

## Case study

# Helping modernise grains research

The Department of Regional NSW (DRNSW) decided to purchase a plot harvester from Germany to support the Grains Agronomy and Pathology Partnership (GAPP) programmes at Tamworth in north-eastern NSW.

The existing pulse pathology and agronomy plot harvester was approaching the end of its useful life and was not comparable to other modern machines now being used by other research providers.

DRNSW identified significant organisational risk for GAPP to continue long-term delivery of research outcomes to industry and initiated a replacement programme in a bid to future proof these deliverables.

### Helping clients achieve budget certainty

With TCorp's guidance, DRNSW negotiated with the vendor to purchase the harvester for over €300,000 (\$450,000). We extended the foreign exchange forward settlement date beyond the estimated delivery date to ensure flexibility should it be required. An example of this would be if delays were experienced in the manufacturing process or if faulty components were discovered and needed to be replaced prior to dispatch.

Ultimately, the delivery was on time, however it was important for DRNSW to have budget certainty on the total Australian dollar amount it would need to pay and TCorp was able to lock in an exchange rate. As a result, DRNSW was protected against the impact of adverse foreign currency movements for the period between the signing of the contract (March 2021) and the final payment date (November 2021).

### Client feedback

*"Access to foreign currency hedging is critical in ensuring government agencies receive value for money when purchasing high value goods from overseas suppliers. Previously supply contracts for plot harvesters were negotiated in Australian dollars meaning overseas manufacturers usually hedged foreign currency risk by inflating the total contract price."*

### Rod Jackson

Director, Australian Cotton Research Institute,  
NSW Department of Primary Industries



Zürn Z150 plot harvester. Photograph courtesy of Zürn Harvesting.

The Grains Agronomy and Pathology Partnership is a joint venture between Grains Research Development Corporation and the NSW Department of Primary Industries, aiming to improve the yield potential of winter cereals, pulses and oilseeds, reduce the impact of plant diseases and help growers to improve their profitability.

### About TCorp

TCorp provides best-in-class investment management, financial management, solutions and advice to the New South Wales (NSW) public sector. With A\$101 billion of assets under management, TCorp is a top 10 Australian investment manager and is the central borrowing authority of the state of NSW, with a balance sheet of A\$124 billion. It is rated Aaa (Stable) by Moody's, AAA (Stable) by Fitch, and AA+ (Stable) by S&P.

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