

**Portfolio Budget Statements 2019–20**

**Budget Related Paper No. 1.1**

Agriculture and Water Resources  
Portfolio

Budget Initiatives and Explanations of

Appropriations Specified by Outcomes

and Programs by Entity

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President of the Senate

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Speaker

House of Representatives

Parliament House

CANBERRA ACT 2600

Dear Mr President

Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019–20 Budget for the Agriculture and Water Resources portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

David Littleproud

Minister for Agriculture and Water Resources

Abbreviations and conventions

The following notation may be used:

NEC/nec not elsewhere classified

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

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.

Enquiries

Should you have any enquiries regarding this publication please contact   
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Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: [www.budget.gov.au](http://www.budget.gov.au).

User Guide  
To The  
Portfolio Budget Statements

# 

User Guide

The purpose of the 2019–20 Portfolio Budget Statements (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

The PBS facilitates understanding of proposed appropriations in Appropriation Bills (No. 1 and No. 2) 2019–20. For this reason the PBS is declared by the Appropriation Acts to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

The PBS provides information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PBS where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

**The Enhanced Commonwealth Performance Framework**

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.



Contents

Portfolio overview 1

Agriculture and Water Resources Portfolio Overview 3

EntitIES’ resources and planned performance 7

Department of Agriculture and Water Resources 11

AgriFutures Australia 69

Australian Pesticides and Veterinary Medicines Authority 89

Cotton Research and Development Corporation 107

Fisheries Research and Development Corporation 127

Grains Research and Development Corporation 147

Murray-Darling Basin Authority 165

Regional Investment Corporation 183

Wine Australia 201

Australian Fisheries Management Authority 221

Portfolio glossary 249

Portfolio Overview

Agriculture and Water Resources   
Portfolio Overview

Minister and portfolio responsibilities

The Agriculture and Water Resources portfolio supports the sustainability, profitability and competitiveness of Australia’s agriculture, fisheries and forestry industries. The Minister for Agriculture and Water Resources and the Assistant Minister for Agriculture and Water Resources oversee the portfolio.

From 1 July 2019 the portfolio will consist of:

* Australian Government Department of Agriculture and Water Resources;
* AgriFutures Australia;
* Australian Fisheries Management Authority;
* Australian Pesticides and Veterinary Medicines Authority;
* Cotton Research and Development Corporation;
* Fisheries Research and Development Corporation;
* Grains Research and Development Corporation;
* Murray-Darling Basin Authority;
* Regional Investment Corporation; and
* Wine Australia.

Each entity within the portfolio has at least one outcome and program. Details are provided in each entity’s section of this document.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Agriculture and Water Resources portfolio structure and outcomes



Other industry-owned and not-for-profit companies related to the portfolio

Australian industry-owned companies are independent corporate entities, established under specific legislation with expertise-based boards. The company members appoint the directors of the board. Companies are accountable to the Minister for Agriculture and Water Resources through legislation and statutory funding agreements and are entitled to receive industry levies and matching government funding for eligible research and development (R&D). These entities report outside of the general government sector.

The following industry-owned companies provide R&D and marketing services:

* Australian Eggs Limited;
* Australian Livestock Export Corporation Limited;
* Australian Meat Processor Corporation Limited;
* Australian Pork Limited;
* Australian Wool Innovation Limited;
* Dairy Australia Limited;
* Forest and Wood Products Australia Limited;
* Horticulture Innovation Australia Limited;
* Meat and Livestock Australia Limited; and
* Sugar Research Australia Limited.

The Government provides funding to the following not-for-profit, portfolio-related companies:

* Animal Health Australia;
* Landcare Australia Limited; and
* Plant Health Australia Limited.

Entities’ resources and   
planned performance

Department of Agriculture and Water Resources 11

Agrifutures australia 69

Australian Pesticides and Veterinary Medicines Authority 89

Cotton Research and Development Corporation 107

Fisheries Research and Development Corporation 127

Grains Research and Development Corporation 147

Murray-Darling Basin Authority 165

Regional investment Corporation 183

Wine Australia 201

Australian Fisheries Management Authority 221

Department of Agriculture and Water Resources

Entity resources and planned performance

Department of Agriculture and Water Resources

Section 1: Entity overview and resources 13

1.1 Strategic direction statement 13

1.2 Entity resource statement 15

1.3 Budget measures 19

Section 2: Outcomes and planned performance 24

2.1 Performance criteria and results for objectives 2018–19, 2019–20 and beyond 25

2.2 Budgeted expenses for Outcome 1 28

2.3 Budgeted expenses for Outcome 2 43

2.4 Budgeted expenses for Outcome 3 50

Section 3: Budgeted financial statements 56

3.1 Budgeted financial statements 56

3.2 Budgeted financial statements tables 58

# Department of Agriculture and Water Resources

Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Department of Agriculture and Water Resources works with national and international governments and industry partners to grow the value of agricultural trade and reduce risk to the agricultural sector.

