2002-03 BUDGET PAPERS

Budget Speech
No. 1 Budget Strategy and Outlook 2002-03
Contains information on the economic and financial outlook, together with information on the fiscal strategy.

No. 2 Budget Measures 2002-03
Provides a comprehensive statement on the budget expense, revenue and capital measures in the 2002-03 Budget.

No. 3 Federal Financial Relations 2002-03
Provides information on Commonwealth financial relations with the States, Territories and local government.

No. 4 Agency Resourcing 2002-03
Contains information on resourcing for Commonwealth agencies (including the Appropriation Bills Nos. 1 and 2 and the Appropriation (Parliamentary Departments) Bill No. 1).

No. 5 Intergenerational Report
An assessment of the long-term sustainability of current Government policies over the next 40 years.

2002-03 BUDGET RELATED PAPERS

No. 1 Portfolio Budget Statements
Detailed information on the expected financial position of each Commonwealth Government agency for 2002-03.

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Department of Finance and Administration
GPO Box 1920
Canberra ACT 2601

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HON WARREN TRUSS MP

Minister for Agriculture, Fisheries and Forestry

Dear Madam President

Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2002-2003 Budget for the Agriculture, Fisheries and Forestry Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the Outcomes for the Portfolio. They also cover the purpose of Portfolio budget measures.

I present these statements by virtue of my Ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

WARREN TRUSS
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### Budget Statements

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PART A

User Guide
User Guide

INTRODUCTION

The purpose of the 2002-03 Portfolio Budget Statements (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. They also facilitate understanding of the proposed appropriations in Appropriation Bills (Numbers 1 and 2) 2002-03. The PBS provides information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The PBS is presented in three parts as outlined below.

Part A: User Guide

Provides an introduction explaining the purpose of the PBS as well as information in relation to the styles and conventions used.

Part B: Portfolio Overview

Provides an overview of the structure and planned Outcome to which the portfolio contributes.

Part C: Department of Agriculture, Fisheries and Forestry - Australia (AFFA) Budget Statements

Section 1: Agency overview, appropriations and budget measures summary

This section provides a brief overview of the agency, details agency appropriations and summarises Budget measures. It also describes the link between the resources appropriated and their application to the Outputs that contribute to the achievement of the Department’s Outcome.

Section 2: Outcome and outputs information

This section provides a brief description of the Outcome and Budget measures. The section also provides details of resourcing, outlining administered and departmental appropriations, how the Outputs contribute to the Outcome, performance information and evaluations.
Section 3: Budgeted financial statements

This section contains the budgeted financial statements in accrual format covering budget year, previous year and the three outyears for the Department.

Section 4: Purchaser/provider arrangements

This section details information on purchaser/provider arrangements for the Department.

Part D: Other Portfolio Body Budget Statements

Information for all other statutory bodies within the Portfolio is provided in a format consistent with that described for Part C.

A Glossary and Index is provided at the end of this document.

Styles and conventions used

(a) The following notation may be used:

NEC/ nec not elsewhere classified

AEST Australian Eastern Standard Time

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

(b) Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.
(c) The following acronyms may be used:

AAA – Agriculture – Advancing Australia
AFFA – Department of Agriculture, Fisheries and Forestry – Australia
AFMA – Australian Fisheries Management Authority
AWBC – Australian Wine and Brandy Corporation
CRDC – Cotton Research and Development Corporation
DRDC – Dairy Research and Development Corporation
FMD – Foot and Mouth Disease
FRDC – Fisheries Research and Development Corporation
FWPRDC – Forest and Wood Products Research and Development Corporation
GRDC – Grains Research and Development Corporation
GWRDC – Grape and Wine Research and Development Corporation
LWA – Land and Water Australia
MOU – Memorandum of Understanding
NHT – Natural Heritage Trust
NRA – National Registration Authority for Agricultural and Veterinary Chemicals
RDC’s – Research and Development Corporations
RIRDC – Rural Industries Research and Development Corporation
SRDC – Sugar Research and Development Corporation
WEA – Wheat Export Authority

ENQUIRIES

Should you have any enquiries regarding the PBS please contact:

Chief Operating Officer
Department of Agriculture, Fisheries and Forestry – Australia
GPO Box 858
CANBERRA ACT 2601
Phone: (02) 6272 4882

A copy of this document can be located on the AFFA website at:
PART B

Portfolio Overview
PORTFOLIO OVERVIEW

The Agriculture, Fisheries and Forestry Portfolio consists of:

- The Department of Agriculture, Fisheries and Forestry – Australia (AFFA); and
- 14 statutory authorities engaged in research and development, regulation and marketing and promotion.

Through these bodies, the Portfolio seeks the Outcome of:

**More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries**

Since the previous year’s PBS, the number of statutory authorities has decreased from 15 to 14 as a result of the Tobacco Research and Development Corporation ceasing to exist in early 2002-03.

Each agency within the Portfolio has Outcomes and Outputs that contribute to the Portfolio Outcome. Details are provided in Part C for AFFA and Part D for the Portfolio Bodies.
Part B: Portfolio Overview

Map 1: Structure of outcome for the portfolio

Minister for Forestry and Conservation
Senator The Hon Ian Macdonald

Portfolio Minister
Minister for Agriculture, Fisheries and Forestry
The Hon Warren Truss

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
Senator The Hon Judith Troeth

Portfolio Outcome
More sustainable, competitive and profitable Australian agriculture, food, fisheries and forestry industries

Department of Agriculture, Fisheries and Forestry - Australia (AFFA)
Secretary
Mr Michael J. Taylor

Statutory Marketing Authorities
- Australian Dairy Corporation*
- Australian Wine and Brandy Corporation

Regulatory Authorities
- Australian Fisheries Management Authority
- National Registration Authority for Agriculture and Veterinary Chemicals
- Wheat Export Authority

Research and Development Corporations (RDCs)
- Cotton RDC
- Dairy RDC
- Fisheries RDC
- Forest and Wood Products RDC
- Grains RDC
- Grape and Wine RDC
- Land and Water Australia
- Rural Industries RDC
- Sugar RDC

* The Australian Dairy Corporation is classified as a Public Non-Financial Corporation.
PART C

Department of Agriculture, Fisheries and Forestry – Australia
Budget Statements
The Department of Agriculture, Fisheries and Forestry – Australia (AFFA) is responsible for a wide-range of issues including:

- helping Australian agricultural, food, fisheries and forestry industries become more competitive, profitable and sustainable;
- enhancing the natural resource base on which these industries rely;
- delivering scientific advice and economic research, policy advice, programs and services to help deal with the challenges faced by agricultural, food, fisheries and forestry industries;
- addressing Australia’s entire food supply chain, from producer to processor to the consumer;
- quarantine, export inspection and certification and food safety standards activities. These are essential to maintain Australia’s highly favourable animal, plant and human health status, and are also important parts of the international regulations governing trade between nations; and
- ensuring that Australian agriculture and food products have access to hundreds of markets around the world, and maintaining our domestic animal, plant and fish industries pest and disease free status.

The role of the Department is to help the Government to achieve its policy objectives and administer legislation in these areas by contributing to the following Outcome:

**Australian agricultural, fisheries, food and forestry industries that are based on sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research.**

Details of AFFA’s Outputs to achieve this Outcome are provided in Section 2.
Part C: AFFA Budget Statements

**APPROPRIATIONS**

Table 1.1 details the total appropriations of $1,348.6 million for the Department of Agriculture, Fisheries and Forestry – Australia for 2002-03 for its single Outcome.

Table and charts in Section 2 show how appropriations contribute to AFFA’s Outputs.
### Table 1.1: Appropriations and other revenue ($’000)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Departmental (price of outputs) ($’000)</th>
<th>Administered ($’000)</th>
<th>($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue from Government (appropriations)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revenue from other sources(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price of outputs(3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual appropriations (’000)</td>
<td>Special appropriations(5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Administered capital (equity injections and loans)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bill No. 1</td>
<td>Bill No. 2 (SPPs &amp; NAOs)**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(A)</td>
<td>(B)</td>
<td>(C = A+B)</td>
</tr>
<tr>
<td>Outcome</td>
<td>Special opps(5)</td>
<td>(E = C+D)</td>
<td></td>
</tr>
<tr>
<td>Australian agriculture, fisheries, food and forestry industries that are based on the sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research</td>
<td>220,749</td>
<td>29,848</td>
<td>250,597</td>
</tr>
</tbody>
</table>

**Note:** Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

1. Cells C1, E1 and I1 refer to information provided in Table 2.1. K1, K2, K3 and K4 refer to information provided in Tables 3.1, 3.7 and 3.4 respectively.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
3. Refer to Table 3.1 for application of agency revenue.
4. Revenue from other sources are detailed in Appendix 1.
5. Estimated expenses from Individual Special Appropriations are shown in Appendix 2.

Amounts in shading are included in annual appropriation bills

<table>
<thead>
<tr>
<th>Departmental capital (equity injections and loans)</th>
<th>Administered capital</th>
<th>Total appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td>(K3)**</td>
<td>(K4)**</td>
<td>1,348,623</td>
</tr>
</tbody>
</table>
## MEASURES — DEPARTMENTAL SUMMARY

### Table 1.2: Summary of measures disclosed in the 2002-03 Budget

<table>
<thead>
<tr>
<th>Measure</th>
<th>Output groups affected</th>
<th>Appropriations budget 2002-03 ($'000)</th>
<th>Appropriations budget forward estimate 2003-04 ($'000)</th>
<th>Appropriations budget forward estimate 2004-05 ($'000)</th>
<th>Appropriations budget forward estimate 2005-06 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Stronger Tasmania</td>
<td>1</td>
<td>Admin expenses 1,000</td>
<td>Dept expenses 1,000</td>
<td>Total 1,100</td>
<td>Total 1,100</td>
</tr>
<tr>
<td>Incentives for Environmental Management Systems in Agriculture &quot;</td>
<td>1</td>
<td>Admin expenses -</td>
<td>Dept expenses -</td>
<td>Total -</td>
<td>Total -</td>
</tr>
<tr>
<td>Management Systems in Agriculture 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern Mallee Pipeline – Stage 7 South 1</td>
<td>1</td>
<td>Admin expenses -</td>
<td>Dept expenses -</td>
<td>Total -</td>
<td>Total -</td>
</tr>
<tr>
<td>Exceptional Circumstances in the Northern Wheatbelt Region of Western Australia</td>
<td>2</td>
<td>Admin expenses 9,209</td>
<td>Dept expenses 281</td>
<td>Total 9,490</td>
<td>Total 6,148</td>
</tr>
<tr>
<td>Reprivatising funding for the National Food Industry Strategy</td>
<td>2</td>
<td>Admin expenses -3,500</td>
<td>Dept expenses -3,500</td>
<td>Total -6,100</td>
<td>Total -10,800</td>
</tr>
<tr>
<td>Reprioritisation of Funding for the Southern Bluefin Tuna Scientific Research Programme</td>
<td>2</td>
<td>Admin expenses -1,200</td>
<td>Dept expenses -1,200</td>
<td>Total -3,800</td>
<td>Total - -</td>
</tr>
<tr>
<td>Beef Expo 2003 and Gracemere Saleyards</td>
<td>3</td>
<td>Admin expenses 3,900</td>
<td>Dept expenses 3,900</td>
<td>Total 7,800</td>
<td>Total  -</td>
</tr>
<tr>
<td>Southern Bluefin Tuna Scientific Research Programme</td>
<td>3</td>
<td>Admin expenses -1,000</td>
<td>Dept expenses 1,000</td>
<td>Total 1,000</td>
<td>Total 1,000</td>
</tr>
</tbody>
</table>
### Table 1.2: Summary of measures disclosed in the 2002-03 Budget - continued

<table>
<thead>
<tr>
<th>Measure</th>
<th>Output groups affected</th>
<th>Appropriations budget</th>
<th>Appropriations forward estimate</th>
<th>Appropriations forward estimate</th>
<th>Appropriations forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2002-03 ($'000)</td>
<td>2003-04 ($'000)</td>
<td>2004-05 ($'000)</td>
<td>2005-06 ($'000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Admin expenses</td>
<td>Dept outputs</td>
<td>Total</td>
<td>Admin expenses</td>
</tr>
<tr>
<td>Expense Measures</td>
<td></td>
<td>-</td>
<td>300</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td>Boosting Rural Veterinary Services</td>
<td>5</td>
<td>-</td>
<td>2,500</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Enhancing Animal Health Infrastructure</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Northern Australia Quarantine Strategy</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Summary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriation Bill (No. 1)</td>
<td></td>
<td>2,700</td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Appropriation Bill (No. 2)</td>
<td></td>
<td>3,691</td>
<td>-1,835</td>
<td></td>
<td>1,100</td>
</tr>
<tr>
<td>Special Appropriations</td>
<td></td>
<td>2,018</td>
<td>1,383</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Increase/Decrease in Administered Appropriations</td>
<td></td>
<td>8,409</td>
<td>-452</td>
<td></td>
<td>1,100</td>
</tr>
<tr>
<td>Increase/Decrease in Departmental Appropriations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Increase/Decrease in Appropriations</td>
<td></td>
<td>12,490</td>
<td>3,579</td>
<td></td>
<td>5,100</td>
</tr>
</tbody>
</table>

1. These measures will be funded from within the existing resources of the Natural Heritage Trust.
Section 2: Outcome and outputs information

OUTCOME AND OUTPUT GROUPS

AFFA’s business is described in terms of a mission statement, the aspiration for all AFFA business:

Increasing the profitability, competitiveness and sustainability of Australian agricultural, food, fisheries and forestry industries and enhancing the natural resource base to achieve greater national wealth and stronger rural and regional communities

an Outcome statement, that is the overall impact AFFA is seeking to achieve:

Australian agricultural, fisheries, food and forestry industries that are based on the sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research

and eight Output groups:

1. Natural resources access and management;
2. Innovation and rural policy and programs;
3. Industry development;
4. Market access and biosecurity;
5. Product integrity, animal (including aquatic animal) and plant health;
6. Quarantine and export services;
7. Scientific advice; and
8. Economic research.

Map 2 shows the relationship between the Portfolio Outcome, AFFA’s mission statement, AFFA’s Outcome and contributing Outputs.
Part C: AFFA Budget Statements

Map 2: Outcomes and output groups

**Portfolio Outcome:**
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.

**AFFA Mission Statement:**
Increasing the profitability, competitiveness and sustainability of Australian agricultural, food, fisheries and forestry industries and enhancing the natural resource base to achieve greater national wealth and stronger rural and regional communities.

**AFFA Outcome:**
Australian agricultural, fisheries, food and forestry industries that are based on the sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research.

- Total price of Outcome: $431.895m
- Departmental Appropriation: $250.597m
- Administered Expenses: $1,098.026m

**AFFA Outputs**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin: $146.079m</td>
<td>Admin: $566.122m</td>
<td>Admin: $312.618m</td>
<td>Admin: $10.251m</td>
<td>Admin: $62.956m</td>
<td>Admin: $0.000m</td>
<td>Admin: $0.000m</td>
<td>Admin: $0.000m</td>
</tr>
</tbody>
</table>
Part C: AFFA Budget Statements

Chart 1: Total AFFA Appropriations

Chart 2: AFFA Administered Appropriations - Payments made to Portfolio Bodies
Part C: AFFA Budget Statements

Chart 3: Departmental appropriations by output 2002-03

Chart 4: Administered appropriations by output 2002-03
Changes to Outcomes and Outputs

Following a decision by Government to transfer administration of the National Food Industry Strategy (NFIS) to the Supermarket to Asia Council (STAC), AFFA has restructured its Output groups to reflect this change and better align the Output structure for 2002-03.

This in turn has resulted in:

- the renaming of Output 2 from Innovation and Operating Environment (IOE) to **Innovation and Rural Policy and Programs**;
- the renaming of Output 3 from Industry Development and Adjustment to **Industry Development**;
- the removal of Output 4 - Food; and
- the transfer of some functions between Outputs.

These changes are detailed in the following diagram.

<table>
<thead>
<tr>
<th>2001-02 Output functions</th>
<th>2002-03 Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 3</td>
<td></td>
</tr>
<tr>
<td>• Rural Support and Adjustment</td>
<td></td>
</tr>
<tr>
<td>• Women in Rural Industries/Industry Leadership</td>
<td><strong>Output 2</strong></td>
</tr>
<tr>
<td>Output 4</td>
<td><strong>Output 3</strong></td>
</tr>
<tr>
<td>• Food Policy</td>
<td></td>
</tr>
<tr>
<td>• Horticulture and Wine Industry</td>
<td></td>
</tr>
</tbody>
</table>

The numbered order of Outputs has also changed to reflect the transfer of functions:

<table>
<thead>
<tr>
<th>2002-03 Output Order</th>
<th>2001-02 Output Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natural resources access and management</td>
<td>1</td>
</tr>
<tr>
<td>2. Innovation and rural policy and programs</td>
<td>2</td>
</tr>
<tr>
<td>3. Industry development</td>
<td>3</td>
</tr>
<tr>
<td>4. Market access and biosecurity</td>
<td>5</td>
</tr>
<tr>
<td>5. Product integrity, animal (including aquatic animal) and plant health</td>
<td>6</td>
</tr>
<tr>
<td>6. Quarantine and export services</td>
<td>7</td>
</tr>
<tr>
<td>7. Scientific advice</td>
<td>8</td>
</tr>
<tr>
<td>8. Economic research</td>
<td>9</td>
</tr>
</tbody>
</table>
Part C: AFFA Budget Statements

**AFFA OUTCOME — RESOURCING**

Table 2.1 shows how the 2002-03 appropriations translate to total resourcing for the Outcome, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of Outputs. Cell references C1, E1 and I1 show the links back to Table 1.1, the Appropriations Table.
### Table 2.1: Total resources for AFFA’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated</th>
<th>Budget actual estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td>Administered appropriations¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administered Items - Appropriations Bill 1</td>
<td>248,194</td>
<td>229,639</td>
</tr>
<tr>
<td>Administered Items - Appropriations Bill 2</td>
<td>119,749</td>
<td>158,193</td>
</tr>
<tr>
<td>Administered Items - Special Appropriations</td>
<td>718,575</td>
<td>710,194</td>
</tr>
<tr>
<td><strong>Total administered expenses</strong></td>
<td>1,086,518</td>
<td>1,098,026</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Departmental appropriations</th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1 - Natural Resources Access and Management</td>
<td>28,423</td>
<td>26,648</td>
</tr>
<tr>
<td>Output 2 - Innovation and rural policy and programs ²</td>
<td>9,919</td>
<td>14,107</td>
</tr>
<tr>
<td>Output 3 - Industry Development ³</td>
<td>19,609</td>
<td>23,556</td>
</tr>
<tr>
<td>Output 4 - Food processing and Through Chain Development ⁴</td>
<td>15,666</td>
<td></td>
</tr>
<tr>
<td>Output 4 - Market Access and Biosecurity</td>
<td>26,530</td>
<td>26,124</td>
</tr>
<tr>
<td>Output 5 - Product Integrity, Animal (including Aquatic Animal) and Plant Health</td>
<td>12,190</td>
<td>13,810</td>
</tr>
<tr>
<td>Output 6 - Quarantine and Export Services</td>
<td>120,991</td>
<td>138,574</td>
</tr>
<tr>
<td>Output 7 - Scientific Advice</td>
<td>3,892</td>
<td>3,847</td>
</tr>
<tr>
<td>Output 8 - Economic Research</td>
<td>4,092</td>
<td>3,931</td>
</tr>
<tr>
<td><strong>Total revenue from government (appropriations)</strong></td>
<td>241,312</td>
<td>250,597</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue from other sources</th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods and services</td>
<td>169,744</td>
<td>168,798</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>2,241</td>
<td>2,208</td>
</tr>
<tr>
<td>Other sources of non-taxation revenues</td>
<td>10,385</td>
<td>10,292</td>
</tr>
<tr>
<td><strong>Total revenue from other sources</strong></td>
<td>182,370</td>
<td>181,298</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total price from departmental outputs</th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Total revenue from government and from other sources)</td>
<td>423,682</td>
<td>431,895</td>
</tr>
<tr>
<td><strong>Total estimated resourcing for AFFA Outcome</strong></td>
<td>1,510,200</td>
<td>1,529,921</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average staffing level (number)</th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,190</td>
<td>3,365</td>
</tr>
</tbody>
</table>

1. Details of administered programs can be found in Appendices 2, 2.1 and 2.2.
2. Following a restructure of AFFA’s Outputs, Output 2 has been renamed from Innovation and Operating Environment to Innovation and Rural Policy and Programs.
3. Following a restructure of AFFA’s Outputs, Output 3 has been renamed from Industry Development and Adjustment to Industry Development.
4. Following a restructure of AFFA’s Outputs, the Food output has been removed and functions transferred to other Outputs.
**CONTRIBUTION OF OUTPUTS TO DEPARTMENTAL OUTCOME**

AFFA’s performance framework is presented in the following way:

- Overall Effectiveness Indicators – these indicators measure the Department’s success in achieving the Outcome.

- Output Performance Indicators – these indicators measure both Departmental and Administered Items, as they relate to a particular Output, in how they contribute to the Outcome.

Each Output has an objective statement followed by a brief description of the major activities it will undertake during 2002-03. The performance indicators that follow the Expense Measures, Departmental Items and Administered Items measure the success of the Output in achieving its objective. Information in this section also includes planned evaluations for 2002-03.

The diagram below illustrates the structure of AFFA’s performance indicator framework:
Part C: AFFA Budget Statements

OVERALL EFFECTIVENESS INDICATORS – ACHIEVEMENT OF AFFA’S OUTCOME

AFFA’s Outcome – Australian agricultural, fisheries, food and forest industries that are based on the sustainable management of and access to natural resources, are more competitive, self-reliant and innovative, have increased access to markets, are protected from diseases and are underpinned by scientific advice and economic research.

<table>
<thead>
<tr>
<th>OUTCOME COMPONENTS</th>
<th>Indicator</th>
<th>Responsible Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable management of resources:</td>
<td>• increased awareness and understanding of natural resources issues;</td>
<td>Natural Resources Access and Management</td>
</tr>
<tr>
<td></td>
<td>• adoption of sustainable practices by land/fishery/forestry managers and the general community; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• increased opportunities to secure and access resources with certainty and on a sustainable basis.</td>
<td></td>
</tr>
<tr>
<td>Competitive Portfolio industries:</td>
<td>• profitable, commercially sustainable industries;</td>
<td>Industry Development</td>
</tr>
<tr>
<td></td>
<td>• industries with improved commercial focus and responsiveness to market conditions;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• the extent to which AFFA assists and facilitates the growth and development of the Australian food and beverage industries in evolving global markets and contributes to the adoption of new and improved approaches along the value chain;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• change and adjustment strategies and programs implemented effectively; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• improved operating environment for industries/businesses enabling them to become more competitive.</td>
<td></td>
</tr>
<tr>
<td>Self-reliant and Innovative Portfolio industries:</td>
<td>• increased industry adoption of research and development and innovative technologies, contributing to increased productivity;</td>
<td>Innovation and Rural Policy and Programs</td>
</tr>
<tr>
<td></td>
<td>• increased capacity of portfolio industries to realise the benefits from responsible adoption of biotechnology;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• increased industry leadership and responsibility for industry activity; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• an increase in the knowledge and use of management skills by target clients.</td>
<td></td>
</tr>
</tbody>
</table>
### Part C: AFFA Budget Statements

<table>
<thead>
<tr>
<th><strong>Outcome Components</strong></th>
<th><strong>Indicator</strong></th>
<th><strong>Responsible Output</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to markets:</td>
<td>• maintaining existing markets and creating new and improved trade opportunities for Portfolio industries;</td>
<td>Market Access and Biosecurity</td>
</tr>
<tr>
<td></td>
<td>• the extent to which international agricultural cooperation is enhanced as a facilitator of increased trading opportunities; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• maintaining the integrity and delivery of inspection and certification services, standards setting, technical market maintenance and public awareness.</td>
<td>Quarantine and Export Services</td>
</tr>
<tr>
<td>Pest and disease protection:</td>
<td>• reduction in the adverse impacts of agriculture, forest or aquaculture pests, diseases and contaminants on production and trade;</td>
<td>Product Integrity, Animal (including Aquatic Animal) and Plant Health</td>
</tr>
<tr>
<td></td>
<td>• ensuring scientific and technical advice underpins import risk analyses and the development of national quarantine policy; and</td>
<td>Market Access and Biosecurity</td>
</tr>
<tr>
<td></td>
<td>• maintaining the integrity and delivery of inspection and certification services, standards setting, technical barrier protection and public awareness.</td>
<td>Quarantine and Export Services</td>
</tr>
<tr>
<td>Scientific advice:</td>
<td>• the extent to which scientific advice is reflected in national policy decisions or related public information; and</td>
<td>Scientific Advice</td>
</tr>
<tr>
<td></td>
<td>• the degree to which scientific advice is utilised by Ministers and industry.</td>
<td></td>
</tr>
<tr>
<td>Economic research:</td>
<td>• economic research findings reflected in national and international agendas and in uptake by Ministers and industry.</td>
<td>Economic Research</td>
</tr>
</tbody>
</table>
OUTPUT 1 — NATURAL RESOURCES ACCESS AND MANAGEMENT

OUTPUT OBJECTIVE
To advance the sustainable use and management of and security of access to Australia’s land and water resources, fisheries and forests through the provision of high quality and timely policy advice and services and the efficient delivery of effective programs, and stakeholder consultation and collaboration.

DESCRIPTION OF OUTPUT ACTIVITIES
Sustainable use and management of natural resources underpins Australia’s agricultural, food, fisheries and forestry industries. Profitable and competitive agricultural, food, fisheries and forestry industries need access to natural resources on a known and secure basis. The long-term future of resource-reliant industries and the rural and regional communities that depend on them requires the resource base to be managed in a sustainable way. Currently, Australia faces major challenges to the sustainability of our resource base from land and water degradation. However, these challenges also offer us opportunities to provide innovative solutions using a range of biophysical, economic, legislative, institutional reform and market-driven tools.

Key areas of activity include:

• administering programs that promote and facilitate greater adoption of sustainable natural resource management practices;

• developing initiatives through arrangements such as improved property rights regimes to ensure reasonable and secure access to resources for sustainable resource based industries in particular forestry, fisheries and agriculture;

• building the information base necessary for improved natural resources management including products and processes which integrate economic, scientific, social and environmental information in a consistent and transparent manner;

• providing information products, decision-support tools and data to enhance the management of Australia’s natural resources and to support Australian climate change objectives;

• developing national policy frameworks, strategies and agreements, for achieving sustainable resource management and use;

• ensuring portfolio and Commonwealth priorities and perspectives are taken into account in policies and strategies related to natural resources that are developed outside the portfolio both domestically and internationally;

• developing policy frameworks for assessing and reconciling differences among competing resource users including frameworks which promote an
improved understanding of the costs and benefits of different resource management options; and

• participating in regional and international bodies and management regimes to ensure secure access to migratory and shared fish stocks for the Australian fishing industry.

Key programs to support these activities are: the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality (National Action Plan), with additional specific programs on the National Landcare Program, Great Artesian Basin and Murray-Darling Basin.

The centrepiece of both the National Action Plan and the extension of the Natural Heritage Trust is the development of integrated catchment or regional natural resource management plans by community-based regional bodies, as a basis for investment in achieving outcomes. Governments will be one investor and support this regional approach through substantial funding for strategic actions specified in catchment plans and through the provision of technical assistance, skills training, information and data.

The National Action Plan and the extension of the Natural Heritage Trust have separate, but aligned objectives. The extension to the Trust has broader objectives and is available Australia-wide. The National Action Plan is focussed on salinity and water quality outcomes in 21 priority regions.

The National Action Plan is a joint initiative of the Commonwealth, State and Territory governments. It involves a funding package of $700 million over 7 years (2000-01 to 2006-07) from the Commonwealth, matched by States and Territories.

Key objectives of the National Action Plan are to:

• prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure; and

• improve water quality and secure reliable allocations for human uses, industry and the environment.

Implementation of the National Action Plan is governed by a multilateral Intergovernmental Agreement and, in each jurisdiction, by a Bilateral Agreement. Support will also involve the development of pilots for market-based instruments to encourage best management practice, assistance for research and development, including into new commercial opportunities in salt affected areas, and the introduction of the next steps in land and water resource policy reform.
The Natural Heritage Trust was established by the Commonwealth Government in 1996 to lay the foundation for an integrated long term approach to the conservation and sustainable management of Australia’s land, water, native vegetation and biodiversity. More than $1.4 billion of Natural Heritage Trust and related programs funding has been approved for over 11,800 projects around Australia since 1996, involving almost 400,000 Australians. Funding has mainly gone to on-ground sustainable agriculture, natural resource management and environmental projects.

Following its commitment of $1.5 billion over the six years to 2001-02 the Government will provide $1 billion to extend the Natural Heritage Trust for a further six years, from 2002-03 until 2007-08. This brings total funding since 1996 to $2.5 billion.

The successful continuation of the Natural Heritage Trust will be enhanced by the important lessons learnt during its first six years. The Trust’s existing 23 programs will be consolidated and simplified, with future investment made through four overarching programs: Landcare, Bushcare, Rivercare and Coastcare.

Investments will be made at the national, regional and local level against three main objectives: sustainable agriculture and natural resource use; conservation of biodiversity; and building community capacity. As with the National Action Plan, the regional level strategic investments will be made on the basis of an accredited integrated natural resource management plan.

**EXPENSE MEASURES**

### A STRONGER TASMANIA

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered Appropriation</td>
<td>-</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>

**Explanation**

The Government will provide $3.2 million over three years to contribute to the development of agriculture in Tasmania through the development of the Warner Creek Dam and the Northern Midlands Water Project as detailed below.

When completed, the Warner Creek Dam, also known as the Meander River Dam, will provide a reliable irrigation supply to agricultural users of the region, enhancing
opportunities for economic growth. Subject to a feasibility study, the Commonwealth will provide $2.6 million for construction, on a matching basis with Tasmania, to meet the shortfall in private investment.

The Commonwealth will also provide a further $0.6 million to the Northern Midlands Water Project, on the Macquarie River. The project will provide a more reliable source of irrigation water allowing landholders to diversify and increase the productive value of agriculture in the region.

**Performance Information**
Commonwealth funding together with a mix of other public and private funds, results in construction of the dams.

<table>
<thead>
<tr>
<th>INCENTIVES FOR ENVIRONMENTAL MANAGEMENT SYSTEMS IN AGRICULTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses ($m)</td>
</tr>
<tr>
<td>Departmental Appropriation</td>
</tr>
<tr>
<td>Administered Appropriation</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

**Explanation**
The Government will allocate funding of up to $25 million to support eligible primary producers in adopting Environmental Management Systems (EMS). This incentive will support improved environmental management of Australia’s natural resources, encourage sustainable agricultural production systems and reinforce Australia’s reputation as a supplier of quality, environmentally friendly agricultural products. Fifty per cent of the costs of eligible EMS expenditure, up to a maximum of $3,000 per primary producer (subject to eligibility criteria) on taxable incomes up to $30,000 per annum, will be reimbursed under the programme. The level of reimbursement applying to eligible primary producers on taxable incomes between $30,000 and $35,000 per annum will reduce by $3 for every $5 in income above $30,000.

This measure will be funded from within the existing resources of the Natural Heritage Trust.
**Performance Information**
Increase in the adoption, by primary producers, of environmental management systems, as measured by the uptake of the incentive and adoption of improved management practices.

<table>
<thead>
<tr>
<th>NORTHERN MALLEE PIPELINE – STAGE 7 SOUTH</th>
</tr>
</thead>
</table>

**Expenses ($m)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Explanation**
The Government will provide $4 million in 2002-03 to extend the Northern Mallee Pipeline to cover the Patchewollock and Cannie Ridge Districts of the existing pipeline project area in north-western Victoria. The extended pipeline will replace the existing open channel stock and domestic water supply system and aims to provide a more secure stock and domestic water supply to a further 100,000 hectares of farmland. The Commonwealth funding is subject to a matching contribution from the Victorian Government.

This measure will be funded from within the existing resources of the Natural Heritage Trust.

**Further Information**
The Commonwealth and Victorian governments have provided funding support for the construction of the Northern Mallee Pipeline since 1991-92.

**Performance Information**
Commonwealth funding results in matching funding from the Victorian Government which increases the area of open water supply channels replaced by the pipeline.

The extent to which the Patchewollock and Cannie Ridge elements of the pipeline extension contributes to water savings being available for environmental and other purposes in the Wimmera Mallee region.
## PERFORMANCE INDICATORS

### DEPARTMENTAL ITEMS

High quality policy advice on natural resources access and management as measured by:

- Meeting a standard agreed with Ministers. The target for this indicator is 90%.
- Influence on national and international strategies and actions, measured by the extent to which decisions and actions of ministerial councils and other government and industry committees and agencies take account of Portfolio policies and priorities.
- Progress on program implementation which contributes to improved natural resource management.
- Commonwealth capital investment results in additional financial and other investments from public and private organisations.

### ADMINISTERED ITEMS *

<table>
<thead>
<tr>
<th>Contribution to Salinity Mitigation</th>
<th>Performance of joint salinity schemes in the Murray-Darling Basin to remove salt and meet river salinity targets.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Artesian Basin Sustainability Initiative</td>
<td>National component projects that provide social and economic data that contribute to the assessment and promotion of the Initiative.</td>
</tr>
<tr>
<td>Great Artesian Basin Sustainability Initiative – States</td>
<td>Bore capping and bore drain replacement increasing artesian water pressure in the GAB as measured by progress towards target pressures in priority areas.</td>
</tr>
<tr>
<td>Murray-Darling Basin (MDB) Commission</td>
<td>Funding to the MDB Initiative results in improved natural resource management in the Basin as measured by the adoption of Commission initiated policies and strategies in regional and catchment plans, the provision of accountable, effective and efficient services to the MDB Ministerial Council.</td>
</tr>
<tr>
<td>National Action Plan for Salinity and Water Quality</td>
<td>For performance information see Section 4: Purchaser/Provider arrangements.</td>
</tr>
</tbody>
</table>
**National Landcare Programme (for**
*payment to Natural Resources Management Reserve)*

- Projects at the national level which contribute to sustainable use and management of the natural resource base.

**National Landcare Programme – Payments to States**

- Landcare projects that result in sustainable natural resource management through enhanced community and landholder capacity, and institutional change as measured by individual project assessment and program activity evaluations.
- Payments made to the States/Territories within two weeks of signed financial agreements.

**Water Resources Assessment and Research – Grants**

- Grants are made for consultancies and projects which promote the sustainable use and management of water resources.

*Key:*

AB1 = Appropriations Bill 1
AB2 = Appropriations Bill 2
SAB = Special Appropriations Bill

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**Planned Evaluations for 2002-03**

**GREAT ARTESIAN BASIN SUSTAINABILITY INITIATIVE**

**Objectives**

A mid-term review of the Great Artesian Basin Sustainability Initiative will be conducted to:

- Assess the progress of the Great Artesian Basin Sustainability Initiative against project objectives; and
- Evaluate the operating arrangements and assess the need for any change to practices for the remainder of the initiative.

**Start Date**
July 2002

**End Date**
November 2002

**Intended audience for findings**
Commonwealth and State/Territory governments and relevant departments, Great Artesian Basin Consultative Council.
Objectives
The final evaluation of Phase 1 of the Natural Heritage Trust (1996-97 to 2001-02) will focus on the achievements of the Trust and on lessons learnt that may have implications for program delivery strategies under the Trust extension and the National Action Plan for Salinity and Water Quality. It will include:

• Aggregated outputs across all Trust programs;
• Assessment against key intermediate outcome indicators; and
• A whole-of-Trust evaluation focussed on the three overarching Trust objectives, to provide information about the net impact and overall effectiveness of the Trust.

Start Date
July 2002 (approx.)

End Date
June 2003 (approx.)

Intended audience for findings
Natural Heritage Ministerial Board, Natural Heritage Advisory Committee, Commonwealth and State/Territory governments and relevant departments, the community and agricultural industries.
OUTPUT 2 — INNOVATION AND RURAL POLICY AND PROGRAMS

OUTPUT OBJECTIVE
To promote a profitable, competitive and sustainable business environment for portfolio industries through the development of integrated policies and programs in the areas of capacity building, Research and Development (R&D) and innovation, biotechnology and industry leadership.

DESCRIPTION OF OUTPUT ACTIVITIES
In the face of continuing challenges from highly competitive international markets, the pressures of maintaining sustainability of the resource base and ongoing microeconomic reforms, portfolio industries must rely on continued growth and capacity development to remain profitable, competitive and sustainable. It is also critical that the interests of these industries are factored into the development of future wider microeconomic reforms and regulatory arrangements.

Innovation and Rural Policy and Programs (IRPP) have a key role in promoting competitive and sustainable portfolio industries.

Key areas of activity include:

- developing and implementing policies and programs to build rural business capacity and self-reliance. This includes initiatives for rural women and young farmers and the provision of targeted support for rural producers in financial difficulty. This is achieved through the Agriculture - Advancing Australia package of programs;

- ensuring that R&D funded through the rural R&D corporations and related companies continues to promote the competitiveness and sustainability of portfolio industries and rural and regional Australia;

- participating in the development of national and international approaches to biotechnology and its applications to ensure that portfolio industries have access to world class technologies and markets;

- ensuring portfolio industry perspectives are taken into account in developing domestic innovation, science and technology strategies and programs;

- providing economic policy advice on a range of economic, taxation, legal and regulatory and other rural issues; and

- encouraging development and commercialisation of new plant varieties through the granting of intellectual property rights.
PART C: AFFA BUDGET STATEMENTS

EXPENSE MEASURES

EXCEPTIONAL CIRCUMSTANCES IN THE NORTHERN WHEATBELT REGION IN WESTERN AUSTRALIA

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Agriculture, Fisheries and Forestry</td>
<td>9.5</td>
<td>6.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Department of Family and Community Services</td>
<td>0.4</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Department of Health and Ageing</td>
<td>0.4</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10.3</td>
<td>7.0</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Explanation
The Government will provide up to $24 million over three years (including $6.7 million in 2001-02) as Exceptional Circumstances assistance to nominated shires in the northern wheatbelt of Western Australia. The Minister for Agriculture, Fisheries and Forestry announced the declaration of Exceptional Circumstances in this area on 7 March 2002.

This is a cross-portfolio measure between the Departments of Agriculture, Fisheries and Forestry, Health and Ageing and Family and Community Services, and will be administered through Centrelink. The above funding for the Department of Agriculture, Fisheries and Forestry includes amounts of $0.1 million in 2001-02, $0.3 million in 2002-03 and $0.1 million in 2003-04 for Centrelink to administer this Exceptional Circumstances assistance.

Exceptional Circumstances assistance through interest rate subsidies provides short-term targeted support to assist viable farm businesses affected by adverse impacts of exceptional climatic events, including drought. Income support to farm families is also provided through the Exceptional Circumstances Relief Payment.

Performance Information
Assistance meets the welfare and/or business support needs of farm families in declared areas.
### REPRIORITISING FUNDING FOR THE NATIONAL FOOD INDUSTRY STRATEGY

<table>
<thead>
<tr>
<th>Expenses (zm)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered Appropriation</td>
<td>-3.5</td>
<td>-5.8</td>
<td>-</td>
<td>-10.8</td>
</tr>
<tr>
<td>Total</td>
<td>-3.5</td>
<td>-5.8</td>
<td>-</td>
<td>-10.8</td>
</tr>
</tbody>
</table>

**Explanation**

The Government announced the $102.4 million National Food Industry Strategy on 28 September 2001, which aims to ensure that the Australian food industry will continue to be a significant global player with a sustainable and profitable role in the global food production system.

This measure will offset elements of the cost of the strategy by reprioritising $9.3 million over 2002-03 and 2003-04 from the Agriculture – Advancing Australia FarmBis Programme. This reallocation will come from the uncommitted Commonwealth/State component of FarmBis and will not affect existing agreements with the States. The Department of Agriculture, Fisheries and Forestry is absorbing $22.6 million over 2005-06 and 2006-07 from within existing resources.

**Performance Information**

Part C: AFFA Budget Statements

**Reprioritisation of Funding for the Southern Bluefin Tuna Scientific Research Programme**

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administered Appropriation</td>
<td>-1.2</td>
<td>-1.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-1.2</td>
<td>-1.8</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Explanation**

The Government will reallocate $3 million from the Agriculture – Advancing Australia FarmBis – Skilling Farmers for the Future and Agricultural Development Partnerships programmes to the new Southern Bluefin Tuna Scientific Research Programme.

This reallocation will come from the uncommitted Commonwealth/State component of the programmes and will not affect existing agreements with the States. The revised level of funding will more accurately reflect estimated demand under the programmes.

See also the related expense measure titled *Southern Bluefin Tuna Scientific Research Programme* in the Agriculture, Fisheries and Forestry portfolio.
## PERFORMANCE INDICATORS

### DEPARTMENTAL ITEMS

High quality policy advice on innovation and rural policy as measured by:

- Meeting a standard agreed with Ministers. The target for this indicator is 90%.

Effective innovation and rural program administration as measured by:

- Programs that are effectively communicated and readily accessible for target clients.
- Administration that is in accordance with program guidelines and government prudential requirements.

### Plant Breeders Rights

- Granting of intellectual property rights to owners of new varieties under the Plant Breeders Rights Scheme.
- Improved access by stakeholders to the internationally harmonised system of plant variety protection (UPOV).
### ADMINISTERED ITEMS *

<table>
<thead>
<tr>
<th>Act/Act</th>
<th>R&amp;D Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Industries and Energy Act 1989</td>
<td>Cotton RDC</td>
</tr>
<tr>
<td>Dairy RDC</td>
<td>Fisheries RDC</td>
</tr>
<tr>
<td>Forest and Wood Products RDC</td>
<td>Grains RDC</td>
</tr>
<tr>
<td>Grape and Wine RDC</td>
<td>Rural Industries RDC</td>
</tr>
<tr>
<td>Sugar RDC</td>
<td></td>
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<tr>
<td>Horticultural Marketing and Research and Development Services Act 2000</td>
<td>R&amp;D Payments</td>
</tr>
<tr>
<td>Pig Industry Act 2001</td>
<td>R&amp;D Payments</td>
</tr>
<tr>
<td>Wool Services Privatisation Act 2000</td>
<td>R&amp;D Payments</td>
</tr>
<tr>
<td>Australian Meat and Livestock Act 1997</td>
<td>R&amp;D Payments</td>
</tr>
<tr>
<td>Australian Wine and Brandy Corporation Act 1980</td>
<td></td>
</tr>
<tr>
<td>Dairy Produce Act 1986</td>
<td></td>
</tr>
<tr>
<td>Agricultural Development Partnerships</td>
<td></td>
</tr>
<tr>
<td>Farm Help (formerly known as Farm Family Restart Scheme)</td>
<td></td>
</tr>
<tr>
<td>Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)</td>
<td></td>
</tr>
</tbody>
</table>

- In consultation with the Research and Development Corporations and companies (RDCs), the Department produces a report entitled ‘Innovating Rural Australia’s Research and Development Corporation Outcomes’, which highlights the collective benefits of the RDCs. The individual RDCs will continue to report their activities to the Parliament and their industries through their annual reports.
- Promote and control export of Australian wine.
- Promote the sale of Australian wine domestically.
- Enhancing the profitable production and marketing of Australian dairy produce.
- Industry development funds leveraged from the private sector.
- Prospects for long-term viability and sustainability of regional farming communities enhanced.
- Number of farm families in severe financial difficulties accessing welfare support, professional advice and re-establishment assistance.
- Welfare support provided to farm families experiencing severe financial difficulties in EC areas.
### Part C: AFFA Budget Statements

| Industry Leadership – Women and Young People in Rural Industries | • Increased representation of and participation by women and young people involved in rural industries in government consultation and decision-making processes. AB1 |
| Inland Marketing Corporation | • Research and data identified and analysed to support evidence-based policy advice. |
| | • Increased awareness of AFFA’s role, policies and programs amongst target client groups. |
| | • Evidence of a regional marketing strategy to underpin local product development.  
| | • Evidence of promotion of marketing opportunities for non-metropolitan regions of New South Wales. |
| | • Evidence of improved regional supply chain efficiencies. |
| Land and Water Resources Research and Development Corporation | • In consultation with the Research and Development Corporations and companies (RDCs), the Department produces a report entitled ‘Innovating Rural Australia’s Research and Development Corporation Outcomes’, which highlights the collective benefits of the RDCs. The individual RDCs will continue to report their activities to the Parliament and their industries through their annual reports. AB1 |
| Payments to State Authorities in Connection with War Service Land Settlement | • Satisfactory progress in the conduct of the project in accordance with project milestones under the Commonwealth/State Agreement. AB2 |
| Regional Assistance, including Exceptional Circumstances | • Prospects for long-term viability and sustainability of regional farming communities enhanced. AB2 |
| | Exceptional Circumstances |
| | • Number of viable farmers assisted by EC interest rate subsidies. |
| | • Services provided by the States as specified in the memorandum of understanding and in accordance with the relevant guidelines.
### Rural Financial Counselling Service
- Number of clients serviced, number of referrals made to other services and actual contact hours. **Note:** this PI is under review - new indicators will be developed once the new program delivery model is finalised.

