

**GRAINS**  
**RESEARCH AND DEVELOPMENT CORPORATION**

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# GRAINS

## RESEARCH AND DEVELOPMENT CORPORATION

### Section 1: Entity overview and resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

The Grains Research and Development Corporation (GRDC) is a Commonwealth Corporate Entity established to invest in research and development (R&D) and related activities to benefit the Australian grains industry and the wider Australian community.

GRDC invests in research, development and extension (RD&E) activities across a portfolio spanning temperate and tropical cereals, coarse grains, pulses and oilseeds. This involves coordinating and funding the activities; monitoring, evaluating and reporting on their impact; and facilitating the dissemination, adoption and commercialisation of their results.

GRDC's primary objective is to drive the discovery, development and delivery of world-class innovation to enhance the productivity, profitability and sustainability of Australian grain growers and benefit the industry and the wider community.

GRDC does not undertake R&D itself. Rather, it relies on other organisations that have the necessary capabilities to undertake the specialised work. As an investor in RD&E, GRDC often partners with co-funding organisations, many of which also provide RD&E services.

GRDC also contributes to the development of strategic national approaches to grains industry RD&E, to reduce fragmentation and duplication and to help address industry-wide issues such as biosecurity and climate variability.

While its focus is on delivering benefits to Australian grain growers, GRDC also generates outcomes from investing in RD&E that benefit other participants in the Australian grains industry value chain and the wider Australian community, as well as the research community in Australia and overseas.

Because effective delivery is critical to achieving benefits of R&D, GRDC undertakes activities to raise awareness of grains industry R&D and extend the results of GRDC-supported projects to grain growers and their advisers, other participants in rural industry and the wider community. Recognising different needs and preferences for receiving information, GRDC uses a range of products and channels, from phone apps to field days.

## *GRDC Budget Statements*

GRDC works closely with Australian grain growers and the Australian Government to ensure that their RD&E priorities are effectively addressed through GRDC investments. GRDC also maintains strong connections with its other stakeholders, particularly in the R&D and agribusiness sectors.

Effective partnerships with other Australian organisations enable GRDC to leverage resources and research capability; share market knowledge, technologies and intellectual property; and reduce the risk associated with particular investments. GRDC also builds strong relationships with organisations overseas, both to broaden the resources available to the Australian grains industry and to access international RD&E efforts that offer potential benefits, such as food security, for Australia.

GRDC's Strategic R&D Plan 2012-17 provides a template to ensure that GRDC will invest in RD&E in a sustainable manner, balancing long-term and short-term, high-risk and low-risk, and strategic and adaptive research needs, over the five years from July 2012 to June 2017.

The five-year strategy is informed by consultation with grain growers, representatives of government and research partners, and other relevant stakeholders. It embraces the principles, strategies and implementation plan set out in the Grains Industry National Research, Development and Extension Strategy and integrates them with the identified priorities of Australian grain growers and the Australian Government.

GRDC's Strategic R&D Plan 2012-17 also takes into account the priorities of other cross-sectoral research strategies in areas with relevance to the grains industry - for example, climate change; water use in agriculture; and biofuels and bioenergy.

The outcomes of the Strategic R&D Plan 2012-17 are delivered through six investment themes - meeting market requirements, improving crop yield, protecting your crop, advancing profitable farming systems, improving your farm resource base and building skills and capacity - supported by five corporate strategies: Create value, Coordinate nationally, Deliver regionally, Connect globally and Engage with growers and industry. The Strategic R&D Plan sets out targets, intermediate outcomes and aspirational outcomes for each theme. These provide the framework for GRDC's annual operational plans and the annual investment process through which GRDC refines its RD&E portfolio to respond to changes in the business environment and optimally address the priorities of its stakeholders.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Grains Research and Development Corporation – Resource Statement – Budget Estimates for 2016–17 as at Budget May 2016**