Australian agriculture, fisheries and forestry are multi-billion dollar industries employing hundreds of thousands of people. Our department has a diverse role as a policy adviser to government, researcher, market access negotiator, regulator, program administrator and service provider. Collectively, this work contributes to maintaining and improving market access for primary producers, encouraging agricultural productivity in Australia’s primary industries and supporting sustainable, high-quality natural resources to benefit producers and the community.

We work to ensure Australia’s trading interests are represented and we negotiate on market access measures that benefit Australian producers, industries and consumers. This work is multifaceted and includes negotiating technical market access protocols, undertaking export certification services to ensure Australian commodities meet importing country requirements, and managing export quotas.

Australia’s biosecurity system aims to anticipate, prevent, prepare, detect, respond to and recover from threats to agriculture sectors, human health and the environment. The volume of passengers, cargo and mail is increasing and global trade pathways are becoming more complex. We implement a risk-based approach supported by research, science and intelligence to target what matters most.

Australia’s water is critical to the future of agriculture and the wellbeing of the environment and our communities. We work to improve the health of rivers and freshwater systems, to ensure the sustainable, efficient and productive management and use of water resources, and to achieve social, economic and environmental benefits to water users and the community.

We work in partnership with state and territory governments, primary industries and the community to grow the agricultural sector. The range of this work makes for a diverse and dynamic operating environment that also interacts with a range of other global systems.

Our enterprise capabilities underpin the delivery of all of our work. We are focused on building our capabilities—people, processes and systems—to underpin the achievement of our objectives.

**Outcomes**

The department is responsible for three outcomes:

**Outcome 1:** More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

**Outcome 2:** Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

**Outcome 3:** Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

### 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity’s operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4: Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the ‘Budgeted expenses by Outcome X’ tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

##### Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

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Continued on following pages

**Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)**



(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For the department, the Bills include $80.687 million in administered appropriation, $9.138 million in departmental appropriation, $20.000 million in administered assets and liabilities and $2.756 million in departmental equity injection in 2018–19.

(b) Appropriation Bill (No. 1) 2019–20.

(c) Excludes departmental capital budget (DCB).

(d) Total estimated unspent appropriation is $1,270.3 million in 2018–19 and $1,347.6 million in 2019–20.   
This also includes opening special account balances (but excluding 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and non-agency bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)).

(e) Estimated external revenue under section 74 of the *Public Governance, Performance and Accountability Act* *2013* (PGPA Act).

Continued on following pages

**Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)**

(f) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) 2019–20 and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(g) Appropriation Bill (No. 2) 2019–20.

(h) For further information on special appropriations and special accounts, refer to *Budget Paper No.* *4: Agency Resourcing*. Please also see Table 2.3.1, 2.4.1 and 2.5.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(i) Amounts credited to the special account(s) from the department’s annual appropriations.

(j) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

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

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

Continued on following page

**Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)**



### 1.3 Budget measures

Budget measures in Part 1 relating to the department are detailed in *Budget Paper No.2:* *Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)



Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 1: Measures announced since the 2018–19 MYEFO (continued)



Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 1: Measures announced since the 2018–19 MYEFO (continued)



Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Prepared on a Government Finance Statistics (Fiscal) basis.

Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 1: Measures announced since the 2018–19 MYEFO (continued)



(a) The revised start date for the Biosecurity Imports Levy is 1 September 2019.

(b) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio.

(c) The measure 'Primary Industries – Changes to Agricultural Production Levy' appears under revenue and expense measure headings. The change is being made in consultation with the banana industry.   
Further details are below:



(d) Funding for this measure passes through the department to the Regional Investment Corporation.

(e) The lead entity for the measure *Australia’s Indo-Pacific Engagement – Enhanced Engagement in Asia* is Department of Foreign Affairs and Trade. The measure description appears in the *Budget Paper No. 2: Budget Measures 2019–20* under the Foreign Affairs and Trade portfolio. Provision for this measure was included in the contingency reserve as part of the 2018–19 MYEFO.

(f) The measure *Dairy Code of Conduct* includes a reduction of $0.435 million to the Rural Research and Development for Profit Program in 2021–22.