### Rural Industries Research and Development Corporation
- In consultation with the Research and Development Corporations and companies (RDCs), the Department produces a report entitled *Innovating Rural Australia’s Research and Development Corporation Outcomes*, which highlights the collective benefits of the RDCs. The individual RDCs will continue to report their activities to the Parliament and their industries through their annual reports.

### Skilling Farmers for the Future
- Proportion of program which addressed specific target areas (as appropriate).
- Level of awareness of program amongst stakeholders.
- Level of support for program by shareholders.
- Level of participant satisfaction with pilot activities.
- Level of uptake of newly developed activities under the Commonwealth/State FarmBis program.
| Skilling Farmers for the Future – States | • Level of awareness of FarmBis amongst potential participants.  

• Proportion of potential participants which access the FarmBis program (by industry, State and equity group).  

• Level of satisfaction of participants with service of FarmBis staff, coordinators and training providers.  

• Proportion of participants which indicate: their information needs were satisfied, a commitment to continuous learning behaviour, that they have incorporated course outcomes into their business and NRM practices. |

* Key:  
AB1 = Appropriations Bill 1  
AB2 = Appropriations Bill 2  
SAB = Special Appropriations Bill
Planned Evaluations for 2002-03

THE AGRICULTURE - ADVANCING AUSTRALIA (AAA) PACKAGE EVALUATION

Objectives
The Framework for Evaluation of the Agriculture - Advancing Australia Package agreed by the Government in April 2001 involves three main evaluation activities. The framework provides for evaluation both at the individual program level and with respect to the AAA package as a whole:

1. To measure the effectiveness of the AAA Package as a whole, baseline and longitudinal sampling of producer attitudes, skills and behaviours will be undertaken. The baseline survey of 2,500 producers was undertaken in 1998, and a follow up survey in 2000 provided early data on the effectiveness of the package. The next cycle for this survey will be conducted in late 2002.

2. The effectiveness of programs in achieving the overarching objectives of the AAA package will be measured.

3. Routine monitoring and formal review of individual programs within the AAA package will continue, aligned with objectives and performance indicators at the program level.

Start Date
April 2002

End Date
March 2003

Intended audience for findings
Expenditure Review Committee and the Department of Finance and Administration
OUTPUT 3 — INDUSTRY DEVELOPMENT

OUTPUT OBJECTIVE
To assist Australia’s agriculture, fisheries, forestry, food and beverage industries become more globally competitive through policy advice to the Government and program administration which improves commercial performance and responsiveness to market conditions, and adoption of new and improved approaches along the value chain.

DESCRIPTION OF OUTPUT ACTIVITIES
Portfolio industries are facing a range of challenges including:

- changing terms of trade for agricultural, fisheries and forestry commodities and products;
- increased domestic and international competition;
- rapid globalisation of food retailing and processing and changing consumer demands for food products;
- establishing and demonstrating sustainable resource use; and
- changing environmental conditions relating to soils, biodiversity, water availability and temperature.

This Output is aimed at addressing relevant industry development issues in a proactive and planned manner and contributes to the achievement of the AFFA Outcome through the following:

- provision of policy advice and support for the Government;
- improving the commercial focus of portfolio industries by transferring ownership and responsibility for service provision to industry, through boards accountable to levy payers and the Government;
- removing impediments to competition and market access;
- improving integration and strategic alliances within various industry sectors; and
- facilitating growth and development of Australian food and beverage industries and encouraging adoption of innovation along the value chain.

In particular, key areas of activity are:

Agricultural industries: review and reform of agricultural industry service provision bodies, marketing and other arrangements and the provision of industry-specific adjustment and assistance programs where appropriate.
Part C: AFFA Budget Statements

Forest industry: promote the development of competitive (and sustainable) forest industries through the Forest and Wood Products Action Agenda, removal of impediments to investment, the Forest Industries Structural Adjustment Program, and forest management certification and labelling.

Fisheries and aquaculture industry: promote the national interest in fisheries management and aquaculture, commission and implement programs which address existing and emerging industry needs and manage increased competition and pressure on regional fisheries resources.

Food and beverage industries: implement the National Food Industry Strategy, (including support for the work of the National Food Industry Council) and continue implementation of the New Industries Development Program.

### EXPENSE MEASURES

#### BEEF EXPO 2003 AND GRACEMERE SALEYARDS

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Total</td>
<td>3.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Explanation**
The Government will provide $5.7 million over two years towards the staging and running of the 2003 Beef Expo and for the upgrading and construction of a livestock showcase facility at the Gracemere Saleyards in Rockhampton. Funding of $1.8 million in 2001-02 is being fully absorbed within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

The Beef Expo is a major regional and tourism event held every three years, which will utilise the state-of-the-art livestock showcase facility for the display and marketing of livestock.
**Performance Information**
To assist in the staging and management of Beef Expo 2003 and the design and construction of a new exhibition centre at the Gracemere Saleyards.

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**SOUTHERN BLUEFIN TUNA SCIENTIFIC RESEARCH PROGRAMME**

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>-</td>
</tr>
</tbody>
</table>

**Explanation**
The Government will provide $3 million to contribute to a scientific research programme aimed at improving knowledge on the status of the global Southern Bluefin Tuna stock and enable appropriate decisions about resource use.

The scientific research programme is administered by the Commission for the Conservation of Southern Bluefin Tuna in which Australia is an active participant.

See also the related expense measure titled *Reprioritisation of Funding for the Southern Bluefin Tuna Scientific Research Programme* in the Agriculture, Fisheries and Forestry portfolio.

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**Performance Information**
Implementation of the Scientific Research Program will improve knowledge of the status of the southern bluefin tuna stock and provide a strong scientific basis for more responsive and robust resource use decisions.
**Performance Indicators**

### Departmental Items

**High quality policy advice on industry development and adjustment as measured by:**

- Meeting a standard agreed with Ministers. The target for this indicator is 90%.

**Effective program administration as measured by:**

- Programs that are effectively communicated and readily accessible for target clients.
- Administration that is in accordance with program guidelines and government prudential requirements for those initiatives delivered by AFFA.
- Effective management of AFFA contractual obligations with outsourced service providers as measured by payments of contractual obligations within agreed timeframes and government prudential requirements and delivery of agreed outcomes by service providers within agreed timeframes and costs.

### Administered Items *

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy Industry Restructure Package</td>
<td>- Level of uptake of assistance by farmers.</td>
</tr>
<tr>
<td></td>
<td>- Implementation of the dairy industry assistance package leading to farm level adjustment as measured by the number of farm exits, farmers taking up industry finance options, and changes in relevant farm production, productivity and profitability.</td>
</tr>
<tr>
<td>Douglas Shire Ethanol Project</td>
<td>- Timely delivery of financial support in accordance with proponent meeting agreed milestone commitments and targets.</td>
</tr>
<tr>
<td>Eden Regional Adjustment Package</td>
<td>- Number of new jobs created and the amount of private sector investment leveraged in the Eden region as direct result of ERAP.</td>
</tr>
<tr>
<td><strong>Fisheries Admin Act 1991</strong></td>
<td>• Efficient management of Commonwealth fisheries by the Australian Fisheries Management Authority (AFMA).</td>
</tr>
<tr>
<td><strong>Fisheries Resources Research</strong></td>
<td>• Appropriate utilisation of FRRF funds to progress policy through research into fisheries and aquaculture.</td>
</tr>
<tr>
<td><strong>For expenditure under the <em>Fisheries Admin Act 1991</em></strong></td>
<td>• Support the efficient operation of AFMA in the stewardship of Commonwealth fisheries resources.</td>
</tr>
<tr>
<td><strong>Forest Industry Structural Adjustment Package</strong></td>
<td>• Number of businesses and employees assisted and extent of new investment in forest industries.</td>
</tr>
<tr>
<td><strong>Forest Industry Structural Adjustment Package – States</strong></td>
<td>• Assistance given within agreed timeframes.</td>
</tr>
<tr>
<td><strong>International Organisations Contributions</strong></td>
<td>• Industry development funds leveraged from the private sector.</td>
</tr>
<tr>
<td><strong>Tasmanian Wheat Freight – Shipping</strong></td>
<td>• Work programs which further the achievement of Australia's international fisheries, agricultural and wine trade policy objectives.</td>
</tr>
<tr>
<td><strong>Wool International Act 1993</strong></td>
<td>• Level of industry support for government involvement.</td>
</tr>
<tr>
<td><strong>Wool International Act 1993</strong></td>
<td>• The proportion of the shipping costs for wheat which are met by the program.</td>
</tr>
<tr>
<td><strong>New Industries Development Program Mark II</strong></td>
<td>• Collection of old Wool Tax debts by the ATO and payable to Woolstock Aust Ltd.</td>
</tr>
<tr>
<td><strong>National Food Industry Strategy – Food Safety and Quality Initiative</strong></td>
<td>• Australian agribusinesses gain the business skills and resources required to successfully commercialise new agribusiness products, technologies and services as measured through numbers of Pilot Commercialisation Projects and scholarships approved and achievement of extensive national and regional exposure to financial and management issues.</td>
</tr>
<tr>
<td></td>
<td>• Substantial removal of duplication and inconsistency of commercial and regulatory food safety and quality systems.</td>
</tr>
</tbody>
</table>
National Food Industry Strategy – Food Innovation Grants Program

National Food Industry Strategy – Centres of Excellence Program

- Introduction to the market of food products and adoption of production processes that incorporate scientific discoveries and technological applications funded and supported by the program.
- An increase in the number of global food corporations that conduct their R&D activities in Australia.
- An increase in the number of collaborative research partnerships between Australian R&D organisations and Australian/international companies.

* Key:
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SAB = Special Appropriations Bill

**Planned Evaluations for 2002-03**

**Supermarket to Asia Strategy**

**Objectives**
The objective of the evaluation is to test the Strategy’s:
- effectiveness in achieving its objectives;
- efficiency and effectiveness of its delivery; and
- value, relevance and appropriateness of similar initiatives in the future.

**Start Date**
June 2002

**End Date**
December 2002

**Intended audience for findings**
Commonwealth and State/Territory Governments, National Food Industry Council, food and beverage industry bodies and agribusiness organizations, employee representatives and consumer bodies.
OUTPUT 4 — MARKET ACCESS AND BIOSECURITY

OUTPUT OBJECTIVE
To enhance the competitiveness of Australia’s agriculture, fisheries, forestry and food industries by:

- maintaining and improving market opportunities through policy and technical advice and participation in negotiations for market access and trade agreements and in international fora; and
- permitting safe trade while protecting Australia’s plant, animal (including aquatic animal) and human health and the environment through scientifically-based biosecurity policy.

DESCRIPTION OF OUTPUT ACTIVITIES
Market Access and Biosecurity (MAB) will continue to address its core business requirements of enhancing market opportunities and ensuring safe and less distorted trade. Its priorities will evolve to meet the challenges confronting Australian industry and the community through changes to the world trading environment, bilateral and regional agricultural relationships, technological advances and emerging pest and disease issues both in Australia and internationally.

In the sanitary and phytosanitary area, building on the principles set by Government in 1997 for effective quarantine systems, MAB priorities are directed at:

- transparent and scientifically-based biosecurity policy;
- building a partnership approach with stakeholders;
- enhanced stakeholder involvement on the development of new biosecurity policies and procedures; and
- independent scientific involvement.

Concerning agricultural trade policy, MAB develops strategies and priorities to protect and increase Australia’s access to export markets by addressing policy and technical barriers to trade, through negotiating more effective international rules and disciplines that impact on Australia’s agricultural trading interests. This includes:

- maximising trade opportunities arising from Australia’s rights and obligations under relevant World Trade Organisation Agreements, including the Agriculture Agreement, Agreement on Application of the Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade;
- working with stakeholders to identify and target market access priorities where AFFA can contribute to removing technical and other barriers to trade;
Part C: AFFA Budget Statements

• playing a leadership role in international standard setting and policy development activities through strategic involvement in and research of the work of relevant international organisations including the Organisation of Economic Cooperation and Development (OECD), Food and Agriculture Organisation (FAO), the Office International des Epizooties (OIE), the Codex Alimentarius Commission (Codex) and the bodies established under the International Plant Protection Convention (IPPC);

• contributing to the implementation of technical market access for the Government's National Food Industry Strategy; and

• pursuing trade facilitation activities through enhancing agricultural cooperation with key trading partners.

**Expense Measures**

There are no new Expense Measures that have an impact on this Output.

**Performance Indicators**

<table>
<thead>
<tr>
<th>Departmental Items</th>
<th></th>
</tr>
</thead>
</table>
| High quality policy and technical advice on trade policy, market access and biosecurity as measured by: | • Meeting a standard agreed with Ministers. The target for this indicator is 90%.
|                     | • Acceptance or acknowledgement of policy and technical advice by relevant stakeholders. |
|                     | • Number of issues/markets addressed. |
### Effective participation in trade policy and market access negotiations that are responsive to national priorities as measured by:

- Adoption or acknowledgment of Australian positions by overseas governments and agencies.
- Adoption by international organisations of policies/positions that reflect Australia’s interest.
- Number of market access achievements (maintained, improved, gained).
- Number of consultations with clients on priorities and performance.
- Number of meetings with Portfolio participation.

### Development of scientifically-based biosecurity policy, in line with Government policy, the Quarantine Act 1908 and international obligations as measured by:

- Number of successful appeals compared to opportunities to appeal.
- Annual survey of registered stakeholders.
- Acceptance by appointed scientific reviewers that policy is based on scientific principles.
- Rate of incursions attributable to biosecurity policy.
- Number of IRAs completed and/or progressed.
- Proportion of evaluation recommendations accepted.
- Timeliness of evaluations undertaken.

### Evaluation of the effectiveness of biosecurity policy development and implementation as measured by:

### Administered Items *

**United Nations Food and Agriculture Organisation (FAO) Contribution**

- Work programs which further the achievement of Australia’s national and international agricultural, fisheries, forestry and trade interests.

* Key:
  - AB1 = Appropriations Bill 1
  - AB2 = Appropriations Bill 2
  - SAB = Special Appropriations Bill

### Planned Evaluations for 2002-03

There are no planned evaluations for this Output for 2002-03, however an evaluation on the Supermarket to Asia Strategy will be undertaken by Output 3.
OUTPUT 5 — PRODUCT INTEGRITY, ANIMAL (INCLUDING AQUATIC ANIMAL) AND PLANT HEALTH

OUTPUT OBJECTIVE
To minimise the impact of pests, diseases and contaminants on Australian agriculture, fisheries and forestry; and contribute to the health and welfare of farm animals by managing emergencies, facilitating the development of national policies and strategies; and advancing Australia’s interests internationally.

DESCRIPTION OF OUTPUT ACTIVITIES
The Product Integrity, Animal and Plant Health (PIAPH) Output works with the States and Territories, and national and international governments to manage animal (including aquatic animal) health and welfare, plant health and protection, residues, food safety and agricultural and veterinary chemicals. PIAPH coordinates national responses to manage significant pest, disease and food contaminant emergencies.

Australia currently enjoys a highly favourable pest and disease free status but faces a number of potentially disastrous threats to this including Foot and Mouth Disease (FMD), Bovine Spongiform Encephalopathy (BSE), Karnal Bunt and exotic fruit flies. Australia’s pest and disease status underwrites agriculture and fishery exports expected to reach $30.4 billion in 2002-03. Should FMD, for example, be detected in Australia, there would be an immediate loss of trade for wool meat, dairy and live exports in the region of over $10 billion.

Core activities for the Output include:

- high level technical and scientific support and advice;
- developing and implementing national policies and programs that improve Australia’s ability to manage pests, diseases and contaminants and contribute to good practice on and around farms;
- administering national legislation for the governance of agricultural and veterinary chemicals registration and residue monitoring and surveillance;
- leading national responses to emergencies arising from contamination incidents, or exotic pest or disease incursions; and
- participating in international fora dealing with animal food and plant health standards; assisting neighbouring countries in the region to manage pests and diseases; and engaging in bilateral discussion where significant trade problems occur.
**EXPENSE MEASURES**

### Boosting Rural Veterinary Services

<table>
<thead>
<tr>
<th>Expenses ($m)</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.6</td>
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<tr>
<td>Administered Appropriation</td>
<td>-</td>
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<td>-</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Explanation**

The Government will provide $2 million over five years, including $0.2 million in 2006-07, towards five bonded scholarships per year with the Australian Quarantine and Inspection Service (AQIS). This will help address the decline in the number of large animal practice veterinarians in rural Australia.

This measure will boost AQIS’ capability during the scholarship-holders’ bond and open a new pathway for veterinarians to practice in regional areas where they have an important role in Australia’s post border systems of animal disease prevention, detection and response.

See also the related expense measure titled *Review of Australia’s Veterinary Profession to address the shortage of rural based large livestock veterinarians* in the Education, Science and Training portfolio.

**Performance Information**

Completion of the review and commencement of the scholarships by the due dates.
Part C: AFFA Budget Statements

**Enhancing Animal Health Infrastructure**

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<tr>
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<th></th>
</tr>
</thead>
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<tr>
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<tr>
<td>Administered Appropriation</td>
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<tr>
<td><strong>Total</strong></td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

**Explanation**
The Government will provide additional funding of $10 million to enhance epidemiological resources and diagnostic capability in order to help maintain a higher level of emergency preparedness. The measure will enable the Commonwealth to better prepare for a possible major national animal disease emergency and to better deploy resources should such events ever occur.

While these improvements are primarily targeted at the animal health sector, they will also serve to improve the Commonwealth’s ability to effectively respond to emergencies in, among other agricultural industries, the plant and aquatic animal areas.

**Performance Information**
It is anticipated that this upgrade to Commonwealth emergency planning response capability will be assessed through regular simulated emergency response exercises (of varying scales), such as the national test (Exercise “Minotaur”) to be held in the second half of 2002. The capability will also be tested during real animal disease emergency responses.
## Performance Indicators

<table>
<thead>
<tr>
<th>Departmental Items</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality policy advice on product integrity, animal (including aquatic animal) and plant health as measured by:</td>
<td>• Meeting a standard agreed with Ministers. The target for this indicator is 90%.</td>
</tr>
<tr>
<td>Progress according to plan in developing and implementing Australia’s national capacity for managing pests, diseases and contaminants of agriculture, aquaculture and forestry, as measured by:</td>
<td>• Meeting agreed milestones.</td>
</tr>
<tr>
<td>The impact of pest, disease and contaminant incidents on production and market access as measured by:</td>
<td>• Joint industry/government reviews or post mortems of incidents.</td>
</tr>
<tr>
<td>Responses to pest, disease and contaminant incidents are appropriate, professional and efficient, as measured by:</td>
<td>• Joint industry/government reviews or post mortems of incidents.</td>
</tr>
<tr>
<td></td>
<td>• Meeting agreed milestones including:</td>
</tr>
<tr>
<td></td>
<td>- FMD Simulation by end September 2002.</td>
</tr>
<tr>
<td>Influence in international fora as measured by:</td>
<td>• The number of Australians holding senior positions on international bodies.</td>
</tr>
<tr>
<td></td>
<td>• Participation and representation in those fora.</td>
</tr>
<tr>
<td></td>
<td>• The number of presentations made to international fora.</td>
</tr>
<tr>
<td></td>
<td>• Decisions in those fora.</td>
</tr>
<tr>
<td>Progress according to plan in developing the ability of neighbouring countries to manage agricultural and fishery pests, diseases and contaminants as measured by:</td>
<td>• Meeting agreed milestones.</td>
</tr>
</tbody>
</table>
## Administered Items *

<table>
<thead>
<tr>
<th>Building a National Approach to Animal and Plant Health</th>
<th>• Completion of agreed program activities. AB1</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Improvements in Australia’s capacity to manage animal and plant health and respond to emergencies as measured by:</td>
<td></td>
</tr>
<tr>
<td>- Commonwealth contribution to the operating costs of Animal Health Australia</td>
<td></td>
</tr>
<tr>
<td>- Eradication of Red Imported Fire Ant to QDPI</td>
<td>• Funds received and disbursed as required. AB1</td>
</tr>
<tr>
<td>- Exotic Disease Preparedness Programme</td>
<td>• Funds received and disbursed as required. AB2</td>
</tr>
<tr>
<td>- National Wildlife Disease Network as measured by:</td>
<td>• National Wildlife Disease Network established. AB2</td>
</tr>
<tr>
<td>- Projects to improve wildlife and exotic disease preparedness as measured by:</td>
<td>• Final Project Reports received.</td>
</tr>
<tr>
<td>Expenditure under the Agricultural and Veterinary Chemicals Act 1992</td>
<td>• Funds received and disbursed as required. AB1</td>
</tr>
<tr>
<td>International Organisations Contributions</td>
<td>• Funds received and disbursed as required. AB1</td>
</tr>
<tr>
<td>Plant Disease Eradication</td>
<td>• Funds received and disbursed as required.</td>
</tr>
<tr>
<td>- Commonwealth contribution to States for emergencies</td>
<td></td>
</tr>
<tr>
<td>Other Exotic Disease Preparedness Programmes</td>
<td>• Completion of agreed program activities. AB1</td>
</tr>
<tr>
<td>- Emergency animal disease preparedness improved as measured by:</td>
<td></td>
</tr>
</tbody>
</table>
### Other Exotic Disease Preparedness Programmes
- Veterinary Training Program implemented in line with schedule as measured by:
  - Meeting agreed milestones.

### Ovine Johnes Disease (OJD) Control and Evaluation Programme
- Collection of sufficient information to allow an informed decision on the future management of OJD as measured by:
  - Outcomes of agreed priority research projects.

### Payment for National Residue Survey Community Service Obligations
- Quality policy and technical advice on residues and contaminants provided to Ministers and other stakeholders.
  - Participation in Codex and other related national and international fora.
  - Efficient management of legislation and other government business.

### Payment to CSIRO – Contribution to the operating costs of the Australian Animal Health Laboratory
- Funds received and disbursed as AB1 required.
  - Programs managed to agreed standards.

### Agricultural and Veterinary Chemicals (Administration) Act 1992
- Funds received and disbursed as SAB required.

### Australian Animal Health Council (Livestock Industry) Funding Act 1996
- Funds received and disbursed as SAB required.

### National Cattle Disease Eradication Trust Account Act 1991
- Funds received and disbursed as SAB required.

### National Residue Survey Admin Act 1992
- Funds received and disbursed as SAB required.

* Key:
  - AB1 = Appropriations Bill 1
  - AB2 = Appropriations Bill 2
  - SAB = Special Appropriations Bill
Planned Evaluations for 2002-03

PIAPH conducts joint industry/government *post mortems* or reviews after emergency incidents. The reviews and *post mortems* consider all aspects of how the incident was managed including preventive steps.

### FMD/BSE SIMULATION EXERCISE

**Objectives**
The objective of the national simulation exercise (Exercise Minotaur) is to test the integration and functional capacity of national emergency response arrangements for a large-scale foot and mouth disease (FMD) outbreak.

**Start Date**
While the development of the exercise commenced in July 2001, the exercise will be held over a week in September 2002.

**End Date**
A report on the Exercise will be provided in December 2002.

**Intended audience for findings**
The Council of Australian Governments have instructed that a report on national FMD preparedness arrangements be provided to them in December 2002. This document will incorporate a report on the outcomes of Exercise Minotaur. The report will identify strengths and any weaknesses in the new national arrangements, making recommendations to improve current plans and systems.
OUTPUT 6 — QUARANTINE AND EXPORT SERVICES

OUTPUT OBJECTIVE
To protect Australia’s animal, plant and human health status and maintain market access through the delivery of quarantine and export services.

DESCRIPTION OF OUTPUT ACTIVITIES
The Quarantine and Export Services Output contributes to the achievement of the AFFA Outcome, in particular the protection of Australia’s animal, plant and human health status and maintenance of market access in the following ways:

- maintaining Australia’s quarantine integrity through appropriate border control arrangements for international passengers, cargo, mail, aircraft and other vessels entering Australia and through post entry plant and animal quarantine arrangements;
- facilitating Australian exports by providing export inspection, auditing and certification services to the Meat, Horticulture, Grain, Fish, Dairy, Live Animal Exports and Organic industries to ensure compliance with importing country requirements;
- developing and implementing communications that raise awareness of quarantine and promote compliance with quarantine requirements, with individuals or businesses within Australia and among overseas residents who may travel to or trade with Australia;
- developing and maintaining a partnership approach with stakeholders; and
- delivering a high level of service to industry and other external clients.

The Quarantine and Export Services Output includes inspection, certification and food safety standards activities, as delivered by the Australian Quarantine and Inspection Service (AQIS), which are essential to maintaining Australia’s highly favourable animal, plant and human health status and are important elements in the international regulatory framework that governs trade between nations.

The Output has a vital role in implementing and administering strict quarantine controls at Australia’s borders, to minimise the risk of exotic pests and disease incursions. With support from industry and the community, the Output will continue to respond to potential quarantine threats to maintain Australia’s animal, plant and human health status and protect Australia’s agricultural industries.

Maintaining access for Australian agricultural and food products to hundreds of markets around the world is essential, as export inspection, auditing and certification services contribute to the generation of over $26 billion in exports by the Meat, Horticulture, Grain, Fish, Dairy, Organic and Live Animal Export industries.
Part C: AFFA Budget Statements

**EXPENSE MEASURES**

<table>
<thead>
<tr>
<th>NORTHERN AUSTRALIA QUARANTINE STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses ($m)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.7</td>
</tr>
<tr>
<td>Administered Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.7</td>
</tr>
</tbody>
</table>

**Explanation**

The Government will provide an additional $4.7 million in 2005-06 to continue the Northern Australia Quarantine Strategy. The programme identifies quarantine risks to northern Australia and provides early warning of quarantine risks and pest incursions.

This measure will provide continued protection of Australia’s animal, plant and human health and the environment through a program of monitoring, surveillance and public awareness across northern Australia and in neighbouring areas of Papua New Guinea, Indonesia and East Timor.

The additional $4.7 million in 2005-06 brings the total funding to $16.9 million over four years.

**Performance Information**

Achievement of program operational objectives within budget.

The level of awareness and understanding of quarantine issues in northern Australia.

Timely detection and notification of incursions.
**Performance Indicators**

<table>
<thead>
<tr>
<th>Departmental Items</th>
<th>Administered Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality policy and operational advice on quarantine operations and export facilitation as measured by</td>
<td>There are no Administered Items that contribute to this Output.</td>
</tr>
<tr>
<td></td>
<td>• Meeting a standard agreed with Ministers. The target for this indicator is 90%.</td>
</tr>
<tr>
<td></td>
<td>• Intervention levels at the border (%).</td>
</tr>
<tr>
<td></td>
<td>• Border interception effectiveness (%).</td>
</tr>
<tr>
<td></td>
<td>• The level of awareness of AQIS quarantine services.</td>
</tr>
<tr>
<td></td>
<td>• Number of consignments in export markets where facilitation of release of cargoes is attributable to AQIS involvement.</td>
</tr>
<tr>
<td></td>
<td>• Rate of rejections of export consignments.</td>
</tr>
<tr>
<td></td>
<td>• The level of awareness of AQIS export services.</td>
</tr>
</tbody>
</table>

Delivery of effective quarantine services as measured by:

Provision of effective export services as measured by:
Part C: AFFA Budget Statements

Planned Evaluations for 2002-03

| JCPAA REVIEW OF AUSTRALIA’S QUARANTINE FUNCTION |

Objectives
The Parliamentary Joint Committee of Public Accounts and Audit will review the efficiency and effectiveness of the quarantine function.

In particular the Committee is expected to focus on:

- the coordination of AQIS with other border control agencies;
- the identification of potential risks to Australia and the application of resources to meet those risks;
- the impact of international agreements on quarantine activities;
- the operations of AQIS that are beyond Australia’s borders;
- AQIS border operations;
- monitoring and surveillance within Australia for breaches of the quarantine barrier;
- the development of import risk analyses;
- opportunities to increase public awareness of, and involvement in quarantine issues; and
- any other issues raised by Audit Report 47, 2000–01, Managing for Quarantine Effectiveness.

Start Date
The Committee called for submissions by May 2002 and public hearings are expected to follow.

End Date
The Committee determines its own timetable but it is anticipated that the review will be completed by the end of 2002.

Intended audience for findings
Governments, the Parliament, relevant import and export industries and the community, particularly in rural and regional Australia.

Other Reviews
Six reviews for Quarantine and Export Services were undertaken in 2001-02 in line with the Performance Improvement Cycle (PIC) methodology. The remaining 20 reviews listed in the 2001-02 PBS have been integrated into program business planning processes as part of AQIS’s commitment to continuous improvement.
OUTPUT 7 — SCIENTIFIC ADVICE

OUTPUT OBJECTIVE
To deliver effective, timely, policy-relevant scientific advice, assessments and tools for decision-making to promote more sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.

DESCRIPTION OF OUTPUT ACTIVITIES
Through this Output, the Bureau of Rural Sciences (BRS) provides nationally focussed scientific advice as a foundation for evidence-based policy development and decision-making by AFFA, government and portfolio stakeholders. Scientific advice contributes to and aligns with the objectives of AFFA’s other Outputs.

Scientific advice embraces analysis, research, natural resource information and resource assessments. BRS provides tactical scientific advice through oral presentations, written briefings, input to and service on committees, computer-based databases and decision-support systems. Strategic scientific advice is provided in the form of published books, reports and papers in primary literature, conference presentations and workshops.

BRS provides advice based on integrated analysis of sustainable production including:

- land and water resources in the Murray-Darling Basin and other catchments;
- water resources in the Great Artesian Basin;
- salt hazard mapping and management support for salinity issues at regional and national levels;
- international and domestic fisheries and aquaculture;
- agricultural industries and supply chains;
- biotechnology;
- climate and agricultural risk;
- exceptional circumstances;
- climate change;
- vegetation and forest management;
- agricultural innovation and risk analysis;
- feral animal management;
- risk assessment and communication; and
- emergency pest and disease management.
Part C: AFFA Budget Statements

Through the social atlas of regions and rural communities, BRS provides a unique tool for AFFA, government, industry stakeholders and communities to understand the social parameters in portfolio industries. BRS also provides integrated analysis of community and industry issues including:

- social research for better rural outcomes;
- improved understanding of options and management of change; and
- evaluation of the social impacts of rural policy.

BRS provides strategic analysis, resource assessments and environmental management assessments including:

- status of Commonwealth fisheries;
- status of Australian forests;
- assessment and mapping of land use;
- land cover changes;
- biodiversity;
- land management practices and land degradation;
- marine uses and environmental issues; and
- water quality, allocation and environmental flows.

BRS provides database and information services to underpin portfolio outputs and other national priorities including the National Action Plan for Salinity and Water Quality, National Oceans Policy and Regional Forest Agreements. BRS maintains a flexible and accessible library of fundamental data and information products as well as providing data analysis and interpretations. Programs and systems that BRS develops and maintains include:

- Australian Natural Resources Data Library and national data standards;
- National Forest Inventory;
- National Vegetation Information System;
- Australian Soil Resources Information System;
- rainfall reliability system tool;
- community water supply database; and
- population and community social data.

**Expense Measures**

There are no new Expense Measures that have an impact on this Output.
**Performance Indicators**

<table>
<thead>
<tr>
<th><strong>Departmental Items</strong></th>
<th><strong>High quality scientific advice as measured by:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Meeting a standard agreed with Ministers. The target for this indicator is 90%.</td>
</tr>
<tr>
<td></td>
<td>• Price of providing scientific advice through briefing, publications, analyses, databases and input and service to committees.</td>
</tr>
<tr>
<td></td>
<td>• Quarterly review of business plans, Service Level Agreements.</td>
</tr>
<tr>
<td></td>
<td>• High level of client satisfaction as measured through biannual client feedback survey.</td>
</tr>
<tr>
<td></td>
<td>• High level of relevance to policy agenda as measured through</td>
</tr>
<tr>
<td></td>
<td>- biannual client feedback survey ,</td>
</tr>
<tr>
<td></td>
<td>- level of demand for database access, Internet access, publications, and conference attendance</td>
</tr>
<tr>
<td></td>
<td>- the degree of alignment of the workplan with client needs based on consultation</td>
</tr>
<tr>
<td></td>
<td>- evidence of scientific advice in policy decisions and public information associated with them.</td>
</tr>
<tr>
<td></td>
<td>• Timely scientific advice as measured by</td>
</tr>
<tr>
<td></td>
<td>- biannual client feedback survey ,</td>
</tr>
<tr>
<td></td>
<td>- meeting milestones contained in business plans and contracts.</td>
</tr>
</tbody>
</table>

| **Administered Items** | **There are no Administered Items that contribute to this Output.** |

**Planned Evaluations for 2002-03**

There are no planned evaluations for this Output for 2002-03.
OUTPUT 8 — ECONOMIC RESEARCH

OUTPUT OBJECTIVE
To provide high quality economic policy analysis and forecasts to enhance the competitiveness of Australia’s agriculture and resource industries and the quality of the Australian environment.

DESCRIPTION OF OUTPUT ACTIVITIES
Through this Output the Australian Bureau of Agricultural and Resource Economics (ABARE) will make a significant contribution to AFFA, government and resource commodity industry stakeholders, by conducting high level policy and economic research. ABARE research on specific issues in natural resource management, product integrity, food, industry development and markets are covered under AFFA Outputs 1, 2, 3, 4 and 5.

The research conducted by ABARE provides the overarching framework for delivering specific research products in the areas of natural resource management, multilateral trade negotiations under the World Trade Organisation, market access, food, industry development and product integrity. This work is fundamental to ABARE’s ability to enhance AFFA’s position as the leading provider of decision critical information to rural policy makers and the rural industries sector.

Delivery of Output 8 by ABARE will be achieved through the provision of economic analyses and forecasts to enhance the competitiveness of Australian industry as described below.

Through its farm survey program ABARE provides the Australian rural sector with a unique economic research database that enables not only farmers but government and industry to analyse a wide variety of issues facing rural and regional Australia.

The database has been developed over many years with continued support from farmers and industry and underpins much of ABARE’s research effort. The underlying annual surveys provide data on the physical, financial and socioeconomic performance of farms in Australia’s broadacre and dairy industries. Such an extensive database enables research to support the policy debate on issues related to specific rural industries as well as on issues facing regional Australia.

These data combined with ABARE’s commodity forecasts form the backbone of research on areas covered by other relevant Outputs, including natural resource management, product integrity, industry development and markets.

ABARE also conducts fishing industry surveys on an annual basis; the information collected provides information for assessing the efficiency and effectiveness of fisheries management.
ABARE is continuing to work closely with industry and the Australian Bureau of Statistics to provide improved access to data on the rural sector. In 2001-02 ABARE released Agsurf, enabling farm survey data to be disseminated via the internet. Further development and enhancements of this program are scheduled for 2002-03. ABARE is currently developing an internet application called ACS Online (Australian Commodity Statistics Online) to disseminate commodity statistics and economic indicators. ACS Online and the enhancements to Agsurf will complement other electronic releases of survey data including Dairyweb and grains@ccess that were developed in close cooperation with industry.

ABARE also undertakes a comprehensive program of research into the minerals and energy sector. The program is based on a wide range of databases and models of industries, policy frameworks and markets.

Comprehensive minerals and energy commodity forecasting firmly underpins ABARE’s research effort into the sector and supports associated international industry groups’ efforts. Research ranges from survey based domestic energy sector projections, through quarterly market projections for all the main industries, to model based simulations of possible market or policy changes, using the AUSTEM and GTEM models.

For the Australian energy sector, ongoing research focuses on the economic issues associated with the continuing process of reform and restructuring. Modeling is directed particularly to the economic issues involved in the establishment of competitive markets for electricity and gas and the growth of renewable energy industries.

Research on international energy issues revolves around understanding related energy sector developments and policy issues in the Asian region, especially in key economies such as China. These are analysed in terms of their likely impacts on Australia’s energy industries and energy trade.

ABARE continues to develop and maintain its global trade and environment model (GTEM) to provide Australian policy makers and international negotiators with analysis of key international issues such as climate change response policy and trade liberalisation. The analysis undertaken with the model has underpinned ABARE’s analysis of international climate change response policy in the pre and post COP 7 negotiating environment and multilateral trade issues. ABARE also continues to enhance the credibility of the model for international climate change analysis through its participation in the Stanford University Energy Modeling Forum peer review and model comparison exercises.

**Expense Measures**

There are no expense measures that have an impact on this Output.
### PERFORMANCE INDICATORS

#### DEPARTMENTAL ITEMS

<table>
<thead>
<tr>
<th>High quality economic research and advice as measured by:</th>
<th>• Meeting a standard agreed with Ministers. The target for this indicator is 90%.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely economic research as measured by:</td>
<td>• Completion of core policy research in time to feed into decision making processes.</td>
</tr>
<tr>
<td></td>
<td>• Completion of contracted research within negotiated timeframes.</td>
</tr>
<tr>
<td>Professional standards as measured by:</td>
<td>• Annual client satisfaction survey.</td>
</tr>
<tr>
<td></td>
<td>• Rigorous quality control maintained on research processes.</td>
</tr>
<tr>
<td>Relevant and professionally independent research as measured by:</td>
<td>• Annual client satisfaction survey.</td>
</tr>
<tr>
<td></td>
<td>• Ongoing ability to attract research funding.</td>
</tr>
<tr>
<td></td>
<td>• Number of normalised reports produced by ABARE.</td>
</tr>
<tr>
<td></td>
<td>• Forecasts released to pre-arranged schedule.</td>
</tr>
<tr>
<td></td>
<td>• National and Regional Conferences held.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Demand for ABARE participation in industry events.</strong></td>
</tr>
</tbody>
</table>

#### ADMINISTERED ITEMS

There are no Administered Items that contribute to this Output.

### Planned Evaluations for 2002-03

There are no planned evaluations for this Output for 2002-03.
Section 3: Budgeted financial statements

DEPARTMENTAL STATEMENTS

Table 3.1: Budgeted Departmental Statement of Financial Performance
This statement provides a picture of the expected financial results for the Department by identifying full accrual expenses, revenues and capital use charge, which highlights whether the Department is operating at a sustainable level.

Table 3.2: Budgeted Departmental Statement of Financial Position
This statement shows the financial position of the Department. It helps decision makers to track the management of the Department's assets and liabilities.

Table 3.3: Budgeted Departmental Statement of Cash Flows
This statement provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Table 3.4: Departmental Capital Budget Statement
This statement shows all planned departmental capital expenditure on non-financial assets, whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Table 3.5: Departmental Non-financial Assets – Summary of Movement
Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

Table 3.6: Note to the Estimated Actual Column of the Departmental Statement of Financial Performance
Following an agreement between the Australian National Audit Office and the Department of Finance and Administration on the approach to accounting for departmental appropriations across year-ends, Table 3.6 is now no longer required.

ADMINISTERED NOTES

Details of transactions administered by the agency on behalf of the Commonwealth are shown in the following notes to the financial statements.

Table 3.7: Note of Budgeted Revenues and Expenses Administered on behalf of Government
This note identifies the main revenues and expenses administered on behalf of the Government.

Table 3.8: Note of Budgeted Assets and Liabilities Administered on behalf of Government
This note shows the assets and liabilities administered on behalf of the Government.

