hayes	Research Director
Rachel Buchanan	Head of Communications
Annie Cox	Executive Assistant to the CEO & Board Secretary
Jennifer Lim	Projects and Contract Officer
Prof. Janelle Wilkes	Education and Training Lead
Michael Taylor	Producer Demonstration Site Lead
Vicki Lane	Research Program 1 Lead
Prof. Sam Clark	Research Program 2 Lead
Prof. Richard Eckard	Research Program 3 Lead
Prof. Marit Kragt	Research Program 4 Lead



Financial Statements



ZNE-AG CRC LIMITED

ABN 33 674 855 577

Annual Report - 30 June 2025



ZNE-AG CRC LIMITED

Directors' report

30 June 2025

The Directors present their report, together with the financial statements, on ZNE-AG CRC LIMITED (the 'company') for the period from 9 February 2024 to 30 June 2025 (Period).

Directors

The following persons were Directors of the company during the whole of Period and up to the date of this report, unless otherwise stated:

Director	Position	Date Appointed	Date Resigned
Debra Cousins	Chair	9 February 2024	31 May 2025
Anthony Lee	Director	9 February 2024	
Tresslyn Walmsley	Director	9 February 2024	
Nicholas Austin	Director	1 July 2024	
Melinee Leather	Director	1 July 2024	
Christopher Murphy	Director	2 July 2024	
Megan McKechnie	Director	3 July 2024	
Kathleen Giles	Director	6 July 2024	
Heidi Mippy	Director	1 June 2025	

* Debra Cousins was the Interim Chair from 9 February 2024 until 30 June 2024.

Company Secretary

The Company Secretary position was held by the Interim Chair of the Board from the date of registration to the 28 June 2024. Riaan Retief held the position from 28 June 2024 to the end of the financial year ending 30 June 2025. Mr. Retief is a member of CPA Australia, a graduate of the Australian Institute of Company Directors, and holds a Master of Business Administration as well as a Master of Professional Accounting.

Short and Long-Term Objectives

ZNE-Ag CRC Limited was established in February 2024 to lead a national transformation in agricultural sustainability. The organisation's vision is Zero Net Emissions from a thriving Australian agriculture sector, and long-term objective is that, by 2030, it will support the development of ambitious, evidence-informed, industry-agreed targets for 2040 and 2050 to significantly reduce greenhouse gas emissions from Australian agriculture. This vision is supported by a mission to drive innovation for a low-emissions future through practical, scalable solutions that reduce emissions, enhance productivity, and protect natural resources. The CRC is committed to inclusive engagement, particularly with Indigenous communities, and aims to embed cultural knowledge and two-way learning across its programs. These objectives are pursued in alignment with the Australian Government's Cooperative Research Centre's Program and the CRC's Commonwealth Grant Agreement.

Strategy for achieving the objectives

To achieve its objectives, ZNE-Ag CRC Limited has developed a strategic framework anchored in three core themes: Develop Technologies, Demonstrate Value, and Deliver Impact. These themes guide the CRC's research investments, operational planning, and stakeholder engagement. The strategy is further supported by enabling functions in adoption and commercialisation, education and training, communications and governance. In its first year, the CRC launched foundational research projects targeting methane, nitrous oxide, and carbon dioxide emissions.

Principal Activities During the Period

During the Period, ZNE-Ag CRC Limited undertook a range of activities to activate its mission and build the foundations for long-term impact. Eight foundational research projects were launched, addressing key emissions challenges in livestock, fertilisers, whole-farm systems, and value chains. Nine pilot Producer Demonstration Sites were selected to trial technologies in diverse agricultural settings, supported by the purchase of advanced measurement infrastructure including GreenFeeds and flux towers for \$1,630,577 million. The CRC commenced implementation of TurnKey to manage investments and track milestones and prioritised planning the development of culturally inclusive education programs and strategic partnerships to ensure broad-based impact. The CRC formed the Industry Advisory Committee, and participated in over 20 national and international events to build visibility and engagement. Education and training initiatives progressed, including the development of a PhD scholarship program and advancement into the design framework and strategic planning for the Indigenous Academy. Governance structures were established, including the Finance, Audit, Security and Risk Committee (FASRC), Nominations, Remuneration and Performance Committee (NRPC), Research Advisory and Management Committee (RAMC), and Research Investment and Commercialisation Committee (RICC), to ensure strategic alignment and accountability.