(g) The measure *Enhancing Australia’s Agricultural Trade*, has multiple components: Accelerating Horticulture Market Access ($11.400 million over four years, ongoing), Agriculture Trade and Market Access Cooperation Program ($6.800 million over four years), Enhancing Industry Action on Non-Tariff Measures ($5.100 million over four years, ongoing) and Package Assisting Small Exporters   
($6.138 million over four years).

Continued on following page

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 2: Other measures not previously reported in a portfolio statement

The Department of Agriculture and Water Resources does not have any measures not previously reported in a portfolio statement.

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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act* *2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Department of Agriculture and Water Resources can be found at:   
[agriculture.gov.au/about/reporting/corporate-plan](http://www.agriculture.gov.au/about/reporting/corporate-plan).

The most recent annual performance statements for the Department of Agriculture and Water Resources can be found at: [agriculture.gov.au/about/reporting/annualreport](http://www.agriculture.gov.au/about/reporting/annualreport).

### 2.1 Performance criteria and results for objectives 2018–19, 2019–20 and Beyond

The department works to achieve its purpose through three objectives. Figure 2 shows which programs contribute to these objectives.

Figure 2: Department of Agriculture and Water resources objectives by program

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Program | Objectives | | | |
| **Increase, improve and maintain markets** | **Encourage agricultural productivity** | **Support sustainable,  high-quality natural resources** | |
| *Manage risks to market access* | *Manage risks to agricultural productivity* | *Manage risks to natural resources* |
| 1.1 Agricultural Adaptation |  | ✓ | ✓ |
| 1.2 Sustainable  Management – Natural  Resources |  | ✓ | ✓ |
| 1.3 Forestry Industry | ✓ | ✓ | ✓ |
| 1.4 Fishing Industry | ✓ | ✓ | ✓ |
| 1.5 Horticulture Industry | ✓ | ✓ | ✓ |
| 1.6 Wool Industry | ✓ | ✓ | ✓ |
| 1.7 Grains Industry | ✓ | ✓ | ✓ |
| 1.8 Dairy Industry | ✓ | ✓ | ✓ |
| 1.9 Meat and Livestock   Industry | ✓ | ✓ | ✓ |
| 1.10 Agricultural Resources | ✓ | ✓ | ✓ |
| 1.11 Drought Programs |  | ✓ | ✓ |
| 1.12 Rural Programs |  | ✓ | ✓ |
| 1.13 International Market  Access | ✓ |  |  |
| 2.1 Biosecurity and Export  Services | ✓ | ✓ | ✓ |
| 2.2 Plant and Animal   Health | ✓ | ✓ | ✓ |
| 3.1 Water Reform |  | ✓ | ✓ |

##### Table 2.2.1: Performance criteria for objectives

Table 2.2.1 below details the forecast performance results for each objective in 2018–19 and the performance criteria for 2019–20 and forward years. Results are presented against the objectives in the 2018–19 Portfolio Budget Statements and the 2018–19 Corporate Plan.

|  |  |  |
| --- | --- | --- |
| Objective 1: Increase, improve and maintain markets | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (forecast result) | The trend in value of agricultural exports increases in real terms over time. | In 2018–19 the value of exports is forecast to be $50.3 billion, compared to the 10-year average to 2017–18 of $48.1 billion (expressed in 2018–19 dollars).(a) |
| 2019–20 and beyond | As per 2018–19. | The value of agricultural, forestry and fishery exports exceeds the average value of the previous 10 years. |

(a) The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) reports agricultural, fisheries and forestry exports in its quarterly *Agricultural Commodities* report and in its annual *Agricultural Commodity Statistics* report.

|  |  |  |
| --- | --- | --- |
| Objective 2: Encourage agricultural productivity | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (forecast result) | Portfolio industries record an increase in productivity. | Over the 10 years to 2018–19, average annual productivity growth for the agriculture, forestry and fishing sectors was 2.01 per cent. This was higher than annual market sector productivity growth, which averaged 0.32 per cent over the same period.(a) |
| 2019–20 and beyond | As per 2018–19. | Average annual productivity growth for the past 10 years is equal to or exceeds average annual market sector productivity growth over the same period. |

(a) Total factor productivity (TFP) was chosen as the measure of productivity, and is measured on a value-added basis. Note that agricultural productivity is susceptible to significant volatility due to seasonal conditions, so the trend of TFP between 1995–96 and 2018–19 has been used to calculate productivity growth. The data used is from the Australia Bureau of Statistics, with a forecast for   
2018–19.