Table 3.9: Note of Budgeted Administered Cash Flows
This note shows cash flows administered on behalf of the Government.
### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>241,132</td>
<td>250,597</td>
<td>252,096</td>
<td>255,093</td>
<td>177,766</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>169,744</td>
<td>168,798</td>
<td>172,969</td>
<td>177,228</td>
<td>148,064</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>2,241</td>
<td>2,208</td>
<td>1,930</td>
<td>1,945</td>
<td>1,855</td>
</tr>
<tr>
<td>Other</td>
<td>10,385</td>
<td>10,292</td>
<td>10,570</td>
<td>10,555</td>
<td>10,745</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>423,502</td>
<td>431,895</td>
<td>437,565</td>
<td>444,821</td>
<td>338,430</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>253,469</td>
<td>256,662</td>
<td>253,409</td>
<td>250,516</td>
<td>202,182</td>
</tr>
<tr>
<td>Suppliers</td>
<td>153,206</td>
<td>156,652</td>
<td>164,363</td>
<td>173,293</td>
<td>113,979</td>
</tr>
<tr>
<td>Grants</td>
<td>8,668</td>
<td>9,422</td>
<td>9,713</td>
<td>10,007</td>
<td>10,301</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>6,124</td>
<td>6,829</td>
<td>7,618</td>
<td>8,500</td>
<td>9,350</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>421,467</td>
<td>429,565</td>
<td>435,103</td>
<td>442,316</td>
<td>335,612</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>2,035</td>
<td>2,330</td>
<td>2,462</td>
<td>2,505</td>
<td>2,618</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>194</td>
<td>464</td>
<td>557</td>
<td>559</td>
<td>611</td>
</tr>
</tbody>
</table>

*Estimated actual, Budget estimate, Forward estimate, Forward estimate, Forward estimate.*

- Estimated actual
- Budget estimate
- Forward estimate
- Forward estimate
- Forward estimate
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>5,849</td>
<td>5,886</td>
<td>5,382</td>
<td>5,407</td>
<td>4,284</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>29,363</td>
<td>28,863</td>
<td>29,663</td>
<td>30,663</td>
<td>23,014</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>52,644</td>
<td>52,971</td>
<td>48,432</td>
<td>48,666</td>
<td>38,550</td>
<td></td>
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<tr>
<td>Accrued revenues</td>
<td>9,000</td>
<td>9,000</td>
<td>9,000</td>
<td>9,000</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>96,856</td>
<td>96,720</td>
<td>92,477</td>
<td>93,736</td>
<td>74,846</td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>14,407</td>
<td>14,407</td>
<td>14,407</td>
<td>14,407</td>
<td>14,407</td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>5,165</td>
<td>5,165</td>
<td>5,165</td>
<td>5,165</td>
<td>5,165</td>
<td></td>
</tr>
<tr>
<td>Intangibles</td>
<td>10,959</td>
<td>10,959</td>
<td>10,959</td>
<td>10,959</td>
<td>10,959</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,958</td>
<td>1,958</td>
<td>1,958</td>
<td>1,958</td>
<td>1,958</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2,987</td>
<td>2,987</td>
<td>2,987</td>
<td>2,987</td>
<td>2,986</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>132,332</td>
<td>132,196</td>
<td>127,953</td>
<td>129,212</td>
<td>110,323</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>65,500</td>
<td>65,400</td>
<td>60,000</td>
<td>60,000</td>
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<tr>
<td>Suppliers</td>
<td>20,200</td>
<td>19,700</td>
<td>20,300</td>
<td>21,000</td>
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<tr>
<td>Other</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>25,000</td>
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</tr>
<tr>
<td>Total provisions and payables</td>
<td>115,700</td>
<td>115,100</td>
<td>110,300</td>
<td>111,000</td>
<td>91,500</td>
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<tr>
<td>Total liabilities</td>
<td>115,700</td>
<td>115,100</td>
<td>110,300</td>
<td>111,000</td>
<td>91,500</td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
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<td>14,413</td>
<td>14,413</td>
<td>14,413</td>
<td>14,413</td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>13,749</td>
<td>13,749</td>
<td>13,749</td>
<td>13,749</td>
<td>13,749</td>
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<tr>
<td>Accumulated results</td>
<td>-11,530</td>
<td>-11,066</td>
<td>-10,509</td>
<td>-9,950</td>
<td>-9,339</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>16,632</td>
<td>17,056</td>
<td>17,653</td>
<td>18,212</td>
<td>18,823</td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>132,332</td>
<td>132,196</td>
<td>127,953</td>
<td>129,212</td>
<td>110,323</td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>71,815</td>
<td>71,282</td>
<td>70,100</td>
<td>70,800</td>
<td>58,000</td>
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<tr>
<td><strong>Non-current liabilities</strong></td>
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<td>43,818</td>
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<td>40,200</td>
<td>33,500</td>
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<tr>
<td><strong>Current assets</strong></td>
<td>101,801</td>
<td>101,665</td>
<td>97,422</td>
<td>98,681</td>
<td>79,792</td>
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<tr>
<td><strong>Non-current assets</strong></td>
<td>30,531</td>
<td>30,531</td>
<td>30,531</td>
<td>30,531</td>
<td>30,531</td>
<td></td>
</tr>
</tbody>
</table>
## Part C: AFFA Budget Statements

### Table 3.3: Budgeted Departmental Statement of Cash Flows

*for the period ended 30 June*

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>251,754</td>
<td>250,801</td>
<td>251,982</td>
<td>255,093</td>
<td>177,766</td>
</tr>
<tr>
<td>GST input credit receipts</td>
<td>6,709</td>
<td>6,374</td>
<td>6,293</td>
<td>6,502</td>
<td>6,217</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>165,202</td>
<td>169,094</td>
<td>172,311</td>
<td>176,228</td>
<td>149,582</td>
</tr>
<tr>
<td>Interest</td>
<td>2,214</td>
<td>2,208</td>
<td>1,930</td>
<td>1,945</td>
<td>2,255</td>
</tr>
<tr>
<td>Other</td>
<td>19,402</td>
<td>10,095</td>
<td>10,570</td>
<td>10,555</td>
<td>5,577</td>
</tr>
<tr>
<td>Total cash received</td>
<td>445,281</td>
<td>438,572</td>
<td>443,086</td>
<td>450,323</td>
<td>341,397</td>
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<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST payments to suppliers</td>
<td>6,351</td>
<td>6,177</td>
<td>6,321</td>
<td>6,502</td>
<td>4,698</td>
</tr>
<tr>
<td>Employees</td>
<td>253,106</td>
<td>256,762</td>
<td>258,809</td>
<td>250,516</td>
<td>212,182</td>
</tr>
<tr>
<td>Suppliers</td>
<td>152,283</td>
<td>157,152</td>
<td>163,763</td>
<td>172,593</td>
<td>114,098</td>
</tr>
<tr>
<td>Grants</td>
<td>8,668</td>
<td>9,422</td>
<td>9,713</td>
<td>10,007</td>
<td>10,301</td>
</tr>
<tr>
<td>Other</td>
<td>1,862</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Total cash used</td>
<td>422,270</td>
<td>429,513</td>
<td>438,606</td>
<td>439,618</td>
<td>341,279</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>23,011</td>
<td>9,059</td>
<td>4,480</td>
<td>10,705</td>
<td>118</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>6,124</td>
<td>6,829</td>
<td>7,618</td>
<td>8,500</td>
<td>9,350</td>
</tr>
<tr>
<td>Investments</td>
<td>39,944</td>
<td>327</td>
<td>-4,539</td>
<td>234</td>
<td>-10,116</td>
</tr>
<tr>
<td>Total cash used</td>
<td>46,068</td>
<td>7,156</td>
<td>3,079</td>
<td>8,734</td>
<td>-766</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-46,068</td>
<td>-7,156</td>
<td>-3,079</td>
<td>-8,734</td>
<td>766</td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>13,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash received</td>
<td>13,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital use and dividends paid</td>
<td>3,306</td>
<td>1,866</td>
<td>1,905</td>
<td>1,946</td>
<td>2,007</td>
</tr>
<tr>
<td>Total cash used</td>
<td>3,306</td>
<td>1,866</td>
<td>1,905</td>
<td>1,946</td>
<td>2,007</td>
</tr>
<tr>
<td>Net cash from financing activities</td>
<td>9,694</td>
<td>-1,866</td>
<td>-1,905</td>
<td>-1,946</td>
<td>-2,007</td>
</tr>
<tr>
<td>Net increase /decrease</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in cash held</td>
<td>-13,363</td>
<td>37</td>
<td>-504</td>
<td>25</td>
<td>-1,123</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>19,212</td>
<td>5,849</td>
<td>5,886</td>
<td>5,382</td>
<td>5,407</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>5,849</td>
<td>5,886</td>
<td>5,382</td>
<td>5,407</td>
<td>4,284</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual $’000</th>
<th>Budget estimate $’000</th>
<th>Forward estimate 2003-04 $’000</th>
<th>Forward estimate 2004-05 $’000</th>
<th>Forward estimate 2005-06 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL APPROPRIATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity injections</td>
<td>13,000</td>
<td>- (K3)'</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total loans</td>
<td>-</td>
<td>- (K4)'</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation of Previous Year</td>
<td>12,806</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Revenue (Dept Only)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Represented by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of non-current assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>25,806</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>25,806</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PURCHASE OF NON CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>6,124</td>
<td>6,829</td>
<td>7,618</td>
<td>8,500</td>
<td>9,350</td>
</tr>
</tbody>
</table>

1. These two lines link to Table 1.1.
### Part C: AFFA Budget Statements

**Table 3.5: Departmental Non-financial Assets — Summary of Movement Budget year 2002-03**

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Infrastructure</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carrying amount at the start of year</strong></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>1,835</td>
<td>1,835</td>
<td>1,463</td>
<td>3,531</td>
<td>6,829</td>
</tr>
<tr>
<td>Disposals</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>1,835</td>
<td>1,835</td>
<td>1,463</td>
<td>3,531</td>
<td>6,829</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>784</td>
<td>13,623</td>
<td>14,407</td>
<td>5,165</td>
<td>10,959</td>
<td>30,531</td>
</tr>
</tbody>
</table>

**Total additions**

|                                | $'000  | $'000     | $'000                    | $'000                | $'000       | $'000   |
| Self funded                    | -      | 1,835     | 1,835                    | 1,463                | 3,531       | 6,829   |
| Appropriations                 | -      | -         | -                        | -                    | -           | -       |
| **Total**                      | -      | 1,835     | 1,835                    | 1,463                | 3,531       | 6,829   |
Table 3.6: Note to the Estimated Actual Column of the Departmental Statement of Financial Performance

Following an agreement between the Australian National Audit Office and the Department of Finance and Administration on the approach to accounting for departmental appropriations across year-end, this table is now no longer required.
### Table 3.7: Note of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget $'000</th>
<th>Forward estimate 2003-04 $'000</th>
<th>Forward estimate 2004-05 $'000</th>
<th>Forward estimate 2005-06 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other taxes, fees and fines</td>
<td>528,834</td>
<td>536,066</td>
<td>539,547</td>
<td>543,622</td>
<td>541,466</td>
</tr>
<tr>
<td>Total taxation</td>
<td>528,834</td>
<td>536,066</td>
<td>539,547</td>
<td>543,622</td>
<td>541,466</td>
</tr>
<tr>
<td><strong>Non-taxation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>1,084,718</td>
<td>1,098,026</td>
<td>1,061,927</td>
<td>988,060</td>
<td>970,900</td>
</tr>
<tr>
<td>Interest &amp; Dividends</td>
<td>2,618</td>
<td>2,382</td>
<td>2,156</td>
<td>1,954</td>
<td>1,778</td>
</tr>
<tr>
<td>Other sources of non-taxation revenues</td>
<td>1,988</td>
<td>983</td>
<td>983</td>
<td>983</td>
<td>-</td>
</tr>
<tr>
<td>Total non-taxation</td>
<td>1,089,324</td>
<td>1,101,391</td>
<td>1,065,066</td>
<td>990,997</td>
<td>972,678</td>
</tr>
<tr>
<td><strong>Total revenues administered on behalf of the Government</strong></td>
<td><strong>1,618,158</strong></td>
<td><strong>1,637,457</strong></td>
<td><strong>1,604,613</strong></td>
<td><strong>1,534,619</strong></td>
<td><strong>1,514,144</strong></td>
</tr>
</tbody>
</table>

**EXPENSES**

|                      |                  |              |                               |                               |                               |
| Grants               | 1,036,410        | 1,049,150    | 1,038,355                     | 987,990                       | 970,836                       |
| Personal benefits    | 48,030           | 48,342       | 23,014                        | -                             | -                             |
| Other goods and services | 278             | 534          | 558                           | 70                            | 64                            |
| **Total expenses administered on behalf of the Government** | **1,084,718** | **1,098,026** | **1,061,927**                 | **988,060**                   | **970,900**                   |
| Extraordinary items  | -                | -            | -                             | -                             | -                             |
Table 3.8: Note of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>4,282</td>
<td>1,858</td>
<td>2,959</td>
<td>1,007</td>
<td>1,999</td>
</tr>
<tr>
<td>Receivables</td>
<td>76,344</td>
<td>73,573</td>
<td>71,008</td>
<td>69,169</td>
<td>69,178</td>
</tr>
<tr>
<td>Investments</td>
<td>515,122</td>
<td>515,122</td>
<td>515,122</td>
<td>515,122</td>
<td>515,122</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>1,486</td>
<td>1,482</td>
<td>1,487</td>
<td>1,496</td>
<td>1,723</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>597,234</td>
<td>592,035</td>
<td>590,576</td>
<td>586,794</td>
<td>588,022</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>707</td>
<td>45</td>
<td>42</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-financial assets</strong></td>
<td>707</td>
<td>45</td>
<td>42</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets administered on behalf of the Government</strong></td>
<td>597,941</td>
<td>592,080</td>
<td>590,618</td>
<td>586,797</td>
<td>588,022</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>574</td>
<td>37</td>
<td>34</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Personal benefits</td>
<td>385</td>
<td>359</td>
<td>185</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>42,776</td>
<td>40,361</td>
<td>41,642</td>
<td>40,168</td>
<td>40,786</td>
</tr>
<tr>
<td>Other</td>
<td>2,066</td>
<td>1,943</td>
<td>1,956</td>
<td>1,686</td>
<td>1,766</td>
</tr>
<tr>
<td><strong>Total provisions and payables</strong></td>
<td>45,801</td>
<td>42,700</td>
<td>43,817</td>
<td>41,856</td>
<td>42,552</td>
</tr>
<tr>
<td><strong>Total liabilities administered on behalf of the Government</strong></td>
<td>45,801</td>
<td>42,700</td>
<td>43,817</td>
<td>41,856</td>
<td>42,552</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>45,801</td>
<td>42,700</td>
<td>43,817</td>
<td>41,856</td>
<td>42,552</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current assets</td>
<td>597,234</td>
<td>592,035</td>
<td>590,576</td>
<td>586,794</td>
<td>588,022</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>707</td>
<td>45</td>
<td>42</td>
<td>3</td>
<td>-</td>
</tr>
</tbody>
</table>
### Table 3.9: Note of Budgeted Administered Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other taxes, fees and fines</td>
<td>529,591</td>
<td>536,077</td>
<td>539,533</td>
<td>543,601</td>
</tr>
<tr>
<td>Interest</td>
<td>2,618</td>
<td>2,382</td>
<td>2,156</td>
<td>1,954</td>
</tr>
<tr>
<td>GST input credit receipts</td>
<td>14,648</td>
<td>15,069</td>
<td>14,849</td>
<td>14,124</td>
</tr>
<tr>
<td>Cash from Official Public Account</td>
<td>1,091,543</td>
<td>1,101,260</td>
<td>1,064,272</td>
<td>987,305</td>
</tr>
<tr>
<td>Other</td>
<td>2,225</td>
<td>987</td>
<td>978</td>
<td>974</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>1,640,625</td>
<td>1,655,775</td>
<td>1,621,788</td>
<td>1,547,958</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST payments to suppliers</td>
<td>14,348</td>
<td>15,067</td>
<td>14,836</td>
<td>14,387</td>
</tr>
<tr>
<td>Suppliers</td>
<td>184</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Personal benefits</td>
<td>47,645</td>
<td>48,368</td>
<td>23,188</td>
<td>185</td>
</tr>
<tr>
<td>Grants</td>
<td>1,025,352</td>
<td>1,054,799</td>
<td>1,039,419</td>
<td>988,709</td>
</tr>
<tr>
<td>Cash to Official Public Account</td>
<td>533,440</td>
<td>539,431</td>
<td>542,686</td>
<td>546,559</td>
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<tr>
<td>Other</td>
<td>15,546</td>
<td>534</td>
<td>558</td>
<td>70</td>
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<tr>
<td><strong>Total cash used</strong></td>
<td>1,636,515</td>
<td>1,658,199</td>
<td>1,620,687</td>
<td>1,549,910</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>4,110</td>
<td>-2,424</td>
<td>1,101</td>
<td>-1,952</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,008</td>
<td>2,760</td>
<td>2,579</td>
<td>1,860</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>3,008</td>
<td>2,760</td>
<td>2,579</td>
<td>1,860</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash to Official Public Account</td>
<td>3,008</td>
<td>2,760</td>
<td>2,579</td>
<td>1,860</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>3,008</td>
<td>2,760</td>
<td>2,579</td>
<td>1,860</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net increase /decrease in cash held</strong></td>
<td>4,110</td>
<td>-2,424</td>
<td>1,101</td>
<td>-1,952</td>
</tr>
<tr>
<td>Cash at beginning of reporting period</td>
<td>172</td>
<td>4,282</td>
<td>1,858</td>
<td>2,959</td>
</tr>
<tr>
<td>Administered cash at end of reporting period</td>
<td>4,282</td>
<td>1,858</td>
<td>2,959</td>
<td>1,007</td>
</tr>
</tbody>
</table>

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NOTES TO THE FINANCIAL STATEMENTS

Table 3.1: Budgeted Departmental Statement of Financial Performance
- AFFA has budgeted for small operating surpluses for 2002-03 and each of the forward estimate years.
- Revenue from government has been projected to decrease in 2005-06 on the basis of anticipated cessation of a number of major departmental programs. Continued funding requirements for these programs will be addressed in future budget processes.

Table 3.2: Budgeted Departmental Statement of Financial Position
- The AFFA cash position is expected to be satisfactory in the budget and forward estimate years.
- Accumulated results show a continual improvement across years due to the budgeted surpluses each year.

Table 3.3: Budgeted Departmental Statement of Cash Flows
- A capital injection of $13 million has been provided for in 2001-02 to position AFFA to a satisfactory cash position.

Table 3.7: Note of Budgeted Revenues and Expenses Administered on behalf of Government
- Appropriations Revenue fluctuates and trends down across the forward estimates in line with the completion of terminating programs administered by the Department.
- Grants/Personal Benefits Expenses also decline across the forward estimates as a result of the termination of administered items controlled by the Department.
Part C: AFFA Budget Statements
Section 4: Purchaser/Provider

CROSS AGENCY OVERVIEW

The National Residue Survey engages the Australian Government Analytical Laboratories (AGAL) through a competitive tender process to provide analytical testing services. Services provided are in accordance with individual contracts for each program for which AGAL is the successful tenderer.

RESPONSIBILITY

All reporting responsibilities relative to AGAL are detailed in the contract. NRS reporting requirements are primarily through the annual financial report and the annual results report. Additional reporting is provided to individual industries on an ad-hoc basis, following requests from the industries.

CONTROL ARRANGEMENTS

All accountability issues are covered by the testing contracts.

RESOURCING

All resourcing implications are spelt out in detail in the contract. It is a fee for service arrangement.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS

All performance information against outcomes and outputs is contained in the NRS component of the PIAPH section of the PBS (page 63).
Agriculture, Fisheries and Forestry - Australia has a purchaser/provider arrangement with Centrelink relating to the delivery of Farm Help and the Exceptional Circumstances Relief Payment (ECRP).

Farm Help and ECRP are part of the Industry Development Output that contributes to the achievement of the AFFA Portfolio Outcome. Centrelink delivers these programs to farmers through their national network of offices.

RESPONSIBILITY
The Department of Family and Community Services purchase the majority of the services provided by Centrelink. Therefore, within the agency reports, Centrelink report on their Outcome and Output structure, provide strategic ownership information and financial statements through the PBS for the Family and Community Services Portfolio.

CONTROL ARRANGEMENTS
Centrelink is located within the Family and Community Services Portfolio and operates under the Commonwealth Service Delivery Agency Act 1997. It is subject to the Financial Management and Accountability Act 1997 (the FMA Act) and is staffed under the Public Service Act 1999. Unlike other government bodies under the FMA Act, Centrelink has a Board with executive powers that is fully accountable to the Minister. It has an independent Chairman (who is also the Chief Executive under the FMA Act) and the majority of the Board members come from private sector backgrounds.

The governance framework allows the direct participation of at least two of the heads of the purchasing agencies on the Centrelink Board. This ensures a strong stewardship for the purchasing agencies and the Government since Centrelink is responsible for the disbursement of large sums of public monies on behalf of its client agencies.

RESOURCING
The purchase of services from Centrelink for the delivery of these programs is resourced through the Industry Development Output with budgeted costs for 2002-03 being:

- Farm Help - $3.1m
- ECRP - $0.9m
**Performance Against Outcomes and Outputs**

The performance information on Farm Help and ECRP can be found under performance information for the Industry Development Output.

<table>
<thead>
<tr>
<th>Department of Agriculture, Fisheries and Forestry – Australia (AFFA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSIRO – Australian Animal Health Laboratory (AAHL)</td>
</tr>
</tbody>
</table>

Agriculture, Fisheries and Forestry - Australia provides a contribution to the cost of AAHL in order to maintain Australia’s capacity to diagnose exotic and emerging animal diseases.

**Responsibility**

AAHL is a business unit within the CSIRO. The CSIRO is an independent statutory authority constituted under the *Science and Industry Act 1949* and operating under the *Commonwealth Authorities and Companies Act 1997*. The CSIRO reports to Parliament through its Board and the Minister for Education Science and Training.

**Control Arrangements**

There is a Memorandum of Understanding (MOU) between Agriculture, Fisheries and Forestry - Australia and the CSIRO. The MOU provides for regular review of joint funded projects.

**Resourcing**

The department provides funding to AAHL through its administered budget. The estimated funding for 2002-03 is $6.050m. In addition, AAHL provides other services under the MOU on a fee-for-service basis to AFFA business units such as the Australian Quarantine and Inspection Service (AQIS) and Market Access and Biosecurity (MAB).

**Performance Against Outcomes and Outputs**

Performance information for AAHL is contained in the ‘Portfolio Bodies’ section of the Education, Science and Training Portfolio Budget Statement.
The Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage have a cross portfolio arrangement in respect of administration of the National Action Plan for Salinity and Water Quality (the National Action Plan). The National Action Plan is a $700 million investment over 7 years that will fund the development of integrated regional/catchment natural resource management plans and implementation of targeted high priority actions to address salinity, particularly dryland salinity, and deteriorating water quality in priority regions across Australia.

The goal of the National Action Plan is to motivate and enable regional communities to use coordinated and targeted action to:

- prevent, stabilise and reverse trends in salinity, particularly dryland salinity, affecting the sustainability of production, conservation of biological diversity and the viability of our infrastructure; and
- improve water quality and secure reliable allocations for human uses, industry and the environment.

**Responsibility**

The Minister for Agriculture, Fisheries and Forestry and the Minister for the Environment and Heritage will jointly determine policy and major funding allocations from within the National Action Plan.

The Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage have established a co-located cross portfolio unit for implementing Bilateral Agreements and regional elements under the National Action Plan.

**Control Arrangements**

The Department of Agriculture, Fisheries and Forestry is responsible for financial management of the National Action Plan.

**Resourcing**

Total funding for the National Action Plan in 2002-03 is $100.6 million which will be appropriated to the Department of Agriculture, Fisheries and Forestry. The Department of Agriculture, Fisheries and Forestry will provide to the Department of Environment and Heritage (via a transfer under section 31 of the *Financial Management*
$2 million in 2002-03 to fund the running costs incurred in implementing the National Action Plan.

**PERFORMANCE AGAINST OUTCOMES AND OUTPUTS**

Quantity – Number of integrated regional/catchment natural resource management plans that are accredited as the basis for investment. Number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in Partnership Agreements. Strategic Plans are in place and being implemented for the non-regional elements of the National Action Plan.

Quality – Integrated regional/catchment natural resource management plans are developed and being implemented, or are being developed, according to agreed accreditation criteria. Activities agreed under implementation arrangements for non-regional elements of the National Action Plan meet priority needs in strategic plans.

Efficiency – A monitoring and evaluation strategy is in place at each level of the National Action Plan delivery. The administration of the National Action Plan meets benchmarks for comparable grants and natural resource management programs.

The Government will provide over $1.0 billion to extend the Natural Heritage Trust for a further six years, from 2002-03 to 2007-08. The 2002-03 Budget provides for expenditure of $250 million for the Trust in 2002-03.

The Department of Agriculture, Fisheries and Forestry and the Department of Environment and Heritage have a cross portfolio arrangement in respect of Natural Heritage Trust (NHT) administration. The NHT expenditure package is a $2.5 billion investment package which is promoting an integrated long term approach to the conservation and sustainable management of Australia’s land, water, native vegetation and biodiversity.

The Trust will have three overarching objectives.

Biodiversity Conservation – the conservation of Australia’s biodiversity through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals.

Sustainable Use of Natural Resources – the sustainable use and management of Australia’s land, water and marine resources to maintain and improve the productivity and profitability of resource based industries.

Community Capacity Building and Institutional Change – support for individuals, landholders, industry and communities with skills, knowledge, information and
institutional frameworks to promote biodiversity conservation and sustainable resource use and management.

RESPONSIBILITY
Responsibility for NHT administration is vested in a Board consisting of the Minister for Agriculture, Fisheries and Forestry and the Minister for the Environment and Heritage. A full set of financial statements for the NHT is provided in Section C of the Department of Environment and Heritage’s Portfolio Budget Statements.

CONTROL ARRANGEMENTS
The Department of Agriculture, Fisheries and Forestry and the Department of the Environment and Heritage will be jointly responsible for the administration of the Trust extension. The Natural Heritage Ministerial Board will consider administration arrangements for the Trust extension during 2002-03. Existing arrangements will be maintained during any transition period.

RESOURCING
All NHT financial resources are included in the agency report of the Environment and Heritage portfolio. The Natural Heritage Ministerial Board has decided that funding for the four programs, Bushcare, Coastcare, Landcare, and Rivercare, will not be allocated to individual portfolios, except for some specific national level activities that will be determined on a case by case basis.

PERFORMANCE AGAINST OUTCOMES AND OUTPUTS
Quantity

- All investments approved by Ministers in 2002-03 are provided with funding, in accordance with NHT accountability and acquittal procedures, to meet NHT objectives.
- Bilateral agreements signed with each state.
- Number of investment strategies that are prepared, evaluated and for which funding is agreed and specified in Partnership Agreements.
- Number of individuals/community groups supported through Australian Government Envirofund Grants.
- Number of on ground actions, by type, supported by the Natural Heritage Trust.
Quality

- Investments are approved in accordance with agreed guidelines.
- Bilateral Agreements signed with the states and territories reflect agreed priorities and delivery arrangements for the Natural Heritage Trust.
- Integrated Natural Resource Management Regional Plans meet agreed accreditation criteria.

Efficiency

- A monitoring and evaluation strategy is in place at each level of the Trust delivery framework.
- The administration of the NHT meets benchmarks for comparable grants programs.

**Natural Heritage Trust Phase 1**
In accordance with decisions of the Natural Heritage Ministerial Board, projects funded under the first phase of the Trust will be expected to finish by September 2002. However, it is recognised that the finalisation of some projects and activities may be delayed by factors such as adverse weather conditions, or delays in acquiring or replacing skilled staff. Arrangements have been implemented to provide for approval of extensions of time where circumstances warrant. The performance of these activities will be monitored in accordance with arrangements prevailing at the time of initial project approval.

<table>
<thead>
<tr>
<th>AUSTRALIAN BUREAU OF AGRICULTURAL AND RESOURCE ECONOMICS (ABARE) / DEPARTMENT OF INDUSTRY TOURISM AND RESOURCES (DITR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABARE has a cross agency agreement with the DITR to provide minerals and energy and climate change related economic research, forecasts and statistical services.</td>
</tr>
</tbody>
</table>

**RESPONSIBILITY**
Funds are appropriated to DITR. DITR will pay the funds to ABARE based on a schedule included in the ABARE/DITR Service Level Agreement.

**CONTROL ARRANGEMENTS**
A Service Level Agreement (SLA) has been signed between ABARE and DITR outlining the costs and defining the services to be provided to DITR by ABARE. A liaison protocol to monitor the progress of the SLA on a quarterly basis is included in the SLA.
Part C: AFFA Budget Statements

**RESOURCING**
As above, DITR will arrange payments to ABARE based on outputs negotiated in the SLA between ABARE and DITR.

**PERFORMANCE AGAINST OUTCOMES AND OUTPUTS**
Performance outcomes and outputs for the products to be provided by ABARE are outlined in the Service Level Agreement.

### BUREAU OR RURAL SCIENCES (BRS) / ENVIRONMENT AUSTRALIA

BRS has a cross agency arrangement with Environment Australia (EA) to provide EA with scientific advice as requested.

**RESPONSIBILITY**
All funds for this agreement are appropriated to EA and spent in accordance with their PBS.

**CONTROL ARRANGEMENTS**
A Service Level Agreement has been signed between BRS and EA defining the services that may be provided by BRS and the cost arrangements. The service level agreement is managed by a steering committee constituting executives from both EA and BRS. This committee agrees to meet at least biannually. BRS agrees to keep records of work and costs incurred under this agreement and provide EA with regular reports.

**RESOURCING**
Resourcing is within the control of EA as the purchaser of services.

**PERFORMANCE AGAINST OUTCOMES AND OUTPUTS**
Work performed under this agreement comes within the outcomes and outputs of EA and will be included within its performance measurement. BRS will also seek feedback about timeliness and quality of services from EA and include this in the regular performance assessment conducted for BRS outputs.
## APPENDIX 1: REVENUE FROM OTHER SOURCES

<table>
<thead>
<tr>
<th></th>
<th>Estimated Actual 2001-02</th>
<th>Budget Estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Revenue 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>169,744</td>
<td>168,798</td>
</tr>
<tr>
<td>Revenue from other sources</td>
<td>12,626</td>
<td>12,500</td>
</tr>
<tr>
<td>Total estimated revenue</td>
<td>182,370</td>
<td>181,298</td>
</tr>
</tbody>
</table>

1. This Appendix is cross referenced to Table 1.1, Note 4.
## APPENDIX 1.1: NON-APPROPRIATION ADMINISTERED REVENUE

<table>
<thead>
<tr>
<th>Levies</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>AFMA Fishing Management Levy</td>
<td>9,220</td>
<td>10,710</td>
</tr>
<tr>
<td>Agricultural &amp; Veterinary Chemical Revenue</td>
<td>17,175</td>
<td>17,493</td>
</tr>
<tr>
<td>All Milk Levy</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Buffalo Slaughter Levy</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Buffalo Slaughter Levy - Export</td>
<td>25</td>
<td>25</td>
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<tr>
<td>Cattle Producers Export Charge</td>
<td>272</td>
<td>290</td>
</tr>
<tr>
<td>Cattle Transactions Levy</td>
<td>43,000</td>
<td>43,000</td>
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<tr>
<td>Coarse Grains Levy</td>
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<tr>
<td>Cotton Research Levy</td>
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<tr>
<td>Dairy Industry Restructure Package</td>
<td>218,000</td>
<td>220,000</td>
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<tr>
<td>Deer Export Charge</td>
<td>4</td>
<td>4</td>
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<td>Deer Slaughter Levy</td>
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<td>Deer Velvet Export Charge</td>
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<td>Deer Velvet Levy</td>
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<td>Farmed Prawns Export Charge</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Farmed Prawns Levy</td>
<td>57</td>
<td>95</td>
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<tr>
<td>Fishing Boat License Levy</td>
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<tr>
<td>Fishing Levy</td>
<td>3,600</td>
<td>3,600</td>
</tr>
<tr>
<td>Fishing License - Domestic</td>
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<td>290</td>
</tr>
<tr>
<td>Forestry Import Charge</td>
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<tr>
<td>Forestry Levies</td>
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<tr>
<td>Goat Fibre Levy</td>
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<td>45</td>
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<tr>
<td>Grain Legumes Levy</td>
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<tr>
<td>Grape Research Levy</td>
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<td>Honey Export Charge</td>
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<tr>
<td>Honey Levy</td>
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<td>150</td>
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<tr>
<td>Horticultural Levy</td>
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</tr>
<tr>
<td>Horticulture Export Charge</td>
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<tr>
<td>Kangaroo Levy</td>
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<td>36</td>
</tr>
<tr>
<td>Laying Chicken Levy</td>
<td>706</td>
<td>706</td>
</tr>
<tr>
<td>Livestock Export Charge - Disease Eradication</td>
<td>10</td>
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</tr>
<tr>
<td>Livestock Slaughter Levy - Eradication of Disease</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Livestock Transactions Levy</td>
<td>19,500</td>
<td>22,000</td>
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<tr>
<td>Manufactured Milk Levy</td>
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<tr>
<td>Market Milk Levy</td>
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</tr>
<tr>
<td>Meat Chicken Levy</td>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>National Residue Survey Levies</td>
<td>7,678</td>
<td>7,678</td>
</tr>
<tr>
<td>Oilseeds Levy</td>
<td>5,427</td>
<td>5,427</td>
</tr>
<tr>
<td>Pasture Seeds Levy</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>Pig Slaughter Levy</td>
<td>12,430</td>
<td>12,430</td>
</tr>
</tbody>
</table>
### APPENDIX 1.1: NON-APPROPRIATION ADMINISTERED REVENUE - CONTINUED

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $'000</td>
<td>2002-03 $'000</td>
</tr>
<tr>
<td>Levies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rice Levy</td>
<td>2,270</td>
<td>2,100</td>
</tr>
<tr>
<td>Sugar Cane Research Levy</td>
<td>4,282</td>
<td>4,282</td>
</tr>
<tr>
<td>Tobacco Charge</td>
<td>630</td>
<td>400</td>
</tr>
<tr>
<td>Wheat Levy</td>
<td>37,100</td>
<td>40,300</td>
</tr>
<tr>
<td>Wine Export Charge</td>
<td>1,600</td>
<td>1,600</td>
</tr>
<tr>
<td>Wine Grapes Levy</td>
<td>7,110</td>
<td>7,250</td>
</tr>
<tr>
<td>Wool Tax, Levy &amp; Export Charge</td>
<td>56,260</td>
<td>56,260</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>528,834</strong></td>
<td><strong>536,066</strong></td>
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<tr>
<td>Interest on state &amp; territory debt</td>
<td></td>
<td></td>
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<tr>
<td>Adelaide Northern Town Water</td>
<td>1,174</td>
<td>1,138</td>
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<tr>
<td>Bovine Brucellosis and Tuberculosis Eradication Campaign Loans</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Rural Adjustment Scheme Loans</td>
<td>470</td>
<td>314</td>
</tr>
<tr>
<td>Sewage Agreements</td>
<td>945</td>
<td>908</td>
</tr>
<tr>
<td>War Service Land Settlement Scheme Loans</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>2,618</strong></td>
<td><strong>2,382</strong></td>
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<tr>
<td>Other non-taxation revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>War Service Land Settlement Scheme - Other</td>
<td>1,000</td>
<td>-</td>
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<tr>
<td>War Service Land Settlement Scheme - Rent</td>
<td>988</td>
<td>983</td>
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<tr>
<td><strong>Sub-total</strong></td>
<td><strong>1,988</strong></td>
<td><strong>983</strong></td>
</tr>
<tr>
<td><strong>Total estimated revenue</strong></td>
<td><strong>533,440</strong></td>
<td><strong>539,431</strong></td>
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</tbody>
</table>
### APPENDIX 2: ESTIMATES OF ADMINISTERED EXPENSES FROM APPROPRIATION BILL (NO.1)

<table>
<thead>
<tr>
<th>Output 1: Natural resources access and management</th>
<th>Estimated actual 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to Salinity Mitigation</td>
<td>3,233 $'000</td>
<td>3,309 $'000</td>
</tr>
<tr>
<td>Great Artesian Basin Sustainability Initiative</td>
<td>215 $'000</td>
<td>470 $'000</td>
</tr>
<tr>
<td>Murray-Darling Basin Commission</td>
<td>1,204 $'000</td>
<td>1,233 $'000</td>
</tr>
<tr>
<td>National Action Plan for Salinity and Water Quality</td>
<td>22,071 $'000</td>
<td>94,000 $'000</td>
</tr>
<tr>
<td>National Landcare Programme (for payment to Natural Resources Management Reserve)</td>
<td>2,100 $'000</td>
<td>2,140 $'000</td>
</tr>
<tr>
<td>Water Resources Assessment and Research - Grants</td>
<td>175 $'000</td>
<td>175 $'000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>28,998 $'000</strong></td>
<td><strong>101,327 $'000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 2: Innovation and rural policy and programs</th>
<th>Estimated actual 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Development Partnerships</td>
<td>700 $'000</td>
<td>4,930 $'000</td>
</tr>
<tr>
<td>Emergency Income Support Payments to WA &amp; QLD</td>
<td>461 $'000</td>
<td>-</td>
</tr>
<tr>
<td>Farm Help</td>
<td>24,970 $'000</td>
<td>29,845 $'000</td>
</tr>
<tr>
<td>Farm Innovation - the Key to Success</td>
<td>6,600 $'000</td>
<td>-</td>
</tr>
<tr>
<td>Industry Leadership - Women and Young People in Rural Industries</td>
<td>648 $'000</td>
<td>524 $'000</td>
</tr>
<tr>
<td>Inland Marketing Corporation</td>
<td>1,500 $'000</td>
<td>1,500 $'000</td>
</tr>
<tr>
<td>Land and Water Resources R&amp;D Corporation</td>
<td>11,586 $'000</td>
<td>11,863 $'000</td>
</tr>
<tr>
<td>Payment for the delivery of Exceptional Circumstances Relief Payments</td>
<td>25 $'000</td>
<td>-</td>
</tr>
<tr>
<td>Rural Financial Counselling Service</td>
<td>5,400 $'000</td>
<td>5,427 $'000</td>
</tr>
<tr>
<td>Rural Industries R&amp;D Corporation</td>
<td>11,630 $'000</td>
<td>11,910 $'000</td>
</tr>
<tr>
<td>Skilling Farmers for the Future</td>
<td>3,107 $'000</td>
<td>3,396 $'000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>66,627 $'000</strong></td>
<td><strong>69,395 $'000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 3: Industry development</th>
<th>Estimated actual 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef Expo 2003 and Gracemere Saleyards</td>
<td>1,800 $'000</td>
<td>3,900 $'000</td>
</tr>
<tr>
<td>Citrus Industry Market Diversification Grant</td>
<td>699 $'000</td>
<td>-</td>
</tr>
<tr>
<td>Douglas Shire Ethanol Project</td>
<td>-</td>
<td>2,350 $'000</td>
</tr>
<tr>
<td>Eden Regional Adjustment Package</td>
<td>1,372 $'000</td>
<td>435 $'000</td>
</tr>
<tr>
<td>Establishment of the Australian Seeds Authority</td>
<td>50 $'000</td>
<td>-</td>
</tr>
<tr>
<td>Fisheries Resources Research</td>
<td>2,039 $'000</td>
<td>2,750 $'000</td>
</tr>
<tr>
<td>Flood Assistance Packages</td>
<td>74,615 $'000</td>
<td>-</td>
</tr>
<tr>
<td>For expenditure under the Fisheries Admin Act 1991</td>
<td>10,726 $'000</td>
<td>10,983 $'000</td>
</tr>
<tr>
<td>Forest Industry Structural Adjustment Package</td>
<td>3,205 $'000</td>
<td>507 $'000</td>
</tr>
<tr>
<td>International Organisations Contributions</td>
<td>1,401 $'000</td>
<td>1,598 $'000</td>
</tr>
<tr>
<td>Lamb Industry Development Programme</td>
<td>4,000 $'000</td>
<td>-</td>
</tr>
<tr>
<td>National Food Industry Strategy - Centres of Excellence Program</td>
<td>- $'000</td>
<td>2,100 $'000</td>
</tr>
<tr>
<td>National Food Industry Strategy - Food Innovation Grants</td>
<td>- $'000</td>
<td>4,725 $'000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>78,426 $'000</strong></td>
<td><strong>76,203 $'000</strong></td>
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</tbody>
</table>
### APPENDIX 2: ESTIMATES OF ADMINISTERED EXPENSES FROM APPROPRIATION BILL (NO.1) – CONTINUED

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Estimated 2001-02</th>
<th>Budget Estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Food Industry Strategy - Food Safety and Quality Initiative</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>New Industries Development Programme Mark II</td>
<td>4,120</td>
<td>3,966</td>
</tr>
<tr>
<td>Pig Meat Processing</td>
<td>1,608</td>
<td>-</td>
</tr>
<tr>
<td>Sugar Industry Assistance Package - Cane Growers</td>
<td>15,268</td>
<td>-</td>
</tr>
<tr>
<td>Sugar Industry Assistance Package - Research</td>
<td>4,056</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>124,959</strong></td>
<td><strong>33,514</strong></td>
</tr>
<tr>
<td>Output 4: Market access and biosecurity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United Nations Food and Agriculture Organisation (FAO) contribution</td>
<td>10,363</td>
<td>10,251</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>10,363</strong></td>
<td><strong>10,251</strong></td>
</tr>
<tr>
<td>Output 5: Product integrity, animal (including aquatic animal) and plant health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building a National Approach to Animal and Plant Health</td>
<td>8,284</td>
<td>6,200</td>
</tr>
<tr>
<td>Commonwealth Contribution to the operating costs of Animal Health Australian</td>
<td>992</td>
<td>1,016</td>
</tr>
<tr>
<td>Expenditure under the Agricultural and Veterinary Chemicals Act 1992</td>
<td>114</td>
<td>116</td>
</tr>
<tr>
<td>International Organisations Contributions</td>
<td>358</td>
<td>379</td>
</tr>
<tr>
<td>Other Exotic Disease Preparedness Programmes</td>
<td>807</td>
<td>822</td>
</tr>
<tr>
<td>Ovine Johnes Disease Control &amp; Evaluation Programme</td>
<td>371</td>
<td>145</td>
</tr>
<tr>
<td>Payment for National Residue Survey Community Service Obligations</td>
<td>419</td>
<td>430</td>
</tr>
<tr>
<td>Payment to CSIRO - Contribution to the operating costs of the Australian Animal Health Laboratory</td>
<td>5,902</td>
<td>6,044</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>17,247</strong></td>
<td><strong>15,152</strong></td>
</tr>
<tr>
<td><strong>Total Administered Appropriation Bill (No. 1)</strong></td>
<td><strong>248,194</strong></td>
<td><strong>229,639</strong></td>
</tr>
</tbody>
</table>
### APPENDIX 2.1: ESTIMATES OF ADMINISTERED EXPENSES FROM APPROPRIATION BILL (NO.2)

<table>
<thead>
<tr>
<th>Output 1: Natural resources access and management</th>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Artesian Basin Sustainability Initiative - States</td>
<td>5,375</td>
<td>7,694</td>
</tr>
<tr>
<td>National Landcare Programme - Payments to States</td>
<td>38,241</td>
<td>37,058</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>43,616</strong></td>
<td><strong>44,752</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Output 2: Innovation and rural policy and programs</th>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments to State Authorities in Connection with War Service Land Settlement</td>
<td>2,606</td>
<td>2,776</td>
</tr>
<tr>
<td>Regional Assistance including Exceptional Circumstances</td>
<td>21,567</td>
<td>18,300</td>
</tr>
<tr>
<td>Skilling Farmers for the Future - States</td>
<td>15,913</td>
<td>28,422</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>40,086</strong></td>
<td><strong>49,498</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 3: Industry development</th>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Industry Structural Adjustment Package - States</td>
<td>15,741</td>
<td>46,883</td>
</tr>
<tr>
<td>Sugar Industry Program - Payments to the States</td>
<td>1,757</td>
<td>-</td>
</tr>
<tr>
<td>Tasmanian Wheat Freight - Shipping</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>18,698</strong></td>
<td><strong>48,083</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 5: Product integrity, animal (including aquatic animal) and plant health</th>
<th>Estimated actual</th>
<th>Budget estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eradication of Red Imported Fire Ant</td>
<td>17,000</td>
<td>15,500</td>
</tr>
<tr>
<td>Exotic Disease Preparedness Programme</td>
<td>262</td>
<td>268</td>
</tr>
<tr>
<td>Other Exotic Disease Preparedness Programmes</td>
<td>87</td>
<td>92</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>17,349</strong></td>
<td><strong>15,860</strong></td>
</tr>
</tbody>
</table>

| **Total Administered Appropriation Bill (No. 2)**                                  | **119,749**      | **158,193**     |

1. This item was formerly known as Rural Adjustment under the States Grants (Rural Adjustment) Act 1988 and the Rural Adjustment Act 1992. It now includes Farm Assistance Programme and West 2000 Plus which were previously separate line items.
## APPENDIX 2.2: ESTIMATES OF ADMINISTERED EXPENSES FROM SPECIAL APPROPRIATIONS

<table>
<thead>
<tr>
<th>Output 2: Innovation and rural policy and programs</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Meat &amp; Livestock Act 1997 - Marketing Body</td>
<td>41,046</td>
<td>42,621</td>
</tr>
<tr>
<td>Australian Meat &amp; Livestock Act 1997 - Research Body</td>
<td>36,301</td>
<td>34,799</td>
</tr>
<tr>
<td>Australian Wine &amp; Brandy Corporation Act 1980</td>
<td>4,265</td>
<td>4,265</td>
</tr>
<tr>
<td>Dairy Produce Act 1986</td>
<td>18,484</td>
<td>18,984</td>
</tr>
<tr>
<td>Farm Household Support Act 1992 (Exceptional Circumstances Relief Payment)</td>
<td>26,073</td>
<td>22,041</td>
</tr>
<tr>
<td>Horticultural Marketing and Research and Development Services Act 2000</td>
<td>35,355</td>
<td>37,105</td>
</tr>
<tr>
<td>Pig Industry Act 2001</td>
<td>15,970</td>
<td>15,970</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Cotton R&amp;D Corporation</td>
<td>13,219</td>
<td>13,219</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Dairy R&amp;D Corporation</td>
<td>27,297</td>
<td>27,732</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Fisheries R&amp;D Corporation</td>
<td>16,806</td>
<td>17,158</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Forest &amp; Wood Products R&amp;D Corporation</td>
<td>7,493</td>
<td>7,493</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Grains R&amp;D Corporation - Grains - Wheat</td>
<td>59,600</td>
<td>67,080</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Grains R&amp;D Corporation - Other Grains</td>
<td>39,700</td>
<td>37,088</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Grapes and Wine R&amp;D Corporation</td>
<td>13,700</td>
<td>13,700</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Rural Industries R&amp;D Corporation</td>
<td>7,493</td>
<td>7,493</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Sugar R&amp;D Corporation</td>
<td>8,549</td>
<td>8,549</td>
</tr>
<tr>
<td>Primary Industries &amp; Energy R&amp;D Act 1989 - Tobacco R&amp;D Corporation</td>
<td>770</td>
<td>440</td>
</tr>
<tr>
<td>Wool Services Privatisation Act 2000</td>
<td>79,672</td>
<td>71,587</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>451,698</strong></td>
<td><strong>447,229</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 3: Industry development</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy Industry Restructure Package</td>
<td>218,000</td>
<td>220,000</td>
</tr>
<tr>
<td>Fisheries Admin Act 1991</td>
<td>9,500</td>
<td>11,000</td>
</tr>
<tr>
<td>Lamb Industry Development Programme - Levy Alleviation</td>
<td>7,750</td>
<td>-</td>
</tr>
<tr>
<td>Wool International Act 1993</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>235,250</strong></td>
<td><strong>231,021</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 5: Product integrity, animal (including aquatic animal) and plant health</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural and Veterinary Chemicals (Administration) Act 1992</td>
<td>17,175</td>
<td>17,493</td>
</tr>
<tr>
<td>Australian Animal Health Council (Livestock Industry) Funding Act 1996</td>
<td>6,503</td>
<td>6,503</td>
</tr>
<tr>
<td>National Cattle Disease Eradication Trust Account Act 1991</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>National Residue Survey Admin Act 1992</td>
<td>7,943</td>
<td>7,943</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>31,627</strong></td>
<td><strong>31,944</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Administered Special Appropriations</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>718,575</td>
<td>710,194</td>
</tr>
</tbody>
</table>
PART D

Portfolio Bodies Reporting

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Overview

BACKGROUND

Under the Commonwealth Government’s accrual budgeting framework introduced from the 1999-00 Budget, thirteen of the AFFA portfolio statutory authorities fall within the General Government Sector and each has provided input into the 2002-03 Portfolio Budget Statements (PBS). Of these organisations, the Grains Research and Development Corporation has been categorised by the Department of Finance and Administration as a material agency, while the other twelve organisations have been categorised as small agencies.

The Australian Dairy Corporation has been categorised as a Public Non-Financial Corporation and is not included in this PBS.

To comply with Government reporting requirements, each entity appearing in the PBS is required to provide:

- Overview and revenue summary;
- Outcome and Outputs Information; and
- Budgeted Financial Statements.

The Boards of the respective Corporations are responsible for the preparation of their PBS information. They are accountable for their performance to the Commonwealth Government, and through it to the Parliament, which provides their statutory base and also to their levy payers. Accountability to Parliament is achieved through the tabling of annual reports, containing audited financial statements, while accountability to industry is achieved by the presentation of annual reports at Annual General Meetings.

DESCRIPTION OF PORTFOLIO BODIES

There are 37 statutory bodies in the Agriculture, Fisheries and Forestry portfolio which are generally categorised as one of the following: Statutory Marketing Authorities (SMAs); Research and Development Corporations (RDCs); Regulatory Authorities; Advisory/Other bodies; Selection Committees; or Joint/Inter-Government bodies.