Performance measures

Performance during the Period was assessed through strategic, operational, and financial indicators. The CRC invested \$3,121,129 million in emissions reduction related research to address multiple Commonwealth milestones. Stakeholder engagement was strong, with high participation in webinars and conferences, and the launch of a new brand and website. Governance oversight was maintained through regular board and committee meetings, with systems in place for risk management and compliance. Forecast expenditure for the year ended 30 June 2026 is \$19,846,881 million, with allocations across research, education, adoption, and operations, reflecting the CRC's commitment to delivering measurable impact and strategic progress toward its 2030 goals.

Information on Directors

Name: Dr Debra Cousins GAICD
Qualifications: BAppSci (Medical Science), PhD (Microbiology)
Additional responsibilities: Board Chair, NRPC Chair (ceasing on 20 February 2025), NRPC member (commencing 20 February 2025)

Name: Anthony Lee
Qualifications: N/A
Additional responsibilities: NRPC member (ceasing 31 May 2025)

Name: Tresslyn Walmsley
Qualifications: B.EnvSci
Additional responsibilities: FASRC member

Name: Dr Nicholas Austin FAICD
Qualifications: B.E. (Agric) *Hons*, M.Sus.Mgt, Ph.D.
Additional responsibilities: FASRC member, NRPC member (commencing 25 October 2024), Board Deputy Chair (commencing 24 September 2024), and NRPC Chair (commencing 20 February 2025).

Name: Dr Kathleen Giles GAICD
Qualifications: BSc, BVMS, ANZCVS (Ruminant Nutrition)
Additional responsibilities: RICC member

Name: Melinee Leather MAICD
Qualifications: Dip. Rural Business Mgmt., Dip. Ag.
Additional responsibilities: RICC Chair

Name: Christopher Murphy GAICD
Qualifications: B.AgSci, MBA
Additional responsibilities: RICC member

Name: Megan McKechnie GAICD
Qualifications: B.Bus (Acc), CA
Additional responsibilities: FASRC Chair

Name: Heidi Mippy
Qualifications: GradCert ExecLead&Mgmt, BA (CMAE), Exec M.Lead.Strat.Innov.
Additional responsibilities: NRPC member (commencing 01 June 2025)

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') held during the period ended 30 June 2025, and the number of meetings attended by each director were:

	Establishment Committee		Full Board		NRPC		FASRC		RICC	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Debra Cousins	5	5	8	8	6	6	-	-	-	-
Anthony Lee	1	5	6	7	5	5	-	-	-	-
Tresslyn	5	5	7	8	-	-	6	6	-	-
Walmsley										
Nicholas Austin	-	-	8	8	5	5	6	6	-	-
Kathleen Giles	-	-	8	8	-	-	-	-	6	6
Melinee	-	-	7	8	-	-	-	-	6	6
Leather										
Christopher	-	-	8	8	-	-	-	-	6	6
Murphy										
Megan	-	-	8	8	-	-	6	6	-	-
McKechnie										
Heidi Mippy	-	-	-	1	1	1	-	-	-	-

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$110, based on 11 current ordinary members.

Surplus assets must be transferred to a similar not-for-profit entity.

Likely Developments and Expected Results of Operations

The company will continue to pursue its objectives as outlined in the Commonwealth Agreement, focusing on research, development, and commercialisation activities to support zero net emissions in Australian agriculture. The Board expects ongoing growth in research investment, stakeholder engagement, and operational capacity, with measurable progress towards the 2030 goals. No significant changes in operations are anticipated that would affect the winding up provisions.