Continued on following page

**Table 2.2.1: Performance criteria for objectives (continued)**

|  |  |  |
| --- | --- | --- |
| Objective 3: Support sustainable, high-quality natural resources | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (forecast result) | The quality of the resource base is maintained or improved. | The number of fish stocks solely managed by the Commonwealth that are not overfished has improved, increasing from 72 per cent in 2016 to 74 per cent in 2017.(a),(b)  It is forecast that gap bridging water to meet Sustainable Diversion Limit recovery targets under the Murray–Darling Basin Plan is recovered by 30 June 2019.(c)  Results against whether groundcover on agricultural land was maintained or increased when compared with the average for the past 10 years (relative to rainfall) will be available in late 2019.(d) |
| 2019–20 and beyond | As per 2018–19. | The status and productivity of agricultural land, water resources and Commonwealth fisheries is at least maintained in trend terms. |

(a) Based on the ABARES *Fishery Status Reports 2018*.

(b) Status is assessed retrospectively for the previous year.

(c) Water recovery includes 62 gigalitres (GL) of efficiency measures to allow for the full 605GL supply contribution within the 5 per cent Sustainable Diversion Limit Adjustment Mechanism limit.

(d) The relevant projects to assist in reporting against this outcome commenced in late 2018.

### 2.2 Budgeted expenses for Outcome 1

|  |
| --- |
| Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets. |

Linked programs

|  |
| --- |
| **Portfolio Agencies:**  AgriFutures Australia  Australian Fisheries Management Authority  Australian Pesticides and Veterinary Medicines Authority  Cotton Research and Development Corporation  Fisheries Research and Development Corporation  Grains Research and Development Corporation  Regional Investment Corporation  Wine Australia |
| **Programs:**   * Program 1.1: Australian Fisheries Management Authority * Program 1.1: Australian Pesticides and Veterinary Medicines Authority * Program 1.1: Cotton Research and Development Corporation * Program 1.1: Fisheries Research and Development Corporation * Program 1.1: Grains Research and Development Corporation * Program 1.1: Rural Industries Research and Development Corporation * Program 1.1: Regional Investment Corporation * Program 1.1: Wine Australia |
| **Contribution to Outcome 1 made by linked program:**  AgriFutures Australia, Australian Fisheries Management Authority, Australian Pesticides and Veterinary Medicines Authority, Cotton, Fisheries and Grains Research and Development Corporations, Regional Investment Corporation and Wine Australia work together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable agricultural industries. |

Continued on following pages

Linked programs (continued)

|  |
| --- |
| **Australian Trade and Investment Commission** |
| **Program:**   * Program 1.1: Promotion of Australia’s export and other international economic interests * Program 1.2: Programs to promote Australia’s export and other international economic  interests |
| **Contribution to Outcome 1 made by linked program:**  The Department of Agriculture and Water Resources and Australian Trade and Investment Commission work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports. |
| **Bureau of Meteorology** |
| **Program:**   * Program 1.1: Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked program:**  The Bureau of Meteorology provides weather, climate and water modelling and information to the Department of Agriculture and Water Resources. |
| **Department of Human Services** |
| **Program:**   * Program 1.1: Services to the Community – Social Security and Welfare |
| **Contribution to Outcome 1 made by linked program:**  The Department of Human Services manages payments under the *Farm Household Support Act 2014* on behalf of the Department of Agriculture and Water Resources. |

Continued on following pages

Linked programs (continued)

|  |
| --- |
| **Department of Industry, Innovation and Science** |
| **Program:**   * Program 1: Supporting Science and Commercialisation |
| **Contribution to Outcome 1 made by linked program:**  The Departments of Agriculture and Water Resources, Industry, Innovation and Science, and the Environment and Energy are working collaboratively in the planning phase of the National Carp Control Plan, which is being delivered by the Fisheries Research and Development Corporation. |
| **Department of the Environment and Energy** |
| **Programs:**   * Program 1.1: Sustainable Management of Natural Resources and the Environment * Program 1.4: Conservation of Australia’s Heritage and the Environment |
| **Contribution to Outcome 1 made by linked programs:**  The Department of Agriculture and Water Resources and the Department of the Environment and Energy work together under a memorandum of understanding to deliver the National Landcare Program.  The Department of Agriculture and Water Resources and the Department of the Environment and Energy also work together through engagement on forests (Regional Forest Agreements), wildlife trade and fisheries policy. The Departments of Agriculture and Water Resources, Industry, Innovation and Science, and the Environment and Energy are working collaboratively in the planning phase of the National Carp Control Plan, which is being delivered by the Fisheries Research and Development Corporation. |
| **Department of the Prime Minister and Cabinet** |
| **Program:**   * Program 2.1: Indigenous Advancement – Jobs, Land and Economy |
| **Contribution to Outcome 1 made by linked program:**  The Departments of Agriculture and Water Resources, the Environment and Energy, and the Prime Minister and Cabinet work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program. |