|  | <i>2015–16<br/>estimated<br/>actual<br/>\$'000</i> | <i>2016–17<br/>estimate<br/>\$'000</i> |
|--|--|--|
| <b>Opening balance/cash reserves at 1 July</b>   | <b>233,425</b>                                     | <b>200,440</b>                         |
| <b>Funds from Government</b>   |  |  |
| <b>Special appropriations<sup>1</sup></b>  |  |  |
| <i>Primary Industries Research and Development Act 1989,<br/>s. 30(3) – Grains and Wheat R&amp;D Corporation</i> | <i>175,729</i>                                     | <i>182,861</i>                         |
| <b>Total special appropriations</b>  | <b>175,729</b>                                     | <b>182,861</b>                         |
| <b>Total funds from Government</b>   | <b>175,729</b>                                     | <b>182,861</b>                         |
| <b>Funds from industry sources</b>   |  |  |
| Levies <sup>2</sup>  | 108,174  | 114,519                                |
| <i>less amounts paid to the CRF</i>  | <i>(108,174)</i>                                   | <i>(114,519)</i>                       |
| <b>Total funds from industry sources</b>   | <b>-</b>   | <b>-</b>                               |
| <b>Funds from other sources</b>  |  |  |
| Interest   | 6,044  | 7,791                                  |
| Royalties  | 4,917  | 5,163                                  |
| Grant income   | 420  | -                                      |
| Other  | 4,928  | 3,302                                  |
| <b>Total funds from other sources</b>  | <b>16,309</b>                                      | <b>16,256</b>                          |
| <b>Total net resourcing for GRDC</b>   | <b>425,463</b>                                     | <b>399,557</b>                         |
|  | <b>2015–16</b>                                     | <b>2016–17</b>                         |
| <b>Average staffing level (number)</b>   | <b>79.0</b>  | <b>79.0</b>                            |

- GRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to GRDC and are considered departmental for all purposes.
- The levies collected under the *Primary Industries Levies and Charges Collection Act 1991* are remitted to the Department of Agriculture and Water Resources and transferred to the Consolidated Revenue Fund. An equivalent amount is paid by Department of Agriculture to the GRDC as a special appropriation under the *Primary Industries Research and Development Act 1989* (PIRD Act).

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

### 1.3 BUDGET MEASURES

GRDC does not have any 2016–17 Budget measures.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes. The following provides detailed information on expenses for each outcome and programme, further broken down by funding source.

**Note:**

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

### 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.**

**Table 2.1.1: Budgeted expenses for Outcome 1**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by programme, as well as by Administered and Departmental funding sources.

| <b>Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.</b> |  |                             |  |  |  |
|--|--|-----------------------------|--|--|--|
|  | 2015–16<br>Estimated<br>actual<br>\$'000 | 2016–17<br>Budget<br>\$'000 | 2017–18<br>Forward<br>estimate<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 |
| <b>Programme 1.1: Grains Research and Development Corporation</b>  |  |                             |  |  |  |
| Revenue from Government  |  |                             |  |  |  |
| Special appropriations   |  |                             |  |  |  |
| <i>Primary Industries Research and Development Act 1989, s. 30(3) –</i>  |  |                             |  |  |  |
| Grains and Wheat R&D Corporation   | 68,189                                   | 68,158                      | 69,058                                   | 71,141                                   | 71,302                                   |
| Revenues from industry sources   | 108,121                                  | 114,519                     | 111,887                                  | 111,823                                  | 111,886                                  |
| Revenues from other independent sources  | 23,088                                   | 17,411                      | 19,107                                   | 18,167                                   | 17,940                                   |
| Reserves   | 20,539                                   | 20,412                      | 13,236                                   | 10,971                                   | 10,818                                   |
| <b>Total expenses for programme 1.1</b>  | <b>219,937</b>                           | <b>220,500</b>              | <b>213,288</b>                           | <b>212,102</b>                           | <b>211,946</b>                           |
| <b>Outcome 1 totals by resource type</b>   |  |                             |  |  |  |
| Revenue from Government  |  |                             |  |  |  |
| Special appropriations   | 68,189                                   | 68,158                      | 69,058                                   | 71,141                                   | 71,302                                   |
| Revenues from industry sources   | 108,121                                  | 114,519                     | 111,887                                  | 111,823                                  | 111,886                                  |
| Revenues from other independent sources  | 23,088                                   | 17,411                      | 19,107                                   | 18,167                                   | 17,940                                   |
| Reserves   | 20,539                                   | 20,412                      | 13,236                                   | 10,971                                   | 10,818                                   |
| <b>Total expenses for Outcome 1</b>  | <b>219,937</b>                           | <b>220,500</b>              | <b>213,288</b>                           | <b>212,102</b>                           | <b>211,946</b>                           |
|  | <b>2015–16</b>                           | <b>2016–17</b>              |  |  |  |
| <b>Average staffing level (number)</b>   | 79.0                                     | 79.0                        |  |  |  |

## Contributions to Outcome 1

### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each programme associated with Outcome 1. It also summarises how each programme is delivered and where 2016–17 Budget measures have created new programmes or materially changed existing programmes.