Of the 37 bodies established by statute, 14* are organisations subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act).

*It should be noted that the Tobacco Research and Development Corporation will cease to exist early in 2002-03.

The majority of portfolio statutory authorities appearing in the PBS are funded partially or fully by levies collected from their respective industries. Levies are used to fund RDCs and SMAs, to co-ordinate research and development and marketing and promotion activities.
The RDCs derive their objectives, functions and powers from the *Primary Industries and Energy Research and Development (PIERD) Act 1989*. The enabling legislation provides the foundation for the Corporations’ accountability to the Commonwealth Parliament, the portfolio Ministers and Parliamentary Secretary and industry, for securing the greatest possible returns from the research and development in which the Corporation invests.

The SMAs’ objects, functions and powers are derived from the enabling legislation specific to their entity. This is also the case for the three regulatory authorities reported in this PBS.

**Statutory Planning Processes of Portfolio Agencies**

It should be noted that the information provided by the statutory authorities presented in Part D are estimates only and are subject to change, given that the planning and Ministerial approval cycle of these entities and the timing of the PBS is not aligned.

The planning requirements for each statutory authority are set out in their respective pieces of enabling legislation which do not require Annual Operating Plans (AOPs) to be finalised until May/June, and cannot be implemented before receiving Ministerial approval. Statutory lodgement dates are appropriate to the respective industries.

Furthermore, given the seasonal nature of the levy income of some Corporations, firm indications of budget position and finalisation of AOPs will not take place until late May.
AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

Section 1: Overview and revenue summary

OVERVIEW
The Australian Fisheries Management Authority (AFMA) was established under the Fisheries Administration Act 1991 to manage the resources of Australia’s Commonwealth fisheries on behalf of the Australian community and key stakeholders under the Fisheries Management Act 1991.

Clear legislative objectives require AFMA to manage the resources under its care in a way which is consistent with the principles of ecologically sustainable development and which maximises economic efficiency.

AFMA is also required to have regard to the impact of fishing on non-target species and the long-term sustainability of the marine environment. This objective has become increasingly important in recent years.

AFMA’s work centres on providing management, compliance and licensing services to stakeholders, and developing appropriate management policies and regulations. Together these activities help AFMA to pursue its principal Outcome of ecologically sustainable and economically efficient Commonwealth fisheries.

AFMA works in partnership with key stakeholders when developing and implementing fisheries management arrangements. These stakeholders include commercial fishing operators, researchers and environment/conservation, recreational/charter fishing and indigenous interests, as well as others who have an interest in how Australia’s Commonwealth fisheries are managed. AFMA’s main point of contact with stakeholder groups is through management advisory committees that it has established in each major Commonwealth fishery. These committees, 12 in total, play a vital role in helping AFMA to fulfil its legislative functions and effectively pursue its objectives by acting as the main advisory body and link between AFMA and those with an interest in the fishery.

Australia’s Commonwealth fisheries are managed in accordance with Government policy, on a full cost recovery basis such that the commercial fishing industry pays for costs directly attributed to fishing activity while the Government pays for activities that may benefit the broader community as well as the industry. Costs are recovered on a fishery by fishery basis.
TOTAL REVENUE

AFMA receives revenue from the following sources:

(a) the commercial fishing industry which pays levies and fees for costs directly attributed to fishing activity on a full cost recovery basis; and

(b) the Commonwealth Government for public good elements of management arrangements and the cost of administration of Government programs.

Table 1.1 shows the total revenue applicable to the Australian Fisheries Management Authority for 2002-03.

Table 1.1: Total Revenue ($'000)*

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecologically sustainable and economically efficient Commonwealth fisheries</td>
<td>11,000</td>
<td>15,111</td>
<td>1,110</td>
<td>27,221</td>
</tr>
</tbody>
</table>

* The Australian Fisheries Management Authority does not receive a direct departmental or administered appropriation from the Government.

DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Australian Fisheries Management Authority will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

**OUTCOME AND OUTPUTS**

The map below shows the relationship between the Outcome and the contributing Outputs for the Australian Fisheries Management Authority. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

**Map 2.1 Outcome and Outputs**

Australian Fisheries Management Authority  
Chair: Dr Wendy Craik  
Managing Director: Mr Frank Meere

**Outcome**  
Ecologically sustainable and economically efficient Commonwealth fisheries.  
Total Revenue: $27,221m  
Total Cost of Outputs: $27,654m*

**Output 1:** Fisheries Policy & Planning  
Total Cost: $11,293m

**Output 1.1:** Management of Domestic Fisheries  
$11,011m

**Output 1.2:** Management of International Tuna Fisheries  
$0.282m

**Output 2:** Fisheries Administration  
Total Cost: $16,361m

**Output 2.1:** Domestic fisheries compliance  
$5,129m

**Output 2.2:** Foreign fisheries compliance  
$8,313m

**Output 2.3:** Data collection  
$2,133m

**Output 2.4:** Licensing and revenue collection  
$0.786m

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.

Note: AFMA will use its accumulated reserves to fund the difference between total revenue and the total cost of Outputs.
**Changes to Outcomes and Outputs**
The description of Output 1.2 has been changed from “Management of Australian participation in high seas fisheries” to “Management of International Tuna Fisheries” to better reflect the actual deliverables under this Output.

**Outcome — Description**
Ecologically sustainable and economically efficient Commonwealth fisheries.

**Outcome — Resourcing**

<table>
<thead>
<tr>
<th>Table 2.1: Total resources for AFMA’s Outcome ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated</td>
</tr>
<tr>
<td>actual</td>
</tr>
<tr>
<td>2001-02</td>
</tr>
<tr>
<td>$’000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agency resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1 Fisheries Policy and Planning</td>
</tr>
<tr>
<td>10,123</td>
</tr>
<tr>
<td>11,293</td>
</tr>
<tr>
<td>Output 2 Fisheries Administration</td>
</tr>
<tr>
<td>15,948</td>
</tr>
<tr>
<td>16,361</td>
</tr>
<tr>
<td>Total resourcing for Outcome 1</td>
</tr>
<tr>
<td>26,071</td>
</tr>
<tr>
<td>27,654</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average staffing level (number)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
</tr>
<tr>
<td>112</td>
</tr>
</tbody>
</table>

* excludes part-time Board and Committee members
OUTCOME — CONTRIBUTION OF OUTPUTS

AFMA’s Outputs of *Fisheries Policy and Planning* and *Fisheries Administration* reflect the Government’s and the AFMA Board’s commitment to pursuing ecologically sustainable and economically efficient Commonwealth fisheries. This is in accordance with AFMA’s legislative objectives and is developed in partnership with the fishing industry, government agencies and others with an interest in sustainable fisheries management.

Table 2.2 lists the performance information that AFMA will use to assess the level of its contribution to the achievement of its Outcome during 2002-03. The table provides information on the strategies chosen to deliver the Outcome and shows the links between the Outputs and the Outcome. It also measures the efficiency of Outputs in contributing to the Outcome, including targets for performance as applicable and appropriate. Achievement of planned performance will be reported in AFMA’s 2002-03 Annual Report.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness — Overall achievement of the Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effectiveness Indicators</strong></td>
</tr>
<tr>
<td><em>Ecological sustainability of target and byproduct species</em></td>
</tr>
<tr>
<td>• Fishing is conducted at a level that supports ecologically sustainable stock levels, at a defined reference point or within a range, with acceptable levels of probability; and</td>
</tr>
<tr>
<td>• Where the fished stock/s are below a defined reference point or range, fishing is conducted in a manner, which promotes recovery to at least the defined reference point or range.</td>
</tr>
</tbody>
</table>
### Ecological viability of bycatch species

- Fishing is conducted at a level that does not compromise the ecological viability of bycatch species; and
- Where the ecological viability of bycatch species is determined to be compromised, fishing is conducted in a manner, which promotes recovery.

| Percentage of bycatch species assessed as being ecologically viable. |
| Percentage of bycatch species identified as at risk or vulnerable as a result of fishing, for which an agreed recovery program is in place. |

### Integrity of the broader marine ecosystem

- Fishing is conducted in a manner that does not compromise the integrity of the broader marine ecosystem; and
- Where the integrity of the broader marine ecosystem is determined to be compromised, fishing is conducted in a manner, which promotes recovery.

| Number of initiatives in place to protect the broader marine ecosystem. |
| Percentage of marine ecosystems identified as being at risk or vulnerable as a result of fishing, for which an agreed recovery program is in place. |

### Productivity of Commonwealth fisheries

- Movements in the volume and value of Commonwealth fisheries production taking into account external factors.

| Changes in volume and value of production. |

### Economic efficiency of Commonwealth fisheries

- Movements in the cost of harvesting the catch after taking into account external factors, as demonstrated through:
  - removal over time of impediments and management restrictions which constrain economic efficiency; and/or
  - value of fishing concessions over time.

| Percentage of fisheries in which impediments and management restrictions which constrain economic efficiency have been removed. |
| Percentage change in value of fishing concessions. |
CONTRIBUTION OF OUTPUTS TO OUTCOME

The following key strategies will help AFMA to pursue its Outcome of Ecologically sustainable and economically efficient fisheries.

- Deliver sustainable fisheries management:
  - develop management plans for specified fisheries and performance indicators for major Commonwealth fisheries;
  - implement identified actions contained within bycatch action plans in place for major Commonwealth fisheries;
  - develop strategic assessments for all Commonwealth fisheries as a means of assessing the effectiveness of AFMA’s management arrangements in pursuing ecologically sustainable fisheries;
  - integrate fisheries which share common regions, resources and ecosystems under a common management regime;
  - address excess fishing effort through a range of measures, including the introduction of individual transferable quotas (ITQs) within statutory Management Plans for major commercial fisheries or other practical alternatives such as tradeable gear units;
  - in managing Torres Strait fisheries, ensure traditional fishing activities are protected when making fisheries management decisions;
  - in managing Commonwealth fisheries, address the issue of resource allocation between the commercial and recreational fishing sectors through a range of different fora including AFMA’s established consultative processes;
  - pursue sustainable management of high seas stocks (including highly migratory or straddling stocks) and Australian participation in high seas fishing in line with provisions of the United Nations Fish Stocks Agreement;
  - where feasible establish high standards of international management with neighbouring countries such as Indonesia, New Zealand, Papua New Guinea and other central and western Pacific nations;
  - support industry efforts to develop new resources by facilitating and managing exploratory fishing provided that exploratory fishing operations are operator funded and there is no/minimal cost to Government;
  - provide independent advice to the AFMA Board on allocation issues through the use of Allocation Advisory Panels (AAPs);
actively explore potential business opportunities within the context of AFMA’s objectives as a means of improving AFMA’s efficiency and effectiveness;

- harness new satellite and communications technologies including Vessel Monitoring Systems, electronic weighing of fish, at-sea catch reporting and data transmission systems, to improve Commonwealth fisheries management;

- maintain risk focused domestic and foreign fisheries compliance programs in accordance with compliance service agreements, compliance operational plans and international obligations in relation to foreign compliance through Regional Fisheries Management Organisations.

• Make informed decisions:

- pursue the implementation of verifiable data collection programs for specified fisheries as a means of ensuring AFMA collects more accurate information;

- within resource constraints, provide increased funding for stock assessment and economic assessment through the AFMA Research Fund to ensure that AFMA has better quality information to make more informed fisheries management decisions.

• Engage stakeholders through improved communications and consultation processes:

- seek to further improve AFMA’s working relationship with stakeholders through the implementation of AFMA’s new communications strategy and increase liaison and positive dialogue between stakeholders in Commonwealth fisheries.

### Performance Information for Outputs

<table>
<thead>
<tr>
<th>Output 1- Fisheries Policy and Planning</th>
</tr>
</thead>
</table>
| Output 1.1: Management of domestic fisheries | Quality: Management plans developed/reviewed within specified timeframes.

Consistency of management plans with AFMA’s legislative objectives, environmental and other legislation/regulation.

Acceptance by Minister (where applicable).

Strategic Assessment Reports accredited by the Minister for the Environment. |

113
**Part D: Australian Fisheries Management Authority**

<table>
<thead>
<tr>
<th>Quantity: Development of domestic fisheries management policy, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- manage, monitor and review management arrangements for all Commonwealth fisheries in accordance with defined arrangements;</td>
</tr>
<tr>
<td>- finalise strategic assessment reports and receive accreditation for S/WTBF*, ETBF* and SBT*, the four integrated southern fisheries (GABTF, SETF, SENTF, SSF), NPF, TS Prawn and Beche de Mer, Skipjack Tuna and commence reports for SSJF, WDW trawl, NWS, TS Cray, SPF, MIF, CSF, and CCT Fisheries;</td>
</tr>
<tr>
<td>- review Bycatch Action Plans and progress implementation of actions identified in Plans;</td>
</tr>
<tr>
<td>- during the year, finalise Management Plans for SBT, S/WTBF, ETBF, Skipjack Tuna and single management plan for SETF/SENTF/SSF/GAB and issue SFRs under new plans;</td>
</tr>
<tr>
<td>- strategic Research Plans and Data Acquisition Plans in place for all fisheries by July 2003; and</td>
</tr>
<tr>
<td>- no. of research programs funded and managed.</td>
</tr>
</tbody>
</table>

| Price: $11.011m |

* Strategic assessment activity is integrated with the development of the fishery Management plan
### Part D: Australian Fisheries Management Authority

<table>
<thead>
<tr>
<th>Output 1.2: Management of International Tuna Fisheries</th>
<th>Quality: Obligations under RFMOs met.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consistency of domestic management arrangements with high seas management arrangements.</td>
</tr>
<tr>
<td>Quantity: Development of fisheries management policy in relation to high seas fisheries, including:</td>
<td></td>
</tr>
<tr>
<td>- develop programs in consultation with RFMOs;</td>
<td></td>
</tr>
<tr>
<td>- participate in international fora to develop strategies to address illegal, unregulated and unreported fishing;</td>
<td></td>
</tr>
<tr>
<td>- administer existing international agreements (CCSBT, WCPO, FFC, SPC, IOTC, CCAMLR, STR);</td>
<td></td>
</tr>
<tr>
<td>- develop consistent arrangements for Australian vessels operating in the AFZ and on the high seas.</td>
<td></td>
</tr>
<tr>
<td>Price: $0.282m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 2 – Fisheries Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 2.1: Domestic fisheries compliance</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Quantity: Ability to provide monitoring, surveillance and enforcement services in relation to domestic fishing operations, including:</td>
</tr>
<tr>
<td>- review and update eight risk assessments and compliance operational plans;</td>
</tr>
<tr>
<td>- implement compliance programs in the field for high risk areas following completion of risk assessments;</td>
</tr>
<tr>
<td>- update seven service level agreements to take account of changes in requirements;</td>
</tr>
<tr>
<td>- conduct two Fishery Officer training programs;</td>
</tr>
</tbody>
</table>
**Part D: Australian Fisheries Management Authority**

<table>
<thead>
<tr>
<th>Output 2.2: Foreign Fisheries Compliance</th>
<th>Quality: Success of monitoring, surveillance and enforcement programs in high risk areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Implementation of agreed international compliance measures through RFMO’s.</td>
</tr>
<tr>
<td>Price: $5.129m</td>
<td></td>
</tr>
</tbody>
</table>

**Quantity:** Monitoring, surveillance and enforcement services in relation to foreign fishing operations, including:

- develop risk assessments and compliance operational plans for the AFZ, HIMI and Torres Strait;
- implement compliance programs in the field for high risk areas following completion of risk assessments;
- develop compliance service level agreements for WA, NT and QLD;
- conduct two Fishery Officer training programs;
- implement longer term arrangements for surveillance of the HIMI area;
- develop required guidelines for administration of foreign compliance programs; and
- implement compliance programs in the field for high risk areas following completion of risk assessments.

Price: $8.313m
**Output 2.3: Data Collection**

**Quality:** Data Strategic Plan completed.
- Observer manuals developed before start of the fishing season for each fishery.
- Consistency of data obtained by observer with observer manual specifications.
- Observers provided within 10 days of request and cruise reports supplied within five weeks of the end of a cruise.
- 100% of logbook returns received.
- 100% of logbook returns registered and entered by August 2002 for the 2001-02 financial year.
- Electronic logbook arrangements further developed for SEF and NPF.

**Quantity:** Develop a data acquisition and management strategy for AFMA.

Provide data collection, verification and dissemination services for Commonwealth fisheries, including:

- produce an observer manual for each fishery that has an observer project;
- produce an observer and cruise report for every cruise undertaken for eight observer projects;
- develop revised logbooks for trawl fisheries as well as revisions for a number of other fisheries;
- produce data summaries for the GABTF, SEF, BSS, western and eastern tuna, SSJF, NIODFF, east coast trawl and the NPF fisheries; and
- undertake four field liaison trips consistent with requirements.

**Price:** $2.133m
## Output 2.4: Licensing and Revenue Collection

| Quality: | Commonwealth fishers hold legally sound and enforceable fishing concessions. |
|          | Target of 100% of transactions actioned within 7 working days of receipt of application (subject to all requirements having been fulfilled). |
|          | Target of 100% of debts recovered. |

<table>
<thead>
<tr>
<th>Quantity:</th>
<th>Licensing and revenue collection transactions per demand, including:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- no. of applications for fishing concession regrants;</td>
</tr>
<tr>
<td></td>
<td>- no. of applications for fishing concessions</td>
</tr>
<tr>
<td></td>
<td>- no. of applications for fishing concession transfers</td>
</tr>
<tr>
<td></td>
<td>- no. of applications for boat replacements;</td>
</tr>
<tr>
<td></td>
<td>- no. of quota trading transactions;</td>
</tr>
<tr>
<td></td>
<td>- no. of amendments to fishing concessions in response to fisheries management initiatives; and</td>
</tr>
<tr>
<td></td>
<td>- percentage of debts recovered.</td>
</tr>
</tbody>
</table>

| Price     | $0.786 |
EVALUATIONS
AFMA will be undertaking a number of evaluation activities during 2002-03 to assist the organisation to better assess the success of its management strategies in producing its Outcome. These include:

1. A two year project to undertake ecological risk assessments for all Commonwealth managed fisheries. The project will be coordinated by CSIRO with support from other agencies such as the Bureau of Rural Sciences and the Victorian Marine and Freshwater Research Institute (MAFRI). The risk assessments will analyse existing data on target, by-product, bycatch and the broader environment for each fishery. The project team will identify future data needs and develop a framework for undertaking ongoing ecological risk assessments for each fishery.

2. A six month project entitled ‘Best practice reference points for fisheries’. The project will be undertaken by CSIRO and will provide advice on best practice reference points based on experiences around the world. The reference points will relate to target, by-product, bycatch and broader ecological aspects of fisheries.

3. AFMA will develop a strategic data acquisition and management plan, followed by a project to design and implement long term monitoring and data collection and validation programs in fisheries.

AFMA will seek funding through the AFMA Research Committee to commission an economic research project to benchmark the value of fishing concessions over time.
LIST OF ACRONYMS

AFFA  Department of Agriculture, Fisheries and Forestry - Australia
AFMA  Australian Fisheries Management Authority
BSS   Bass Strait Central Zone Scallop Fishery
CCAMLR Convention for the Conservation of Antarctic Marine Living Resources
CCSBT Commission for the Conservation of Southern Bluefin Tuna
CCT   Christmas Island/Cocos (Keeling) Islands Trawl Fishery
CSF   Coral Sea Fishery
ETBF  Eastern Tuna and Billfish Fishery
GABTF Great Australian Bight Trawl Fishery
HIMI  Heard Island and McDonald Islands Fishery
IOTC  Indian Ocean Tuna Commission
ITQ   Individual transferable quota
MAC   Management advisory committee
MHLC  Multilateral High Level Conference
MIF   Macquarie Island Fishery
NIODFF Norfolk Island Offshore Demersal Finfish Fishery
NPF   Northern Prawn Fishery
OCS   Offshore Constitutional Settlement
RFMO  Regional fisheries management organisation
SBT   Southern Bluefin Tuna (Fishery)
SENTF South East Non-Trawl Fishery
SETF  South East Trawl Fishery
SFR   Statutory Fishing Right
SPF   Small Pelagics Fishery
SSF   Southern Shark Fishery
SSJF  Southern Squid Jig Fishery
STR   South Tasman Rise
S/WTBF Southern and Western Tuna & Billfish Fishery
TAP   Threat Abatement Plan
TS    Torres Strait
TS Cray Torres Strait Cray Fishery
TS Line Torres Strait Line Fishery
TS Prawn Torres Strait Prawn Fishery
TS RL  Torres Strait Rock Lobster
UN    United Nations
VMS   Vessel monitoring system
Section 3: Budgeted financial statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>24,141</td>
<td>26,111</td>
<td>22,749</td>
<td>23,364</td>
<td>23,996</td>
<td></td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>500</td>
<td>406</td>
<td>418</td>
<td>431</td>
<td>444</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>900</td>
<td>704</td>
<td>658</td>
<td>739</td>
<td>822</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>25,541</td>
<td>27,221</td>
<td>23,825</td>
<td>24,534</td>
<td>25,262</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>8,157</td>
<td>8,759</td>
<td>8,884</td>
<td>9,151</td>
<td>9,426</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>17,459</td>
<td>18,418</td>
<td>14,508</td>
<td>14,943</td>
<td>15,391</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>455</td>
<td>477</td>
<td>417</td>
<td>430</td>
<td>443</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>26,071</td>
<td>27,654</td>
<td>23,809</td>
<td>24,524</td>
<td>25,260</td>
<td></td>
</tr>
<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>-530</td>
<td>-433</td>
<td>16</td>
<td>10</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>-530</td>
<td>-433</td>
<td>16</td>
<td>10</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>-530</td>
<td>-433</td>
<td>16</td>
<td>10</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3.2: Budgeted Departmental Statement of Financial Position **as at 30 June**

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>15,639</td>
<td>15,297</td>
<td>15,406</td>
<td>15,512</td>
<td>15,613</td>
</tr>
<tr>
<td>Receivables</td>
<td>900</td>
<td>927</td>
<td>955</td>
<td>984</td>
<td>1,014</td>
</tr>
<tr>
<td>Other</td>
<td>100</td>
<td>103</td>
<td>106</td>
<td>109</td>
<td>112</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>16,639</td>
<td>16,327</td>
<td>16,467</td>
<td>16,605</td>
<td>16,739</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>2,894</td>
<td>2,829</td>
<td>2,764</td>
<td>2,699</td>
<td>2,634</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>1,072</td>
<td>1,137</td>
<td>1,202</td>
<td>1,267</td>
<td>1,332</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,827</td>
<td>1,882</td>
<td>1,938</td>
<td>1,996</td>
<td>2,056</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2,200</td>
<td>2,266</td>
<td>2,334</td>
<td>2,404</td>
<td>2,476</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>4,027</td>
<td>4,148</td>
<td>4,272</td>
<td>4,400</td>
<td>4,532</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td>16,578</td>
<td>16,145</td>
<td>16,161</td>
<td>16,171</td>
<td>16,173</td>
</tr>
<tr>
<td>Capital</td>
<td>8,722</td>
<td>8,722</td>
<td>8,722</td>
<td>8,722</td>
<td>8,722</td>
</tr>
<tr>
<td>Reserves</td>
<td>720</td>
<td>720</td>
<td>720</td>
<td>720</td>
<td>720</td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>7,136</td>
<td>6,703</td>
<td>6,719</td>
<td>6,729</td>
<td>6,731</td>
</tr>
<tr>
<td>Total equity</td>
<td>16,578</td>
<td>16,145</td>
<td>16,161</td>
<td>16,171</td>
<td>16,173</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>20,605</td>
<td>20,293</td>
<td>20,433</td>
<td>20,571</td>
<td>20,705</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,060</td>
<td>3,152</td>
<td>3,246</td>
<td>3,343</td>
<td>3,443</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>967</td>
<td>996</td>
<td>1,026</td>
<td>1,057</td>
<td>1,089</td>
</tr>
<tr>
<td>Current assets</td>
<td>16,639</td>
<td>16,327</td>
<td>16,467</td>
<td>16,605</td>
<td>16,739</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
<td>3,966</td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>24,141</td>
<td>26,111</td>
<td>22,749</td>
<td>23,364</td>
<td>23,996</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>778</td>
<td>376</td>
<td>387</td>
<td>399</td>
<td>411</td>
</tr>
<tr>
<td>Interest</td>
<td>900</td>
<td>704</td>
<td>658</td>
<td>739</td>
<td>822</td>
</tr>
<tr>
<td>Total cash received</td>
<td>25,819</td>
<td>27,191</td>
<td>23,794</td>
<td>24,502</td>
<td>25,229</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>8,104</td>
<td>8,704</td>
<td>8,828</td>
<td>9,093</td>
<td>9,366</td>
</tr>
<tr>
<td>Suppliers</td>
<td>17,974</td>
<td>18,352</td>
<td>14,440</td>
<td>14,873</td>
<td>15,319</td>
</tr>
<tr>
<td>Total cash used</td>
<td>26,078</td>
<td>27,056</td>
<td>23,268</td>
<td>23,966</td>
<td>24,685</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>-259</td>
<td>135</td>
<td>526</td>
<td>536</td>
<td>544</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>455</td>
<td>477</td>
<td>417</td>
<td>430</td>
<td>443</td>
</tr>
<tr>
<td>Total cash used</td>
<td>455</td>
<td>477</td>
<td>417</td>
<td>430</td>
<td>443</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-455</td>
<td>-477</td>
<td>-417</td>
<td>-430</td>
<td>-443</td>
</tr>
<tr>
<td><strong>Net increase / decrease in cash held</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>16,353</td>
<td>15,639</td>
<td>15,297</td>
<td>15,406</td>
<td>15,512</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>15,639</td>
<td>15,297</td>
<td>15,406</td>
<td>15,512</td>
<td>15,613</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement *for the period ended 30 June*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>PURCHASE OF NON CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Departmental resources</td>
<td>455</td>
<td>477</td>
<td>417</td>
<td>430</td>
<td>443</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement *Budget year 2002-03*

<table>
<thead>
<tr>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Infrastructure</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Carrying amount at the start of year</strong></td>
<td>735</td>
<td>2,159</td>
<td>2,894</td>
<td>1,072</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>477</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>65</td>
<td>65</td>
<td>412</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of year</strong></td>
<td>735</td>
<td>2,094</td>
<td>2,829</td>
<td>1,137</td>
</tr>
</tbody>
</table>

**Total additions**

| Self funded | - | - | - | 477 | - | 477 |
| Appropriations | - | - | - | - | - | - |
| **Total** | - | - | - | 477 | - | 477 |
The Australian Wine and Brandy Corporation (the “Corporation”) is the Australian Government statutory authority with responsibility for the promotion and regulation of Australian wine, wine products and brandy.

Enabling Legislation
The Corporation was established under the provisions of the *Australian Wine and Brandy Corporation Act 1980* as amended (the “Act”). The objects of the Act and the functions and powers of the Corporation are set out in the Act and the *Australian Wine and Brandy Corporation Regulations* (the “Regulations”).

The Corporation is also subject to the *Commonwealth Authorities and Companies Act 1997* that provides reporting, accountability and other rules for Commonwealth authorities and companies.

Objects of the Act
The Corporation must perform its functions and exercise its powers only for the purpose of achieving the objects specified in the Act. These are:

- to promote and control the export of grape products from Australia;
- to promote and control the sale and distribution, after export, of Australian grape products;
- to promote trade and commerce in grape products among the States, between States and Territories and within the Territories;
- to improve the production of grape products, and encourage the consumption of grape products, in the Territories;
- to enable Australia to fulfil its obligations under prescribed wine-trading agreements;

For the purpose of achieving any of the objects set out in the preceding paragraphs:

- to determine the boundaries of the various regions and localities in Australia in which wine is produced;
- to give identifying names to those regions and localities;
- to determine the varieties of grapes that may be used in the manufacture of wine in Australia;
Part D: Australian Wine and Brandy Corporation

- to advance the objects of the Act by helping to ensure the truth, and the reputation for truthfulness, of statements made on wine labels, or made for commercial purposes in other ways, about the vintage, variety or geographical indication of wine manufactured in Australia;
- to regulate the sale, export and import of wine;
- for the purpose of enabling Australia to fulfil its obligations under prescribed wine-trading agreements; and
- for certain other purposes for which the Parliament has power to make laws.

Functions of the Corporation
The Corporation’s functions relate to defined grape products that comprise Australian wine, brandy, grape spirit and products derived in whole or in part from grapes that have been declared by the Regulations to be grape products for the purposes of the Act.

The functions of the Corporation are:

- to promote and control the export of grape products from Australia;
- to encourage and promote the consumption and sale of grape products both in Australia and overseas;
- to improve the production of grape products in Australia;
- to conduct, arrange for, and assist in, research relating to the marketing of grape products; and
- such other functions in connection with grape products as are conferred on the Corporation by the Act or the Regulations.

The function of the Corporation’s Geographical Indications Committee is to make determinations of geographical indications for wine in relation to regions and localities in Australia.

Powers of the Corporation
The Act confers on the Corporation the power to do all things necessary or convenient to be done for, or in connection with, the performance of its functions.

Responsible Minister
The Corporation is responsible to the Minister for Agriculture, Fisheries and Forestry, the Honourable Warren Truss MP (the Minister) and through the Minister, to Parliament.

The Act provides that the Minister may, by notice in writing to the Corporation, give direction to the Corporation with respect to the performance of its functions and the exercise of its powers.
Members of the Corporation
The Members of the Corporation (the “Board”) are responsible for the overall direction of the Corporation and direct the functions of the Corporation and the achievement of the Corporation’s objectives by a process of policy decisions. It is the Board’s responsibility to set the strategic direction of the Corporation.

Management
The Board delegates responsibility for the day to day conduct of the business to the Chief Executive who ensures that the Board’s policy decisions are translated to executive action by the management team.

Key Stakeholders and Clients
The Corporation’s primary stakeholder is the Commonwealth of Australia. The other principal stakeholders are the levy payers from whom the Corporation draws the bulk of its revenue, and who are recognised under the Act as having the right to attend and vote at the Annual General Meetings of the Industry convened by the Corporation.

These levy payers comprise wine and brandy producers who pay the Wine Grapes Levy and the wine and brandy exporters who pay the Wine Export Charge.

Other parties who have a significant stake in the Australian wine industry include:
- the national, state and regional wine and brandy producer associations; and
- winegrape growers and their national, state and regional associations.

The clients of the Corporation, that is those that utilise the services provided by the Corporation, include:
- Wine and brandy exporters – export promotional material, assistance in overseas markets, export licences, export documentation and approvals, information.
- Wine and brandy producers – label integrity assistance, domestic promotional material, information.
- Grape growers and their regional associations – geographical indication registration, information.
- Wine industry suppliers and consultants – information.
- Wine research organisations – information.
- Academics, students, lawyers, financial institutions and advisers and the public – information.

Total Revenue
The Australian Wine and Brandy Corporation derives its revenue from industry levies, user pay fees, sponsorship and promotional program membership fees.
Part D: Australian Wine and Brandy Corporation

Table 1.1 shows the total revenue applicable to the Australian Wine and Brandy Corporation for 2002-03.

**Table 1.1: Total Revenue ($’000)**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>To enhance the operating environment for the benefit of the Australian wine industry</td>
<td>5,161</td>
<td>-</td>
<td>8,185</td>
<td>13,346</td>
</tr>
</tbody>
</table>

* The Australian Wine and Brandy Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Australian Wine and Brandy Corporation will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs information

**OUTCOME AND OUTPUT GROUPS**

The map below shows the relationship between the Outcome and the contributing Outputs for the Australian Wine and Brandy Corporation. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

**Map 2.1 - Outcome and Outputs**

Australian Wine and Brandy Corporation  
Chair: David Brownhill  
Chief Executive Officer: Sam Tolley

Outcome  
To enhance the operating environment for the benefit of the Australian wine industry  

Total Revenue: $13.346m  
Total Cost of Outputs: $13.077m*

**Output 1:**  
Quality and Integrity  
To protect and enhance the quality and integrity of Australian wine.  

Total Cost: $3.308m

**Output 2:**  
Knowledge and Development  
To support decision-making that assists the Australian wine industry’s competitiveness through the collection, interpretation and dissemination of global wine sector intelligence.  

Total Cost: $0.850m

**Output 3:**  
Market Development  
To contribute to the achievement of Category Status by creating a market environment that enhances global demand for Australian wine.  

Total Cost: $8.919m

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.


**CHANGES TO OUTCOMES AND OUTPUTS**
There have been no changes to the number or structure of Outcomes or Outputs since the previous year but following an extensive strategic planning process, the wording of the Outputs has changed to more accurately describe what the Corporation does.

**OUTCOME — DESCRIPTION**
To enhance the operating environment for the benefit of the Australian wine industry.

**OUTCOME — RESOURCING**

Table 2.1: Total resources for AWBC’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated 2001-02 ($’000)</th>
<th>Actual 2001-02 ($’000)</th>
<th>Budget 2002-03 ($’000)</th>
<th>Estimated 2002-03 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1 Quality and Integrity</td>
<td>3,114</td>
<td>3,308</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2 Knowledge Development</td>
<td>800</td>
<td>850</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3 Market Development</td>
<td>8,393</td>
<td>8,919</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total resources for Outcome</strong></td>
<td>12,307</td>
<td></td>
<td>13,077</td>
<td></td>
</tr>
<tr>
<td><strong>Average Staffing Level (Number)</strong></td>
<td>2001-02: 43</td>
<td>2002-03: 45</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
OUTCOME — CONTRIBUTION OF OUTPUTS
The Corporation will pursue the objects of the Act through the provision of the three Output groups outlined below, which collectively contribute to the achievement of the Corporation’s Outcome.

Quality and Integrity
One of the Australian wine industry’s greatest assets is its enviable reputation for producing wines of quality and integrity. This reputation has played a significant part in the international growth of the industry and it must be sustained and protected if the industry is to continue its growth.

The Corporation inspects and issues permits for all exported Australian wines and brandies, operates a Label Integrity Program to prevent false or misleading labelling and through the Geographical Indications Committee, defines and protects the identities of Australia’s grape producing regions.

Knowledge Development
Australian wine producers require accurate and up-to-date information to make effective decisions. The Corporation has an extensive database of Australian wine export information, available to the industry and other interested parties.

The Corporation collects and analyses wine industry statistics and maintains a readily accessible Wine Industry Information Service - a one-stop shop for wine industry information.

Market Development
The spectacular growth of Australian wine exports can be attributed to the collaborative international promotional work undertaken by the Corporation’s promotional arm, the Australian Wine Export Council (AWEC) in partnership with Australia’s wine producers and supplier companies.

Through its offices in Australia, London, Frankfurt, Stockholm, Tokyo, New York and Toronto, AWEC runs a series of collaborative wine promotional programs, provides assistance to Australian wine producers with their export activities, produces point-of-sale material in a number of languages and sponsors visits by influential international wine writers and buyers to Australian wine regions and events.
Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness Indicators</th>
<th>Measures and Targets Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality and Integrity - To protect and enhance the quality and integrity of Australian wine.</td>
<td>The absence of incidents reflecting adversely on the reputation of Australian wine.</td>
</tr>
<tr>
<td>Knowledge development – To support decision-making that assists the Australian wine industry’s competitiveness through the collection, interpretation and dissemination of global wine sector intelligence.</td>
<td>Respect by wine industry decision-makers as a legitimate provider of information for knowledge development.</td>
</tr>
<tr>
<td>Market Development – To contribute to the achievement of Category Status by creating a market environment that enhances global demand for Australian wine.</td>
<td>Enhanced demand for Australian wine in line with industry’s projected export sales target of A$3.4 billion by 2010 consistent with category status criteria.</td>
</tr>
</tbody>
</table>

**CONTRIBUTION OF OUTPUTS TO OUTCOME**

Following is a list of actions in each Output area that have been identified as contributing to the delivery of the Outcome.

**Quality and Integrity**
- Increase available intelligence on international competitors and markets through enhanced information gathering and contact with industry and government agencies.
- Develop and implement new procedures that maintain the integrity of exported bulk wine.
- Conduct a review of the AWBC Act and Regulations to ensure their currency and relevance.
- Ensure essential elements of “Standard P4” are retained in legislation.
- Implement a program of presentations at relevant wine sector forums and produce literature and publish articles outlining the quality and integrity role.
- Provide an active program to assure “truth in labelling” consistent with the market development process and maintain an effective label advisory service.
- Conduct an effective analytical program.

**Knowledge Development**
- Identify and prioritise the information client base and the information needs, by content and style, of each client-type.
• Audit the sources and availability of required information and facilitate the assembly of information that exists but which is not accessible to stakeholders.

• Prepare a plan to identify and generate the required information that does not currently exist.

• Monitor the quality of, and facilitate the maintenance of, existing information that meets identified needs and which is accessible to stakeholders.

• Build and maintain state-of-the-art storage systems for collected information.

• Provide and enhance automatic information management systems within the Corporation.

• Develop a comprehensive communications strategy to improve the level of communication with the industry and to substantially enhance awareness of the Corporation’s charter, current activities and relevance to the industry.

• Identify mechanisms that will facilitate the absorption of material by recipients.

**Market Development**

• Review global market demand and prospects for existing and sustainable new markets and establish a process of ongoing qualitative and quantitative research to identify priority market needs and industry market priorities.

• Devise and implement market initiatives and collaborative marketing innovations for target markets.

• In consultation with the industry, develop a plan to improve the promotion of Australian wine in the domestic market.

• Identify market access impediments in priority markets and develop and/or conclude international agreements, legislative frameworks and other initiatives that improve market access for Australian wine.

• Determine industry requirements for a GI system that delivers effective marketing benefits and put in place any new legislation to meet those requirements.

• Expand and develop the marketing scope of the Australian Wine Overseas (AWO) scheme.

• Establish effective systems and networks for monitoring trends/activities in international wine trade in priority markets.

• Develop advanced educational programs for the overseas trade and consumers.
### Performance Information for Outputs

<table>
<thead>
<tr>
<th>Output 1</th>
<th>Quality and Integrity</th>
<th>Proactive identification of emerging threats and issues and enhanced stakeholder awareness of them. Effective and relevant standards via the export approval process. An effective legislative framework in order to support defined standards. Stakeholders’ awareness of the Corporation’s role in promoting the quality and integrity of Australian wine. Wines of quality and integrity achieved via a “Culture of Compliance”.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 2</td>
<td>Knowledge Development</td>
<td>Successful identification of clients and their knowledge needs. An audit of the sources and availability of required information. Content of existing information matched with the needs identified. Identification of required information that does not currently exist and the means to generate it. Appropriate awareness of disseminated information among recipients and its usage by decision-makers.</td>
</tr>
</tbody>
</table>

**EVALUATIONS**

The Corporation does not expect to undertake any major reviews or evaluations during the period 2002-03.
### Section 3: Budgeted Financial Statements

#### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>4,739</td>
<td>5,161</td>
<td>5,622</td>
<td>5,957</td>
<td>6,011</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>6,600</td>
<td>6,738</td>
<td>6,983</td>
<td>7,234</td>
<td>7,501</td>
</tr>
<tr>
<td>Interest</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>1,136</td>
<td>1,397</td>
<td>1,470</td>
<td>1,542</td>
<td>1,618</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>12,515</td>
<td>13,346</td>
<td>14,125</td>
<td>14,783</td>
<td>15,180</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities</strong> (excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>4,192</td>
<td>4,527</td>
<td>4,880</td>
<td>5,250</td>
<td>5,638</td>
</tr>
<tr>
<td>Suppliers</td>
<td>7,621</td>
<td>7,969</td>
<td>8,370</td>
<td>8,655</td>
<td>8,804</td>
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<tr>
<td>Depreciation and amortisation</td>
<td>494</td>
<td>581</td>
<td>603</td>
<td>622</td>
<td>661</td>
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<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>12,307</td>
<td>13,077</td>
<td>13,853</td>
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<td>15,103</td>
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<td>Borrowing costs expense</td>
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<td>18</td>
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<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>195</td>
<td>251</td>
<td>254</td>
<td>238</td>
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</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>195</td>
<td>251</td>
<td>254</td>
<td>238</td>
<td>59</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>195</td>
<td>251</td>
<td>254</td>
<td>238</td>
<td>59</td>
</tr>
</tbody>
</table>
### Estimated Budgets and Actual Results 2001-02 to 2005-06

<table>
<thead>
<tr>
<th>Year</th>
<th>ASSETS</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Budget estimate</td>
<td>Forward estimate</td>
<td>Forward estimate</td>
<td>Forward estimate</td>
</tr>
<tr>
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<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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<tr>
<td>2001-02</td>
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<td>2002-03</td>
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<td>2003-04</td>
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<tr>
<td>2004-05</td>
<td>5,673</td>
<td></td>
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<tr>
<td>2005-06</td>
<td>5,825</td>
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### Financial Assets

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>534</td>
<td>794</td>
<td>1,202</td>
<td>1,633</td>
<td>1,921</td>
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<td>Receivables</td>
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<td>2,766</td>
<td>2,875</td>
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<td>2,975</td>
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<tr>
<td>Accrued revenues</td>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<tr>
<td>Total financial assets</td>
<td>3,663</td>
<td>3,660</td>
<td>4,177</td>
<td>4,658</td>
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### Non-financial Assets

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<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Land and buildings</td>
<td>181</td>
<td>237</td>
<td>193</td>
<td>149</td>
<td>105</td>
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<tr>
<td>Infrastructure, plant and equipment</td>
<td>1,117</td>
<td>1,053</td>
<td>944</td>
<td>796</td>
<td>654</td>
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<tr>
<td>Inventories</td>
<td>40</td>
<td>50</td>
<td>60</td>
<td>70</td>
<td>70</td>
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<tr>
<td>Total non-financial assets</td>
<td>1,338</td>
<td>1,340</td>
<td>1,197</td>
<td>1,015</td>
<td>829</td>
</tr>
</tbody>
</table>

### Total Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,001</td>
<td>5,000</td>
<td>5,374</td>
<td>5,673</td>
<td>5,825</td>
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</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Leases</td>
<td>60</td>
<td>45</td>
<td>30</td>
<td>15</td>
<td>58</td>
</tr>
<tr>
<td>Total debt</td>
<td>60</td>
<td>45</td>
<td>30</td>
<td>15</td>
<td>58</td>
</tr>
</tbody>
</table>

### Provisions and Payables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>472</td>
<td>492</td>
<td>520</td>
<td>541</td>
<td>563</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1,270</td>
<td>1,315</td>
<td>1,381</td>
<td>1,450</td>
<td>1,522</td>
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<tr>
<td>Other</td>
<td>1,243</td>
<td>941</td>
<td>982</td>
<td>968</td>
<td>924</td>
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<tr>
<td>Total provisions and payables</td>
<td>2,985</td>
<td>2,748</td>
<td>2,863</td>
<td>2,959</td>
<td>3,009</td>
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</table>

### Total Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,045</td>
<td>2,793</td>
<td>2,913</td>
<td>2,974</td>
<td>3,067</td>
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</table>

### Equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>1,956</td>
<td>2,207</td>
<td>2,461</td>
<td>2,699</td>
<td>2,758</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,956</td>
<td>2,207</td>
<td>2,461</td>
<td>2,699</td>
<td>2,758</td>
</tr>
</tbody>
</table>

### Total Equity and Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,001</td>
<td>5,000</td>
<td>5,374</td>
<td>5,673</td>
<td>5,825</td>
</tr>
</tbody>
</table>

### Current Liabilities

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>2,777</td>
<td>2,510</td>
<td>2,616</td>
<td>2,658</td>
<td>2,731</td>
</tr>
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</table>

### Non-current Liabilities

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>268</td>
<td>283</td>
<td>297</td>
<td>316</td>
<td>336</td>
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</tbody>
</table>

### Current Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,703</td>
<td>3,710</td>
<td>4,237</td>
<td>4,728</td>
<td>5,066</td>
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</table>

### Non-current Assets

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,298</td>
<td>1,290</td>
<td>1,137</td>
<td>945</td>
<td>759</td>
</tr>
</tbody>
</table>
Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>4,739</td>
<td>5,161</td>
<td>5,622</td>
<td>5,957</td>
<td>6,011</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>6,546</td>
<td>6,738</td>
<td>6,983</td>
<td>7,234</td>
<td>7,501</td>
</tr>
<tr>
<td>Interest</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>1,136</td>
<td>1,397</td>
<td>1,470</td>
<td>1,542</td>
<td>1,618</td>
</tr>
<tr>
<td>Total cash received</td>
<td>12,461</td>
<td>13,346</td>
<td>14,125</td>
<td>14,783</td>
<td>15,180</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>4,129</td>
<td>4,527</td>
<td>4,880</td>
<td>5,250</td>
<td>5,638</td>
</tr>
<tr>
<td>Suppliers</td>
<td>8,127</td>
<td>7,969</td>
<td>8,370</td>
<td>8,655</td>
<td>8,804</td>
</tr>
<tr>
<td>Total cash used</td>
<td>12,319</td>
<td>12,496</td>
<td>13,250</td>
<td>13,905</td>
<td>14,442</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>142</td>
<td>850</td>
<td>875</td>
<td>878</td>
<td>738</td>
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<tr>
<td>INVESTING ACTIVITIES</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash received</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>681</td>
<td>573</td>
<td>450</td>
<td>430</td>
<td>475</td>
</tr>
<tr>
<td>Total cash used</td>
<td>681</td>
<td>573</td>
<td>450</td>
<td>430</td>
<td>475</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-666</td>
<td>-573</td>
<td>-450</td>
<td>-430</td>
<td>-475</td>
</tr>
<tr>
<td>FINANCING ACTIVITIES</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
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<tr>
<td>Proceeds from debt</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Total cash received</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of debt</td>
<td>48</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>50</td>
</tr>
<tr>
<td>Total cash used</td>
<td>48</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>50</td>
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<tr>
<td>Net cash from financing activities</td>
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<td>-17</td>
<td>-17</td>
<td>-17</td>
<td>25</td>
</tr>
<tr>
<td>Net increase / decrease in cash held</td>
<td>-502</td>
<td>260</td>
<td>408</td>
<td>431</td>
<td>288</td>
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</tbody>
</table>

Cash at the beginning of the reporting period:
- Estimated actual: $1,036
- Budget estimate: $534
- Forward estimate: $794
- Forward estimate: $1,202
- Forward estimate: $1,633

Cash at the end of the reporting period:
- Estimated actual: $534
- Budget estimate: $794
- Forward estimate: $1,202
- Forward estimate: $1,633
- Forward estimate: $1,921
Part D: Australian Wine and Brandy Corporation

Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

PURCHASE OF NON CURRENT ASSETS

- Funded by capital appropriation
- Funded internally by Departmental resources

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>681</td>
<td>573</td>
<td>450</td>
<td>430</td>
<td>475</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.5: Departmental Non-financial Assets - Summary of Movement Budget year 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Total Land and Buildings Infrastructure $'000</th>
<th>Other Intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
</table>

Carrying amount at the start of year

- Additions
- Disposals
- Revaluation increments
- Recoverable amount write-downs
- Depreciation/amortisation expense
- Write-off of assets

Carrying amount at the end of year

Total additions

- Self funded
- Appropriations

Total

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount at the start of year</th>
<th>Additions</th>
<th>Disposals</th>
<th>Revaluation increments</th>
<th>Recoverable amount write-downs</th>
<th>Depreciation/amortisation expense</th>
<th>Write-off of assets</th>
<th>Carrying amount at the end of year</th>
<th>Total additions</th>
<th>Self funded</th>
<th>Appropriations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>181</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>237</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>573</td>
</tr>
</tbody>
</table>

Total $'000

- 100
- 100
- 473
- -
- -
- 573
COTTON RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Overview and revenue summary

OVERVIEW
The Cotton Research and Development Corporation (CRDC) is established by the Primary Industries and Energy Research and Development Act 1989. It is also subject to the Commonwealth Authorities and Companies (CAC) Act 1997.