Continued on following page

Linked programs (continued)

|  |
| --- |
| **Department of the Treasury** |
| **Program:**   * Program 1.9: National Partnership Payments to the States |
| **Contribution to Outcome 1 made by linked program:**  The Department of the Treasury contributes to Outcome 1 by making payments for the following national partnership agreements on behalf of the Department of Agriculture and Water Resources:   * National Partnership for the Mechanical Fuel Load Reduction Trials; * National Partnership for the National Forestry Industry Plan; * National Partnership on Assistance for Pest Animal and Weed Management in Drought-Affected Areas; * National Partnership on Grants Assistance to Primary Producers Impacted by the North Queensland Floods; * National Partnership on South Australian River Murray Sustainability Program – Irrigation Industry Assistance Component; and * National Partnership on the Management of Established Pests and Weeds. |

##### 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 program, as well as by administered and departmental funding sources.

##### Table 2.3.1: Budgeted expenses for Outcome 1



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

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Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

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Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

****

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



(a) The APVMA and RIC are corporate Commonwealth entities (CCE) under the PGPA Act and do not receive direct appropriations. Instead, this funding passes through the department to these entities.

(b) ‘Expenses not requiring appropriation in the Budget year’ are made up of depreciation and amortisation expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.

(c) Expenses funded from both ‘Ordinary annual services (Appropriation Bill (No. 1))’ and ‘External Revenue’ under section 74 of the PGPA Act.

(d) Departmental appropriation allocations are notional and reflect the current structure of the department.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Continued on following page Table 2.3.1: Budgeted expenses for Outcome 1 (continued)



(e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(f) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio*.*

### 2.3 Budgeted expenses for Outcome 2

|  |
| --- |
| Outcome 2: Safeguard Australia’s animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries. |

Linked programs

|  |
| --- |
| **Australian Trade and Investment Commission** |
| **Programs:**   * Program 1.1: Promotion of Australia’s export and other international economic interests * Program 1.2: Programs to promote Australia’s export and other international economic interests |
| **Contribution to Outcome 2 made by linked program:**  The Department of Agriculture and Water Resources and Australian Trade and Investment Commission work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports. |
| **Commonwealth Scientific and Industrial Research Organisation (CSIRO)** |
| **Program:**   * Program 1.2: National Research Infrastructure – National Facilities and Collections |
| **Contribution to Outcome 2 made by linked program:**  The Department of Agriculture and Water Resources contributes to the operating costs of the CSIRO’s Australian Animal Health Laboratory for emergency animal disease diagnosis and research. |
| **Department of Health** |
| **Program:**   * Program 5.2: Health Protection and Emergency Response |
| **Contribution to Outcome 2 made by linked program:**  The Department of Agriculture and Water Resources provides border services for the management of human biosecurity risks on behalf of the Department of Health under the *Biosecurity Act 2015* and a memorandum of understanding. |

Continued on following pages

Linked programs (continued)

|  |
| --- |
| **Department of Home Affairs** |
| **Programs:**   * Program 1.1: Border Enforcement * Program 1.2: Border Management |
| **Contribution to Outcome 2 made by linked programs:**  The Department of Agriculture and Water Resources and the Australian Border Force work collaboratively to undertake screening and surveillance for all people and goods entering Australia. |
| **Department of the Environment and Energy** |
| **Program:**   * Program 1.4 : Conservation of Australia’s Heritage and the Environment |
| **Contribution to Outcome 2 made by linked program:**  The Department of Agriculture and Water Resources and the Department of the Environment and Energy work together through engagement on the management of onshore biosecurity risks. |
| **Department of the Prime Minister and Cabinet** |
| **Program:**   * Program 2.1: Indigenous Advancement – Jobs, Land and Economy |
| **Contribution to Outcome 2 made by linked programs:**  The Department of Agriculture and Water Resources and the Department of the Prime Minister and Cabinet partner with Aboriginal and Torres Strait Islander Ranger groups to deliver biosecurity work that protects Australian agriculture and the northern Australian environment. |

Continued on following pageLinked programs (continued)

|  |
| --- |
| **Department of the Treasury** |
| **Program:**   * Program 1.9: National Partnership Payments to the States |
| **Contribution to Outcome 2 made by linked program:**  The Department of the Treasury contributes to Outcome 2 by making payments for the following national partnership agreement on behalf of the Department of Agriculture and Water Resources:   * National Partnership on Pest and Disease Preparedness and Response Programs. |
| **Food Standards Australia New Zealand** |
| **Program:**   * Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament |
| **Contribution to Outcome 2 made by linked program:**  Food Standards Australia New Zealand provides advice on whether foods pose a medium to high risk to public health to help the Department of Agriculture and Water Resources to manage the food safety risks associated with imported food for human consumption. |

##### Budgeted expenses for Outcome 2

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

##### Table 2.4.1: Budgeted expenses for Outcome 2



Continued on following pages

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)



Continued on following pages

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)



Continued on following page

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)

****

(a) ‘Expenses not requiring appropriation in the Budget year’ are made up of depreciation and amortisation

expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.