As an entity established under the PIRD Act, GRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

|  |   |   |
|--|---|---|
| <b>Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.</b> |   |   |
| <b>Programme 1.1: Grains Research and Development Corporation</b>  |   |   |
| <b>Objective</b>   | Drive the discovery, development and delivery of world-class innovation to enhance the productivity, profitability and sustainability of Australian grain growers and benefit the industry and the wider community.   |   |
| <b>Delivery</b>  | Outcome 1 will be delivered through six RD&E investment themes set out in the GRDC Strategic R&D Plan 2012–17. The target group is primarily Australian grain growers but the grains industry value chain also includes Governments, industry groups, rural and regional communities, research organisations and the wider community. |   |
| <b>Performance information</b>   |   |   |
| <b>Year</b>  | <b>Performance criteria<sup>1</sup></b>   | <b>Targets</b>                                |
| 2015–16  | Australian Export Grains Innovation Centre (AEGIC) joint venture is established and operating appropriately.  | <i>Required market information available.</i> |
|  | Growers are interested in the benefits of measuring grain quality to meet customer requirements.  | <i>90 per cent of growers.</i>                |
|  | Growers storing grain on-farm use sealed silos to meet market requirements and provide for the continued effectiveness of pest control measures.  | 70 per cent                                   |



| <b>Performance information (continued)</b> |   |  |
|--|---|--|
| <b>Year</b>                                | <b>Performance criteria<sup>1</sup></b>   | <b>Targets</b>   |
| 2015–16                                    | New cereal, pulse and oilseed varieties have minimum increases in genetic yield potential per annum as measured in National Variety Trials (NVT). | <i>Cereals 1 per cent<br/>Pulses 2 per cent<br/>Oilseeds 1.5 per cent.</i> |
|  | New varieties currently available meet the expectations of growers.   | <i>60 per cent</i>   |
|  | Growers and advisers use NVT data in selection of varieties to plant.   | <i>35 per cent access data of which 90 per cent consider helpful.</i>      |
|  | Growers and advisers are aware of and use integrated weed, pest or disease management practices.  | <i>70 per cent aware,<br/>50 per cent use.</i>                             |
|  | Growers undertake on-farm practices to maintain or improve their biosecurity.   | <i>40 per cent</i>   |
|  | Growers place a high importance on the use of decision tools to assist them with strategic or tactical decision-making.                           | <i>70 per cent</i>   |
|  | Growers have a whole-farm business plan which takes account of strategic opportunities, constraints and risks.                                    | <i>25 per cent</i>   |
|  | Growers consider the potential effects of climate change on their farm business when making long-term decisions.                                  | <i>55 per cent</i>   |
|  | Growers undertake activities to improve the condition and productive capacity of their soils.   | <i>70 per cent</i>   |
|  | Growers use nutrient budgeting to better match application with anticipated crop needs.   | <i>60 per cent</i>   |
|  | Each year Nuffield scholars include people from the grains industry.  | <i>At least three.</i>   |
|  | Growers and advisers undertake at least one activity each year to learn more about opportunities to improve farm profit or sustainability.        | <i>75 per cent</i>   |

GRDC Budget Statements

| <b>Performance information (continued)</b> |  |  |
|--|--|--|
| <b>Year</b>                                | <b>Performance criteria<sup>1</sup></b>  | <b>Targets</b>   |
| 2016–17                                    | As per 2015–16, except for minor changes to these four performance criteria's in regards to their targets.       | As per 2015–16, except for minor changes to these four performance criteria's in regards to their targets. |
|  | Growers and advisers use NVT data in selection of varieties to plant.  | <i>40 per cent access data of which 90 per cent consider helpful</i>                                       |
|  | Growers undertake on-farm practices to maintain or improve their biosecurity.                                    | 50 per cent  |
|  | Growers consider the potential effects of climate change on their farm business when making long-term decisions. | 60 per cent  |
|  | Growers use nutrient budgeting to better match application with anticipated crop needs.                          | 65 per cent  |
| 2017–18 and beyond                         | See footnote <sup>2</sup>  | See footnote <sup>2</sup>  |