The role of the CRDC is to encourage the development of a more sustainable, profitable and competitive cotton industry which delivers benefits to rural and regional communities and the nation.

The CRDC sets broad guidelines for research, development and technology transfer activities within the cotton industry. The Corporation encourages innovation within research and general industry communities and seeks to enhance flow-on benefits.

The Corporation acts in partnership with Federal Government and cotton industry organisations to ensure important areas of research are adequately covered and that research and development needs are being met. Funding is distributed to the major research bodies such as the CSIRO, state departments of agriculture and natural resource management, to universities and to other research and research-related service providers. The Corporation is a core partner in the Australian Cotton Cooperative Research Centre and provides direct and in-kind contributions. The availability of Corporation funding is advertised widely, in industry and national press and funding allocations are made on the basis of competitive assessment.

TOTAL REVENUE
The Corporation is funded through a levy on production which increased on March 1, 2002, to $2.25 (from $1.75) per 227kg bale. The industry contribution is matched by the Commonwealth Government up to 0.5 per cent of the gross value of production. The CRDC also receives an income through royalties on the domestic and international sale of planting seed developed through the CSIRO breeding program, and interest on invested reserves.
Table 1.1 shows the total revenue applicable to Cotton Research and Development Corporation for 2002-03. It is expected total revenue of $16.341 million will be less than expenditure of $17.014 million. The shortfall will be drawn from the Corporation’s working reserves.

**Table 1.1: Total Revenue ($’000)**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>A more sustainable, profitable and competitive cotton industry providing increased economic, environmental and social benefits to regional communities and the nation.</td>
<td>6,300</td>
<td>8,291</td>
<td>1,750</td>
<td>16,341</td>
</tr>
</tbody>
</table>

* The Cotton Research and Development Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Cotton Research and Development Corporation will not receive an equity injection or departmental loan during 2002-03
Section 2: Outcome and Outputs Information

**OUTCOME AND OUTPUTS**

The map below shows the relationship between the Outcome and the contributing Outputs for the Cotton Research and Development Corporation. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

**Map 2.1 Outcome and Outputs**

![Map of Outcome and Outputs](image)

- **Cotton Research and Development Corporation**
  - Chair: Bridget Jackson
  - Executive Director: Ralph Schulze

- **Outcome**
  - A more sustainable, competitive and profitable cotton industry providing increased economic, environmental and social benefits to regional communities and the nation

  - Total Revenue: $16.341m
  - Total Cost of Outputs: $17.014*

- **Output 1:** Sustainability
  - Total Cost: $7.997m1

- **Output 2:** Profitability and International Competitiveness
  - Total Cost: $6.414m1

- **Output 3:** People and Communities
  - Total Cost: $2.603m1

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.

1 The Cotton Research and Development Corporation funds a comprehensive and integrated research and development program, with research sub-programs and even individual projects contributing to the achievement of multiple Outputs. This cost is a pro-rata representation of anticipated expenditure based on the total R&D budget. This figure includes an allocation for corporate management and support.

The Cotton Research and Development Corporation will use its working reserves to fund the difference between total revenue and the total cost of Outputs.
Part D: Cotton Research and Development Corporation

OUTCOME — DESCRIPTION
A more sustainable, competitive and profitable cotton industry providing increased economic, environmental and social benefits to regional communities and the nation.

Cotton is one of Australia’s top agricultural commodities and the value of exports in 2000-01 exceeded $1.9 billion. Through its decentralised nature, relatively intensive labour requirements and a wide rural base of production and initial processing, the industry has a significant and positive effect on the communities in and near the growing regions. Ensuring a long-term future for the industry is the key focus of the Cotton Research and Development Corporation.

The CRDC funds a wide range of research projects covering all aspects of the production cycle, from field to fabric. Applications for funding close in late January each year. The Corporation Board will also commission research when gaps in the research program are identified and need to be filled.

OUTCOME — RESOURCING

Table 2.1: Total resources for CRDC’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>actual</td>
<td>estimate</td>
</tr>
<tr>
<td>2001-02</td>
<td>2002-03</td>
<td></td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1 Sustainability</td>
<td>6,631</td>
<td>7,997</td>
</tr>
<tr>
<td>Output 2 Profitability and International Competitiveness</td>
<td>5,406</td>
<td>6,414</td>
</tr>
<tr>
<td>Output 3 People and Communities</td>
<td>2,221</td>
<td>2,603</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome</strong></td>
<td>14,258</td>
<td>17,014</td>
</tr>
</tbody>
</table>

2001-02  2002-03
Average staffing level (number)  9  10.4
OUTCOME — CONTRIBUTION OF OUTPUTS

The Corporation has chosen to draw on the Outcome for its Outputs — Sustainability, Profitability and People — to demonstrate clearly the linkages between the two levels of results. Table 2.2 provides information on the strategies chosen to deliver the Outcome and shows the links between the Outputs and Outcome.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness — Overall achievement of the Outcome</th>
<th>Industry reports and surveys investigating implementation and continued use of sustainable farming practices, including: Reductions in pesticide contamination of the riverine environment over 5 years (Target: 20%); Adoption of Best Management practices (Target: 100% of growers over 5 years).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability: continuous improvement in resource and environmental management.</td>
<td>Comparative analyses of international production systems and costs (Target: relative reduction of 5% over 5 years). Market analyses of pricing, demand and application for Australian cotton vs. competitors.</td>
</tr>
<tr>
<td>Profitability and International Competitiveness: greater reductions in the cost of production than our international competitors, with improved product quality.</td>
<td>Social and economic research indicating environmental and financial impacts.</td>
</tr>
<tr>
<td>People and Communities: creations and filling of jobs within the industry and cotton communities, specifically in research, management and supporting industries; viable regional communities enjoying the flow-on benefits of improved resource and environmental management.</td>
<td></td>
</tr>
</tbody>
</table>

CONTRIBUTION OF OUTPUTS TO OUTCOME

- Research, development and technology transfer to reduce dependence on traditional pesticides within cotton farming systems will reduce negative impacts on neighbouring and downstream environments improving the industry’s sustainability, both socially and environmentally.
Part D: Cotton Research and Development Corporation

- Research, development and technology transfer for improved fibre quality and continued focus on consumer requirements throughout the production chain will assist Australian growers and processors to be profitable and competitive in the long-term.
- The development of the industry’s, and particularly the research community’s, human resources and appropriate intervention where necessary will assist ongoing innovation within the industry and ensure continual improvement.
- The economic, environmental and social benefits from the adoption of research and development to improve industry sustainability and profitability will flow-through to cotton communities, broader regional areas and the nation.

<table>
<thead>
<tr>
<th>Performance Information for Outputs</th>
</tr>
</thead>
</table>
| **Output 1 – Sustainability:** continuous improvement in resource and environmental management. | Quality: All projects assessed and performance reviewed by industry (ACGRA). Independent research (peer) review of projects and programs when deemed necessary.  
Quantity: 75 projects
| **Output 2 – Profitability and International Competitiveness:** greater reductions in the cost of production than our international competitors, with improved product quality. | Quality: All projects assessed and performance reviewed by industry (ACGRA). Independent research (peer) review of projects and programs when deemed necessary.  
Quantity: 53 projects
| **Output 3 – People and Communities:** creations and filling of jobs within the industry and cotton communities, specifically in research, management and supporting industries; viable regional communities enjoying the flow-on benefits of improved resource and environmental management. | Quality: All projects assessed and performance reviewed by industry (ACGRA). Independent research (peer) review of projects and programs when deemed necessary.  
Quantity: 35 projects
Price: $2.603 million. |

1 The Cotton Research and Development Corporation funds a comprehensive and integrated research and development program, with research sub-programs and even individual projects contributing to the achievement of multiple Outputs. This figure is a pro-rata representation of research projects across the entire research program. The price includes an allocation for corporate management and support costs.
EVALUATIONS
Evaluations planned for the 2002-03 reporting year include an environmental audit of the cotton industry, socio-economic research assessing the impacts of the cotton industry on regional communities, ongoing comparative analyses of farm management strategies, and an annual review of the performance of genetically-modified cotton in the field. A number of focussed research reviews are also anticipated this year, in order to maintain the quality and focus of research and development activities funded by the Corporation.
## Section 3: Budgeted Financial Statements

### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>12,817</td>
<td>14,591</td>
<td>14,602</td>
<td>14,261</td>
<td>14,410</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Interest</td>
<td>600</td>
<td>540</td>
<td>600</td>
<td>630</td>
<td>660</td>
</tr>
<tr>
<td>Net foreign exchange gains</td>
<td>1,033</td>
<td>1,205</td>
<td>1,300</td>
<td>1,319</td>
<td>1,369</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>14,452</td>
<td>16,341</td>
<td>16,507</td>
<td>16,215</td>
<td>16,445</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>875</td>
<td>930</td>
<td>976</td>
<td>1,025</td>
<td>1,076</td>
</tr>
<tr>
<td>Suppliers</td>
<td>601</td>
<td>813</td>
<td>854</td>
<td>897</td>
<td>942</td>
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<tr>
<td>Grants</td>
<td>12,754</td>
<td>15,234</td>
<td>15,347</td>
<td>14,547</td>
<td>14,752</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>28</td>
<td>37</td>
<td>38</td>
<td>40</td>
<td>42</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>14,258</td>
<td>17,014</td>
<td>17,215</td>
<td>16,509</td>
<td>16,812</td>
</tr>
<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>194</td>
<td>-673</td>
<td>-708</td>
<td>-294</td>
<td>-367</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>194</td>
<td>-673</td>
<td>-708</td>
<td>-294</td>
<td>-367</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>194</td>
<td>-673</td>
<td>-708</td>
<td>-294</td>
<td>-367</td>
</tr>
</tbody>
</table>
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate 2003-04</th>
<th>Forward estimate 2004-05</th>
<th>Forward estimate 2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $000</td>
<td>2002-03 $000</td>
<td>2003-04 $000</td>
<td>2004-05 $000</td>
<td>2005-06 $000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>14,510</td>
<td>13,788</td>
<td>13,042</td>
<td>12,721</td>
<td>12,326</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>776</td>
<td>816</td>
<td>857</td>
<td>900</td>
<td>945</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>15,286</td>
<td>14,604</td>
<td>13,899</td>
<td>13,621</td>
<td>13,271</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>313</td>
<td>317</td>
<td>317</td>
<td>303</td>
<td>289</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>125</td>
<td>135</td>
<td>136</td>
<td>138</td>
<td>139</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>438</td>
<td>452</td>
<td>453</td>
<td>441</td>
<td>428</td>
</tr>
<tr>
<td>Total assets</td>
<td>15,724</td>
<td>15,056</td>
<td>14,352</td>
<td>14,062</td>
<td>13,699</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>40</td>
<td>43</td>
<td>45</td>
<td>47</td>
<td>49</td>
</tr>
<tr>
<td>Suppliers</td>
<td>28</td>
<td>30</td>
<td>32</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>68</td>
<td>73</td>
<td>77</td>
<td>81</td>
<td>85</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>68</td>
<td>73</td>
<td>77</td>
<td>81</td>
<td>85</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>15,656</td>
<td>14,983</td>
<td>14,275</td>
<td>13,981</td>
<td>13,614</td>
</tr>
<tr>
<td>Total equity</td>
<td>15,656</td>
<td>14,983</td>
<td>14,275</td>
<td>13,981</td>
<td>13,614</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>15,724</td>
<td>15,056</td>
<td>14,352</td>
<td>14,062</td>
<td>13,699</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>68</td>
<td>73</td>
<td>77</td>
<td>81</td>
<td>85</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>15,286</td>
<td>14,604</td>
<td>13,899</td>
<td>13,621</td>
<td>13,271</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>438</td>
<td>452</td>
<td>453</td>
<td>441</td>
<td>428</td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $'000</td>
<td>2002-03 $'000</td>
<td>2003-04 $'000</td>
<td>2004-05 $'000</td>
<td>2005-06 $'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>12,817</td>
<td>14,591</td>
<td>14,602</td>
<td>14,261</td>
<td>14,410</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Interest</td>
<td>600</td>
<td>540</td>
<td>600</td>
<td>630</td>
<td>660</td>
</tr>
<tr>
<td>Other</td>
<td>1,887</td>
<td>1,165</td>
<td>1,260</td>
<td>1,276</td>
<td>1,324</td>
</tr>
<tr>
<td>Total cash received</td>
<td>15,306</td>
<td>16,301</td>
<td>16,467</td>
<td>16,172</td>
<td>16,400</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>859</td>
<td>927</td>
<td>975</td>
<td>1,023</td>
<td>1,074</td>
</tr>
<tr>
<td>Suppliers</td>
<td>686</td>
<td>811</td>
<td>852</td>
<td>895</td>
<td>940</td>
</tr>
<tr>
<td>Grants</td>
<td>12,973</td>
<td>15,234</td>
<td>15,347</td>
<td>14,547</td>
<td>14,752</td>
</tr>
<tr>
<td>Total cash used</td>
<td>14,518</td>
<td>16,972</td>
<td>17,174</td>
<td>16,465</td>
<td>16,766</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>788</td>
<td>-671</td>
<td>-707</td>
<td>-293</td>
<td>-366</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>397</td>
<td>51</td>
<td>39</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Total cash used</td>
<td>397</td>
<td>51</td>
<td>39</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td>-397</td>
<td>-51</td>
<td>-39</td>
<td>-28</td>
<td>-29</td>
</tr>
<tr>
<td><strong>Net increase / decrease in cash held</strong></td>
<td>391</td>
<td>-722</td>
<td>-746</td>
<td>-321</td>
<td>-395</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>14,119</td>
<td>14,510</td>
<td>13,788</td>
<td>13,042</td>
<td>12,721</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>14,510</td>
<td>13,788</td>
<td>13,042</td>
<td>12,721</td>
<td>12,326</td>
</tr>
</tbody>
</table>
Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2001-02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002-03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003-04</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2004-05</td>
<td></td>
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<tr>
<td>2005-06</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**PURCHASE OF NON CURRENT ASSETS**

Funded by capital appropriation: -
Funded internally by Departmental resources: 397 51 39 28 29

Table 3.5: Departmental Non-financial Assets - Summary of Movement

**Budget year 2002-03**

<table>
<thead>
<tr>
<th></th>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>84 229 313 125 - 438</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>- 15 15 36 - 51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>- - - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>- - - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>- - - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>- 11 11 26 - 37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>- - - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>84 233 317 135 - 452</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total additions**

Self funded: - 15 15 36 - 51
Appropriations: - - - - -

**Total**

- 15 15 36 - 51
Dairy Research and Development Corporation

Section 1: Overview and revenue summary

Overview

The Dairy Research and Development Corporation (DRDC) is a statutory authority of the Commonwealth established under the Primary Industries and Energy Research and Development Act 1989. It is the research management arm of the Australian dairy industry.

The DRDC seeks to maintain the competitive position of the Australian dairy industry by funding research and development (R&D) and learning processes. It focuses on achieving deliverable Outcomes for the dairy industry and assisting it to meet its obligations to the community. It consults widely with all areas of the industry to identify R&D priorities so that its programs have the potential to maximise benefits. It also addresses the prevailing priorities of the Commonwealth Government set out in correspondence from the Minister.

The DRDC actively seeks partnerships with other R&D corporations and other government funding bodies where the research Outcomes are attractive. It also works in close partnership with private companies, in particular, dairy processors and seed companies.

Funds to the DRDC are primarily from a levy paid by dairy farmers on the sale of milk at the rate of 2.9 cents per kilogram of butterfat. Additional funds are provided by Australian dairy cooperatives and both sources are matched dollar for dollar by the Commonwealth Government up to a limit of 0.5% of the Gross Value of Production at the farm gate. Other funds are also supplied by commercial organisations for specific projects.

Total Revenue

Table 1.1 shows the total revenue for the DRDC for 2002-03 of $34.087 million.
Table 1.1: Total Revenue (\$'000)*

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>An innovative, globally competitive and sustainable dairy industry</td>
<td>13,790</td>
<td>15,320</td>
<td>4,977</td>
<td>34,087</td>
</tr>
</tbody>
</table>

* The Dairy Research and Development Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**
The Dairy Research and Development Corporation will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

OUTCOME AND OUTPUTS

The map below shows the relationship between the Outcome and the contributing Outputs for the Dairy Research and Development Corporation. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

Map 2.1 Outcome and Outputs

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.

Note that the Dairy Research and Development Corporation will use its accumulated reserves to fund the difference between total revenue and the total cost of Outputs.

OUTCOME — DESCRIPTION

An innovative, globally competitive and sustainable dairy industry.
OUTCOME — RESOURCING

Table 2.1: Total resources for DRDC’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Agency resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1</td>
<td>18,897</td>
<td>20,840</td>
</tr>
<tr>
<td>Management of R&amp;D to increase industry competitiveness and profitability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2</td>
<td>7,658</td>
<td>7,312</td>
</tr>
<tr>
<td>Management of R&amp;D to improve social and environmental sustainability of dairying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3</td>
<td>7,857</td>
<td>8,409</td>
</tr>
<tr>
<td>Management of R&amp;D to improve dairy industry human resources capability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total resourcing for Outcome 1</td>
<td>34,412</td>
<td>36,561</td>
</tr>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td>Average staffing level (number)</td>
<td>24</td>
<td>26</td>
</tr>
</tbody>
</table>

OUTCOME — CONTRIBUTION OF OUTPUTS

Each of the corporate Outputs contributes to an area of the Outcome. Increased competitiveness and profitability will be achieved through the uptake of new technologies designed to improve the efficiency of both farm and manufacturing plant production and the use of improved business management skills. Sustainability is to be obtained through better environmental management on farm, within milk processing factories and on regional and national bases. Human resources throughout the industry are to be improved through training and the development of new information transfer mechanisms.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness — Overall achievement of the Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstration of benefits</td>
</tr>
<tr>
<td>• Benefit / Cost ratio greater than 3 for</td>
</tr>
<tr>
<td>DRDC funded applied research and development</td>
</tr>
<tr>
<td>projects.</td>
</tr>
<tr>
<td>• 2% increase in farm productivity</td>
</tr>
</tbody>
</table>
**CONTRIBUTION OF OUTPUTS TO OUTCOME**

Output 1 is primarily directed to providing the means to improve innovation, reduce costs and increase demand in all areas of dairy production and processing. Specific strategies are:

- supporting research on ways to increase labour productivity;
- developing better understanding how farmers learn and make decisions and incorporating this knowledge into information and learning programs;
- capturing bioscience opportunities for developing new and improved production systems;
- ensuring a competent R&D infrastructure and capability to directly service company needs;
- consolidation of industry co-investment in collective research; and
- building a human nutrition program in line with agreed industry priorities.

Output 2 addresses the sustainability of the dairy industry through the following strategies:

- supporting the activities of the Regional Development Programs;
- emphasising a systems approach to research and extension that demonstrates more clearly the effect of interactions between competing elements of farm businesses; and
- supporting research on the protection of on-farm resources and minimisation of off-farm impacts.

Output 3 is linked to all three components of the Outcome by ensuring the necessary human resources are available to achieve innovation, improve competitiveness and ensure sustainability. The primary strategies employed are:

- training advisers to assist farmers so that they are offering world-class, best-practice advice;
- developing and rolling out targeted learning packages to promote industry change; and
- supporting the development of rural leaders, researchers and technical managers.
### Performance Information for Outputs

| Output 1 – Management of R&D to increase industry competitiveness and profitability | 85% of budget either supply or demand increasing projects  
75% of budget expected to provide benefits within 5 years |
|---|---|
| Output 3 – Management of R&D to improve social and environmental sustainability of dairying | 25% of dairy farms with a planning horizon of at least 5 years  
50% of budget in projects oriented towards protecting/improving the natural resource base  
45% of budget in projects with a major role in regional development |
| Output 3 – Management of R&D to improve dairy industry human resources capability | 80% of postgraduate scholarship holders who completed their studies in the last 5 years contributing to the industry  
40% of budget in projects contributing to rural leadership development  
7% of project budgets for training researchers |

### Evaluations
Surveys of stakeholders and other industry groups provide estimates of the achievement of the targets.

Periodic surveys are carried out for economic evaluations.
### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>27,797</td>
<td>29,110</td>
<td>29,880</td>
<td>29,879</td>
<td>30,804</td>
</tr>
<tr>
<td>Interest</td>
<td>600</td>
<td>400</td>
<td>55</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from sales of assets</td>
<td>-</td>
<td>2,300</td>
<td>2,200</td>
<td>1,400</td>
<td>750</td>
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<tr>
<td>Other</td>
<td>1,155</td>
<td>2,277</td>
<td>2,126</td>
<td>1,276</td>
<td>1,326</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>29,552</td>
<td>34,087</td>
<td>34,261</td>
<td>32,605</td>
<td>32,880</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2,179</td>
<td>2,374</td>
<td>2,340</td>
<td>2,410</td>
<td>2,483</td>
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<tr>
<td>Suppliers</td>
<td>31,908</td>
<td>31,450</td>
<td>31,756</td>
<td>29,909</td>
<td>29,932</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>325</td>
<td>340</td>
<td>340</td>
<td>340</td>
<td>340</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>34,412</td>
<td>36,164</td>
<td>34,436</td>
<td>32,659</td>
<td>32,755</td>
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<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>-4,860</td>
<td>-2,077</td>
<td>-175</td>
<td>-54</td>
<td>125</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>-4,860</td>
<td>-2,077</td>
<td>-175</td>
<td>-54</td>
<td>125</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>-4,860</td>
<td>-2,077</td>
<td>-175</td>
<td>-54</td>
<td>125</td>
</tr>
</tbody>
</table>
### Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
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<tbody>
<tr>
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<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>229</td>
<td>229</td>
<td>229</td>
<td>229</td>
<td>229</td>
<td>229</td>
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<tr>
<td>Receivables</td>
<td>3,819</td>
<td>3,891</td>
<td>3,964</td>
<td>4,040</td>
<td>4,118</td>
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<td>Investments</td>
<td>10,564</td>
<td>8,761</td>
<td>8,295</td>
<td>8,266</td>
<td>8,398</td>
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<td>Other</td>
<td>113</td>
<td>113</td>
<td>113</td>
<td>113</td>
<td>113</td>
<td></td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>14,725</td>
<td>12,994</td>
<td>12,601</td>
<td>12,648</td>
<td>12,858</td>
<td></td>
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<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>1,051</td>
<td>926</td>
<td>804</td>
<td>703</td>
<td>618</td>
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<tr>
<td>Other</td>
<td>311</td>
<td>311</td>
<td>311</td>
<td>311</td>
<td>311</td>
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</tr>
<tr>
<td><strong>Total non-financial assets</strong></td>
<td>1,362</td>
<td>1,237</td>
<td>1,115</td>
<td>1,014</td>
<td>929</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>16,087</td>
<td>14,231</td>
<td>13,716</td>
<td>13,662</td>
<td>13,787</td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>269</td>
<td>269</td>
<td>269</td>
<td>269</td>
<td>269</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>5,439</td>
<td>5,660</td>
<td>5,320</td>
<td>5,320</td>
<td>5,320</td>
<td></td>
</tr>
<tr>
<td><strong>Total provisions and payables</strong></td>
<td>5,708</td>
<td>5,929</td>
<td>5,589</td>
<td>5,589</td>
<td>5,589</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>5,708</td>
<td>5,929</td>
<td>5,589</td>
<td>5,589</td>
<td>5,589</td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>4,928</td>
<td>4,928</td>
<td>4,928</td>
<td>4,928</td>
<td>4,928</td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>5,451</td>
<td>3,374</td>
<td>3,199</td>
<td>3,145</td>
<td>3,270</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>10,379</td>
<td>8,302</td>
<td>8,127</td>
<td>8,073</td>
<td>8,198</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>16,087</td>
<td>14,231</td>
<td>13,716</td>
<td>13,662</td>
<td>13,787</td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>5,658</td>
<td>5,879</td>
<td>5,539</td>
<td>5,539</td>
<td>5,539</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>14,725</td>
<td>12,994</td>
<td>12,601</td>
<td>12,648</td>
<td>12,858</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>1,362</td>
<td>1,237</td>
<td>1,115</td>
<td>1,014</td>
<td>929</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

#### OPERATING ACTIVITIES

**Cash received**
- Appropriations for outputs: 29,033 30,665 31,433 30,580 31,552
- Interest: 600 400 55 50 -
- Other: 400 650 500 500 500

**Total cash received**: 30,033 31,715 31,988 31,130 32,052

**Cash used**
- Employees: 2,178 2,374 2,340 2,410 2,483
- Suppliers: 32,324 31,626 32,161 29,976 29,932
- Other: - 2,000 - - -

**Total cash used**: 34,502 36,000 34,501 32,386 32,415

**Net cash from operating activities**: -4,469 -4,285 -2,513 -1,256 -363

#### INVESTING ACTIVITIES

**Cash received**
- Proceeds from sales of property, plant and equipment: - 2,360 2,257 1,436 770
- Other: 4,744 2,200 531 95 -132

**Total cash received**: 4,744 4,560 2,788 1,531 638

**Cash used**
- Purchase of property, plant and equipment: 275 275 275 275 275

**Total cash used**: 275 275 275 275 275

**Net cash from investing activities**: 4,469 4,285 2,513 1,256 363

**Net increase in cash held**
- Cash at the beginning of the reporting period: 229 229 229 229 229
- Cash at the end of the reporting period: 229 229 229 229 229
### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**PURCHASE OF NON CURRENT ASSETS**

- Funded by capital appropriation
- Funded internally by

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>275</td>
<td>275</td>
<td>275</td>
<td>275</td>
<td>275</td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

**Budget year 2002-03**

<table>
<thead>
<tr>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

- Carrying amount at the start of year
- Additions
- Disposals
- Revaluation increments
- Recoverable amount write-downs
- Depreciation/amortisation expense
- Write-off of assets

- Carrying amount at the end of year
- Total additions

<table>
<thead>
<tr>
<th></th>
<th>Self funded</th>
<th>Appropriations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>275</td>
<td>275</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>275</td>
</tr>
</tbody>
</table>
Part D: Fisheries Research and Development Corporation

**FISHERIES RESEARCH AND DEVELOPMENT CORPORATION**

Section 1: Overview and revenue summary

**OVERVIEW**

The Fisheries Research and Development Corporation (FRDC) is a rural Research and Development Corporation within the AFFA portfolio that was formed as a statutory corporation on 2 July 1991 under the provisions of the *Primary Industries and Energy Research and Development Act 1989* (the PIERD Act). It is a national organisation responsible to its stakeholders for:

- planning, funding and managing R&D programs; and
- facilitating the dissemination, adoption and commercialisation of the results of R&D.

The FRDC comes under the jurisdiction of the *Commonwealth Authorities and Companies Act 1997*.

The FRDC is governed by a Board of nine directors whose expertise is prescribed by the PIERD Act. The Board is responsible to the Minister for Agriculture, Fisheries and Forestry (and, as delegated, to the Parliamentary Secretary to the Minister) and, through the Minister, to Parliament. A small staff of 10 in Canberra manages the FRDC’s activities. The FRDC does not undertake research itself; rather it identifies R&D needs — and the means of addressing them — through a planning process and by contracting with research providers.

**Inseparability of public good and private benefit.**

The FRDC’s funding arrangements call for a balanced R&D portfolio that has relevance to the sources of funding and the objectives of each source.

However, this implies that a distinction can be made between public good and private benefit. In practice, in fisheries research, public good and private benefit are inextricably linked, from production to marketing. In the recreational and traditional sectors, any private benefit is likely to be derived only indirectly – mainly by enterprises that support the sectors’ activities.

The “public good” component in most fisheries R&D flows from the fact that fisheries resources are managed by the Commonwealth on behalf of the community. The commercial sector of the fishing industry targets renewable though limited resources; and it shares the resources and its operating environment with other users to a greater degree than other primary industries. The proportion of public good flowing from fisheries research is high, and private benefits derived are inseparable from the “public good” component. Compared with land-based resources, knowledge of fisheries
resources is poor, and acquiring such knowledge is slow and expensive. In the interests of the community, these characteristics direct most fisheries R&D towards public good.

Although the public good component is more obvious in the FRDC’s Natural Resources Sustainability Outcome, the Industry Development Outcome also aims to achieve the public-good objective of relieving pressure (directly or indirectly) on wild fisheries resources. At the same time, the Industry Development Outcome helps to meet a growing demand for seafood (e.g. through aquaculture) and for lifestyle benefits through recreational fishing. It also satisfies cultural needs through traditional fishing of Aboriginal and Torres Strait Islander people. Other public good benefits, such as increased employment, also derive from this Outcome.

**Total Revenue**

Total revenue for the FRDC in 2002-03 is $24.1 million of which $24.1 million will be spent on achieving the FRDC’s three Outcomes. The table below shows total revenue for the FRDC for 2002-03 by its contribution to its three Outcomes. These Outcomes align with the Objects specified in section 3 of the PIERD Act.

Table 1.1 below shows the total revenue applicable to Fisheries Research and Development Corporation for 2002-03.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Moneys from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Moneys from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Resources Sustainability</td>
<td>720</td>
<td>10,026</td>
<td>3,723</td>
<td>14,469</td>
</tr>
<tr>
<td>The natural resources on which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the commercial, recreational and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>traditional sectors of the fishing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>industry depend are used in an</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ecologically sustainable manner.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Development</td>
<td>420</td>
<td>5,849</td>
<td>2,172</td>
<td>8,441</td>
</tr>
<tr>
<td>The commercial sector of the</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian fishing industry is</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>profitable and internationally</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>competitive; the commercial,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>recreational and traditional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sectors are socially resilient.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part D: Fisheries Research and Development Corporation

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Moneys from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Moneys from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Capital Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community are developed and used so that Australians derive maximum economic, environmental and social benefits from fisheries research and development.</td>
<td>60</td>
<td>835</td>
<td>310</td>
<td>1,205</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,200</td>
<td>16,710</td>
<td>6,205</td>
<td>24,115</td>
</tr>
</tbody>
</table>

* The Fisheries Research and Development Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Fisheries Research and Development Corporation will not receive an equity injection or departmental loan during 2002-03.

**Section 2: Outcomes and Outputs Information**

**OUTCOMES AND OUTPUTS**

Map 2.1 shows the relationship between the Outcomes and the contributing Outputs for the Fisheries Research and Development Corporation. Financial details for the Outcomes by Outputs appear in Table 2.1 (Total Resources for Outcomes) while non-financial information for the Outcomes appears in Table 2.2 (Performance Information for Outcomes).
Map 2.1 Outcomes and Outputs

Fisheries Research and Development Corporation
Chair: Mr Denis Byrne
Executive Director: Mr Peter Dundas-Smith

Total Revenue: $24.115m
Total Cost of Outputs: $24.114m*

Outcome 1:
The natural resources on which the commercial, recreational and traditional sectors of the fishing industry depend are used in an ecologically sustainable manner.

Total Cost $14.469m

Outcome 2:
The commercial sector of the Australian fishing industry is profitable and internationally competitive; the commercial, recreational and traditional sectors are socially resilient.

Total Cost $8.441m

Outcome 3:
The knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community are developed and used so that Australians derive maximum economic, environmental and social benefits from fisheries research and development.

Total Cost $1.205m

Output 1:
Knowledge, processes and technology that contribute to the use of, in an ecologically sustainable manner, the natural resources on which the fishing industry depends.

Total Cost $14.469m

Output 2:
Knowledge, processes and technology that contribute to making the commercial sector of the Australian fishing industry profitable and internationally competitive; and commercial, recreational and traditional sectors socially resilient.

Total Cost $8.440m

Output 3:
Knowledge, processes and technology that contribute to developing the knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community, so that Australians derive maximum economic, environmental and social benefits from fisheries research and development.

Total Cost $1.205m

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.
**OUTCOME 1 — DESCRIPTION**

Natural Resources Sustainability

The natural resources on which the commercial, recreational and traditional sectors of the fishing industry depend are used in an ecologically sustainable manner.

**OUTCOME 1 — RESOURCING**

**Table 2.1.1: Total resources for FRDC’s Outcome 1 ($’000)**

<table>
<thead>
<tr>
<th>Agency Resources</th>
<th>Estimated Actual 2001-02 ($’000)</th>
<th>Budget Estimate 2002 – 03 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1.1</strong></td>
<td>Knowledge, processes and technology that contribute to the use, in an ecologically sustainable manner, of the natural resources on which the fishing industry depends</td>
<td>13,980</td>
</tr>
<tr>
<td><strong>Total resources for Outcome 1</strong></td>
<td>13,980</td>
<td>14,468</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2001-2002</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Staffing Level (Number)</strong></td>
<td>6.0</td>
</tr>
</tbody>
</table>
OUTCOME 2 – DESCRIPTION
Industry Development
The commercial sector of the Australian fishing industry is profitable and internationally competitive; the commercial, recreational and traditional sectors are socially resilient.

OUTCOME 2 – RESOURCING

Table 2.1.2: Total resources for FRDC’s Outcome 2 ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated Actual 2001-2002 ($’000)</th>
<th>Budget Estimate 2002 – 2003 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2.1 Knowledge, processes and technology that contribute to making the: commercial sector of the Australian fishing industry profitable and internationally competitive; and commercial, recreational and traditional sectors socially resilient.</td>
<td>8,155</td>
<td>8,440</td>
</tr>
<tr>
<td><strong>Total resources for Outcome 2</strong></td>
<td>8,155</td>
<td>8,440</td>
</tr>
<tr>
<td><strong>Average Staffing Level (Number)</strong></td>
<td>3.5</td>
<td>3.5</td>
</tr>
</tbody>
</table>
**OUTCOME 3 — DESCRIPTION**

Human Capital Development

The knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community are developed and used so that Australians derive maximum economic, environmental and social benefits from fisheries research and development.

**OUTCOME 3 — RESOURCING**

**Table 2.1.3: Total resources for FRDC’s Outcome 3 ($’000)**

<table>
<thead>
<tr>
<th></th>
<th>Estimated Actual 2001-2002 ($’000)</th>
<th>Budget Estimate 2002 – 2003 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency Resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3.1</td>
<td>1,165</td>
<td>1,205</td>
</tr>
<tr>
<td></td>
<td>Knowledge, processes and technology that contribute to developing the knowledge and skills of people in and supporting the Australian fishing industry, and in the wider community, so that Australians derive maximum economic, environmental and social benefits from fisheries research and development</td>
<td></td>
</tr>
<tr>
<td>Total resources for Outcome 3</td>
<td>1,165</td>
<td>1,205</td>
</tr>
<tr>
<td></td>
<td>2001-2002</td>
<td>2002 – 03</td>
</tr>
<tr>
<td><strong>Average Staffing Level (Number)</strong></td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>
OUTCOMES — CONTRIBUTION OF OUTPUTS

The FRDC’s planned Outcomes reflect the Corporation’s strategic assessment of the economic, environmental and social factors challenging industry, governments, the community, research providers and R&D funding entities.

Despite the high degree of FRDC influence over Outputs from R&D projects, the FRDC’s investment in R&D and its planning and management activities are not, alone, sufficient to ensure that its planned Outcomes are achieved. Ultimately, achievement of Outcomes depends on the extent to which the potential beneficiaries of research results adopt R&D project Outputs; on non-R&D factors (for example, economic, social and political); and on the quality of research. The FRDC therefore actively encourages adoption and commercialisation of R&D results by other entities. Recently, new communication technology and greater involvement of stakeholders has enabled quicker, more effective adoption and commercialisation. End-users are frequently taking up appropriate R&D findings while a project is in progress, rather than after the final report is produced.

These Outcomes are achieved by the FRDC investing in projects that deliver Outputs in the form of knowledge, processes and technologies relevant to each of the Outcomes.

Table 2.2.1: Performance Information for Outcome 1

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of Outcome 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>More sustainable fish stocks in wild-catch fisheries</td>
</tr>
<tr>
<td>Improved health status of the environment that sustains all aquatic life</td>
</tr>
</tbody>
</table>

CONTRIBUTION OF OUTPUTS TO OUTCOME 1

Knowledge, processes and technology that contribute to the planned Outcome.

Performance information for Output 1

(These indicators relate to final reports or other directly related Outputs. They do not include on-going activities that will contribute to such Outputs. Further, the measures are shown against the primary strategy to which they relate.)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects that contribute to the understanding of fish biology</td>
<td>Quality: Final reports pass FRDC review process Quantity: 13 completed projects</td>
</tr>
</tbody>
</table>
### Table 2.2.2: Performance Information for Outcome 2

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Price: Total cost of projects $2.9m</th>
<th>Quality: Final reports pass FRDC review process</th>
<th>Quantity: 3 completed projects</th>
<th>Price: Total cost of projects $0.6m</th>
<th>Quality: Final reports pass FRDC review process</th>
<th>Quantity: 10 completed projects</th>
<th>Price: Total cost of projects $2.6m</th>
<th>Quality: Final reports pass FRDC review process</th>
<th>Quantity: 4 completed projects</th>
<th>Price: Total cost of projects $1.5m</th>
<th>Quality: Final reports pass FRDC review process</th>
<th>Quantity: 4 completed projects</th>
<th>Price: Total cost of projects $1.4m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects that contribute to the understanding of the interactions between fish and their ecosystems</td>
<td></td>
<td></td>
<td></td>
<td>Projects that contribute to the understanding of the effects of fishing activities on fish and their ecosystem</td>
<td>Projects that contribute to the understanding of the effects of non-fishing activities, pests and pollution on fish and their ecosystems</td>
<td>Projects that contribute to the understanding of fish health and the health of their ecosystem</td>
<td>Projects that contribute to the rehabilitation and enhancement of fisheries and their ecosystem</td>
<td>Projects that contribute to the understanding of legislative, institutional, compliance and policy arrangements and their impacts</td>
<td>Projects that contribute to the understanding of access to fisheries resources</td>
<td>Projects that contribute to the understanding of stock assessment</td>
<td>Projects that contribute to the understanding of fisheries and ecosystem management</td>
<td>Projects that contribute to the understanding of access to fisheries resources</td>
<td>Projects that contribute to the understanding of stock assessment</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness – Overall achievement of Outcome 2</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Higher value derived from seafood</td>
<td>Improvement in performance with respect to the total production and export values of the commercial wild catch and aquaculture sectors, and the factors that</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

168
Improved economic and social values of the fishing industry | Improvement in performance with respect to employment deriving from the industry, and other social factors such as values placed on recreational and traditional fishing.

**CONTRIBUTION OF OUTPUTS TO OUTCOME 2**
Knowledge, processes and technology that contribute to achieving the above planned Outcome.

**Performance Information for Output 2**
(These indicators relate to final reports or other directly related Outputs. They do not include on-going activities that will contribute to such Outputs. Further, the measures are shown against the primary strategy to which they relate.)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
</tr>
</thead>
</table>
| Aquaculture Development | Quality: Final reports pass the FRDC review process  
Quantity: 14 completed projects  
Price: Total cost of projects $3.1m |
| Economic and social values of the industry and its impacts | Quality: No final reports or other Outputs relating directly to this strategy are expected for 2002-03.  
Quantity: 0 completed projects.  
Price: Total cost of projects $0.0m |
| Fishing technology | Quality: Final reports pass the FRDC review process  
Quantity: 2 completed projects  
Price: Total cost of projects $0.4m |
| Legislative, institutional, compliance and policy arrangements and their impacts | Quality: No final reports or other Outputs relating directly to this strategy are expected for 2002-03.  
Quantity: 0 completed projects  
Price: Total cost of projects $0.0m |
| Market development | Quality: No final reports or other Outputs relating directly to this strategy are expected for 2002-03.  
Quantity: 0 completed projects  
Price: Total cost of projects $0.0m |
| Health and safety associated with fishing activities | Quality: Final reports pass the FRDC review process  
Quantity: 1 completed projects  
Price: Total cost of projects $0.2m |
| Quality food safety, and consumer health | Quality: Final reports pass the FRDC review process |


Part D: Fisheries Research and Development Corporation

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value adding</td>
<td>Quality: Final reports pass the FRDC review process</td>
</tr>
<tr>
<td></td>
<td>Quantity: 2 completed projects</td>
</tr>
<tr>
<td></td>
<td>Price: Total cost of projects $1.5m</td>
</tr>
</tbody>
</table>

Table 2.2.3: Performance Information for Outcome 3

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of Outcome 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher human capital to support the fishing industry</td>
</tr>
<tr>
<td>Improved community awareness and involvement</td>
</tr>
</tbody>
</table>

CONTRIBUTION OF OUTPUTS TO OUTCOME 3

Knowledge, processes and technology that contribute to achieving the above planned Outcome.