(b) Expenses funded from both ‘Ordinary annual services (Appropriation Bill (No. 1))’ and ‘External Revenue’ under section 74 of the PGPA Act.

(c) Departmental appropriation allocations are notional and reflect the current structure of the department.

(d) Additional funding for border services at Hobart Airport and Brisbane International Cruise Terminal is included in the departmental appropriation for Outcome 2.

(e) The Australian Quarantine Inspection Service ceased to be a business operation in the department from 29 February 2012 but the title of the special account has not yet been changed.

(f) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(g) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under the Agriculture and Water Resources portfolio*.*

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

### 2.4 Budgeted expenses for Outcome 3

|  |
| --- |
| Outcome 3: Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources. |

Linked programs

|  |
| --- |
| **Portfolio Agency:**  Murray-Darling Basin Authority |
| **Program:**   * Program 1.1: Equitable and Sustainable Use of the Murray-Darling Basin |
| **Contribution to Outcome 3 made by linked program:**  The Department of Agriculture and Water Resources and the Murray-Darling Basin Authority work collaboratively to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform. |
| **Bureau of Meteorology** |
| **Program:**   * Program 1.1: Bureau of Meteorology |
| **Contribution to Outcome 3 made by linked program:**  The Bureau of Meteorology provides weather, climate and water modelling and information to the Department of Agriculture and Water Resources. |
| **Department of the Environment and Energy** |
| **Program:**   * Program 1.3: Commonwealth Environmental Water |
| **Contribution to Outcome 3 made by linked programs:**  The Department of Agriculture and Water Resources and the Department of the Environment and Energy work collaboratively to implement the Murray-Darling Basin Plan and the Commonwealth’s water reform policy agenda. |

Continued on following page

Linked programs (continued)

|  |
| --- |
| **Department of the Treasury** |
| **Program:**   * Program 1.9: National Partnership Payments to the States |
| **Contribution to Outcome 3 made by linked program:**  The Department of the Treasury contributes to Outcome 3 by making payments for the following national partnership agreements on behalf of the Department of Agriculture and Water Resources:   * National Partnership for On-Farm Emergency Water Infrastructure Rebate; * National Partnership on Implementing Water Reform in the Murray-Darling Basin; * National Partnership on the Development of Business Cases for Constraints Measures and Potential Implementation; * National Partnership on the Great Artesian Basin Sustainability Initiative; * National Partnership on the South Australian River Murray Sustainability Program – Irrigation Efficiency and Water Purchase Components; and * Sustainable Rural Water Use and Infrastructure Program. |

##### Budgeted expenses for Outcome 3

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

##### Table 2.5.1: Budgeted expenses for Outcome 3

****

Continued on following pages

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)



Continued on following pages

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)



(a) The MDBA is a CCE under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the department to the MDBA.

(b) ‘Expenses not requiring appropriation in the Budget year’ are made up of depreciation and amortisation

expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.

(c) Departmental appropriation allocations are notional and reflect the current structure of the department.

(d) Expenses funded from both ‘Ordinary annual services (Appropriation Bill (No. 1))’ and ‘External Revenue’ under section 74 of the PGPA Act.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Continued on following page

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)



(e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2019–20, including the impact of 2019–20 Budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

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

The financial statements incorporate all budget estimate changes since the 2018–19 Portfolio Additional Estimates Statements (PAES). An analysis of the primary causes of movements in the budgeted departmental financial statements and administered schedules is provided in the relevant sections.

#### 3.1.2 Budgeted comprehensive departmental income statement

Since PAES, estimated revenue from government in 2019–20 has increased by $15.9 million. The increase is due to 2019–20 Budget measures detailed in Table 1.2 and the reclassification of $9.1 million in 2019–20 from administered to departmental. These increases have been partly offset by reductions due to the transfer of $0.5 million in 2019–20 to the Australian Commission for Law Enforcement Integrity and adjustments totalling $0.4 million in 2019–20 to reflect updated economic parameters.