Environmental Regulations

The company's operations are subject to various Commonwealth and State environmental regulations, as referenced in the Commonwealth Agreement. The Board is committed to compliance with all relevant environmental laws and regulations, and no breaches have been reported during the period or since the reporting date.

Insurance of Officers / Indemnity of Auditors

During the financial period, the company has paid premiums to insure Directors and Officers against liabilities incurred in their capacity as such, as permitted by the Constitution and the Corporations Act 2001. The company has not indemnified or made any agreement to indemnify the auditors against any costs or liabilities arising from their audit role.

Proceedings on Behalf of Company

No proceedings have been brought or intervened in on behalf of the company with leave of the court under section 237 of the Corporations Act 2001 during or since the end of the financial period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

ZNE-AG CRC LIMITED
Directors' report
30 June 2025

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Dr Debra Cousins
Chair

21 October 2025



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Fax: +61 7 3221 9227
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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY J W KNIGHT TO THE DIRECTORS OF ZNE-AG CRC LIMITED

I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of ZNE-AG CRC Limited for the period ended 30 June 2025.

This declaration is in respect of ZNE-AG CRC Limited.

A handwritten signature in black ink, appearing to read 'J W Knight', is written over a light green circular background.

J W Knight
Director

BDO Audit Pty Ltd

Brisbane, 21 October 2025

ZNE-AG CRC LIMITED
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30 June 2025

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General information

The financial statements cover ZNE-AG CRC LIMITED as an individual entity. The financial statements are presented in Australian dollars, which is ZNE-AG CRC LIMITED's functional and presentation currency.

ZNE-AG CRC LIMITED is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Lvl 4, Building 20
Staff House Road
University Of Queensland QLD 4072

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 October 2025. The Directors have the power to amend and reissue the financial statements.

ZNE-AG CRC LIMITED
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2025

	Note	2025 \$
Revenue		
Revenue	3	15,429,250
Other Income	4	86,833
		<u>15,516,083</u>
 Total revenue		 <u>15,516,083</u>
Expenses		
Research Expenditure	5	(3,121,129)
Employee Benefits	6	(1,549,112)
Start-up Reimbursements		(494,855)
Admin Expenses		(567,054)
Governance		(391,227)
IT Expenses		(159,424)
Travel and accommodation		(133,989)
Legal fees		(109,713)
Marketing & Conference		(54,957)
Insurance		(14,781)
Total expenses		<u>(6,596,241)</u>
 Other comprehensive income for the period, net of tax		 <u>-</u>
 Total comprehensive income for the period attributable to the members of ZNE-AG CRC LIMITED		 <u><u>8,919,842</u></u>

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

ZNE-AG CRC LIMITED
Statement of financial position
As at 30 June 2025

	Note	2025 \$
Assets		
Current assets		
Cash and cash equivalents	7	8,836,332
Trade and other receivables	8	1,439,763
Other	9	1,654,430
Total current assets		<u>11,930,525</u>
Total assets		<u>11,930,525</u>
Liabilities		
Current liabilities		
Trade and other payables	10	1,020,756
Contract liabilities	11	1,109,681
Accrued Expenses		837,211
Employee benefits		43,035
Total Current liabilities		<u>3,010,683</u>
Total liabilities		<u>3,010,683</u>
Net assets		<u><u>8,919,842</u></u>
Equity		
Retained surpluses		<u>8,919,842</u>
Total equity		<u><u>8,919,842</u></u>

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

ZNE-AG CRC LIMITED
Statement of changes in equity
For the period ended 30 June 2025

	Retained profits \$	Total equity \$
Balance at 9 February 2024	-	-
Surplus after income tax expense for the period	8,919,842	8,919,842
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	<u>8,919,842</u>	<u>8,919,842</u>
Balance at 30 June 2025	<u><u>8,919,842</u></u>	<u><u>8,919,842</u></u>