1. New or modified performance criteria that reflect new or materially changed programmes are shown in *italics*.
2. No performance measures have been developed for forward years 2017–18 and beyond. These will be the first years of a new five-year strategic plan for 2017–2022. All current performance measures that are extended to 2017–18 will maintain ongoing programme targets.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2016–17 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences between entity resourcing and financial statements

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entities resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

#### 3.1.2 Explanatory notes and analysis of budgeted financial statements

GRDC's revenue is primarily from industry contributions in the form of levies paid on the farm gate value of grain sold and Australian Government contributions which are determined at 0.5 per cent of the three year rolling average of gross value of production (GVP). GRDC's revenue streams are therefore subject to the volatility of local and international grain commodity markets, farm gate costs, and the marketing decisions of growers. This means the assumptions in developing financial forecasts have a high degree of uncertainty and change frequently.

In 2016–17, GRDC is budgeting for an operating deficit of \$20.4 million which will be funded from its own accumulated reserves. Industry contributions are expected to increase by \$6.4 million due to an increase in production and prices. Australian Government contributions are expected to remain in line with 2015–16 and own source income is expected to decrease by \$5.7 million due to the recognition of a profit on sale of shares in 2015–16. Supplier expenses are expected to remain in line with 2015–16.

The budgeted net asset position for 2016–17 is \$150.2 million which is \$20.4 million less than the estimated actual for 2015–16. This decrease is due to the budgeted operating deficit for 2016–17.

### 3.2.3 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

|  | 2015–16<br>Estimated<br>actual<br>\$'000 | 2016–17<br>Budget<br>\$'000 | 2017–18<br>Forward<br>estimate<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>EXPENSES</b>  |  |                             |  |  |  |
| Employee benefits  | 11,199                                   | 11,500                      | 11,903                                   | 12,319                                   | 12,750                                   |
| Supplier expenses  | 207,768                                  | 207,595                     | 199,999                                  | 198,415                                  | 197,847                                  |
| Depreciation and amortisation  | 970                                      | 1,405                       | 1,386                                    | 1,368                                    | 1,349                                    |
| <b>Total expenses</b>  | <b>219,937</b>                           | <b>220,500</b>              | <b>213,288</b>                           | <b>212,102</b>                           | <b>211,946</b>                           |
| <b>LESS:</b>   |  |                             |  |  |  |
| <b>OWN-SOURCE INCOME</b>   |  |                             |  |  |  |
| <b>Own-source revenue</b>  |  |                             |  |  |  |
| Interest   | 6,044                                    | 7,791                       | 9,085                                    | 9,011                                    | 8,368                                    |
| Grant income   | 1,575                                    | 1,155                       | 1,154                                    | -  | -  |
| Royalties  | 4,917                                    | 5,163                       | 5,550                                    | 5,966                                    | 6,414                                    |
| Other  | 10,552                                   | 3,302                       | 3,318                                    | 3,190                                    | 3,158                                    |
| <b>Total own-source revenue</b>  | <b>23,088</b>                            | <b>17,411</b>               | <b>19,107</b>                            | <b>18,167</b>                            | <b>17,940</b>                            |
| <b>Total own-source income</b>   | <b>23,088</b>                            | <b>17,411</b>               | <b>19,107</b>                            | <b>18,167</b>                            | <b>17,940</b>                            |
| <b>Net cost of (contribution by) services</b>                                      | <b>196,849</b>                           | <b>203,089</b>              | <b>194,181</b>                           | <b>193,935</b>                           | <b>194,006</b>                           |
| Revenue from Government <sup>1</sup>   |  |                             |  |  |  |
| Commonwealth contributions   | 68,189                                   | 68,158                      | 69,058                                   | 71,141                                   | 71,302                                   |
| Industry contributions   | 108,121                                  | 114,519                     | 111,887                                  | 111,823                                  | 111,886                                  |
| <b>Total revenue from Government</b>   | <b>176,310</b>                           | <b>182,677</b>              | <b>180,945</b>                           | <b>182,964</b>                           | <b>183,188</b>                           |
| <b>Surplus/(deficit) attributable to the Australian Government</b>                 | <b>(20,539)</b>                          | <b>(20,412)</b>             | <b>(13,236)</b>                          | <b>(10,971)</b>                          | <b>(10,818)</b>                          |
| <b>Total comprehensive income (loss)</b>   | <b>(20,539)</b>                          | <b>(20,412)</b>             | <b>(13,236)</b>                          | <b>(10,971)</b>                          | <b>(10,818)</b>                          |
| <b>Total comprehensive income/(loss) attributable to the Australian Government</b> | <b>(20,539)</b>                          | <b>(20,412)</b>             | <b>(13,236)</b>                          | <b>(10,971)</b>                          | <b>(10,818)</b>                          |

1. Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

|                                   | 2015–16<br>Estimated<br>actual<br>\$'000 | 2016–17<br>Budget<br>\$'000 | 2017–18<br>Forward<br>estimate<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 |
|-----------------------------------|--|-----------------------------|--|--|--|
| <b>ASSETS</b>                     |  |                             |  |  |  |
| <b>Financial assets</b>           |  |                             |  |  |  |
| Cash and cash equivalents         | 13,549                                   | 18,445                      | 11,240                                   | 8,361                                    | 9,159                                    |
| Trade and other receivables       | 26,374                                   | 26,190                      | 27,114                                   | 28,521                                   | 27,121                                   |
| Investments                       | 189,891                                  | 162,891                     | 152,891                                  | 142,891                                  | 132,891                                  |
| Other investments                 | 5,353                                    | 5,353                       | 5,353                                    | 5,353                                    | 5,353                                    |
| <b>Total financial assets</b>     | <b>235,167</b>                           | <b>212,879</b>              | <b>196,598</b>                           | <b>185,126</b>                           | <b>174,524</b>                           |
| <b>Non-financial assets</b>       |  |                             |  |  |  |
| Land and buildings                | 7,168                                    | 6,661                       | 6,154                                    | 5,647                                    | 5,140                                    |
| Property, plant and equipment     | 742                                      | 969                         | 1,102                                    | 1,201                                    | 1,276                                    |
| Intangibles                       | 3,249                                    | 2,874                       | 2,562                                    | 2,302                                    | 2,085                                    |
| Other non-financial assets        | 2,200                                    | 2,200                       | 2,200                                    | 2,200                                    | 2,200                                    |
| <b>Total non-financial assets</b> | <b>13,359</b>                            | <b>12,704</b>               | <b>12,018</b>                            | <b>11,350</b>                            | <b>10,701</b>                            |
| <b>Total assets</b>               | <b>248,526</b>                           | <b>225,583</b>              | <b>208,616</b>                           | <b>196,476</b>                           | <b>185,225</b>                           |
| <b>LIABILITIES</b>                |  |                             |  |  |  |
| <b>Payables</b>                   |  |                             |  |  |  |
| Suppliers                         | 71,670                                   | 70,423                      | 67,974                                   | 66,934                                   | 66,451                                   |
| Unearned income                   | 2,309                                    | 1,154                       | -  | -  | -  |
| <b>Total payables</b>             | <b>73,979</b>                            | <b>71,577</b>               | <b>67,974</b>                            | <b>66,934</b>                            | <b>66,451</b>                            |
| <b>Provisions</b>                 |  |                             |  |  |  |
| Employee provisions               | 2,000                                    | 2,050                       | 2,100                                    | 2,150                                    | 2,200                                    |
| Other provisions                  | 1,941                                    | 1,762                       | 1,584                                    | 1,405                                    | 1,405                                    |
| <b>Total provisions</b>           | <b>3,941</b>                             | <b>3,812</b>                | <b>3,684</b>                             | <b>3,555</b>                             | <b>3,605</b>                             |
| <b>Total liabilities</b>          | <b>77,920</b>                            | <b>75,389</b>               | <b>71,658</b>                            | <b>70,489</b>                            | <b>70,056</b>                            |
| <b>Net assets</b>                 | <b>170,606</b>                           | <b>150,194</b>              | <b>136,958</b>                           | <b>125,987</b>                           | <b>115,169</b>                           |
| <b>EQUITY*</b>                    |  |                             |  |  |  |
| Reserves                          | 111,474                                  | 107,074                     | 105,974                                  | 105,424                                  | 105,424                                  |
| Retained earnings                 | 59,132                                   | 43,120                      | 30,984                                   | 20,563                                   | 9,745                                    |
| <b>Total Equity</b>               | <b>170,606</b>                           | <b>150,194</b>              | <b>136,958</b>                           | <b>125,987</b>                           | <b>115,169</b>                           |

\* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (budget year 2016–17)**

|  | Retained<br>earnings | Revaluation<br>Asset<br>Reserve | Other<br>reserves | Total<br>equity |
|--|----------------------|---------------------------------|-------------------|-----------------|
|  | \$'000               | \$'000                          | \$'000            | \$'000          |
| <b>Opening balance as at 1 July 2016</b>                         |                      |                                 |                   |                 |
| Balance carried forward from previous period                     | 59,132               | 2,574                           | 108,900           | 170,606         |
| <b>Adjusted opening balance</b>                                  | <b>59,132</b>        | <b>2,574</b>                    | <b>108,900</b>    | <b>170,606</b>  |
| <b>Comprehensive income</b>                                      |                      |                                 |                   |                 |
| Surplus (deficit) for the period                                 | (20,412)             | -                               | -                 | (20,412)        |
| <b>Total comprehensive income</b>                                | <b>(20,412)</b>      | <b>-</b>                        | <b>-</b>          | <b>(20,412)</b> |
| of which:  |                      |                                 |                   |                 |
| Attributable to the Australian Government                        | (20,412)             | -                               | -                 | (20,412)        |
| Transfers between equity components                              | 4,400                | -                               | (4,400)           | -               |
| <b>Estimated closing balance as at 30 June 2017</b>              | <b>43,120</b>        | <b>2,574</b>                    | <b>104,500</b>    | <b>150,194</b>  |
| <b>Closing balance attributable to the Australian Government</b> | <b>43,120</b>        | <b>2,574</b>                    | <b>104,500</b>    | <b>150,194</b>  |

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

|   | 2015–16<br>Estimated<br>actual<br>\$'000 | 2016–17<br>Budget<br>\$'000 | 2017–18<br>Forward<br>estimate<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Industry contributions  | 108,174                                  | 114,519                     | 111,887                                  | 111,823                                  | 111,886                                  |
| Revenue from Government   | 67,555                                   | 68,342                      | 68,135                                   | 69,734                                   | 72,702                                   |
| Interest  | 6,044                                    | 7,791                       | 9,085                                    | 9,011                                    | 8,368                                    |
| Grant income  | 420                                      | -                           | -  | -  | -  |
| Net GST received  | 20,777                                   | 20,760                      | 20,000                                   | 19,842                                   | 19,785                                   |
| Other   | 9,845                                    | 8,465                       | 8,868                                    | 9,156                                    | 9,572                                    |
| <b>Total cash received</b>  | <b>212,815</b>                           | <b>219,877</b>              | <b>217,975</b>                           | <b>219,566</b>                           | <b>222,313</b>                           |
| <b>Cash used</b>  |  |                             |  |  |  |
| Employees   | 11,361                                   | 11,450                      | 11,853                                   | 12,269                                   | 12,700                                   |
| Suppliers   | 236,333                                  | 229,781                     | 222,627                                  | 219,476                                  | 218,115                                  |
| <b>Total cash used</b>  | <b>247,694</b>                           | <b>241,231</b>              | <b>234,480</b>                           | <b>231,745</b>                           | <b>230,815</b>                           |
| <b>Net cash from (used by) operating activities</b>                 | <b>(34,879)</b>                          | <b>(21,354)</b>             | <b>(16,505)</b>                          | <b>(12,179)</b>                          | <b>(8,502)</b>                           |
| <b>INVESTING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Investments   | 52,984                                   | 70,000                      | 50,000                                   | 50,000                                   | 50,000                                   |
| <b>Total cash received</b>  | <b>52,984</b>                            | <b>70,000</b>               | <b>50,000</b>                            | <b>50,000</b>                            | <b>50,000</b>                            |
| <b>Cash used</b>  |  |                             |  |  |  |
| Purchase of property, plant and equipment                           | 3,090                                    | 750                         | 700                                      | 700                                      | 700                                      |
| Investments   | 84,000                                   | 43,000                      | 40,000                                   | 40,000                                   | 40,000                                   |
| <b>Total cash used</b>  | <b>87,090</b>                            | <b>43,750</b>               | <b>40,700</b>                            | <b>40,700</b>                            | <b>40,700</b>                            |
| <b>Net cash from (used by) investing activities</b>                 | <b>(34,106)</b>                          | <b>26,250</b>               | <b>9,300</b>                             | <b>9,300</b>                             | <b>9,300</b>                             |
| <b>Net increase (decrease) in cash held</b>                         | <b>(68,985)</b>                          | <b>4,896</b>                | <b>(7,205)</b>                           | <b>(2,879)</b>                           | <b>798</b>                               |
| Cash and cash equivalents at the beginning of the reporting period  | 82,534                                   | 13,549                      | 18,445                                   | 11,240                                   | 8,361                                    |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>13,549</b>                            | <b>18,445</b>               | <b>11,240</b>                            | <b>8,361</b>                             | <b>9,159</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement**