Performance Information for Output 3

(These indicators relate to final reports or other directly related Outputs. They do not include on-going activities that will contribute to such Outputs. Further, the measures are shown against the primary strategy to which they relate.)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership development</td>
<td>Quality: Final reports pass the FRDC review process</td>
</tr>
<tr>
<td></td>
<td>Quantity: 3 completed projects</td>
</tr>
<tr>
<td></td>
<td>Price: Total cost of projects $0.3m</td>
</tr>
<tr>
<td>Vocational Development</td>
<td>Quality: Final reports pass the FRDC review process</td>
</tr>
<tr>
<td></td>
<td>Quantity: 2 completed projects</td>
</tr>
<tr>
<td></td>
<td>Price: Total cost of projects $0.1m</td>
</tr>
<tr>
<td>Consumer education</td>
<td>Quality: No final reports or other Outputs relating directly to this strategy are expected for 2002-03.</td>
</tr>
<tr>
<td></td>
<td>Quantity: 0 completed projects</td>
</tr>
<tr>
<td></td>
<td>Price: Total cost of projects $0.0m</td>
</tr>
<tr>
<td>Community education</td>
<td>Quality: Final reports pass the FRDC review process</td>
</tr>
<tr>
<td></td>
<td>Quantity: 2 completed projects</td>
</tr>
</tbody>
</table>
**EVALUATIONS**

The FRDC is continually improving its research portfolio selection process, in part by assessing the effectiveness of Outputs from completed projects. The evaluation process also includes the use of impact analyses, and formal benefit-cost analysis. During 1996–2002, the return on investment (benefit-cost ratio) for projects amenable to quantitative economic analysis showed returns ranging from zero to 41:1. The average was conservatively estimated as about 7:1 — that is, seven dollars gained for every one dollar spent. These economic evaluations did not place a monetary value on non-market goods such as healthy ecosystems or recreational fishing opportunities. The FRDC will undertake 5 formal benefit-cost analyses during 2002-03.
### Section 3: Budgeted Financial Statements

#### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>$15,899$</td>
<td>$16,710$</td>
<td>$17,425$</td>
<td>$18,175$</td>
<td>$18,960$</td>
<td></td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>$190$</td>
<td>$115$</td>
<td>$125$</td>
<td>$127$</td>
<td>$128$</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$200$</td>
<td>$200$</td>
<td>$200$</td>
<td>$200$</td>
<td>$200$</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$7,152$</td>
<td>$7,090$</td>
<td>$7,150$</td>
<td>$7,200$</td>
<td>$7,250$</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>$23,441$</td>
<td>$24,115$</td>
<td>$24,900$</td>
<td>$25,702$</td>
<td>$26,538$</td>
<td></td>
</tr>
</tbody>
</table>

| **Expenses from ordinary activities (excluding borrowing costs expense)** | | | | | | |
|-------------------|---------|---------|---------|---------|---------|
| Employees         | $1,317$ | $1,350$ | $1,380$ | $1,410$ | $1,440$ |
| Suppliers         | $500$   | $533$   | $610$   | $615$   | $620$   |
| Grants            | $20,740$| $21,500$| $21,750$| $22,500$| $23,000$|
| Depreciation and amortisation | $34$ | $35$ | $41$ | $48$ | $49$ |
| Value of assets sold | $9$ | - | - | - | - |
| Other             | $700$   | $696$   | $700$   | $710$   | $715$   |
| **Total expenses from ordinary activities (excluding borrowing costs expense)** | $23,300$ | $24,114$ | $24,481$ | $25,283$ | $25,824$ |

| **Borrowing costs expense** | - | - | - | - | - |
| **Net surplus or deficit from ordinary activities** | $141$ | $1$ | $419$ | $419$ | $714$ |

| **Gain or loss on extraordinary items** | - | - | - | - | - |
| **Net surplus or deficit** | $141$ | $1$ | $419$ | $419$ | $714$ |

| **Capital use charge** | - | - | - | - | - |
| **Net surplus or deficit after capital use charge** | $141$ | $1$ | $419$ | $419$ | $714$ |
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>417</td>
<td>421</td>
<td>816</td>
<td>1,218</td>
<td>1,941</td>
</tr>
<tr>
<td>Receivables</td>
<td>323</td>
<td>325</td>
<td>325</td>
<td>325</td>
<td>325</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>740</td>
<td>746</td>
<td>1,141</td>
<td>1,543</td>
<td>2,266</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>179</td>
<td>199</td>
<td>218</td>
<td>225</td>
<td>236</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>179</td>
<td>199</td>
<td>218</td>
<td>225</td>
<td>236</td>
</tr>
<tr>
<td>Total assets</td>
<td>919</td>
<td>945</td>
<td>1,359</td>
<td>1,768</td>
<td>2,502</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>280</td>
<td>300</td>
<td>295</td>
<td>285</td>
<td>305</td>
</tr>
<tr>
<td>Suppliers</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Grants</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>45</td>
<td>45</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>410</td>
<td>435</td>
<td>430</td>
<td>420</td>
<td>440</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>410</td>
<td>435</td>
<td>430</td>
<td>420</td>
<td>440</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>500</td>
<td>501</td>
<td>920</td>
<td>1,339</td>
<td>2,053</td>
</tr>
<tr>
<td>Total equity</td>
<td>509</td>
<td>510</td>
<td>929</td>
<td>1,348</td>
<td>2,062</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>919</td>
<td>945</td>
<td>1,359</td>
<td>1,768</td>
<td>2,502</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>410</td>
<td>435</td>
<td>430</td>
<td>420</td>
<td>440</td>
</tr>
<tr>
<td>Current assets</td>
<td>740</td>
<td>746</td>
<td>1,141</td>
<td>1,543</td>
<td>2,266</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>179</td>
<td>199</td>
<td>218</td>
<td>225</td>
<td>236</td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>15,899</td>
<td>16,710</td>
<td>17,425</td>
<td>18,175</td>
<td>18,960</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>190</td>
<td>115</td>
<td>125</td>
<td>127</td>
<td>128</td>
</tr>
<tr>
<td>Interest</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Other</td>
<td>7,487</td>
<td>7,088</td>
<td>7,150</td>
<td>7,200</td>
<td>7,250</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>23,776</td>
<td>24,113</td>
<td>24,900</td>
<td>25,702</td>
<td>26,538</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,199</td>
<td>1,330</td>
<td>1,385</td>
<td>1,420</td>
<td>1,420</td>
</tr>
<tr>
<td>Suppliers</td>
<td>464</td>
<td>533</td>
<td>610</td>
<td>615</td>
<td>620</td>
</tr>
<tr>
<td>Grants</td>
<td>21,079</td>
<td>21,500</td>
<td>21,750</td>
<td>22,500</td>
<td>23,000</td>
</tr>
<tr>
<td>Other</td>
<td>748</td>
<td>691</td>
<td>700</td>
<td>710</td>
<td>715</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>23,490</td>
<td>24,054</td>
<td>24,445</td>
<td>25,245</td>
<td>25,755</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>286</td>
<td>59</td>
<td>455</td>
<td>457</td>
<td>783</td>
</tr>
<tr>
<td><strong>Investing Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>130</td>
<td>55</td>
<td>60</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>130</td>
<td>55</td>
<td>60</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td>-127</td>
<td>-55</td>
<td>-60</td>
<td>-55</td>
<td>-60</td>
</tr>
<tr>
<td><strong>Net increase (decrease)</strong> in cash held</td>
<td>159</td>
<td>4</td>
<td>395</td>
<td>402</td>
<td>723</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>258</td>
<td>417</td>
<td>421</td>
<td>816</td>
<td>1,218</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>417</td>
<td>421</td>
<td>816</td>
<td>1,218</td>
<td>1,941</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement *for the period ended 30 June*

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PURCHASE OF NON CURRENT ASSETS**

- Funded by capital appropriation
- Funded internally by Departmental resources

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>130</td>
<td>55</td>
<td>60</td>
<td>55</td>
<td>60</td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

*Budget year 2002-03*

<table>
<thead>
<tr>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000 $'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>179</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>55</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>199</td>
</tr>
</tbody>
</table>

**Total additions**

- Self funded
- Appropriations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
</tbody>
</table>
The Forest and Wood Products Research and Development Corporation (FWPRDC) is a statutory authority established by the Commonwealth Government in partnership with the forest and wood products industry on 1 January 1994 under the Primary Industries and Energy Research and Development Act 1989 (PIERD Act). The FWPRDC is also subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act).

The FWPRDC provides a national and integrated research and development (R&D) focus for the Australian forest and wood products industry. Its role is to promote R&D which advances an internationally competitive, profitable, sustainable and environmentally responsible forest and wood products industry in Australia.

The FWPRDC does not undertake R&D itself but supports strategic national research through research providers such as industry associations, CSIRO, universities and other tertiary institutions, and State forestry R&D agencies.

The forest and wood products industry and the Commonwealth jointly fund the FWPRDC. Its revenue base comprises both an industry levy on unprocessed wood produced in Australia and a charge on imported wood products. The levy applies to the following classes of logs:

1. hardwood export pulpllog;
2. wood panels pulpllog;
3. plywood & veneer log;
4. softwood sawlog;
5. hardwood sawlog;
6. cypress sawlog;
7. paper pulpllog;
8. softwood preservation logs;
9. softwood export pulpllog; and
10. low grade softwood sawlog.

Commonwealth appropriations are currently to the level of $1 for every $1 contributed in levies by the Australian forest and wood products industry up to a maximum of 0.50% of the industry’s gross value of production (GVP).
Corporation revenue also includes Commonwealth Government appropriations for special projects under the Wood and Paper Industry Strategy (WAPIS) and the farm forestry component of the Natural Heritage Trust (NHT).
Part D: Forest and Wood Products Research and Development Corporation

Table 1.1 shows the total revenue applicable to Forest and Wood Products Research and Development Corporation for 2002-03.

**Table 1.1: Total Revenue ($’000)***

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the profitability, international competitiveness and sustainability of the Australian forest and wood products industry.</td>
<td>3,800</td>
<td>3,200</td>
<td>440</td>
<td>7,440</td>
</tr>
</tbody>
</table>

* The Forest and Wood Products Research and Development Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Forest and Wood Products Research and Development Corporation will not receive an equity injection or departmental loan during 2002-03.

**Section 2: Outcome and Outputs Information**

**OUTCOME AND OUTPUTS**

Map 2.1 shows the relationship between the Outcome and the contributing Outputs for the Forest and Wood Products Research and Development Corporation. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).
**Map 2.1 Outcome and Outputs**

Forest and Wood Products Research and Development Corporation
Chair: Mr. Thorry Gunnersen AM
Executive Director: Dr. Glen Kile

**Outcome**
Increasing the profitability, international competitiveness and sustainability of the Australian forest and wood products industry

**Total Revenue:** $7.440m
**Total Cost of Outputs:** $7.440m*

### Output 1:
Management of R&D to improve marketing and increased utilisation of Australia’s forest and wood products.
Total Cost: $1.720m

### Output 2:
Management of R&D to improve the production and processing, storage and transport of wood products.
Total Cost: $1.760m

### Output 3:
Management of R&D to achieve the sustainable use and sustainable management of forest resources, including improving wood quality.
Total Cost: $1.760m

### Output 4:
Managing a program of basic research to generate knowledge and provide the basis for new technologies, products and services.
Total Cost: $1.006m

### Output 5:
Managing a human resource and capacity building program to enhance the skills base of the industry.
Total Cost: $0.150m

### Output 6:
Communicating the activities of the FWPRDC to stakeholders including Outcomes of R&D projects to encourage their adoption and assessment of return on investment.
Total Cost: $0.300m

### Output 7:
Strategic management of R&D activities to achieve the objectives of the PIERD and CAC Act including implementing systems to continually improve performance and accountability.
Total Cost: $0.744m

*Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of its Outputs.*
CHANGES TO OUTCOMES AND OUTPUTS

Previous Portfolio Budget Statements have identified a separate Output involving ongoing R&D Program evaluation. This function has now been incorporated across all other Outputs as an integral component of effective R&D Investment.

OUTCOME — DESCRIPTION

Increasing the profitability, international competitiveness and sustainability of the Australian forest and wood products industry.

This Outcome is consistent with the Portfolio’s stated Outcome of “More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.”

OUTCOME — RESOURCING

Table 2.1: Total resources for FWPRDC’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>actual</td>
<td>estimate</td>
</tr>
<tr>
<td>2001-02</td>
<td>2002-03</td>
<td></td>
</tr>
<tr>
<td>$000</td>
<td>$000</td>
<td></td>
</tr>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1- Management of R&amp;D to improve marketing and increased utilisation of Australia’s forest and wood products.</td>
<td>2,000</td>
<td>1,720</td>
</tr>
<tr>
<td>Output 2- Management of R&amp;D to improve the production and processing, storage and transport of wood products.</td>
<td>1,500</td>
<td>1,760</td>
</tr>
<tr>
<td>Output 3- Management of R&amp;D to achieve the sustainable use and sustainable management of forest resources, including improving wood quality</td>
<td>1,500</td>
<td>1,760</td>
</tr>
<tr>
<td>Output 4- Managing a program of basic research to generate Knowledge and provide the basis for new technologies, products and services.</td>
<td>1,050</td>
<td>1,006</td>
</tr>
<tr>
<td>Output 5- Managing a human resource and capacity building program to enhance the skills base of the industry.</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Output 6- Communicating the activities of the FWPRDC to stakeholders including Outcomes of R&amp;D projects to encourage their adoption and assessment of return on investment.</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Output 7- Strategic management of R&amp;D activities to achieve the objectives of the PIERD and CAC Act including implementing systems to continually improve performance and accountability.</td>
<td>737</td>
<td>744</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome</strong></td>
<td>7,237</td>
<td>7,440</td>
</tr>
</tbody>
</table>

Average staffing level (number)

<table>
<thead>
<tr>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>
OUTCOME — CONTRIBUTION OF OUTPUTS

The FWPRDC’s outputs of improved marketing and increased utilisation of Australia’s forest and wood products and improved production and processing, storage and transport of wood products reflect the priorities of the Commonwealth Government and the industry for improved competitiveness and profitability of the forest and wood products industry.

The output of achieving sustainable use and sustainable management of forest resources, including improving wood quality reflects the priority of the Commonwealth Government and the industry to maintain and improve the resource base for the industry, as well as promote a clean, green image.

Working with the industry, the FWPRDC identifies and prioritises R&D needs of the forest and wood products industry and the community, invests R&D funds consistent with those priorities, monitors progress, promotes adoption of R&D Outputs and evaluates the resulting industry and community benefits.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th>Measured by ABS statistics on annual wood consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased national consumption of timber</td>
<td>Measured by the level of adoption of sustainable practices and sustainable management and use of our forest resources resulting from R&amp;D activities funded by the FWPRDC</td>
</tr>
<tr>
<td>Sustainable management and use of our forest resources</td>
<td>Measured by ABS statistics</td>
</tr>
<tr>
<td>The forest and wood products industry’s contribution to Australia’s gross domestic production (GDP)</td>
<td>Measured by stakeholder awareness of the FWPRDC’s activities</td>
</tr>
<tr>
<td>Level of awareness of the FWPRDC’s activities</td>
<td>End of year reporting of the Corporation’s financial performance</td>
</tr>
<tr>
<td>Achieving a ratio of up to 10% between research support and management cost and total R&amp;D expenditure Meeting the ANAO’s end of year external auditing requirements and accounts successfully passed</td>
<td></td>
</tr>
</tbody>
</table>

Effectiveness – Overall achievement of the Outcome

181
## CONTRIBUTION OF OUTPUTS TO OUTCOME

| Performance Information for Outputs | Output 1 – Managing R&D to improve marketing and increased utilisation of Australia’s forest and wood products | Quality: Contribution of R&D results to FWPRDC’s Outcome  
Quality is measured through monitoring research provider results from submitted milestones and peer review of completed projects  
Quantity: 25 active projects  
Price: Average of $68,800 per project |
|------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Output 2 – Managing R&D to improve the production and processing, storage and transport of wood products. | Quality: Contribution of R&D results to FWPRDC’s Outcome  
Quality is measured through monitoring research provider results from submitted milestones and peer review of completed projects  
Quantity: 40 active projects  
Price: Average of $44,000 per project |
| Output 3 – Managing R&D to achieve the sustainable use and sustainable management of forest resources, including improving wood quality. | Quality: Contribution of R&D results to FWPRDC’s Outcome  
Quality is measured through monitoring research provider results from submitted milestones and peer review of completed projects  
Quantity: 35 active projects  
Price: Average of $50,285 per project |
| Output 4 – Managing a program of basic research to generate knowledge and provide the basis for new technologies, products and services | Quality: Increased in innovation in the industry.  
Quality is measured by either enhancements to existing technologies and products or development of new and innovative technologies and products  
Quantity: At least 4 new strategic R&D projects funded, covering market development, product and resource improvement and resource development and improvement  
Price: Approx. $125,000 per project |
| Output 5 - Managing a human resource and capacity building program to enhance the skills base of the industry. | Quality: Number of postgraduate students and fellows who complete their research successfully. Quality is measured by a survey of FWPRDC scholarship and fellowship holders as well as peer review of completed projects. Quantity: Average of 3 postgraduate students and up to 4 fellows per year. Price: Average of $28,571 per student. |
| Output 6 - Communicating the activities of the FWPRDC to stakeholders including Outcomes of R&D projects to encourage their adoption and assessing the returns on R&D Investment. | Quality: Increased awareness by stakeholders of the FWPRDC’s activities. Quality is measured through a survey of stakeholders. Quantity: Involves the whole of FWPRDC’s corporate and public information activities. Price: $300,000. |
| Output 7 – Strategic management of R&D activities to achieve the objectives of the PIERD and CAC Acts including implementing systems to continually improve performance and accountability. | Quality: Relevance of the strategic national research activities funded on behalf of the industry and improved program management including timely completion and delivery of milestone reports and research results. It also involves all the activities including planning necessary to improve efficiency, corporate governance, accountability, transparency, financial, and project management. Quantity: Consulting industry to identify strategic national R&D priorities and monitoring on-going and new projects to ensure milestones and research reports are completed and submitted on schedule. Price: $744,000. |

**EVALUATIONS**

Evaluations planned include completed projects and R&D programs.
Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance
for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Revenues from ordinary activities
- Revenues from government: 6,814 7,000 7,000 7,000 7,000
- Interest: 508 440 440 440 440

Total revenues from ordinary activities: 7,322 7,440 7,440 7,440 7,440

Expenses from ordinary activities (excluding borrowing costs expense)
- Employees: 536 536 536 536 536
- Suppliers: 571 574 574 574 574
- Grants: 6,100 6,300 6,300 6,300 6,300
- Depreciation and amortisation: 30 30 30 30 30

Total expenses from ordinary activities (excluding borrowing costs expense): 7,237 7,440 7,440 7,440 7,440

Borrowing costs expense: - - - - -

Net surplus or deficit from ordinary activities: 85 - - - -

Gain or loss on extraordinary items: - - - - -

Net surplus or deficit: 85 - - - -

Capital use charge: - - - - -

Net surplus or deficit after capital use charge: 85 - - - -
### Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>860</td>
<td>860</td>
<td>860</td>
<td>860</td>
<td>860</td>
<td>860</td>
<td>860</td>
</tr>
<tr>
<td>Investments</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Suppliers</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
</tr>
<tr>
<td>Total equity</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
<td>10,867</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
<td>10,921</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current assets</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>6,814</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Interest</td>
<td>508</td>
<td>440</td>
<td>440</td>
<td>440</td>
<td>440</td>
</tr>
<tr>
<td>Total cash received</td>
<td>7,322</td>
<td>7,440</td>
<td>7,440</td>
<td>7,440</td>
<td>7,440</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>536</td>
<td>536</td>
<td>536</td>
<td>536</td>
<td>536</td>
</tr>
<tr>
<td>Suppliers</td>
<td>571</td>
<td>574</td>
<td>574</td>
<td>574</td>
<td>574</td>
</tr>
<tr>
<td>Grants</td>
<td>6,100</td>
<td>6,300</td>
<td>6,300</td>
<td>6,300</td>
<td>6,300</td>
</tr>
<tr>
<td>Total cash used</td>
<td>7,207</td>
<td>7,410</td>
<td>7,410</td>
<td>7,410</td>
<td>7,410</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>115</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>INVESTING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Total cash used</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-30</td>
<td>-30</td>
<td>-30</td>
<td>-30</td>
<td>-30</td>
</tr>
<tr>
<td>Net increase (decrease) in cash held</td>
<td>85</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>10,775</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
<td>10,860</td>
</tr>
</tbody>
</table>
Part D: Forest and Wood Products Research Development Corporation

### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement Budget year 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total additions**

<table>
<thead>
<tr>
<th>Self funded</th>
<th>Appropriations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Part D: Grains Research and Development Corporation

**GRAINS RESEARCH AND DEVELOPMENT CORPORATION**

Section 1: Overview and revenue summary

**OVERVIEW**

The Grains Research and Development Corporation (GRDC) is established by the *Primary Industries and Energy Research and Development Act 1989*.

The GRDC’s role is to invest in research, development and related activities to benefit Australian graingrowers, within the context of the wider industry and community. In doing so, the Corporation invests in research where obstacles to industry’s progress exist and where R&D may be effective in overcoming these obstacles. This includes:

- investigating and evaluating the requirements for R&D in the grains industry;
- coordinating or funding the carrying out of R&D activities; and
- facilitating the dissemination, adoption and commercialisation of the results of R&D.

The GRDC determines its priorities jointly with industry, Government and researchers and acts in partnership with public and private research providers, other R&D funders, agribusiness and groups of graingrowers.

**TOTAL REVENUE**

The Corporation is funded jointly by a one per cent levy on graingrowers that is matched by the Commonwealth Government. The industry levy is collected on 25 crops spanning temperate and tropical cereals, oilseeds and pulses. The Commonwealth Government matches half of the Corporation’s research expenditure up to a maximum of 0.5 per cent of the gross value of production, provided the Commonwealth contribution does not exceed grower levies.

Table 1.1 shows the total revenue applicable to the GRDC for 2002-03.
Through its commitment to innovation, an Australian grains industry that is profitable and environmentally sustainable for the benefit of the industry and wider community.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64,900</td>
<td>44,800</td>
<td>7,100</td>
<td>116,800</td>
</tr>
</tbody>
</table>

* The GRDC does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The GRDC will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

OUTCOME AND OUTPUTS

The map below shows the relationship between the Outcome and the contributing Outputs for the GRDC. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

Map 2.1 Outcome and Outputs

Grains Research and Development Corporation
Chair: Mr Grant Latta
Managing Director: Professor Emeritus John Lovett

Outcome
Through its commitment to innovation, an Australian grains industry that is profitable and environmentally sustainable for the benefit of the industry and wider community.

Total Revenue: $116.8m
Total Cost: $120.0m*

Output Group 1: Winter Cereal Improvement
Total Cost: $36.04m

Output Group 2: Crop Improvement
Total Cost: $15.14m

Output Group 3: Crop Protection
Total Cost: $20.82m

Output Group 4: Sustainable Farming Systems
Total Cost: $24.89m

Output Group 5: Value Chain & Post Farm Gate
Total Cost: $6.35m

Output Group 6: Product & Service Delivery
Total Cost: $9.92m

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Output groups. It should be noted that the GRDC will use its accumulated reserves to fund the difference between total revenue and the total cost of Output groups. Total cost also includes commissioned strategic investment budget ($6.83m), which will be allocated to the appropriate Output group once full research proposals have been finalised.
CHANGES TO OUTCOMES AND OUTPUTS

The Outcome/Output structure planned for 2002-03 has changed from the previous year’s PBS to reflect the provisions of a new 5-Year R&D Plan. As noted above, the Outcome has been adapted from the vision statement in the new R&D Plan. Consistently with the R&D Plan for 2002-07, the Outputs are now the six programs into which the GRDC’s research portfolio has been divided.

OUTCOME — DESCRIPTION

Through its commitment to innovation, an Australian grains industry that is profitable and environmentally sustainable for the benefit of the industry and wider community.

OUTCOME — RESOURCING

Table 2.1: Total resources for GRDC’S Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 1 Winter Cereal Improvement</td>
<td>33,876</td>
<td>36,040</td>
</tr>
<tr>
<td>Output Group 2 Crop Improvement</td>
<td>13,861</td>
<td>15,140</td>
</tr>
<tr>
<td>Output Group 3 Crop Protection</td>
<td>21,248</td>
<td>20,820</td>
</tr>
<tr>
<td>Output Group 4 Sustainable Farming Systems</td>
<td>24,257</td>
<td>24,890</td>
</tr>
<tr>
<td>Output Group 5 Value Chain &amp; Post Farm Gate</td>
<td>6,098</td>
<td>6,350</td>
</tr>
<tr>
<td>Output Group 6 Product &amp; Service Delivery</td>
<td>11,654</td>
<td>9,920</td>
</tr>
<tr>
<td>Commissioned Strategic Investment</td>
<td>5,206</td>
<td>6,380</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome</strong></td>
<td>116,200</td>
<td>120,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average staffing level (number)</td>
<td>38</td>
<td>39</td>
</tr>
</tbody>
</table>
OUTCOME — CONTRIBUTION OF OUTPUTS

The Output groups for 2002-03 are as follows: (1) Winter Cereal Improvement; (2) Crop Improvement; (3) Crop Protection; (4) Sustainable Farming; (5) Value Chain; and (6) Product and Service Delivery.

The GRDC has defined performance measures for each of the six programs. These indicators load onto the ‘corporate performance indicators’, which provide the aggregate focus for planning and reporting. The delivery objective is supplemented with two other objectives that reflect central tenets and strategic direction of organisational management.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th>Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Objectives</strong></td>
<td><strong>Performance Indicators</strong></td>
</tr>
<tr>
<td><strong>Delivery</strong></td>
<td><strong>Annual survey of grain growers regarding:</strong></td>
</tr>
<tr>
<td>Deliver products and services to growers</td>
<td>- innovation index (including uptake of new varieties)</td>
</tr>
<tr>
<td>in support of their business objectives</td>
<td>- grower attribution of benefit to R&amp;D.</td>
</tr>
<tr>
<td>and within the context of the Government’s stated priorities.</td>
<td></td>
</tr>
<tr>
<td><strong>Relationship Management</strong></td>
<td><strong>Assessment of innovation and flexibility in contractual relationship development with partners, strategic alliances and providers (by qualitative report).</strong></td>
</tr>
<tr>
<td>Build, lead and manage relationships to optimise</td>
<td><strong>Evidence of intellectual property of</strong></td>
</tr>
<tr>
<td>benefits to stakeholders.</td>
<td></td>
</tr>
</tbody>
</table>

<p>| <strong>Annual survey of grain growers regarding:</strong> |
| <strong>Specific farming practice changes</strong> (assessed by survey) |
| <strong>Mid-term and full-term (over the new 5-Year Plan period) whole of portfolio economic ex-post analysis.</strong> |
| <strong>Improvement in the performance of the grains industry measured by ABARE analysis of industry performance across the agro-ecological zones.</strong> |</p>
<table>
<thead>
<tr>
<th>Compliance</th>
<th>significant value generated over the life of the plan (by independent audit).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Compliance</strong></td>
</tr>
<tr>
<td></td>
<td>Ensure corporate compliance with all statutory and legal requirements.</td>
</tr>
<tr>
<td></td>
<td>• Ongoing endorsement by the minister of statutory corporate planning and reporting documents.</td>
</tr>
<tr>
<td></td>
<td>• Satisfactory assessment by the Commonwealth of GRDC Corporate Governance against ANAO best practice guidelines.</td>
</tr>
</tbody>
</table>
EVALUATIONS
The GRDC will continue to undertake economic evaluation of its current and potential research portfolio in order to enhance the Corporation’s strategy for research and development in the new Five Year Plan (2002-07).

In assessing investment proposals for the 2002-03 year, the GRDC introduced a new approach to assessing both the risk profile and potential benefits of investments. Information generated through this process will be used to review and optimise the structure of the portfolio with respect to risk-benefit categories. It is anticipated that the approach will be iteratively refined and improved over the next couple of years.

In addition, each year the GRDC reviews a number of R&D projects and a provider agency.

The GRDC continues to assess its management performance through regular audits of its ISO9001 quality system. The GRDC is currently implementing and upgrading from the ISO9001/1994 standard to the newer ISO9001/2000 standard.
Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forecast estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Revenues from ordinary activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>105,600</td>
<td>109,700</td>
<td>113,800</td>
<td>113,500</td>
<td>113,500</td>
</tr>
<tr>
<td>Interest</td>
<td>6,600</td>
<td>5,900</td>
<td>6,200</td>
<td>5,400</td>
<td>5,700</td>
</tr>
<tr>
<td>Other</td>
<td>1,000</td>
<td>1,200</td>
<td>1,300</td>
<td>1,400</td>
<td>1,500</td>
</tr>
<tr>
<td>Total revenues from ordinary activities</td>
<td>113,200</td>
<td>116,800</td>
<td>121,300</td>
<td>120,300</td>
<td>120,700</td>
</tr>
<tr>
<td>Expenses from ordinary activities (excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>3,205</td>
<td>3,365</td>
<td>3,533</td>
<td>3,710</td>
<td>3,895</td>
</tr>
<tr>
<td>Suppliers</td>
<td>6,038</td>
<td>5,246</td>
<td>5,142</td>
<td>5,010</td>
<td>4,856</td>
</tr>
<tr>
<td>Grants</td>
<td>106,700</td>
<td>111,000</td>
<td>114,600</td>
<td>118,300</td>
<td>122,100</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>257</td>
<td>389</td>
<td>325</td>
<td>280</td>
<td>249</td>
</tr>
<tr>
<td>Total expenses from ordinary activities (excluding borrowing costs expense)</td>
<td>116,200</td>
<td>120,000</td>
<td>123,600</td>
<td>127,300</td>
<td>131,100</td>
</tr>
<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit from ordinary activities</td>
<td>-3,000</td>
<td>-3,200</td>
<td>-2,300</td>
<td>-7,000</td>
<td>-10,400</td>
</tr>
<tr>
<td>Gain or loss on extraordinary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit</td>
<td>-3,000</td>
<td>-3,200</td>
<td>-2,300</td>
<td>-7,000</td>
<td>-10,400</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit after capital use charge</td>
<td>-3,000</td>
<td>-3,200</td>
<td>-2,300</td>
<td>-7,000</td>
<td>-10,400</td>
</tr>
</tbody>
</table>

195
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>118,894</td>
<td>117,058</td>
<td>115,883</td>
<td>109,063</td>
<td>99,737</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>119,744</td>
<td>117,908</td>
<td>116,733</td>
<td>109,913</td>
<td>100,587</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>3,398</td>
<td>3,322</td>
<td>3,246</td>
<td>3,170</td>
<td>3,094</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>1,043</td>
<td>830</td>
<td>681</td>
<td>577</td>
<td>504</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>4,481</td>
<td>4,192</td>
<td>3,967</td>
<td>3,787</td>
<td>3,638</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>124,225</td>
<td>122,100</td>
<td>120,700</td>
<td>113,700</td>
<td>104,225</td>
<td></td>
<td></td>
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<tr>
<td>LIABILITIES</td>
<td></td>
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<td></td>
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<td>Provisions and payables</td>
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<td>Employees</td>
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<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>26,675</td>
<td>27,750</td>
<td>28,650</td>
<td>28,650</td>
<td>29,575</td>
<td></td>
<td></td>
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<tr>
<td>Other</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>27,275</td>
<td>28,350</td>
<td>29,250</td>
<td>29,250</td>
<td>30,175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>27,275</td>
<td>28,350</td>
<td>29,250</td>
<td>29,250</td>
<td>30,175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>69,181</td>
<td>69,181</td>
<td>69,181</td>
<td>69,181</td>
<td>69,181</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>27,769</td>
<td>24,569</td>
<td>22,269</td>
<td>15,269</td>
<td>4,869</td>
<td></td>
<td></td>
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<tr>
<td>Total equity</td>
<td>96,950</td>
<td>93,750</td>
<td>91,450</td>
<td>84,450</td>
<td>74,050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>124,225</td>
<td>122,100</td>
<td>120,700</td>
<td>113,700</td>
<td>104,225</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>17,275</td>
<td>18,350</td>
<td>19,250</td>
<td>19,250</td>
<td>20,175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>119,784</td>
<td>117,948</td>
<td>116,773</td>
<td>109,953</td>
<td>100,627</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>4,441</td>
<td>4,152</td>
<td>3,927</td>
<td>3,747</td>
<td>3,598</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Estimated forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2001-02</td>
<td>118,508</td>
<td>109,700</td>
<td>113,800</td>
<td>113,500</td>
<td>113,500</td>
</tr>
<tr>
<td>2002-03</td>
<td>6,792</td>
<td>5,900</td>
<td>6,200</td>
<td>5,400</td>
<td>5,700</td>
</tr>
<tr>
<td>2003-04</td>
<td>5,955</td>
<td>6,551</td>
<td>7,206</td>
<td>7,927</td>
<td>8,719</td>
</tr>
<tr>
<td>2004-05</td>
<td>1,013</td>
<td>1,200</td>
<td>1,300</td>
<td>1,400</td>
<td>1,500</td>
</tr>
<tr>
<td>Total cash received</td>
<td>132,268</td>
<td>123,351</td>
<td>128,506</td>
<td>128,227</td>
<td>129,419</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>3,241</td>
<td>3,365</td>
<td>3,533</td>
<td>3,710</td>
<td>3,895</td>
</tr>
<tr>
<td>Suppliers</td>
<td>126,345</td>
<td>121,722</td>
<td>126,048</td>
<td>131,237</td>
<td>134,750</td>
</tr>
<tr>
<td>Total cash used</td>
<td>129,586</td>
<td>125,087</td>
<td>129,581</td>
<td>134,947</td>
<td>138,645</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>2,682</td>
<td>-1,736</td>
<td>-1,075</td>
<td>-6,720</td>
<td>-9,226</td>
</tr>
<tr>
<td>INVESTING ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>500</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Total cash used</td>
<td>500</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-500</td>
<td>-100</td>
<td>-100</td>
<td>-100</td>
<td>-100</td>
</tr>
<tr>
<td>Net increase / decrease in cash held</td>
<td>2,182</td>
<td>-1,836</td>
<td>-1,175</td>
<td>-6,820</td>
<td>-9,326</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>116,712</td>
<td>118,894</td>
<td>117,058</td>
<td>115,883</td>
<td>109,063</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>118,894</td>
<td>117,058</td>
<td>115,883</td>
<td>109,063</td>
<td>99,737</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement *for the period ended 30 June*

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>500</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

*Budget year 2002-03*

<table>
<thead>
<tr>
<th>Land</th>
<th>Buildings</th>
<th>Total Land and Buildings Infrastructure</th>
<th>Other Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year 500</td>
<td>2,898</td>
<td>3,398</td>
<td>1,043</td>
<td>-4,441</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>76</td>
<td>76</td>
<td>313</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year 500</td>
<td>2,822</td>
<td>3,322</td>
<td>830</td>
<td>-4,152</td>
</tr>
</tbody>
</table>

**Total additions**

| Self funded | - | - | - | 100 | -100 |
| Appropriations | - | - | - | - | - |
| **Total** | - | - | - | 100 | -100 |
GRAPE AND WINE RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Overview and revenue summary

OVERVIEW

The Grape and Wine Research and Development Corporation (GWRDC) was established in 1991 under the Primary Industries and Energy Research and Development Act 1989 (PIERD Act) from which it draws its functions, powers and objects.

The objects of the GWRDC are defined in the PIERD Act as follows:

• increasing the economic, environmental and social benefits to members of primary industries and to the community in general by improving the production, processing, storage, transport or marketing of the products of primary industries;

• achieving the sustainable use and sustainable management of natural resources;

• making more effective use of the resources and skills of the community in general and the scientific community in particular; and

• improving the accountability for expenditure upon research and development activities in relation to primary industries.

The GWRDC’s revised mission is “to enable a sustainable, innovative and profitable future for the Australian wine industry through strategic investment in R&D”. The role of the Corporation is to ensure that returns on R&D investment are optimised, that they fulfil stakeholder priorities, and that the values of the resultant economic, environment and community benefits are assessed and promulgated.

The GWRDC must govern its operations according to the Commonwealth Authorities and Companies Act 1997 (CAC Act). The CAC Act is the “Corporations law” for the GWRDC and prescribes corporate governance dimensions including detailed annual reporting requirements under the “Report of Operations” Order. The GWRDC has an audit committee to monitor and assess financial position, corporate governance performance and compliance with the PIERD Act, CAC Act and other relevant legislation.

The GWRDC operations are guided by an approved audit framework, corporate calendar, risk management plan, delegation schedule and fraud control plan. In addition to an independent chairman and seven non-executive directors, the GWRDC has a full time Executive Director and an additional 5 full time staff. It also contracts external financial, administrative and project/program management assistance as required within the 10% ceiling on non-project expenditure set by the Board.
Part D: Grape and Wine Research and Development Corporation

The GWRDC acts in partnership with industry and government stakeholders, the Australian Wine and Brandy Corporation and research providers. The peak national bodies that the GWRDC report to are the Winemaker’s Federation of Australia and the Winegrape Grower’s Council of Australia. The GWRDC also works with regional and State industry associations to develop R&D priorities and ensure effective dissemination of R&D Outputs/Outcomes.

In terms of its Government stakeholder, the GWRDC is accountable to the Hon Senator Judith Troeth, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, the Hon Warren Truss.

**TOTAL REVENUE**

Table 1.1 shows the total revenue applicable to the Grape and Wine Research and Development Corporation for 2002-03.

**Table 1.1: Total Revenue ($’000)***

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced profitability, international competitiveness and sustainability of the Australian wine industry</td>
<td>7,535</td>
<td>7,406</td>
<td>60</td>
<td>15,001</td>
</tr>
</tbody>
</table>

* The Grape and Wine Research and Development Corporation does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Grape and Wine Research and Development Corporation will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

**OUTCOME AND OUTPUTS**

The map below shows the relationship between the Outcome and the contributing Outputs for the Grape and Wine Research and Development Corporation. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

**Map 2.1 Outcome and Outputs**

*Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.*
Part D: Grape and Wine Research and Development Corporation

**OUTCOME — DESCRIPTION**

The Corporation aims to provide substantial benefits to the Australian community by maximising the profitability, international competitiveness and sustainability of the Australian wine industry. It will achieve this Outcome by strategically investing in and managing research and development activities that will develop and make available to industry appropriate, effective and efficient new technologies, processes and information.

**OUTCOME — RESOURCING**

**Table 2.1: Total resources for GWRDC’s Outcome ($’000)**

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1 Extension and training packages and services</td>
<td>2,212</td>
<td>2,422</td>
</tr>
<tr>
<td>Output 2 New production technologies, processes and information</td>
<td>9,119</td>
<td>10,451</td>
</tr>
<tr>
<td>Output 3 Assessments of social, economic, regulatory, and market factors</td>
<td>575</td>
<td>536</td>
</tr>
<tr>
<td>Output 4 An R&amp;D investment portfolio providing the best possible return on investment</td>
<td>1,305</td>
<td>1,567</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome 1</strong></td>
<td><strong>13,211</strong></td>
<td><strong>14,976</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average staffing level (number)</strong></td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>
OUTCOME — CONTRIBUTION OF OUTPUTS

Output 1 - Extension and training packages and services
This Output category includes a number of activities designed to entrench innovation as the driver of industry competitive advantage and to increase its relevance to the business performance of individual producers. It includes a number of strategies (see below) directed towards making sure that R&D Outputs are both disseminated and made application ready, and to foster greater industry awareness, involvement and investment in R&D activities.

Output 2 - New production technologies, processes and information
This Output category includes new technologies, processes and information that are designed to:

• enhance the efficiency and sustainability of grape and wine production for the benefit of industry and the environment; and

• improve producers’ capability to manage the quality and flavour dimensions of grape and wine in order to satisfy market requirements and maximise earnings.

Strategies contributing to this Output include new, innovative means of improving production and natural resource use efficiency, reducing environmental impacts, and the development of new or improved grape and wine quality and flavour identification, measurement and management techniques.

Output 3 - Assessments of social, economic, regulatory, and market factors
This Output category aims to generate market intelligence that can contribute to:

• superior industry strategic planning and priority decisions;

• the most appropriate industry production, infrastructure and R&D investment decisions;

• greater understanding of industry impacts;

• understanding by government; and

• increased influence in global wine forums.

Output 4 - An R&D investment portfolio providing the best possible return on investment
This Output includes a number of strategies designed to ensure that the returns on the GWRDC’s R&D investment are optimised, that they fulfil stakeholder priorities and that the values of the resultant economic, environmental and community benefits are assessed and promulgated.
### Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in innovation assets (knowledge, skills, technologies, infrastructures, culture), an enhanced contribution of those assets to industry competitiveness, and greater utilisation of those assets by more industry constituents.</td>
<td>Increase in the value of “industry owned” innovation assets.</td>
</tr>
<tr>
<td>A reduction in production inputs, in pest and disease risks (outbreak, production loss, vineyard damage) and in environmental impacts per unit of production.</td>
<td>Reduction in best practice input levels, including natural resource utilisation, per unit of production.</td>
</tr>
<tr>
<td></td>
<td>Declining discrepancy between planned and actual vineyard yields.</td>
</tr>
<tr>
<td></td>
<td>Declining pest and disease loss exposure.</td>
</tr>
<tr>
<td></td>
<td>Increasing water use efficiency.</td>
</tr>
<tr>
<td>Availability of quality and flavour attribute specification, measurement technology and management practices which enable greater control of quality and more potential for differentiating wine to meet market preferences.</td>
<td>Flavour management practices that provide producers with more wine style choices and more consistency in achieving their target style.</td>
</tr>
<tr>
<td></td>
<td>Improved performance (predictability and consistency) from the application of quality management technology and practices.</td>
</tr>
<tr>
<td></td>
<td>Quality and flavour measurement technology that is accepted as both objective and accurate.</td>
</tr>
<tr>
<td>A whole of industry strategic information resource that multiplies the effectiveness of industry planning; illuminates priorities for collective effort; provides industry benchmarks on industry performance; measures community impacts and facilitates Australian participation in the global wine business.</td>
<td>Sufficient market intelligence available on key markets to enable whole of industry planning.</td>
</tr>
<tr>
<td></td>
<td>More comprehensive and rigorous community and environment assessments available.</td>
</tr>
<tr>
<td></td>
<td>Increase accuracy of supply and demand projections.</td>
</tr>
<tr>
<td></td>
<td>Availability of benchmarking data in industry business performance.</td>
</tr>
</tbody>
</table>
**CONTRIBUTION OF OUTPUTS TO OUTCOME**

Output 1 strategies:

- reinforce innovation culture;
- foster wine industry specific R&D skills and an internationally competitive institutional capability;
- encourage increased investment/involvement in R&D from individual producers and suppliers;
- develop and package R&D Outcomes to make them application ready;
- disseminate R&D Outcomes through a range of demonstration activities;
- facilitate regional networks for R&D adoption;
- communicate R&D results in user friendly formats with a focus on producer benefits; and
- stocktake and articulate significant changes in best practice to enable industry to assimilate new knowledge in grape and wine production.

Output 2 strategies:

- improve productivity in production systems and the supply chain;
- address production risks and develop appropriate management strategies;
- facilitate the availability and use by industry of better performing plant material;
- develop technologies and practices to reduce the impact of climate, pest and disease risk factors;
Part D: Grape and Wine Research and Development Corporation

- reduce the negative environmental impacts of production systems;
- improve the efficiency and the ecological Outcomes of water use in collaboration with other industries;
- ensure the objective assessment and management of risks associated with the introduction and spread of exotic pests and diseases;
- specify and calibrate the standards and formulate the practices to manage the determinants of wine product integrity;
- determine the impact of different viticultural and production processes on desired wine quality attributes;
- develop objective measures of quality and of flavour attributes in grapes and wine;
- identify and specify techniques to manage and to improve quality;
- identify and specify viticultural and winemaking technologies and practices that influence flavour; and
- study the relationship between flavour variation and site/region of origin.

Output 3 strategies

- secure the coverage, accuracy and timeliness of industry statistics required for performance evaluation;
- support the preparation of long term supply and demand projections for industry planning;
- facilitate the collection of strategic consumer, competition and trade market intelligence for industry planning purposes;
- determine industry performance against business benchmarks;
- evaluate and quantify the costs and benefits of environmental, social and economic effects on the Australian community by the wine industry;
- monitor current scientific research findings on the health aspects of wine; and
- increase Australian influence on the agendas and access to the information resources of global wine forums.

Output 4 strategies

- develop concepts for a future structure to foster and promote research, development and innovation for the Australian wine industry;
- formulate a 5 year R&D plan reflecting industry and Government stakeholder priorities;
- develop Annual Operational Plans to implement the 5 year R&D plan;
• maintain effective consultation processes for the formulation and review of plans and for the assessment of R&D project priorities;
• establish return on investment as a primary criterion for R&D proposal evaluation and undertake cost benefit reviews;
• promote co-investment in R&D projects to leverage GWRDC funding, where justified by benefit capture;
• enable rapid industry response to emerging biosecurity or market access threats;
• encourage increased awareness of international developments in grape and wine R&D and explore opportunities for international collaboration that could advance the interests of Australian stakeholders;
• direct and influence R&D providers to ensure project Outputs and industry Outcomes are achieved;
• ensure best practice administration and exemplary corporate governance of the GWRDC organisation and its programs; and
• manage stakeholder relations with a program of engagement and of communications, with particular emphasis on the *triple bottom line* benefits of the R&D project Outcomes.