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

ZNE-AG CRC LIMITED
Statement of cash flows
For the period ended 30 June 2025

	Note	2025 \$
Cash flows from operating activities		
Receipts from participants (inclusive of GST)		5,284,288
Payments to suppliers and employees (inclusive of GST)		(6,134,861)
Receipts from grants (inclusive of GST)		10,092,500
Receipts from other operating income (inclusive of GST)		<u>1,138,199</u>
		10,380,126
Interest received		<u>86,783</u>
Net cash from operating activities		<u>10,466,909</u>
Cash flows from investing activities		
Payments for property, plant and equipment		<u>(1,630,577)</u>
Net cash used in investing activities		<u>(1,630,577)</u>
Net cash from financing activities		<u>-</u>
Net increase in cash and cash equivalents		8,836,332
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	7	<u><u>8,836,332</u></u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The accounting policies that are material to the company are set out below.

Basis of preparation

The financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the *Australian Charities and Not-for-profits Commission Act 2012*, as appropriate for not-for-profit entities. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the AASB and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-profit and Not-for-profit Tier 2 Entities*.

These financial statements are the first financial statements prepared by the company. The reporting period covered by these statements is an extended period, reflecting the time from the company's incorporation through to the end of the current reporting period.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Income for Not-for-profit Entities

The company considers the applicability of AASB 15 *Revenue from contracts with customers* to each significant income stream.

AASB 15 *Revenue from contracts with customers* is only applicable to agreements with customers that contain:

1. 'Enforceable' rights and obligations; and
2. 'Sufficiently specific' performance obligations.

An agreement is typically enforceable by another party through legal or equivalent means if the agreement is in writing and includes sufficiently specific requirements of the parties.

Judgement is exercised in assessing whether promises within an agreement are 'sufficiently specific', taking into account any conditions specified in the arrangement (whether explicit or implicit) regarding the promised goods or services, including conditions regarding:

- the nature or type of the goods or services;
- the cost or value of the goods or services;
- the quantity of the goods or services; and
- the period over which the goods or services must be transferred.

Where the company determines agreements with customers do not contain "enforceable" rights and obligations, or "sufficiently specific" performance obligations, the company applies AASB 1058 *Income of Not-for-Profit Entities* and recognises income

Note 1. Material accounting policy information (continued)

in full, either upon receipt, or when the unconditional right to receive payment is established (whichever comes earlier), and it is probable that the economic benefits comprising the contribution will flow to the company .

Where AASB 15 is determined to apply to an income stream, the company recognises revenue at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised, which may involve the recognition of contract assets and / or liabilities.

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract liabilities represent an obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Contributions from Participants

Contributions from Participants are recognised as revenue in the Statement of Profit or Loss and Other Comprehensive Income as they are received, or when the company has an unconditional right to receive payment.

Project revenue

Project revenue is recognised as revenue in line with AASB 15 as disclosed above in *Income for Not-for-profit Entities*.

Interest

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

Volunteer services and other in-kind contributions

The company has elected not to recognise volunteer services as either revenue or other form of contribution received in line with AASB 1058. As such any related consumption or capitalisation of such resources received is also not recognised.

Other revenue

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

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of Amounts

Amounts in the financial statements and Directors' report have been rounded to the nearest dollar, unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition

The company was required to assess whether government grants and contributions from participants fell under the scope of AASB 15 or AASB 1058. Specifically, the company had to determine whether the Agreements contained performance obligations that meet the 'sufficiently specific' criteria in sections F20-F26 of AASB 15. Judgement is necessary to assess whether a promise is 'sufficiently specific', which takes into account any conditions specified in the Agreements regarding the following aspects:

- a) the nature or type of the goods or service;
- b) the cost or value of the goods or services;
- c) the quantity of the goods and services; and
- d) the period over which goods or services must be transferred.