Estimated own source revenue in 2019–20 has increased by $8.6 million since PAES due to higher than anticipated revenue from the department’s cost recovery activities. There has also been an increase in estimated 2019–20 expenses since PAES, reflecting 2019–20 Budget measures, approved reclassifications and increased cost recovery activities.

The department is budgeting for a balanced budget position in 2019–20 before unfunded depreciation.

#### 3.1.3 Budgeted departmental balance sheet

The value of departmental net assets as at 30 June 2020 is anticipated to be $1.2 million higher than the estimate published in PAES. The increase is due to 2019–20 Budget measures detailed in Table 1.2.

**Schedule of budgeted income and expenses administered on behalf of the Government**

It is estimated that the department will receive non-appropriation revenue on behalf of government of $713.1 million in 2019–20, a decrease of $50.5 million since PAES.   
This is due to lower estimated levy revenue and 2019–20 Budget measures detailed in Table 1.2, including the estimated $20.0 million reduction in revenue from the Biosecurity Imports Levy in 2019–20, due to a delay in the commencement date from   
1 July 2019 to 1 September 2019.

Administered expenses are estimated to be $1,789.6 million in 2019–20, an increase of $67.3 million since PAES. The increase largely relates to 2019–20 Budget measures in Table 1.2 and movements of funds totalling $10.0 million for the Sustainable Rural Water Use and Infrastructure and Pest Animal and Weeds Management programs. These increases have been partly offset by reductions related to the reclassification of $9.1 million in 2019–20 from administered to departmental.

**Schedule of budgeted assets and liabilities administered on behalf of the Government**

The value of administered net assets as at 30 June 2020 is anticipated to be $40.9 million lower than the estimate published in PAES. The decrease is mainly due to 2019–20 Budget measures in Table 1.2. There was also a reduction due to higher than estimated grants payable of $5.2 million in 2019–20.

### 3.2 Budgeted financial statements tables

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

**

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill (No. 1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget   
(the Departmental Capital Budget, or DCB) provided through Bill (No. 1) equity appropriations.   
For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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



(a) 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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

#### Table 3.5: Departmental capital budget statement (for the period ended 30 June)

**

(a) Does not include annual finance lease costs. Includes purchases from current and previous years’ Departmental Capital Budgets (DCBs).

(b) Includes the following sources of funding:

* current Bill (No. 1) and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
* internally developed assets;
* section 74 External revenue; and
* proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

#### Table 3.6: Statement of asset movements (Budget year 2019–20)



(a) "Appropriation equity" refers to equity injections, appropriations provided through Appropriation  
Bill (No. 2) 2019–20.

(b) "Appropriation ordinary annual services" refers to funding provided through Appropriation  
Bill (No. 1) 2019–20 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

#### Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

#### Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

**

Prepared on Australian Accounting Standards basis.

#### Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

**

Prepared on Australian Accounting Standards basis.

#### Table 3.10: Administered capital budget statement (for period ended 30 June)



(a) Includes both current Appropriation Bill (No. 2) and prior Act 2/4/6 appropriations.

(b) Includes funding credited to the Water for Environment Special Account.

Prepared on Australian Accounting Standards basis.

#### Table 3.11: Statement of administered asset movements (Budget year 2019–20)



(a) 'Other' refers to funding credited to the Water for the Environment Special Account.

Prepared on Australian Accounting Standards basis.

AgriFutures Australia

Section 1: Entity overview and resources 71

1.1 Strategic direction statement 71

1.2 Entity resource statement 73

1.3 Budget measures 74

Section 2: Outcomes and planned performance 75

2.1 Budgeted expenses and performance for Outcome 1 76

Section 3: Budgeted financial statements 82

3.1 Budgeted financial statements 83

# AgriFutures Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

AgriFutures Australia (AgriFutures) is the trading name for Rural Industries Research and Development Corporation (RIRDC). AgriFutures plays a unique role in Australian agriculture by investing in research and development (R&D) to maintain and create profitable and sustainable rural industries. AgriFutures knows that the key to developing real and lasting solutions for rural industries is to take a shared approach to shared challenges. That is why AgriFutures works in collaboration with a range of stakeholders to develop and implement its initiatives.

AgriFutures’ vision is to grow the long-term prosperity of Australian rural industries. AgriFutures’ mission is to collaborate with its partners to create lasting value for its stakeholders, investing in research, innovation and learning initiatives that enhance the prosperity, profitability and sustainability of the agricultural, fisheries and forestry sectors. AgriFutures’ approach is guided by an ambition to be an organisation that places people, rural industries and regional communities at the centre of all its activities.