|  | 2015–16<br>Estimated<br>actual<br>\$'000 | 2016–17<br>Budget<br>\$'000 | 2017–18<br>Forward<br>estimate<br>\$'000 | 2018–19<br>Forward<br>estimate<br>\$'000 | 2019–20<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |  |                             |  |  |  |
| Funded internally from departmental resources <sup>1</sup>                   | 3,090                                    | 750                         | 700                                      | 700                                      | 700                                      |
| <b>TOTAL</b>   | <b>3,090</b>                             | <b>750</b>                  | <b>700</b>                               | <b>700</b>                               | <b>700</b>                               |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |                             |  |  |  |
| Total purchases  | 3,090                                    | 750                         | 700                                      | 700                                      | 700                                      |
| <b>Total cash used to acquire assets</b>                                     | <b>3,090</b>                             | <b>750</b>                  | <b>700</b>                               | <b>700</b>                               | <b>700</b>                               |

1. Includes the following source of funding:  
– internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

**Table 3.2.6: Statement of asset movements (Budget year 2016–17)**

|   | Land<br>\$'000 | Buildings<br>\$'000 | Other<br>property,<br>plant and<br>equipment<br>\$'000 | Intangibles<br>\$'000 | Total<br>\$'000 |
|---|----------------|---------------------|--|-----------------------|-----------------|
| <b>As at 1 July 2016</b>                                  |                |                     |  |                       |                 |
| Gross book value  | 742            | 7,131               | 1,103  | 5,157                 | 14,133          |
| Accumulated depreciation/amortisation and impairment      | -              | (705)               | (361)  | (1,908)               | (2,974)         |
| <b>Opening net book balance</b>                           | <b>742</b>     | <b>6,426</b>        | <b>742</b>   | <b>3,249</b>          | <b>11,159</b>   |
| <b>CAPITAL ASSET ADDITIONS</b>                            |                |                     |  |                       |                 |
| <b>Estimated expenditure on new or replacement assets</b> |                |                     |  |                       |                 |
| By purchase – other                                       | -              | -                   | 550  | 200                   | 750             |
| <b>Total additions</b>                                    | <b>-</b>       | <b>-</b>            | <b>550</b>   | <b>200</b>            | <b>750</b>      |
| <b>Other movements</b>                                    |                |                     |  |                       |                 |
| Depreciation/amortisation expense                         | -              | (507)               | (323)  | (575)                 | (1,405)         |
| <b>Total other movements</b>                              | <b>-</b>       | <b>(507)</b>        | <b>(323)</b>   | <b>(575)</b>          | <b>(1,405)</b>  |
| <b>As at 30 June 2017</b>                                 |                |                     |  |                       |                 |
| Gross book value  | 742            | 7,131               | 1,653  | 5,357                 | 14,883          |
| Accumulated depreciation/amortisation and impairment      | -              | (1,212)             | (684)  | (2,483)               | (4,379)         |
| <b>Closing net book balance</b>                           | <b>742</b>     | <b>5,919</b>        | <b>969</b>   | <b>2,874</b>          | <b>10,504</b>   |

Prepared on Australian Accounting Standards basis.