<table>
<thead>
<tr>
<th>Performance Information for Outputs</th>
<th></th>
</tr>
</thead>
</table>
| Output 1 Extension and training packages and services | Quality: New technology made application ready, best production practice revised or information set disseminated to at least 10% of industry for each of the following areas-  
  Production efficiency  
  Natural resource use efficiency  
  Pest and disease management  
  Quality management and improvement  
  Quantity: 16 projects  
  Price: $2.422 million |
| Output 2 New production technologies, processes and information | Quality: New production technology, process or information set with a high expectation of industry uptake produced for each of the following areas-  
  Production efficiency  
  Natural resource use efficiency  
  Pest and disease management  
  Quality management and improvement |
| Output 3 Assessments of social, economic, regulatory, and market factors | Quality: Industry significant assessment produced in each of the following areas-
Supply and demand information
Industry performance benchmarking
Social or community impact |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity: 108 projects</td>
<td>Price: $10.451 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 4 An R&amp;D investment portfolio providing the best possible return on investment</th>
<th>Quality: Funds investment to show non-project expenditure less than 10% of total and expected economic pay-offs of newly approved and recently terminated projects to average above 7.2 to 1.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity: BCAs conducted on a majority of significant new and terminating projects</td>
<td>Price: $1.567 million</td>
</tr>
</tbody>
</table>

**EVALUATIONS**

Planned evaluation activity includes ongoing benefit-cost analysis of new and completing projects incorporating stakeholder appraisal. Further attempts will be made to assess the environmental and social dimensions of both the Australian wine industry and the role and impact of R&D. The extent to which R&D provides benefits to both consumers and producers in Australia will also be assessed.
### Section 3: Budgeted Financial Statements

#### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Revenues from government</td>
<td>6,529</td>
<td>7,406</td>
<td>7,776</td>
<td>8,175</td>
<td>8,573</td>
</tr>
<tr>
<td>Interest</td>
<td>50</td>
<td>60</td>
<td>65</td>
<td>70</td>
<td>75</td>
</tr>
<tr>
<td>Proceeds from sales of assets</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>7,110</td>
<td>7,535</td>
<td>8,015</td>
<td>8,365</td>
<td>8,500</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>$13,691</td>
<td>$15,001</td>
<td>$15,856</td>
<td>$16,610</td>
<td>$17,148</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>539</td>
<td>709</td>
<td>744</td>
<td>782</td>
<td>821</td>
</tr>
<tr>
<td>Suppliers</td>
<td>418</td>
<td>432</td>
<td>453</td>
<td>496</td>
<td>500</td>
</tr>
<tr>
<td>Grants</td>
<td>12,100</td>
<td>13,671</td>
<td>14,454</td>
<td>15,140</td>
<td>15,640</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>142</td>
<td>151</td>
<td>160</td>
<td>167</td>
<td>170</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>$13,211</td>
<td>$14,976</td>
<td>$15,825</td>
<td>$16,599</td>
<td>$17,146</td>
</tr>
<tr>
<td><strong>Borrowing costs expense</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>480</td>
<td>25</td>
<td>31</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>480</td>
<td>25</td>
<td>31</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td><strong>Capital use charge</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>480</td>
<td>25</td>
<td>31</td>
<td>11</td>
<td>2</td>
</tr>
</tbody>
</table>
### Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2,446</td>
<td>2,469</td>
<td>2,598</td>
<td>2,676</td>
<td>2,492</td>
</tr>
<tr>
<td>Receivables</td>
<td>440</td>
<td>405</td>
<td>337</td>
<td>259</td>
<td>476</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>2,886</td>
<td>2,874</td>
<td>2,935</td>
<td>2,935</td>
<td>2,968</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>116</td>
<td>118</td>
<td>119</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>116</td>
<td>118</td>
<td>119</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,002</td>
<td>2,992</td>
<td>3,054</td>
<td>3,055</td>
<td>3,088</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Suppliers</td>
<td>41</td>
<td>35</td>
<td>45</td>
<td>36</td>
<td>55</td>
</tr>
<tr>
<td>Grants</td>
<td>160</td>
<td>130</td>
<td>150</td>
<td>145</td>
<td>155</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>205</td>
<td>170</td>
<td>201</td>
<td>191</td>
<td>222</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>205</td>
<td>170</td>
<td>201</td>
<td>191</td>
<td>222</td>
</tr>
<tr>
<td>EQUITY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>2,797</td>
<td>2,822</td>
<td>2,853</td>
<td>2,864</td>
<td>2,866</td>
</tr>
<tr>
<td>Total equity</td>
<td>2,797</td>
<td>2,822</td>
<td>2,853</td>
<td>2,864</td>
<td>2,866</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>3,002</td>
<td>2,992</td>
<td>3,054</td>
<td>3,055</td>
<td>3,088</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>205</td>
<td>170</td>
<td>201</td>
<td>191</td>
<td>222</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>2,886</td>
<td>2,874</td>
<td>2,935</td>
<td>2,935</td>
<td>2,968</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>116</td>
<td>118</td>
<td>119</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>
Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated Actual</th>
<th>Budget Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $000</td>
<td>2002-03 $000</td>
<td>2003-04 $000</td>
<td>2004-05 $000</td>
</tr>
</tbody>
</table>

**OPERATING ACTIVITIES**

Cash received
- Appropriations for outputs: 13,639, 14,941, 15,791, 16,540, 17,073
- Interest: 50, 60, 65, 70, 75
Total cash received: 13,689, 15,001, 15,856, 16,610, 17,148

Cash used
- Employees: 539, 709, 744, 782, 821
- Suppliers: 418, 432, 453, 496, 500
- Grants: 12,100, 13,671, 14,355, 15,072, 15,826
- Other: 142, 151, 160, 167, 170
Total cash used: 13,199, 14,963, 15,712, 16,517, 17,317

Net cash from operating activities: 490, 38, 144, 93, -169

**INVESTING ACTIVITIES**

Cash used
- Purchase of property, plant and equipment: 13, 15, 15, 15, 15
Total cash used: 13, 15, 15, 15, 15

Net cash from investing activities: -13, -15, -15, -15, -15

Net increase / decrease in cash held: 477, 23, 129, 78, -184

Cash at the beginning of the reporting period: 1,969, 2,446, 2,469, 2,598, 2,676
Cash at the end of the reporting period: 2,446, 2,469, 2,598, 2,676, 2,492
Part D: Grape and Wine Research and Development Corporation

### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2002-03</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2003-04</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2004-05</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>2005-06</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
</tbody>
</table>

**PURCHASE OF NON CURRENT ASSETS**

- Funded by capital appropriation: -
- Funded internally by Departmental resources: 13 15 15 15 15

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

**Budget year 2002-03**

<table>
<thead>
<tr>
<th></th>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Plant and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>116</td>
<td>-</td>
<td>116</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>13</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>118</td>
</tr>
</tbody>
</table>

**Total additions**

- Self funded: - - 15 - 15
- Appropriations: - - - - -

**Total**

- - - 15 - 15
LAND & WATER AUSTRALIA

Section 1: Overview and revenue summary

OVERVIEW
Land & Water Australia (LWA) - (formerly and legally the Land and Water Resources Research and Development Corporation) is a statutory corporation established under the provisions of the Primary Industries and Energy Research and Development Act of 1989, within the Commonwealth Agriculture, Fisheries and Forestry portfolio.

Land & Water Australia is specifically responsible for research and development (R&D) aimed at the productive and sustainable management of the land, water and vegetation resources underpinning Australia’s primary industries and regional communities. LWA does not fund general atmospheric or marine research or research on urban issues.

As a Commonwealth Authority, the Corporation has a particular charter to foster national collaboration in order to improve the efficiency and effectiveness of this R&D effort. The Corporation emphasises the establishment of national research programs, most of which are supported jointly by several partner organisations, which bring together resource managers and researchers to identify priorities and to ensure that research findings are adopted and implemented. The R&D Plan takes an integrated approach to program design and implementation and to the development of packages of information relevant to decision-makers.

A Board of nine Directors governs the Corporation. The Board develops policy, evaluates the Corporation’s performance and creates committees/working groups to work on specific activities. The term appointment of six Directors of the Board will conclude at 30 June 2002. The Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry will appoint incoming Directors for a three year period. The Corporation staff carry out the day-to-day work involved in establishing R&D programs and in developing, implementing, supporting, communicating and reviewing R&D work. Land & Water Australia is only one of several organisations involved in this endeavour. Responsibilities in natural resource management, whether for legislation, policy, programs or on ground works, are distributed across all levels of government, community-based groups such as catchment committees and Landcare groups, rural industries and individual landholders.

TOTAL REVENUE
Total appropriations and other revenue for the Corporation in the 2002-03 Budget is $20.0 million. Of this, $11.9 million is from government appropriation and $8.1 million from collaborative partners and other income.
Table 1.1 shows the total revenue applicable to Land & Water Australia for 2002-03.

**Table 1.1: Total Revenue (’000)**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levy</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge, understanding and informed debate to inspire innovation and action in sustainable natural resource management.</td>
<td>-</td>
<td>11,863</td>
<td>8,131</td>
<td>19,994</td>
</tr>
</tbody>
</table>

* Land & Water Australia receives a direct administered appropriation from the Government.

**Departmental Equity Injections and Loans**

The Land & Water Australia will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

OUTCOME AND OUTPUTS
The map below shows the relationship between the Outcome and the contributing Outputs for Land & Water Australia. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

Map 2.1 - Outcome and Outputs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced capacity for Australia’s primary industries to manage natural resources sustainably.</td>
<td>Understanding, tools and methodologies to inform more sustainable management of Australian rivers.</td>
<td>Understanding, tools and methodologies to inform more sustainable management of vegetation in Australian rural landscapes.</td>
<td>Knowledge to guide development of future landscapes, enterprises and industries.</td>
<td>Enhanced understanding &amp; tools to address integrated &amp; cross-sectoral natural resource management issues.</td>
</tr>
<tr>
<td>Total Cost: $7.2m</td>
<td>Total Cost: $5.3m</td>
<td>Total Cost: $2.7m</td>
<td>Total Cost: $0.7m</td>
<td>Total Cost: $4.7m</td>
</tr>
</tbody>
</table>
Part D: Land and Water Australia

**OUTCOME — DESCRIPTION**

Land & Water Australia works towards one Outcome, reflected in the Corporation's mission statement. The total R&D investments of the Corporation across its research portfolio are directed towards this Outcome. The Outcome is as follows:

"Knowledge, understanding and informed debate to inspire innovation and action in sustainable natural resource management”

**OUTCOME — RESOURCING**

Table 2.1: Total resources for LWA’s Outcome ($’000)

<table>
<thead>
<tr>
<th></th>
<th>Estimated 1000s</th>
<th>Budget estimate 1000s</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td><strong>Agency resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 1 Sustainable Industries</td>
<td>7,956</td>
<td>7,208</td>
</tr>
<tr>
<td>Output 2 Rivers</td>
<td>3,341</td>
<td>5,362</td>
</tr>
<tr>
<td>Output 3 Vegetation</td>
<td>2,396</td>
<td>2,671</td>
</tr>
<tr>
<td>Output 4 Future Landscapes</td>
<td>581</td>
<td>677</td>
</tr>
<tr>
<td>Output 5 Cross-cutting activities (Note 1)</td>
<td>10,703</td>
<td>4,661</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome 1</strong></td>
<td><strong>24,977</strong></td>
<td><strong>16,844</strong></td>
</tr>
</tbody>
</table>

|                          | 2001-02         | 2002-03               |
| Average staffing level (number) | 27             | 28                    |

Note 1: The 2001-02 year includes the National Land & Water Resources Audit
**Outcome — Contribution of Outputs**

The five Outputs relate to the R&D areas of investment relating to industries, rivers, vegetation, future landscapes and crosscutting activities.

**Table 2.2: Performance Information for Outcome**

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th>Stakeholder feedback through surveys. The extent to which R&amp;D funded by Land &amp; Water Australia puts issues on the national agenda.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEADERSHIP: To be, and be seen to be, at the forefront of Australian thinking on sustainable natural resource management.</td>
<td>Adoption of Land &amp; Water Australia-funded R&amp;D, measured through analyses and surveys of adoption rates. The ratio of total R&amp;D effort in Land &amp; Water Australia’s programs to the core Land &amp; Water Australia investment.</td>
</tr>
<tr>
<td>INFLUENCE: To maximise the impact of the Corporation’s investments, at on ground policy and institutional levels in improving the sustainability of natural resource management.</td>
<td>The degree of alignment of Land &amp; Water Australia-funded R&amp;D effort with issues identified by key stakeholders and natural resource management experts as critical national priorities. Stakeholder feedback through surveys</td>
</tr>
<tr>
<td>RELEVANCE: To ensure that the Corporation targets investment to where it can make a real difference, by meeting critical natural resource policy and management needs</td>
<td>The average benefit: cost ratio across the R&amp;D and communication effort funded by the Corporation, with a target average of at least ten to one.</td>
</tr>
<tr>
<td>RETURN ON INVESTMENT: To maximise the return on public funding invested through the Corporation.</td>
<td>Independent and internal audit reports; feedback from AFFA and ANAO; the timeliness of compliance.</td>
</tr>
<tr>
<td>ACCOUNTABILITY To meet all statutory obligations and accountability requirements in a comprehensive, timely and transparent manner.</td>
<td></td>
</tr>
</tbody>
</table>

**Contribution of Outputs to Outcome**

Land & Water Australia has a planning & management framework that describes the different contributions that the Corporation Board and various management units play in this process. The R&D Plan describes the various portfolio management, business and communication functions to facilitate the translation of Outputs to Outcomes.
The core business of the Corporation is the establishment, brokering and management of national research programs. These programs are supported by partner organisations, and aim to bring together resource managers and researchers to jointly identify priorities and ensure that research findings are adopted and implemented. Further development of these programs and their efficient management will remain core business for Land & Water Australia in 2002-03.

### Table 2.3: Performance Information for Outputs

<table>
<thead>
<tr>
<th>Program</th>
<th>Common Performance Targets</th>
</tr>
</thead>
</table>
| Output 1 – Sustainable Industries | • Assessment of the natural resource management (NRM) training needs of significant primary industries.  
• Assessment of NRM research needs of downstream primary production industries.  
• Development and distribution of the first Wool producer LWW NRM Toolkit by December 2002.  
• Completion and publication of the wool producer NRM benchmarking survey.  
• Completion and publication of the Future Woolscapes Scoping study, and commence the implementation of the subprogram.  
• Completion of the Sustainable Grazing Systems Harvest Year project and incorporation of the main findings into the LWW Program and relevant subprograms.  
• Launch of the Sustainable Grazing for Saline Lands (SGSL) Saltland Pastures Book to provide an initial text to managing saline soils productively.  
• Establishment of SGSL producer networks.  
• Production of first set of river management guidelines produced specifically for wool producers.  
• Establishment of research projects, research sites and producer driven demonstration sites across the portfolio of LWW subprograms to further enhance the engagement of producers in LWW.  
• Development and publication of initial guidelines for:  
  - Managing native vegetation and biodiversity; and  
  - Incentive packages for wool producers.  
• Completion of refinement of Pastoral Subprogram Implementation Plan and commence its rollout.  
• Progressive implementation of the LWW Communication Plan covering all target audiences - producers, advisors, R&D Corporations, Government agencies etc. All communication outlets will be utilised including launches, print media, fact sheets, Toolkit, meetings, website, direct mail etc. |
| Sustainable Grain & Grazing System | • Implementation Plan and Prospectus.  
• Commissioning of start-up projects. |
|-----------------------------------|----------------------------------------------------------------------------------|
| National Dryland Salinity Program (NDSP) | • Evaluation of the NDSP Phase II.  
• Develop the framework for a future ‘harvest year’ for the NDSP including products and communication strategy.  
• Develop products and packaging of communication products.  
• Develop a framework for a strategic plan for a future third phase of a salinity program. |
| Climate Variability Applications Program | • Seek partnership support.  
• New Climate Variability Applications Program established.  
• Develop program plan and commence contracting program activities. |
| **Output 2 – River Landscapes** | |
| National Program for Sustainable Irrigation | • New National Program for Sustainable Irrigation established.  
• Current knowledge on water use efficiency collated and widely promoted.  
• An understanding of what sustainable irrigation communities would constitute in a futures context. |
| Northern Murray Darling Basin Program | • A partnership program for understanding deep drainage established.  
• Initial clarification of missing knowledge on deep drainage in verisol soils.  
• Sophisticated research design. |
| National Rivers Consortium | • River protection philosophy established and tools and guidelines developed for its implementation.  
• River managers training and education program established to enhance skills and capacity.  
• Research turned into practical river management solutions and communicating this to river managers.  
• Catchment projects implemented at the regional level to demonstrate best practice restoration, riparian and catchment practice.  
• Key knowledge gaps resolved for riverine ecological and physical/chemical processes. |
| Riparian Lands R&D Program | • Contracting of multi-disciplinary research groups, to undertake work on key knowledge gaps.  
• Develop projects to produce industry specific riparian management guidelines (specifically for the sugar, dairy and grains industries).  
• Produce a range of products to provide information and raise awareness about riparian management for a range of end-users (web, guidelines etc.). |
| River Contaminant | • Program plan finalised and suite of projects implemented focussing on salinity, nutrients, sediments, ecosystem impacts and |
### Output 3 – Vegetation

- A review of the effectiveness of programs and policies that integrate native vegetation into agricultural production systems.
- A national classification of the status of native vegetation.
- Robust communication plan.
- Publication of technical guidelines for native vegetation and biodiversity management.
- Improved understanding of clearing thresholds and relevance to policy.
- Principles for integrating native vegetation into agriculture.
- A definitive report on the strengths and weaknesses of the focal species approach to landscape design.

### Joint-venture Agroforestry Program (JVAP) (Administered by RIRDC)

- A booklet on effective strategies for marketing farm tree products.
- Quarterly ANU Forestry Market Reports.
- A manual for farm forestry for trial establishment, a directory of trials in Australia, and updated edition of Trees for Saltland, and reports supporting growth modelling and matching trees with climate in Australia.
- A production of two more Agroforestry guidelines Tree, Soil & Climate and Trees for Biodiversity.
- A manual for irrigated eucalypts incorporating salinity impacts, and a report on fast-growing eucalypt plantations in northern Victoria.
- A manual on the silviculture of rainforest timbers.
- Reports and brochures on a range of wood properties and products from several projects.
- A silvicultural decision support system for farm forestry including a whole-farm and regional agroforestry decision-making system.
- A report on 'Best bet' products from agroforestry biomass.
- The first of the Integration Series booklets (the first of which is Trees and Riparian Zone Management) which synthesise research supported by JVAP, LWA and MDBC.
- A ‘Workbook’ series book on farm forestry aimed at children in the 8 – 12 year old age group.

### Output 4 – Future Landscapes & Compatible Industries

- Scenarios for future R&D.
### Landscapes
- Vision of sustainable landscapes clearly articulated.
- Principles for redesign of agriculture.
- Design criteria for future sustainable landscapes.

### Output 5 – Cross-cutting Activities

| General Call for Innovative R&D Projects | - Emerging issues and innovative approaches annually identified and funded.
| - Reviews of new issues and techniques. |

| Human Capacity Building | - Provision of post-graduates scholarships, travelling and visiting fellowships, and community fellowships.
| - National R&D capacity enhanced through new young scientists in NRM. |

| Integration Framework & Products | - Minimal requirements of Integration Framework for LWA defined.

| Social and Institutional Research Program | - A high quality and accessible social and institutional knowledge base for improved NRM.
| - Models for achieving best practice in NRM policy, legislation and institutions.
| - Targeted communication packages and new models and knowledge for extension/adoption.
| - Enhanced stakeholder and partner networks for social and institutional research and collaborative activities. |

| Ord-Bonaparte Program | - Spatial database for the Ord-Bonaparte Region containing the key regional data sets.
| - Hardware, software and data standards for the further development and maintenance of spatial information for the Ord-Bonaparte Region.
| - Pilot integration projects developed with regional stakeholders.
| - Assessment of the impact and influence of the OBP initiative and recommendations for ongoing progress in the region.
| - Recommendations to assist the planning and implementation of future similar R&D initiatives elsewhere in Australia.
| - Atlas of GIS coverage for the East Kimberley rangelands.
| - Land Unit map for the East Kimberley rangelands.
| - Rangeland monitoring program utilising remotely sensed and field based data.
| - Hydrological response unit map of the Ord River Irrigation Area (ORIA).
| - Integrated ground water and surface water monitoring system to record ground water discharge, surface flows, sediment, nutrient and pesticide flows.
| - Understanding of the dynamic relationship between the surface water, ground water, applied nutrients and soils in the ORIA.
| - Risk assessment for pesticides used in the ORIA. |
Part D: Land and Water Australia

- Calibrated tool for understanding the impact of irrigation and drainage operations on water quality within and downstream of the ORIA.
- Time series of water quality parameters from sites in the Ord estuary, to characterise the current system state, underpin nutrient budgets, and support model development and calibration.
- Data to characterise sediment composition, the role of sediments in nutrient cycling, and the relative contribution of organic matter from terrestrial and marine sources.
- Quantitative wet and dry season budgets for salt, carbon and nutrients in the lower Ord river and estuary.
- Integrated hydrodynamic and biogeochemical models of the lower Ord river and estuary systems and their response to flows and loads.
- Model predictions for agreed management scenarios for water allocation and land use.
- Documentation of ethnoecological/ethnoeconomic knowledge with Aboriginal Traditional Owners in the upper Ord catchment.
- Identification of data management and access requirements and ways to share Aboriginal and non-Aboriginal knowledge and information.
- Planning networks and capacity needs analysis and training workshops to develop capacity of Aboriginal people for community planning.

EVALUATIONS

In evaluating its performance at a corporate level, the Corporation is interested not just in R&D Outputs and their impacts, but the sum total of its activities in management and communication as well as R&D investment, and also how these Outputs were achieved.

The Corporation has in place an evaluation strategy that assesses performance at the corporate, program and project scales. A range of monitoring systems will be put in place during the 2002-03 year to provide a consistent, accurate and cost-effective reporting framework. Any lessons arising from this reporting framework will be built into improving portfolio management and continuous improvement in the organisation.
# Section 3: Budgeted Financial Statements

## Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Revenues from government</td>
<td>11,586</td>
<td>11,863</td>
<td>12,173</td>
<td>12,488</td>
<td>12,488</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>14,794</td>
<td>7,631</td>
<td>7,305</td>
<td>5,700</td>
<td>3,000</td>
</tr>
<tr>
<td>Interest</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Other</td>
<td>300</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>26,930</td>
<td>19,994</td>
<td>19,978</td>
<td>18,688</td>
<td>15,988</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>3,951</td>
<td>2,881</td>
<td>2,813</td>
<td>2,629</td>
<td>2,113</td>
</tr>
<tr>
<td>Suppliers</td>
<td>3,951</td>
<td>2,881</td>
<td>2,813</td>
<td>2,629</td>
<td>2,113</td>
</tr>
<tr>
<td>Grants</td>
<td>20,038</td>
<td>14,611</td>
<td>14,267</td>
<td>13,332</td>
<td>10,714</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>282</td>
<td>206</td>
<td>201</td>
<td>188</td>
<td>151</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>28,222</td>
<td>20,579</td>
<td>20,094</td>
<td>18,778</td>
<td>15,091</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>-1,292</td>
<td>-585</td>
<td>-116</td>
<td>-90</td>
<td>897</td>
</tr>
<tr>
<td><strong>Gain or loss on extraordinary items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>-1,292</td>
<td>-585</td>
<td>-116</td>
<td>-90</td>
<td>897</td>
</tr>
<tr>
<td><strong>Capital use charge</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>-1,292</td>
<td>-585</td>
<td>-116</td>
<td>-90</td>
<td>897</td>
</tr>
</tbody>
</table>
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>235</td>
<td>546</td>
<td>481</td>
<td>119</td>
<td>1,007</td>
</tr>
<tr>
<td>Receivables</td>
<td>335</td>
<td>480</td>
<td>430</td>
<td>430</td>
<td>430</td>
</tr>
<tr>
<td>Investments</td>
<td>1,312</td>
<td>571</td>
<td>667</td>
<td>694</td>
<td>700</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>2,097</td>
<td>1,612</td>
<td>1,593</td>
<td>1,258</td>
<td>2,152</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>300</td>
<td>223</td>
<td>149</td>
<td>398</td>
<td>395</td>
</tr>
<tr>
<td>Intangibles</td>
<td>150</td>
<td>127</td>
<td>104</td>
<td>100</td>
<td>106</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>450</td>
<td>350</td>
<td>253</td>
<td>498</td>
<td>501</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,547</td>
<td>1,962</td>
<td>1,846</td>
<td>1,756</td>
<td>2,653</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>360</td>
<td>360</td>
<td>360</td>
<td>360</td>
<td>360</td>
</tr>
<tr>
<td>Suppliers</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Grants</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>1,287</td>
<td>702</td>
<td>586</td>
<td>496</td>
<td>1,393</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>1,287</td>
<td>702</td>
<td>586</td>
<td>496</td>
<td>1,393</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>2,547</td>
<td>1,962</td>
<td>1,846</td>
<td>1,756</td>
<td>2,653</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
</tr>
<tr>
<td>Current assets</td>
<td>2,097</td>
<td>1,612</td>
<td>1,593</td>
<td>1,258</td>
<td>2,152</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>450</td>
<td>350</td>
<td>253</td>
<td>498</td>
<td>501</td>
</tr>
</tbody>
</table>
Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02 $'000</td>
<td>2002-03 $'000</td>
<td>2003-04 $'000</td>
<td>2004-05 $'000</td>
<td>2005-06 $'000</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>11,586</td>
<td>11,863</td>
<td>12,173</td>
<td>12,488</td>
<td>12,488</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>12,581</td>
<td>7,531</td>
<td>7,305</td>
<td>5,700</td>
<td>3,000</td>
</tr>
<tr>
<td>Interest</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Other</td>
<td>300</td>
<td>250</td>
<td>250</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>Total cash received</td>
<td>24,717</td>
<td>19,994</td>
<td>19,978</td>
<td>18,688</td>
<td>15,988</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>3,951</td>
<td>2,881</td>
<td>2,813</td>
<td>2,629</td>
<td>2,113</td>
</tr>
<tr>
<td>Suppliers</td>
<td>3,951</td>
<td>2,881</td>
<td>2,813</td>
<td>2,629</td>
<td>2,113</td>
</tr>
<tr>
<td>Grants</td>
<td>20,038</td>
<td>14,611</td>
<td>14,267</td>
<td>13,332</td>
<td>10,714</td>
</tr>
<tr>
<td>Total cash used</td>
<td>27,940</td>
<td>20,373</td>
<td>19,893</td>
<td>18,590</td>
<td>14,940</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>-3,223</td>
<td>-379</td>
<td>85</td>
<td>98</td>
<td>1,048</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash received</td>
<td>-</td>
<td>800</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>69</td>
<td>110</td>
<td>150</td>
<td>460</td>
<td>160</td>
</tr>
<tr>
<td>Total cash used</td>
<td>69</td>
<td>110</td>
<td>150</td>
<td>460</td>
<td>160</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-69</td>
<td>690</td>
<td>-150</td>
<td>-460</td>
<td>-160</td>
</tr>
<tr>
<td><strong>Net increase / decrease</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in cash held</td>
<td>-3,292</td>
<td>311</td>
<td>-65</td>
<td>-362</td>
<td>888</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>3,527</td>
<td>235</td>
<td>546</td>
<td>481</td>
<td>119</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>235</td>
<td>546</td>
<td>481</td>
<td>119</td>
<td>1,007</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds for PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>69</td>
<td>110</td>
<td>150</td>
<td>460</td>
<td>160</td>
<td></td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

#### Budget year 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000 $'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>293</td>
<td>153 446</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>50 110</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>130</td>
<td>76 206</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>223</td>
<td>127 350</td>
</tr>
</tbody>
</table>

#### Total additions

<table>
<thead>
<tr>
<th></th>
<th>$'000</th>
<th>$'000</th>
<th>$'000</th>
<th>$'000 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self funded</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>50 110</td>
</tr>
<tr>
<td>Appropriations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>60</td>
<td>50 110</td>
</tr>
</tbody>
</table>
NATIONAL REGISTRATION AUTHORITY FOR AGRICULTURAL AND VETERINARY CHEMICALS

Section 1: Overview and Revenue Summary

OVERVIEW
The principal responsibilities of the National Registration Authority for Agricultural and Veterinary Chemicals (NRA) are described in the Agricultural and Veterinary Chemicals (Administration) Act 1992 (Administration Act) and the Agricultural and Veterinary Chemicals Code Act 1994 (Code Act).

The Administration Act establishes the NRA and confers powers to administer the National Registration Scheme.

The Code Act makes provision for the NRA to:

- evaluate, approve and control the supply of active constituents for proposed or existing agricultural or veterinary chemical products; and
- evaluate, register and control the manufacture and supply of agricultural and veterinary chemical products.

The legislation also presents criteria that are at the core of decision-making whenever the NRA approves active constituents, registers products or reviews existing chemicals.

TOTAL REVENUE
The NRA recovers 100% of its operational costs from the agricultural and veterinary (agvet) chemicals industry through a range of fees and levies.

In addition, the NRA receives an appropriation of $0.116m to assist with strategies to address “minor uses” – the situation where the cost of registering a chemical for a particular crop is greater than the expected commercial return to the manufacturer. This problem results in fewer chemical alternatives being available to primary industries to the economic detriment of farmers and in some cases to the environment.
Part D: National Registration for Agricultural and Veterinary Chemicals

Table 1.1 shows the total revenue applicable to the National Registration Authority for Agricultural and Veterinary Chemicals for 2002-03.

Table 1.1: Total Revenue (‘000)*

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies; renewal fees; application, permit and licence fees; certificates of export</th>
<th>Other Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>A world-class national registration scheme for agricultural and veterinary chemicals.</td>
<td>18,142</td>
<td>116</td>
<td>863</td>
<td>19,121</td>
</tr>
</tbody>
</table>

* The NRA does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**
The NRA will not receive an equity injection or departmental loan during 2002-03.

Section 2: Outcomes and Outputs Information

**OUTCOME AND OUTPUTS**
Given the need to use agvet chemicals, the work of the NRA protects the health and safety of people, animals and the environment. In respect of food production, NRA’s activities support Australian agricultural and livestock industries.

Map 2.2 shows the relationship between the single Outcome, the single Output group and the contributing sub-outputs.

Financial details for the Outcome, Output group and sub-outputs appear in Table 2.1 (Total Resources for Outcome 1) while non-financial information for Outcome 1 appears in Table 2.2 (Performance Information for Outcome 1).
Part D: National Registration Authority for Agricultural and Veterinary Chemicals

Map 2.1 - Outcome and Outputs

National Registration Authority for Agricultural and Veterinary Chemicals
Chair: Dr John Keniry
Chief Executive Officer: Dr Alison Turner

Outcome
Given the need to use agvet chemicals for pest and disease control, the work of the NRA protects the health and safety of people, animals and the environment. In respect of food and fibre production, NRA activities support Australian agricultural and livestock industries.

Total Revenue: $19.121m
Total Cost of Outputs: $20.024m*

Output Group
A world-class national registration scheme for agricultural and veterinary chemicals.
Total Cost: $20.024m

Output 1.1.1
Registration of agvet chemical products that are effective for their intended purpose and satisfy requirements for safety to people, animals, the environment and trade.
Total Cost: $16.019m

Output 1.1.2
Compliance with the law through product review, quality assurance and enforcement programs.
Total Cost: $4.005m

* Total cost is shown rather than total price because the agency is primarily funded through industry fees and levies rather than funded on the basis of the price of their Outputs. It should be noted that the NRA will use its accumulated reserves to fund the difference between total revenue and the total costs of Outputs.
Changes to Outcome and Output

In an effort to clarify and consolidate sub-outputs, the number of sub-outputs included in this year’s Portfolio Budget Statements has been reduced to two.

Outcome - Resourcing

Table 2.1: Total Resources for NRA’s Outcome ($’000)

<table>
<thead>
<tr>
<th>Agency resources</th>
<th>Estimated</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02</td>
<td>2002-03</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Output Group – World-class registration scheme for agvet chemical products</td>
<td>16,157</td>
<td>16,019</td>
</tr>
<tr>
<td>Output 1.1.1 – Registration of agvet chemical products</td>
<td>4,039</td>
<td>4,005</td>
</tr>
<tr>
<td>Total resourcing for Outcome 1</td>
<td>20,196</td>
<td>20,024</td>
</tr>
<tr>
<td>2001-02</td>
<td>2002-03</td>
<td></td>
</tr>
<tr>
<td>Average staffing level (number)</td>
<td>125</td>
<td>125</td>
</tr>
</tbody>
</table>
OUTCOME – CONTRIBUTION OF OUTPUTS

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness – Overall Achievement of the NRA Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator</td>
</tr>
<tr>
<td>A range of surveys and monitoring for chemical residues, air and water quality, worker safety and public health, undertaken by other Commonwealth and State agencies, gives confidence that the National Registration Scheme is effective and contributes to the productivity of Australia’s agricultural industries.</td>
</tr>
<tr>
<td>Indicator</td>
</tr>
<tr>
<td>Through its State/Territory partners in the National Registration Scheme, the NRA receives feedback on surveys and monitoring activities and this helps assess the overall effectiveness of regulatory activities.</td>
</tr>
</tbody>
</table>

Performance Information for NRA Outputs

Output Group 1.1 —

Output 1.1.1 — Registration of agvet chemical products:
Improved industry compliance with registration requirements due to better information and feedback. Decisions about active constituents and chemical products are made within statutory timeframes. Registered products in the market place meet legislative requirements for performance and safety due to sound decision-making.

Output 1.1.2 — Compliance with the law:
Chemical manufacturers and retailers comply with their responsibilities under the Code. Reports of non-compliance and suspected adverse experiences linked to veterinary chemical products are recorded, investigated and responded to according to risk management principles. Existing chemical products reviewed against current requirements for performance and safety.

EVALUATIONS

No major evaluations are planned for 2002-03 in relation to the NRA’s Outcome.
Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>2001-02</td>
<td>2002-03</td>
<td>2003-04</td>
<td>2004-05</td>
</tr>
<tr>
<td>Revenues from ordinary activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>18,912</td>
<td>18,258</td>
<td>18,776</td>
<td>19,549</td>
<td>20,162</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>50</td>
<td>35</td>
<td>45</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Interest</td>
<td>800</td>
<td>820</td>
<td>780</td>
<td>700</td>
<td>600</td>
</tr>
<tr>
<td>Proceeds from sales of assets</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>8</td>
<td>10</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Total revenues from ordinary activities</td>
<td>19,831</td>
<td>19,121</td>
<td>19,611</td>
<td>20,307</td>
<td>20,827</td>
</tr>
<tr>
<td>Expenses from ordinary activities (excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>10,484</td>
<td>10,857</td>
<td>11,068</td>
<td>11,282</td>
<td>11,501</td>
</tr>
<tr>
<td>Suppliers</td>
<td>9,134</td>
<td>8,577</td>
<td>8,706</td>
<td>8,749</td>
<td>8,793</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>578</td>
<td>590</td>
<td>623</td>
<td>562</td>
<td>537</td>
</tr>
<tr>
<td>Total expenses from ordinary activities (excluding borrowing costs expense)</td>
<td>20,196</td>
<td>20,024</td>
<td>20,397</td>
<td>20,593</td>
<td>20,831</td>
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<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit from ordinary activities</td>
<td>-365</td>
<td>-903</td>
<td>-786</td>
<td>-286</td>
<td>-4</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit</td>
<td>-365</td>
<td>-903</td>
<td>-786</td>
<td>-286</td>
<td>-4</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit after capital use charge</td>
<td>-365</td>
<td>-903</td>
<td>-786</td>
<td>-286</td>
<td>-4</td>
</tr>
</tbody>
</table>
### Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>4,072</td>
<td>3,350</td>
<td>3,385</td>
<td>3,843</td>
<td>4,740</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,243</td>
<td>1,106</td>
<td>1,004</td>
<td>893</td>
<td>780</td>
</tr>
<tr>
<td>Investments</td>
<td>10,800</td>
<td>10,800</td>
<td>10,800</td>
<td>10,800</td>
<td>10,200</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>20</td>
<td>20</td>
<td>18</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>16,135</td>
<td>15,276</td>
<td>15,207</td>
<td>15,552</td>
<td>15,734</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>1,392</td>
<td>1,278</td>
<td>952</td>
<td>800</td>
<td>953</td>
</tr>
<tr>
<td>Intangibles</td>
<td>773</td>
<td>800</td>
<td>804</td>
<td>793</td>
<td>803</td>
</tr>
<tr>
<td>Other</td>
<td>700</td>
<td>700</td>
<td>700</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>2,865</td>
<td>2,778</td>
<td>2,456</td>
<td>2,293</td>
<td>2,456</td>
</tr>
<tr>
<td>Total assets</td>
<td>19,000</td>
<td>18,054</td>
<td>17,663</td>
<td>17,845</td>
<td>18,190</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases</td>
<td>261</td>
<td>174</td>
<td>95</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Total debt</td>
<td>261</td>
<td>174</td>
<td>95</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>2,187</td>
<td>2,359</td>
<td>2,537</td>
<td>2,723</td>
<td>2,916</td>
</tr>
<tr>
<td>Suppliers</td>
<td>3,694</td>
<td>3,516</td>
<td>3,742</td>
<td>3,964</td>
<td>4,016</td>
</tr>
<tr>
<td>Other</td>
<td>3,715</td>
<td>3,755</td>
<td>3,835</td>
<td>3,966</td>
<td>4,094</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>9,596</td>
<td>9,640</td>
<td>10,114</td>
<td>10,653</td>
<td>11,026</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>9,857</td>
<td>9,814</td>
<td>10,209</td>
<td>10,677</td>
<td>11,026</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>5,616</td>
<td>6,361</td>
<td>6,823</td>
<td>6,500</td>
<td>6,500</td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>3,527</td>
<td>1,879</td>
<td>631</td>
<td>668</td>
<td>664</td>
</tr>
<tr>
<td>Total equity</td>
<td>9,143</td>
<td>8,240</td>
<td>7,454</td>
<td>7,168</td>
<td>7,164</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>19,000</td>
<td>18,054</td>
<td>17,663</td>
<td>17,845</td>
<td>18,190</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>8,502</td>
<td>8,405</td>
<td>8,733</td>
<td>9,081</td>
<td>9,281</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,355</td>
<td>1,409</td>
<td>1,476</td>
<td>1,596</td>
<td>1,745</td>
</tr>
<tr>
<td>Current assets</td>
<td>16,835</td>
<td>15,976</td>
<td>15,907</td>
<td>16,252</td>
<td>16,434</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,165</td>
<td>2,078</td>
<td>1,756</td>
<td>1,593</td>
<td>1,756</td>
</tr>
</tbody>
</table>
Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>17,411</td>
<td>18,445</td>
<td>18,948</td>
<td>19,791</td>
<td>20,403</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>50</td>
<td>35</td>
<td>45</td>
<td>50</td>
<td>55</td>
</tr>
<tr>
<td>Interest</td>
<td>801</td>
<td>820</td>
<td>782</td>
<td>702</td>
<td>602</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>6</td>
<td>10</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Total cash received</td>
<td>18,306</td>
<td>19,308</td>
<td>19,785</td>
<td>20,551</td>
<td>21,070</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>10,413</td>
<td>10,685</td>
<td>10,890</td>
<td>11,096</td>
<td>11,308</td>
</tr>
<tr>
<td>Suppliers</td>
<td>8,866</td>
<td>8,842</td>
<td>8,559</td>
<td>8,598</td>
<td>8,765</td>
</tr>
<tr>
<td>Total cash used</td>
<td>19,279</td>
<td>19,527</td>
<td>19,449</td>
<td>19,694</td>
<td>20,073</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>-973</td>
<td>-219</td>
<td>336</td>
<td>857</td>
<td>997</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>600</td>
</tr>
<tr>
<td>Total cash received</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>600</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>716</td>
<td>503</td>
<td>301</td>
<td>399</td>
<td>700</td>
</tr>
<tr>
<td>Other</td>
<td>352</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash used</td>
<td>1,068</td>
<td>503</td>
<td>301</td>
<td>399</td>
<td>700</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-1,043</td>
<td>-503</td>
<td>-301</td>
<td>-399</td>
<td>-100</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash held</strong></td>
<td>-2,016</td>
<td>-722</td>
<td>35</td>
<td>458</td>
<td>897</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>6,088</td>
<td>4,072</td>
<td>3,350</td>
<td>3,385</td>
<td>3,843</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>4,072</td>
<td>3,350</td>
<td>3,385</td>
<td>3,843</td>
<td>4,740</td>
</tr>
</tbody>
</table>

235
Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>716</td>
<td>503</td>
<td>301</td>
<td>399</td>
<td>700</td>
<td></td>
</tr>
</tbody>
</table>

Table 3.5: Departmental Non-financial Assets - Summary of Movement
Budget year 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total</th>
<th>Plant and Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,392</td>
<td>773</td>
<td>2,165</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>333</td>
<td>170</td>
<td>503</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>447</td>
<td>143</td>
<td>590</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,278</td>
<td>800</td>
<td>2,078</td>
</tr>
</tbody>
</table>

Total additions

- Self funded | - | - | - | 333 | 170 | 503
- Appropriations | - | - | - | - | - | -

Total | - | - | - | 333 | 170 | 503
RURAL INDUSTRIES RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Overview and revenue summary

OVERVIEW
The Rural Industries Research and Development Corporation (RIRDC) was established by the Primary Industries and Energy Research and Development Act 1989 on 1 July 1990. As a Commonwealth Statutory Authority it is also subject to the regulatory framework contained in the Commonwealth Authorities and Companies Act 1997.

RIRDC’s charter is to make and manage research and development investments on behalf of government and industry for the benefit of the rural sector. RIRDC has four core functions:

- fostering the development of prospective industries;
- furthering the development of emerging industries;
- managing research and development investments for established industries; and
- addressing strategic cross-sectoral issues facing the rural sector.

RIRDC’s functions include the facilitation of the dissemination, adoption and commercialisation of R&D Outputs in striving to achieve its desired Outcome for Australian rural industries.

RIRDC’s activities are segregated into a ‘core’ portfolio of R&D sub-programs and R&D programs that relate to industry specific sub-accounts. RIRDC’s core activities are funded through Commonwealth appropriation and the activity of industry sub-accounts are predominantly funded by levy contributions (both statutory and voluntary) and where appropriate Commonwealth dollar for dollar matching contributions.

RIRDC conducts its business in consultative partnership with industry, government, representative stakeholder organisations eg National Farmers Federation, other R&D corporations and the broader community. R&D projects are conducted in accordance with relevant industry and government priorities.

TOTAL REVENUE
RIRDC does not receive a direct departmental or administered appropriation from the Commonwealth Government. The total revenue budget for RIRDC includes an indirect Commonwealth appropriation through Agriculture, Fisheries & Forestry - Australia (AFFA), industry levies, Commonwealth dollar for dollar matching levy contribution and revenue from other sources.
Table 1.1 shows the total expected revenue applicable to RIRDC for 2002-03.

**Table 1.1: Total Revenue ($’000)**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Indirect Commonwealth Appropriation and Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>To facilitate a more profitable, dynamic and sustainable rural sector</td>
<td>3,982</td>
<td>15,206</td>
<td>5,827</td>
<td>25,015</td>
</tr>
</tbody>
</table>

* RIRDC does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

RIRDC will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

**OUTCOME AND OUTPUTS**

The map below shows the relationship between the Outcome and the contributing Outputs for RIRDC. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

**Map 2.1 Outcome and Outputs**

<table>
<thead>
<tr>
<th>Rural Industries Research and Development Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair: Professor Elizabeth Woods</td>
</tr>
<tr>
<td>Chief Executive: Mr Peter Core</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
</tr>
<tr>
<td>To facilitate a more profitable, dynamic and sustainable rural sector</td>
</tr>
<tr>
<td><strong>Total Revenue</strong>: $25.015m</td>
</tr>
<tr>
<td><strong>Total Cost of Outputs</strong>: $26.159m*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 1: R&amp;D activities that investigate and develop prospects for new industries in rural and regional Australia.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cost</strong>: $2.807m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 2: R&amp;D activities that expedite the growth and development of emerging rural and associated processing industries.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cost</strong>: $6.701m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 3: R&amp;D activities that maximise the contribution of R&amp;D to the profitability and sustainability of the established rural industries that RIRDC represents.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cost</strong>: $11.741m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output 4: R&amp;D activities that identify key generic cross-sectoral issues confronting the rural sector and the formulation of appropriate programs that will benefit the rural sector and Australia.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Cost</strong>: $4.910m</td>
</tr>
</tbody>
</table>

* Total cost is shown rather than total price because the agency is primarily funded through indirect Commonwealth appropriation and industry levies rather than funded on the basis of the price of their Outputs.

It should be noted that RIRDC will use its accumulated reserves to fund the difference between total revenue and the total cost of Outputs.
**Changes to Outcomes and Outputs**

There have been no changes to RIRDC’s Outcome/Output structure since the 2001-02 PBS or 2000-01 Annual Report.

**Outcome — Description**

RIRDC’s stated Outcome is to facilitate a more profitable, dynamic and sustainable rural sector.

RIRDC’s Outcome is consistent with AFFA’s stated Outcome of increasing the profitability, competitiveness and sustainability of Australian agricultural, food, fisheries and forestry industries.