The Directors have determined that the Commonwealth and participant agreements in place do not contain performance obligations that meet the 'sufficiently specific' criteria as per sections F20-F26 of the AASB 15. Therefore, Grant Income has been recognised in accordance with AASB 1058: in full upon receipt or when the company has the unconditional right to receive the contribution, and it is probable that the economic benefits comprising the contribution will flow to the company.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Revenue

	2025
	\$
CRC Grant	9,175,000
Partner contributions	6,254,250
	<u>15,429,250</u>

Note 4. Other Income

	2025
	\$
Interest Income	86,783
Other Revenue	50
	<u>86,833</u>

ZNE-AG CRC LIMITED
Notes to the financial statements
30 June 2025

Note 5. Research Expenditure

	2025 \$
Program 1	1,144,488
Program 2	798,963
Program 3	536,687
Program 4	139,024
Education & Training	149,708
Research Director	352,259
	<u>3,121,129</u>

Note 6. Employee Benefits

	2025 \$
Salaries and wages	1,342,329
Superannuation	153,624
Workcover	10,124
Annual Leave Expense	43,035
	<u>1,549,112</u>

Note 7. Current assets - cash and cash equivalents

	2025 \$
Cash Reserve	6,828,576
Operating Account	7,756
Term Deposits	2,000,000
	<u>8,836,332</u>

Note 8. Current assets - trade and other receivables

	2025 \$
Trade receivables	1,617,888
Less: Provision for doubtful debts	<u>(178,125)</u>
	<u>1,439,763</u>

Note 9. Current assets - other

	2025 \$
Prepayments	23,853
Prepayments for equipment	<u>1,630,577</u>
	<u>1,654,430</u>

Note 10. Current liabilities - trade and other payables

	2025
	\$
Accounts Payable	738,558
Provision for Fringe Benefits Tax	1,189
PAYG Withholdings Payable	59,547
Credit Cards	349
GST Payable	221,113
	<u>1,020,756</u>

Note 11. Current liabilities - Contract liabilities

	2025
	\$
Contract liabilities	1,034,681
Deferred revenue	75,000
	<u>1,109,681</u>

Note 12. Key management personnel disclosures

Compensation

The compensation made to Directors and other members of key management personnel of the company is set out below:

	2025
	\$
Short-term employee benefits	1,095,009
Post-employment benefits	122,484
	<u>1,217,493</u>

The amount of remuneration contains payments made to 12 key management personnel of the company.

Note 13. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by BDO Australia - Brisbane, the auditor of the company:

	2025
	\$
<i>Audit services - BDO Australia - Brisbane</i>	
Audit of the financial statements	<u>43,360</u>

Note 14. Contingent liabilities and assets

In the opinion of the Directors, the Group did not have any contingent liabilities or assets as at 30 June 2024.

Note 15. Commitments

In the opinion of the Directors, the Company did not have any commitments as at 30 June 2024.

Note 16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Significant influence

Richard Heath is CEO of ZNE-AG CRC LIMITED and a Director of Grains Research & Development Corporation (GRDC), a partner of the company.

Transactions with related parties

The company received partner contributions from Grains Research & Development Corporation for an amount of \$82,500 between 9 February 2024 and 30 June 2025. Balance outstanding at year end is \$20,625.

All transactions have been conducted on normal commercial terms and no loans were made to the Directors or Director-related entities during the reporting period.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

ZNE-AG CRC LIMITED
Directors' declaration
30 June 2025

In the Directors' opinion:

- the financial statements and notes are in accordance with the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulations 2022* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors:

On behalf of the Directors



Dr Debra Cousins
Chair

21 October 2025

INDEPENDENT AUDITOR'S REPORT

To the members of ZNE-AG CRC Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ZNE-AG CRC Limited (the registered entity), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including material accounting policy information, and the responsible entities' declaration.

In our opinion the accompanying financial report of ZNE-AG CRC Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2025 and of its financial performance for the period then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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

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

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

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

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



J W Knight
Director

Brisbane, 21 October 2025