RIRDC’s charter is to make and manage research and development investments on behalf of the Commonwealth Government and industry for the benefit of the rural sector. As mentioned above and reiterated here, RIRDC has four core functions:

- fostering the development of prospective industries;
- furthering the development of emerging industries;
- managing research and development investments for established industries; and
- addressing strategic cross-sectoral issues facing the rural sector.

The priorities of the Commonwealth Government and Australian rural industries include sustainable natural resource management, adoption of a whole-of-industry approach in relation to the value chain, development of biotechnology, improved product quality and associated food safety, increased access to markets, improved intellectual capital development and undertaking R&D in an environmentally-friendly way.

RIRDC funds research and development aimed at producing its desired Outcome to benefit the Australian rural industries and the Australian community through striving for the following results:

- a broader range of enterprise options with a focus on industry sustainability;
- more diversification of rural production systems;
- improved productivity and cost efficiency of RIRDC-related established industries;
- a stronger focus on the value chain;
- land use practices that promote sustainable resource use;
- an enhanced export culture;
- integration of emerging information technologies into the rural sector; and
- greater leadership and management skills in the rural sector.
### OUTCOME — RESOURCING

#### Table 2.1: Total resources for RIRDC’s Outcome ($’000)

<table>
<thead>
<tr>
<th>Agency resources</th>
<th>Estimated 2001-02</th>
<th>Budget 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 1 R&amp;D activities that investigate and develop prospects for new industries in rural and regional Australia.</td>
<td>2,900</td>
<td>2,807</td>
</tr>
<tr>
<td>Output 2 R&amp;D activities that expedite the growth and development of emerging rural and associated processing industries.</td>
<td>6,414</td>
<td>6,701</td>
</tr>
<tr>
<td>Output 3 R&amp;D activities that maximise the contribution of R&amp;D to the profitability and sustainability of the established rural industries that RIRDC represents.</td>
<td>10,978</td>
<td>11,741</td>
</tr>
<tr>
<td>Output 4 R&amp;D activities that identify key generic cross-sectoral issues confronting the rural sector and the formulation of appropriate programs that will benefit the rural sector and Australia.</td>
<td>4,732</td>
<td>4,910</td>
</tr>
<tr>
<td><strong>Total resourcing for Outcome</strong></td>
<td><strong>25,024</strong></td>
<td><strong>26,159</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average staffing level (number)</th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>
OUTCOME — CONTRIBUTION OF OUTPUTS

RIRDC’s Outputs in developing the new and emerging industries agenda, establishing sustainability and profitability in the established industries area and formulating targeted programs for the cross-sectoral issues facing rural and regional Australia reflect the Commonwealth Government’s preferred policy of benefits flowing to rural industries and spillover benefits for the community and public good.

The above-mentioned Outputs aim to contribute towards a more profitable, dynamic and sustainable rural sector. Key strategies to obtain these desired outputs are listed below:

- to identify and prioritise the R&D needs of the industry and community;
- to invest R&D funds consistent with the strategies of, and the allocation of resources among, research programs of the R&D Plan;
- to manage the investment in R&D effectively;
- to assess and report on progress in R&D programs; and
- to promote the adoption of R&D Outputs that foster industry and community benefits.

Table 2.2 provides performance information on the strategies chosen to deliver RIRDC’s Outcome.

Table 2.2: Performance Information for Outcome

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of Outcome</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic returns from RIRDC investments in excess of prescribed benefit/cost ratios, as well as non-monetary and public good benefits for the community from strategic and environmental research. Review of R&amp;D programs on a 4-year rolling evaluation basis.</td>
<td>Ability to achieve benefit/cost ratios and internal rates of return on R&amp;D projects as follows: Output 1 – B/C of 2 and IRR of 15% Output 2 – B/C of 5 and IRR of 20% Output 3 - B/C of 10 and IRR of 25% Output 4 – B/C of 10 and IRR of 25%</td>
</tr>
<tr>
<td>Alignment of RIRDC’s priorities and plans with those of industry and the Commonwealth Government.</td>
<td>Demonstrated compliance with Government R&amp;D priorities as outlined in Minister’s letter of 14 December 1999. Demonstrated consultation with industry prior to finalisation of industry R&amp;D plans.</td>
</tr>
<tr>
<td>Ratio of administration costs to total costs.</td>
<td>Ratio of administration costs to total costs less than the RDC average.</td>
</tr>
<tr>
<td>Expansion of the gross value of production of new and emerging industries supported by</td>
<td>Subject to externalities, RIRDC’s ability to contribute to industry growth</td>
</tr>
</tbody>
</table>
RIRDC. demonstrated by increasing size of industry.

Translation of research Outputs into industry benefits. Rates of adoption of research Outputs as evidenced by RIRDC’s user surveys and adoption estimates derived as part of benefit/cost analysis of RIRDC investments.

**CONTRIBUTION OF OUTPUTS TO OUTCOME**

The key strategies to obtain the Outputs necessary for RIRDC’s Outcome have been specified above. Table 2.3 provides performance information for Outputs and when considered with the information contained in Table 2.2 demonstrates the linkages between RIRDC Outputs and the RIRDC Outcome.

**Performance Information**

<table>
<thead>
<tr>
<th>Output 1 - R&amp;D activities that investigate and develop prospects for new industries in rural and regional Australia.</th>
<th>Quality: Research contracts let by end July and 90% of all milestone reports processed within 3 weeks of receipt. Quantity: 18 new and 46 continuing contracts under management. Price: Average of $40,000 per contract.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output 2 - R&amp;D activities that expedite the growth and development of emerging rural and associated processing industries.</td>
<td>Quality: Research contracts let by end July and 90% of all milestone reports processed within 3 weeks of receipt. Quantity: 25 new and 67 continuing contracts under management. Price: Average of $55,000 per contract.</td>
</tr>
<tr>
<td>Output 3 - R&amp;D activities that maximise the contribution of R&amp;D to the profitability and sustainability of the established rural industries that RIRDC represents.</td>
<td>Quality: Research contracts let by end July and 90% of all milestone reports processed within 3 weeks of receipt. Quantity: 51 new and 138 continuing contracts under management. Price: Average of $50,000 per contract.</td>
</tr>
<tr>
<td>Output 4 - R&amp;D activities that identify key generic cross-sectoral issues confronting the rural sector and the formulation of appropriate programs that will benefit the rural sector and Australia.</td>
<td>Quality: Research contracts let by end July and 90% of all milestone reports processed within 3 weeks of receipt. Quantity: 23 new and 39 continuing contracts under management. Price: Average of $65,000 per contract.</td>
</tr>
</tbody>
</table>
EVALUATIONS
RIRDC evaluations planned for 2002-03 include a program benefit/cost analysis for the Rice component of Program 3 – Established Rural Industries. This evaluation aligns with RIRDC’s Output 2 and the performance information disclosed in Table 2.3.
## Section 3: Budgeted Financial Statements

### Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual $'000</th>
<th>Budget estimate $'000</th>
<th>Forward estimate $'000</th>
<th>Forward estimate $'000</th>
<th>Forward estimate $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>15,139</td>
<td>15,206</td>
<td>15,450</td>
<td>15,697</td>
<td>15,948</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>177</td>
<td>178</td>
<td>181</td>
<td>184</td>
<td>187</td>
</tr>
<tr>
<td>Interest</td>
<td>774</td>
<td>666</td>
<td>677</td>
<td>688</td>
<td>699</td>
</tr>
<tr>
<td>Other</td>
<td>8,183</td>
<td>8,965</td>
<td>9,107</td>
<td>9,253</td>
<td>9,401</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>24,273</td>
<td>25,015</td>
<td>25,415</td>
<td>25,822</td>
<td>26,235</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,497</td>
<td>1,452</td>
<td>1,475</td>
<td>1,499</td>
<td>1,523</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2,151</td>
<td>2,183</td>
<td>2,218</td>
<td>2,253</td>
<td>2,289</td>
</tr>
<tr>
<td>Grants</td>
<td>21,273</td>
<td>22,242</td>
<td>22,583</td>
<td>22,644</td>
<td>22,607</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Value of assets sold</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>25,025</td>
<td>26,159</td>
<td>26,376</td>
<td>26,496</td>
<td>26,519</td>
</tr>
<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>-752</td>
<td>-1,144</td>
<td>-961</td>
<td>-674</td>
<td>-284</td>
</tr>
<tr>
<td><strong>Gain or loss on extraordinary items</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>-752</td>
<td>-1,144</td>
<td>-961</td>
<td>-674</td>
<td>-284</td>
</tr>
<tr>
<td><strong>Capital use charge</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>-752</td>
<td>-1,144</td>
<td>-961</td>
<td>-674</td>
<td>-284</td>
</tr>
</tbody>
</table>
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>5,438</td>
<td>5,239</td>
<td>3,533</td>
<td>2,839</td>
<td>2,536</td>
</tr>
<tr>
<td>Receivables</td>
<td>3,541</td>
<td>1,847</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>8,979</td>
<td>7,086</td>
<td>5,033</td>
<td>4,339</td>
<td>4,036</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>242</td>
<td>225</td>
<td>245</td>
<td>265</td>
<td>285</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>242</td>
<td>225</td>
<td>245</td>
<td>265</td>
<td>285</td>
</tr>
<tr>
<td>Total assets</td>
<td>9,221</td>
<td>7,311</td>
<td>5,278</td>
<td>4,604</td>
<td>4,321</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>282</td>
<td>331</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Suppliers</td>
<td>504</td>
<td>504</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Grants</td>
<td>2,703</td>
<td>1,888</td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>3,489</td>
<td>2,723</td>
<td>1,650</td>
<td>1,650</td>
<td>1,650</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>3,489</td>
<td>2,723</td>
<td>1,650</td>
<td>1,650</td>
<td>1,650</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>5,577</td>
<td>4,433</td>
<td>3,473</td>
<td>2,799</td>
<td>2,516</td>
</tr>
<tr>
<td>Total equity</td>
<td>5,732</td>
<td>4,588</td>
<td>3,628</td>
<td>2,954</td>
<td>2,671</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>9,221</td>
<td>7,311</td>
<td>5,278</td>
<td>4,604</td>
<td>4,321</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,433</td>
<td>2,656</td>
<td>1,590</td>
<td>1,590</td>
<td>1,590</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>56</td>
<td>66</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Current assets</td>
<td>8,979</td>
<td>7,086</td>
<td>5,033</td>
<td>4,339</td>
<td>4,036</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>242</td>
<td>225</td>
<td>245</td>
<td>265</td>
<td>285</td>
</tr>
</tbody>
</table>
### Part D: Rural Industries Research and Development Corporation

#### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>15,139</td>
<td>15,206</td>
<td>15,450</td>
<td>15,697</td>
<td>15,948</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>177</td>
<td>178</td>
<td>181</td>
<td>184</td>
<td>187</td>
</tr>
<tr>
<td>Interest</td>
<td>774</td>
<td>666</td>
<td>677</td>
<td>688</td>
<td>699</td>
</tr>
<tr>
<td>Other</td>
<td>8,660</td>
<td>10,660</td>
<td>9,455</td>
<td>9,253</td>
<td>9,402</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>24,750</td>
<td>26,710</td>
<td>25,763</td>
<td>25,822</td>
<td>26,236</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>1,450</td>
<td>1,403</td>
<td>1,506</td>
<td>1,499</td>
<td>1,523</td>
</tr>
<tr>
<td>Suppliers</td>
<td>2,157</td>
<td>2,183</td>
<td>2,572</td>
<td>2,253</td>
<td>2,289</td>
</tr>
<tr>
<td>Grants</td>
<td>20,764</td>
<td>23,240</td>
<td>23,271</td>
<td>22,644</td>
<td>22,607</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>24,371</td>
<td>26,826</td>
<td>27,349</td>
<td>26,396</td>
<td>26,419</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>379</td>
<td>-116</td>
<td>-1,586</td>
<td>-574</td>
<td>-183</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>61</td>
<td>67</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>61</td>
<td>67</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>156</td>
<td>150</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>156</td>
<td>150</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td>-95</td>
<td>-83</td>
<td>-120</td>
<td>-120</td>
<td>-120</td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase / decrease in cash held</td>
<td>284</td>
<td>-199</td>
<td>-1,706</td>
<td>-694</td>
<td>-303</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>5,154</td>
<td>5,438</td>
<td>5,239</td>
<td>3,533</td>
<td>2,839</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>5,438</td>
<td>5,239</td>
<td>3,533</td>
<td>2,839</td>
<td>2,536</td>
</tr>
</tbody>
</table>
### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th>Actual Estimate</th>
<th>Budget Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02 $'000</td>
<td>2002-03 $'000</td>
<td>2003-04 $'000</td>
<td>2004-05 $'000</td>
<td>2005-06 $'000</td>
</tr>
</tbody>
</table>

**PURCHASE OF NON CURRENT ASSETS**

- Funded by capital appropriation: -
- Funded internally by Departmental resources: 156 150 120 120 120

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

**Budget year 2002-03**

<table>
<thead>
<tr>
<th>Land and Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Infrastructure</th>
<th>Intangibles</th>
<th>Total Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>242</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>67</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>225</td>
</tr>
</tbody>
</table>

**Total additions**

- Self funded: -
- Appropriations: -

<table>
<thead>
<tr>
<th>Total</th>
<th>$'000</th>
<th>$'000</th>
<th>$'000</th>
<th>$'000</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>150</td>
<td>-</td>
<td>150</td>
</tr>
</tbody>
</table>
Part D: Sugar Research and Development Corporation

**SUGAR RESEARCH AND DEVELOPMENT CORPORATION**

Section 1: Overview and revenue summary

**OVERVIEW**

The Sugar Research and Development Corporation (SRDC) was established under the *Primary Industries and Energy Research and Development Act 1989* on 1 October 1990. As a Commonwealth Statutory Authority it is also subject to the *Commonwealth Authorities and Companies Act 1997*.

The mission of SRDC is to foster an internationally competitive and sustainable Australian sugar industry through directed funding to meet the research and development needs of the sugar industry.

SRDC is a body within which a strategic view of the needs and opportunities for R&D in the sugar industry can be focussed, and through which appropriate research can be encouraged and funded. It does not take a direct role in research. SRDC acts in partnership with industry, government, agribusiness, other R&D corporations and the broader community to conduct R&D projects in accordance with sugar industry and government priorities.

**TOTAL REVENUE**

Funding of SRDC is by a levy on production of sugarcane, shared equally between growers and millers. In 2001-02 the levy was $0.12 per tonne of cane. SRDC’s Representative Bodies have requested a levy increase to $0.14 for 2002-03. Expenditure of levy income is matched dollar for dollar by the Commonwealth Government up to 0.5% of the gross value of production of cane.

2001-02 was the final year of a special Commonwealth funded program announced in 1998 and managed by SRDC as CP2002, to enhance the productivity and profitability of the Australian sugar industry, especially addressing low sugar content, pest control and related factors in northern Queensland. A small amount of funds has been carried over to 2002-03 to enable delayed projects to be completed.

Table 1.1 shows the total revenue applicable to SRDC for 2002-03.
Part D: Sugar Research and Development Corporation

Table 1.1: Total Revenue ($'000)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from Industry levies</th>
<th>Matching Commonwealth Contribution</th>
<th>Special Commonwealth allocation (CP2002)</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhanced international competitiveness, profitability and sustainability of the Australian sugar industry.</td>
<td>5,391</td>
<td>4,315</td>
<td>119</td>
<td>160</td>
<td>9,985</td>
</tr>
</tbody>
</table>

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

SRDC will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

**OUTCOME AND OUTPUTS**

The map below shows the relationship between the Outcome and the contributing Outputs for SRDC. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

Map 2.1 Outcomes and Outputs

![Map showing the relationship between Outcome and Outputs](image-url)

**Sugar Research and Development Corporation**

Chair: Mr Clive Hildebrand
Executive Director: Dr Russell Muchow

**Outcome**

Enhanced international competitiveness, profitability and sustainability of the Australian sugar industry

Total Revenue: $9.985m
Total Cost of Outputs: $9.276m*

**Output 1:**
Knowledge, technologies and implementation processes to optimise the use of whole-of-industry resources by exploiting linkages and interdependencies across the industry value network to maximise economic, environmental and social benefits.

Total Cost: $0.593m

**Output 2:**
Knowledge, technologies and implementation processes for best utilisation of biophysical resources and management inputs for profitable sugarcane production in harmony with the environment and community.

Total Cost: $5.539m

**Output 3:**
Knowledge and technologies to improve the design and implementation of harvesting, transport and milling processes for greater cost efficiency, expanded product range and enhanced product quality, consistent with environmental and social responsibility.

Total Cost: $2.366m

**Output 4:**
Enhanced human skills and physical R&D capacity to maximise economic, environmental and social benefits from sugar industry R&D.

Total Cost: $0.778m

* Total cost is shown rather than total price because the agency is primarily funded through industry levies rather than funded on the basis of the price of their Outputs.
CHANGES TO OUTCOMES AND OUTPUTS
The SRDC Outcome is unchanged from that in 2001-02.

The Outputs have changed since 2001-02 however, because SRDC is moving towards a systems-based R&D structure based on three value systems or programs: (A) Competitive Whole-of-Industry Systems; (B) Sustainable Farming Systems; and (C) Sustainable Processing and Distribution Systems. In addition the structure will incorporate a fourth program: (D) Industry Development which will explicitly address the development of the human resource base for the sugar industry as well as enhancing industry physical R&D capacity.

The Outputs in 2002-03 reflect these four programs which incorporate the strategies of the multiple programs in the SRDC’s current five year R&D Plan (1999-2004). SRDC expects to complete a revision of its R&D Plan by May 2003 so that the new Plan can commence from 2003-04.

OUTCOME - DESCRIPTION
Enhanced international competitiveness, profitability and sustainability of the Australian sugar industry.

This Outcome is consistent with the AFFA portfolio Outcome of more sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.
OUTCOME - RESOURCING

Table 2.1: Total resources for SRDC’s Outcome ($’000)

<table>
<thead>
<tr>
<th>Output</th>
<th>Estimated 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agency resources</strong></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Output 1</td>
<td>1,355</td>
<td>593</td>
</tr>
<tr>
<td>Knowledge, technologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>processes to optimise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>use of whole-of-industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>resources by exploiting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>linkages and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>interdependencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>across the industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>value network to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>maximise economic,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>environmental and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>social benefits.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 2</td>
<td>7,701</td>
<td>5,539</td>
</tr>
<tr>
<td>Knowledge, technologies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>processes for best</td>
<td></td>
<td></td>
</tr>
<tr>
<td>utilisation of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>biophysical resources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and management inputs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>for profitable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>sugarcane production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>in harmony with the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>environment and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>community.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 3</td>
<td>2,140</td>
<td>2,366</td>
</tr>
<tr>
<td>Knowledge and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>technologies to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>improve the design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of harvesting,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>transport and milling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>processes for greater</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cost efficiency,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expanded product range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and enhanced product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality, consistent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with environmental and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>social responsibility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output 4</td>
<td>1,463</td>
<td>778</td>
</tr>
<tr>
<td>Enhanced human skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and physical R&amp;D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>capacity to maximise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>economic, environmental</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and social benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>from sugar industry R&amp;D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Resources for Outcome  

<table>
<thead>
<tr>
<th></th>
<th>Estimated 2001-02</th>
<th>Budget estimate 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12,659</td>
<td>9,276</td>
</tr>
</tbody>
</table>

Average Staffing Level (Number)  

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Total PIERD funding in 2001-02 was $9.3 million compared with the 2002-03 budget of $9.2 million. The reduction in total resources from $12.6 million in 2001-02 to $9.2 million in 2002-03 is almost totally accounted for by the completion of the CP2002 program ($3.340 million in 2001-02) by 30 June 2002. This also accounted for most of the reduction in resourcing for Output 2 in 2002-03.
**Outcome - Contribution of Outputs**

SRDC’s Outputs reflect the priorities of industry and government. The Outputs of knowledge and technologies to enhance the sustainable exploitation of whole-of-industry resources, to optimise crop production, transport and manufacturing systems, and the development of the human resource base all contribute to the Outcome of a more profitable and sustainable sugar industry. In addition, economic, environmental and social responsibility and benefits are incorporated and reflect the move towards accountability against each of these criteria.

**Table 2.2: Performance Information for Outcome**

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Economic returns from SRDC investments in excess of a benefit: cost ratio of 5:1, as well as non-monetary and public good benefits for the community from strategic and environmental research.</td>
<td>1(a) Benefit: Cost analyses of completed R&amp;D and its resultant benefits 1(b) Assessment of progress towards achieving program outputs and Outcomes as measures of progress in producing the four major Outputs.</td>
</tr>
<tr>
<td>2. Alignment of SRDC’s priorities and plans with those of industry and the Commonwealth Government.</td>
<td>2. SRDC’s Outputs aligned with industry and government priorities: outputs derived from quality R&amp;D projects and are consistent with expected industry and community benefits; approval of SRDC actions by the Minister and acceptance by the industry.</td>
</tr>
</tbody>
</table>

**Contribution of Outputs to Outcome**

In order to deliver the Outcome, SRDC:

- identifies and prioritises the R&D needs of the industry and community;
- invests R&D funds consistent with those needs within the strategies of the four systems programs to produce the four Outputs;
- monitors R&D progress;
- promotes the adoption of the R&D Outputs to produce the SRDC Outcome; and
- evaluates the resultant industry and community benefits.
**Performance Information for Outputs**

| Output 1 – Knowledge, technologies and implementation processes to optimise the use of whole-of-industry resources by exploiting linkages and interdependencies across the industry value network to maximise economic, environmental and social benefits | Quality: Accountability to SRDC of its research providers measured by unapproved carryovers at end of financial year (milestones not submitted or accepted) equivalent to less than 5% of budget. Accountability is achieved through monitoring project milestones, financial reporting requirements and reviews to ensure delivery of output.  
Quantity: 3 new and 4 continuing contracts (projects).  
Price: Average of $60,280 per project. |
|---|---|
| Output 2 – Knowledge, technologies and implementation processes for best utilisation of biophysical resources and management inputs for profitable sugarcane production in harmony with the environment and community | Quality: Accountability to SRDC of its research providers measured by unapproved carryovers at end of financial year (milestones not submitted or accepted) equivalent to less than 5% of budget. Accountability is achieved through monitoring project milestones, financial reporting requirements and reviews to ensure delivery of output.  
Quantity: 9 new and 45 continuing contracts (projects).  
Price: Average of $75,277 per project. |
| Output 3 – Knowledge and technologies to improve the design and implementation of harvesting, transport and milling processes for greater cost efficiency, expanded product range and enhanced product quality, consistent with environmental and social responsibility | Quality: Accountability to SRDC of its research providers measured by unapproved carryovers at end of financial year (milestones not submitted or accepted) equivalent to less than 5% of budget. Accountability is achieved through monitoring project milestones, financial reporting requirements and reviews to ensure delivery of output.  
Quantity: 2 new and 21 continuing contracts (projects).  
Price: Average of $66,312 per project. |
Output 4 – Enhanced human skills and physical R&D capacity to maximise economic, environmental and social benefits from sugar industry R&D

Quality: Accountability to SRDC of its research providers measured by unapproved carryovers at end of financial year (milestones not submitted or accepted) equivalent to less than 5% of budget. Accountability is achieved through monitoring project milestones, financial reporting requirements and reviews to ensure delivery of output.

Quantity: 3 new and 3 continuing contracts (projects) and 4 new and 13 continuing scholarships.

Price: Average of $50,381 per project and an average of $16,365 per scholarship.

EVALUATIONS
Evaluations planned for SRDC include reviews in the areas of biotechnology, yield decline, water management, billet planting and management of greyback cane grub. In addition, benefit: cost analyses will be commissioned on a sample of SRDC funded projects in order to evaluate the effectiveness of the overall R&D portfolio.
Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate 2001-02</th>
<th>Budget estimate 2002-03</th>
<th>Budget estimate 2003-04</th>
<th>Budget estimate 2004-05</th>
<th>Budget estimate 2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>12,151</td>
<td>9,825</td>
<td>10,114</td>
<td>10,582</td>
<td>10,813</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>60</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>12,361</td>
<td>9,985</td>
<td>10,274</td>
<td>10,742</td>
<td>10,973</td>
<td></td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>513</td>
<td>366</td>
<td>376</td>
<td>388</td>
<td>399</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>982</td>
<td>1,077</td>
<td>1,124</td>
<td>1,175</td>
<td>1,150</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>11,682</td>
<td>7,795</td>
<td>7,577</td>
<td>9,382</td>
<td>8,593</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>48</td>
<td>38</td>
<td>39</td>
<td>66</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing costs expense)</strong></td>
<td>13,225</td>
<td>9,276</td>
<td>9,116</td>
<td>11,011</td>
<td>10,194</td>
<td></td>
</tr>
<tr>
<td>Borrowing costs expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit from ordinary activities</strong></td>
<td>-864</td>
<td>709</td>
<td>1,158</td>
<td>-269</td>
<td>779</td>
<td></td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit</strong></td>
<td>-864</td>
<td>709</td>
<td>1,158</td>
<td>-269</td>
<td>779</td>
<td></td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net surplus or deficit after capital use charge</strong></td>
<td>-864</td>
<td>709</td>
<td>1,158</td>
<td>-269</td>
<td>779</td>
<td></td>
</tr>
</tbody>
</table>
### Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>901</td>
<td>1,689</td>
<td>2,845</td>
<td>2,591</td>
<td>3,421</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>300</td>
<td>129</td>
<td>134</td>
<td>135</td>
<td>125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>1,130</td>
<td>1,200</td>
<td>1,204</td>
<td>1,210</td>
<td>1,220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>2,331</td>
<td>3,018</td>
<td>4,183</td>
<td>3,936</td>
<td>4,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>156</td>
<td>133</td>
<td>124</td>
<td>133</td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>156</td>
<td>133</td>
<td>124</td>
<td>133</td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>2,487</td>
<td>3,151</td>
<td>4,307</td>
<td>4,069</td>
<td>4,847</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>80</td>
<td>75</td>
<td>75</td>
<td>85</td>
<td>83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>85</td>
<td>80</td>
<td>80</td>
<td>118</td>
<td>108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,341</td>
<td>1,307</td>
<td>1,307</td>
<td>1,290</td>
<td>1,302</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>1,506</td>
<td>1,462</td>
<td>1,462</td>
<td>1,493</td>
<td>1,493</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,506</td>
<td>1,462</td>
<td>1,462</td>
<td>1,493</td>
<td>1,493</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>969</td>
<td>1,677</td>
<td>2,833</td>
<td>2,564</td>
<td>3,342</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>981</td>
<td>1,689</td>
<td>2,845</td>
<td>2,576</td>
<td>3,354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>2,487</td>
<td>3,151</td>
<td>4,307</td>
<td>4,069</td>
<td>4,847</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>1,473</td>
<td>1,429</td>
<td>1,429</td>
<td>1,460</td>
<td>1,460</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>2,331</td>
<td>3,018</td>
<td>4,183</td>
<td>3,936</td>
<td>4,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>156</td>
<td>133</td>
<td>124</td>
<td>133</td>
<td>81</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>2002-03</td>
<td>12,039</td>
<td>9,826</td>
<td>10,114</td>
<td>10,582</td>
</tr>
<tr>
<td>2003-04</td>
<td>199</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>2004-05</td>
<td>354</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Total cash received</td>
<td>12,592</td>
<td>9,986</td>
<td>10,274</td>
<td>10,742</td>
</tr>
<tr>
<td>Cash used</td>
<td>463</td>
<td>366</td>
<td>376</td>
<td>388</td>
</tr>
<tr>
<td>Employees</td>
<td>1,336</td>
<td>1,321</td>
<td>1,093</td>
<td>1,100</td>
</tr>
<tr>
<td>Suppliers</td>
<td>12,698</td>
<td>7,496</td>
<td>7,618</td>
<td>9,433</td>
</tr>
<tr>
<td>Total cash used</td>
<td>14,497</td>
<td>9,183</td>
<td>9,087</td>
<td>10,921</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>-1,905</td>
<td>803</td>
<td>1,187</td>
<td>-179</td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES

| Cash received | Proceeds from sales of property, plant and equipment | 21 | - | - | - |
| Total cash received | 21 | - | - | - | - |
| Cash used | Purchase of property, plant and equipment | 18 | 15 | 31 | 75 | - |
| Total cash used | 18 | 15 | 31 | 75 | - |
| Net cash from investing activities | 3 | -15 | -31 | -75 | - |

### Net increase / decrease in cash held

| Cash at the beginning of the reporting period | 2,803 | 901 | 1,689 | 2,845 | 2,591 |
| Cash at the end of the reporting period | 901 | 1,689 | 2,845 | 2,591 | 3,421 |
### Table 3.4: Departmental Capital Budget Statement for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated Actual</th>
<th>Budget Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
<th>Forward Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $'000</td>
<td>2002-03 $'000</td>
<td>2003-04 $'000</td>
<td>2004-05 $'000</td>
<td>2005-06 $'000</td>
</tr>
<tr>
<td>PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>18</td>
<td>15</td>
<td>31</td>
<td>75</td>
<td>-</td>
</tr>
</tbody>
</table>

### Table 3.5: Departmental Non-financial Assets - Summary of Movement

#### Budget year 2002-03

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Total Land and Buildings</th>
<th>Other Intangibles</th>
<th>Total Intangible Assets</th>
<th>Plant and Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>156</td>
<td>-</td>
<td>156</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38</td>
<td>-</td>
<td>38</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>133</td>
<td>-</td>
<td>133</td>
</tr>
</tbody>
</table>

#### Total additions

<table>
<thead>
<tr>
<th></th>
<th>Self funded</th>
<th>Appropriations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Summary

- Total additions: $'000
- Total: $'000
**WHEAT EXPORT AUTHORITY**

Section 1: Overview and revenue summary

**OVERVIEW**

The Wheat Export Authority (WEA) was established by the *Wheat Marketing Act 1989* (the Act).

The Act provides for the Australian Wheat Board (statutory) (AWB), to continue as a legal entity but with a new name (the WEA) and with limited functions. All of the commercial wheat marketing and associated functions of the former AWB were transferred to AWB Ltd, which became a grower owned and controlled company on 1 July 1999.

The WEA commenced operations in July 1999. The WEA operates independently of AWB Ltd and its subsidiaries in accordance with the provisions of the Act. The statutory functions of the WEA are:

- to control the export of wheat from Australia;
- to monitor AWB (International) Ltd’s performance in relation to the export of wheat and examine and report on the benefits to growers that result from that performance; and
- to conduct a review and report to the Minister for Agriculture, Fisheries and Forestry on AWB (International) Ltd’s (AWBI) use of its wheat export rights under the legislation before the end of 2004.

Within this charter, the WEA considers applications for export consent and monitors the performance of AWBI.

**TOTAL REVENUE**

The WEA has been funded through $6 million, which was retained from reserves of the Australian Wheat Board on its privatisation on 1 July 1999. This amount was determined by the then Minister for Agriculture, Fisheries and Forestry under subsection 18A(3) of the *Wheat Marketing Amendment Act 1997* (the Act). Under the Act, the AWB continues in existence as the WEA but with a significantly different legislative charter.
As the WEA is a statutory authority, it is accountable to Parliament. For accountability purposes the establishment funding must be reported through the Portfolio Budget Statement process. The funding shows up as revenue from other sources. The WEA will require additional funding from October 2003.

Table 2.1 shows the total expenditure for the WEA for 2002-03 by the WEA’s Outcome and the cost of Outputs.

Table 1.1 shows the total revenue applicable to the WEA for 2002-03.

**Table 1.1: Total Revenue ($’000)**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Monies from industry levies</th>
<th>Matching Commonwealth contribution</th>
<th>Monies from other sources</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitating the operations of the existing wheat exporting arrangements, and informing Government of Outcomes.</td>
<td>-</td>
<td>-</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

* The WEA does not receive a direct departmental or administered appropriation from the Government.

**DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The WEA will not receive an equity injection or departmental loan during 2002-03.
Section 2: Outcome and Outputs Information

OUTCOME AND OUTPUTS
The map below shows the relationship between the Outcome and the contributing Outputs for the WEA. Financial details for the Outcome by Outputs appears in Table 2.1 (Total Resources for Outcome) while non-financial information for the Outcome appears in Table 2.2 (Performance Information for Outcome).

Map 2.1 Outcome and Outputs

* Total cost is equal to the WEA’s expenditure on its Outcome and Outputs.

It should be noted that the WEA will use its reserves to fund the difference between total revenue and the total cost of Outputs.
CHANGES TO OUTCOMES AND OUTPUTS
There have been no changes to the WEA’s Outcome and Output structure between 2001-02 and 2002-03.

OUTCOME — DESCRIPTION
Facilitating the operations of the existing wheat exporting arrangements, and informing Government of Outcomes.

OUTCOME — RESOURCING

Table 2.1: Total resources for WEA’s Outcome ($’000)

<table>
<thead>
<tr>
<th>Agency resources</th>
<th>Estimated 2001-02</th>
<th>Budget 2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration of consents to export wheat</td>
<td>1,328</td>
<td>823</td>
</tr>
<tr>
<td>Monitoring of AWB (International) Ltd’s (AWBI) performance</td>
<td>824</td>
<td>585</td>
</tr>
<tr>
<td>Conduct a review and report to the Minister by the end of 2004</td>
<td>95</td>
<td>89</td>
</tr>
<tr>
<td>Total Resourcing for Outcome 1</td>
<td>2,247</td>
<td>1,497</td>
</tr>
</tbody>
</table>

Average staffing level (number)

<table>
<thead>
<tr>
<th>2001-02</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>
**OUTCOME — CONTRIBUTION OF OUTPUTS**

The Wheat Export Authority’s Outputs are prescribed in the *Wheat Marketing Act 1989* and reflect the Government’s decision to maintain the regulation of the export of wheat; to monitor the performance of AWBI; and to review the export arrangements.

Table 2.2 lists the performance information that the Wheat Export Authority will use to assess the level of its contribution to the achievement of the Outcome during 2002-03. It will also measure the efficiency of Outputs in contributing to the Outcome, including targets for performance as applicable and appropriate. Achievement of planned performance will be reported in the Wheat Export Authority’s 2002-03 Annual Report.

**Table 2.2: Performance Information for Outcome**

<table>
<thead>
<tr>
<th>Effectiveness – Overall achievement of the Outcome</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No wheat exported by companies other than AWBI without consent.</td>
<td>Zero notifications by customs of wheat exported without a consent by companies other than AWBI.</td>
</tr>
</tbody>
</table>

**CONTRIBUTION OF OUTPUTS TO OUTCOME**

- *To efficiently and effectively process applications seeking consent to export wheat.*
  By:
  - streamlining and improving systems to reduce processing times; and
  - increasing clients’ awareness of the process of assessing applications in accordance with legislation.

- *To create an environment of exporter compliance through best practice regulation.*
  By:
  - improving industry awareness about compliance;
  - improving systems to monitor compliance; and
  - continuing to act on occurrences of non-compliance.

- *To accurately monitor and report on the performance of AWBI and the benefits to growers.*
  By:
  - maintaining a cooperative relationship with AWBI;
  - developing and implementing a framework incorporating performance indicators and measures to enable performance assessment;
  - managing consultants effectively;
  - coordinating and collecting information to produce meaningful and accurate reports; and
  - tracking AWBI’s performance over time.
To review and report to government on AWBI’s use of its wheat export rights by the end of 2004.

By:
- developing and implementing a framework to analyse performance data;
- coordinating and collecting information to produce meaningful and accurate reports; and
- tracking export arrangements over time.

<table>
<thead>
<tr>
<th>Performance Information for Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1 – Administration of consents to export wheat.</strong></td>
</tr>
<tr>
<td><strong>Quality:</strong></td>
</tr>
<tr>
<td>- All applicants notified of Outcomes in writing within 24 hours of a final decision.</td>
</tr>
<tr>
<td>- All applications are accessed against guideline.</td>
</tr>
<tr>
<td>- Formal complaints about process responded to within 5 working days.</td>
</tr>
<tr>
<td>- 100% of cases of non-compliance assessed by the WEA.</td>
</tr>
<tr>
<td>- Finalise and implement process and indicators for this Output including ongoing review of the revised arrangements.</td>
</tr>
<tr>
<td><strong>Quantity:</strong></td>
</tr>
<tr>
<td>- 500 Applications</td>
</tr>
<tr>
<td>- Ensure that monthly and/or quarterly updates are posted on the WEA Website.</td>
</tr>
<tr>
<td>- Ensure that quarterly presentations are delivered to and/or meetings attended with stakeholders and when appropriate produce and distribute material.</td>
</tr>
<tr>
<td><strong>Price:</strong> $0.823m</td>
</tr>
<tr>
<td><strong>Output 2 – Monitoring of AWB (International) Ltd’s (AWBI) performance.</strong></td>
</tr>
<tr>
<td><strong>Quality:</strong></td>
</tr>
<tr>
<td>- Further development and refinement of the monitoring process of</td>
</tr>
<tr>
<td>Output 3 – Conduct a review and report to the Minister by the end of 2004.</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
towards the 2004 report.

- Ensure that quarterly presentations are delivered to and/or meetings attended with stakeholders and when appropriate produce and distribute material.

Price: $0.089m

**EVALUATIONS**

The WEA maintains records to assess its performance in the administration of consents to export wheat. In addition, it will receive and evaluate information on AWBI’s operational performance, and will develop further monitoring processes and Output indicators to facilitate the achievement of WEA’s Outcome, including its function to conduct a review and report to the Minister, by the end of 2004.
Section 3: Budgeted Financial Statements

Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Revenues from ordinary activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>180</td>
<td>80</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenues from ordinary activities</td>
<td>180</td>
<td>80</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses from ordinary activities (excluding borrowing costs expense)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>737</td>
<td>767</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1,680</td>
<td>801</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>10</td>
<td>9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total expenses from ordinary activities (excluding borrowing costs expense)</td>
<td>2,427</td>
<td>1,577</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowing cost expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit from ordinary activities</td>
<td>-2,247</td>
<td>-1,497</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain or loss on extraordinary items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net surplus or deficit</td>
<td>-2,247</td>
<td>-1,497</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital use charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net surplus or deficit after capital use charge</td>
<td>-2,247</td>
<td>-1,497</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 3.2: Budgeted Departmental Statement of Financial Position as at 30 June

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>390</td>
<td>383</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>31</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>1,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>40</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,961</td>
<td>424</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>8</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>8</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,969</td>
<td>425</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions and payables</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>164</td>
<td>186</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Suppliers</td>
<td>300</td>
<td>231</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total provisions and payables</td>
<td>464</td>
<td>417</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>464</td>
<td>417</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>6,000</td>
<td>6,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated surpluses or deficits</td>
<td>-4,495</td>
<td>-5,992</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total equity</td>
<td>1,505</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>1,969</td>
<td>425</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>464</td>
<td>417</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>1,961</td>
<td>424</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>8</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual</th>
<th>Budget estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
<th>Forward estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>181</td>
<td>108</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>38</td>
<td>31</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash received</td>
<td>219</td>
<td>139</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>714</td>
<td>745</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Suppliers</td>
<td>1,703</td>
<td>900</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash used</td>
<td>2,417</td>
<td>1,645</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>-2,198</td>
<td>-1,506</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash used</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuing equity instruments</td>
<td>2,000</td>
<td>1,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total cash received</td>
<td>2,000</td>
<td>1,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from financing activities</td>
<td>2,000</td>
<td>1,500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net increase (decrease) in cash held</td>
<td>-198</td>
<td>-7</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>588</td>
<td>390</td>
<td>383</td>
<td>383</td>
<td>383</td>
</tr>
<tr>
<td>Cash at the end of the reporting period</td>
<td>390</td>
<td>383</td>
<td>383</td>
<td>383</td>
<td>383</td>
</tr>
</tbody>
</table>
Table 3.4: Departmental Capital Budget Statement *for the period ended 30 June*

<table>
<thead>
<tr>
<th></th>
<th>Estimated actual $'000</th>
<th>Budget estimate $'000</th>
<th>2001-02</th>
<th>2002-03</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
<th>Forward estimate $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>PURCHASE OF NON CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by capital appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded internally by Departmental resources</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3.5: Departmental Non-financial Assets - Summary of Movement *Budget year 2002-03*

<table>
<thead>
<tr>
<th></th>
<th>Land $'000</th>
<th>Buildings $'000</th>
<th>Total Land and Buildings $'000</th>
<th>Other Infrastructure Plant and Equipment $'000</th>
<th>Intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at the start of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>- 1</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation increments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recoverable amount write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation/amortisation expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Write-off of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Total additions

<table>
<thead>
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**Glossary**

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<td><strong>Accrual Accounting</strong></td>
<td>A system of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.</td>
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<tr>
<td><strong>Accumulated Depreciation</strong></td>
<td>The aggregate depreciation recorded for a particular depreciable asset.</td>
</tr>
<tr>
<td><strong>Administered Items</strong></td>
<td>Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.</td>
</tr>
<tr>
<td><strong>Additional estimates</strong></td>
<td>Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts. This is the Additional Estimates process.</td>
</tr>
<tr>
<td><strong>Additional Estimates Bills or Acts</strong></td>
<td>These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No 2). These Bills are introduced into Parliament after the Budget Bills.</td>
</tr>
<tr>
<td><strong>Appropriation</strong></td>
<td>An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund.</td>
</tr>
<tr>
<td><strong>Annual Appropriation</strong></td>
<td>Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>Expenditure by an agency on capital projects, for example purchasing a building.</td>
</tr>
<tr>
<td><strong>Capital Use Charge</strong></td>
<td>The Capital Use Charge is a dividend requirement levied on Commonwealth General Government Sector agencies and authorities. The Capital Use Charge payment is based on those agencies and authorities Departmental net assets at financial year end.</td>
</tr>
<tr>
<td></td>
<td>Funding for the Capital Use Charge is included in agencies and authorities Departmental price of outputs appropriation.</td>
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<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Departmental items</td>
<td>Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.</td>
</tr>
<tr>
<td>Departmental Outcome</td>
<td>Results, impacts or consequences of actions by the Commonwealth on the Australian community. Planned Departmental Outcomes are the results or impacts that the agency wishes to achieve. Actual outcomes are the result or impacts actually achieved.</td>
</tr>
<tr>
<td>Depreciation</td>
<td>An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.</td>
</tr>
<tr>
<td>Effectiveness indicators</td>
<td>Measures the joint or independent contribution of outputs and administered items to the achievements of their outcome.</td>
</tr>
<tr>
<td>Efficiency indicators</td>
<td>Measures the adequacy of an agency’s management of its outputs (and where applicable, administered items). Includes Price, Quality and Quantity indicators. Indicators should be considered in relation to other indicators.</td>
</tr>
<tr>
<td>Equity or Net Assets</td>
<td>Residual interest in the assets of an entity after deduction of its liabilities.</td>
</tr>
<tr>
<td>Expense</td>
<td>Total value of all of the resources consumed in producing goods and services.</td>
</tr>
<tr>
<td>Fair value</td>
<td>Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.</td>
</tr>
<tr>
<td>Historical cost</td>
<td>The original cost of acquisition of an asset, including any costs associated with acquisition. Under Australian Accounting Standard 10 ‘Acquisition of Non Current Assets’ assets need to be reported initially at acquisition (historical cost). The Commonwealth’s financial reporting requirements issued under the Finance Minister’s Orders require the subsequent revaluation of non current assets to their deprival value within every three years.</td>
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<tr>
<td>Operating result</td>
<td>Equals revenue less expense.</td>
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<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Outcomes</td>
<td>The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Commonwealth. Actual outcomes are the results or impacts actually achieved.</td>
</tr>
<tr>
<td>Output Groups</td>
<td>A logical aggregation of outputs, where useful, based either on homogeneity, type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.</td>
</tr>
<tr>
<td>Outputs</td>
<td>The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.</td>
</tr>
<tr>
<td>Portfolio Outcome</td>
<td>Results, impacts or consequences of actions by the Commonwealth on the Australian community. The Portfolio Planned Outcome is the result or impact that the agency wishes to achieve. Actual outcomes are the results or impacts actually achieved.</td>
</tr>
<tr>
<td>Price</td>
<td>The amount the government or the community pays for the delivery of agreed outputs.</td>
</tr>
<tr>
<td>Quality</td>
<td>Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user’s expectations and experiences.</td>
</tr>
<tr>
<td>Quantity</td>
<td>Size of an output. Count or volume measures. How many or how much.</td>
</tr>
<tr>
<td>Revenue</td>
<td>Total value of resources earned or received to cover the production of goods and services.</td>
</tr>
<tr>
<td>Special Appropriations</td>
<td>Moneys appropriated by Parliament in an Act separate to an annual Appropriation Act, where the payment is for a specified amount. Special appropriations are not subject to Parliaments annual budget control, unlike the annual appropriations.</td>
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