AgriFutures supports rural industries that do not have their own research and development corporation (RDC) and invests in R&D to accelerate the establishment of new and emerging rural industries.

AgriFutures’ cross-sectoral mandate supports it to focus on national opportunities and challenges that affect multiple rural industries, not just the industries it traditionally serves. AgriFutures’ future orientation enables it to not only tackle the challenges and opportunities that rural industries face today, but to identify and unearth the challenges and opportunities of tomorrow. AgriFutures will do this by listening and collaborating with the emerging leaders in agriculture, industries bodies, other RDCs and government.

As outlined in AgriFutures Strategic R&D Plan 2017–2022 AgriFutures has four goals across four arenas:

**Arena 1: People and leadership**

Goal: To support the people driving the future prosperity of Australian rural industries and regional communities by providing them with learning opportunities and experiences.

Priorities:

* Attracting capable people into careers in agriculture; and
* Building the capability of future rural leaders.

**Arena 2: National challenges and opportunities**

Goal: To identify and nurture research and innovation opportunities that are productive across rural sectors.

Priorities:

* Informing debate on issues of importance to rural industries;
* Adapting new technologies for use across rural industries; and
* Working collaboratively on issues common across rural sectors.

**Arena 3: Growing profitability**

Goal: To enhance the profitability and sustainability of our levied rural industries.

Priorities:

* Engaging industry participants in determining R&D priorities;
* Investing in innovation that assists levied industries to be more profitable; and
* Delivering outcomes to maximise industry uptake and adoption.

**Arena 4: Emerging industries**

Goal: To support new and emerging rural industries.

Priorities:

* Supporting the early stage establishment of high potential rural industries.

### 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: AgriFutures Australia – Resource Statement – Budget Estimates for 2019–20 as at April 2019

**

(a) Appropriation Bill (No. 1) 2019–20.

(b) AgriFutures Australia (AgriFutures) 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 AgriFutures and are considered departmental for all purposes.

(c) The levies are imposed by the *Primary Industries (Excise) Levies Act 1999*. The levies are collected by Department of Agriculture and Water Resources under the *Primary Industries Levies and Charges Collection Act 1991* and are transferred to the CRF. An equivalent amount is paid by Department of Agriculture and Water Resources to AgriFutures 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

Budget measures in Part 1 relating to the AgriFutures Australia are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: AgriFutures Australia 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

AgriFutures does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

AgriFutures does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan and annual performance statement for the AgriFutures Australia can be found at:   
<http://www.agrifutures.com.au/about/corporate-documents/>.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Increased knowledge that fosters sustainable, productive and profitable new and existing rural industries and furthers understanding of national rural issues through research and development in government-industry partnership. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 1.10: Agricultural Resources |
| **Contribution to Outcome 1 made by linked program:**  AgriFutures works together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable rural industries. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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

|  |  |
| --- | --- |
| **Outcome 1: Increased knowledge that fosters sustainable, productive and profitable new and existing rural industries and furthers understanding of national rural issues through research and development in government-industry partnership.** | |
| **Program 1.1: Rural Industries Research and Development Corporation** | |
| **Objective** | Through research and development create thriving rural industries and vibrant regional communities. |
| **Delivery** | AgriFutures supports the people driving the future prosperity of Australian rural industries by:Attracting capable people into careers in agriculture through:  * + Introducing agricultural careers pathways in schools; and   + Collaboration with other RDCs, government, the private sector and not-for-profit organisations to highlight to young people the opportunities a career in agriculture has to offer. * Building the capacity of future rural leaders through development programs like Rural Women’s Award, Horizon Scholarship and the Ignite Network. |
| AgriFutures identifies and nurtures research and innovation opportunities that are productive across rural sectors by:Prioritising and driving cross-sectoral R&D that considers the needs of a diverse portfolio of plant and animal industries.Brokering partnerships, facilitating priority setting and providing advice to strengthen the national agricultural research and innovation effort.Complementing industry R&D by investing in research of cross-sectoral value, in areas such as climate change, natural resource management, and safety and welfare.  * Informing debate on issues of importance to rural industries. * Adapting new technologies for use across rural industries. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |
| --- | --- |
| **Program 1.1: Rural Industries Research and Development Corporation** | |
| **Delivery (continued)** | **AgriFutures enhances the profitability and sustainability of our levied rural industries by:**   * Engaging industry participants in determining R&D priorities though industry R&D planning and participation in industry panels to allocate levied funds to projects. * Investing in innovation that assists levied industries to be more profitable and that demonstrates value to industry participants. * Delivering outcomes to maximise industry uptake and adoption. * Communicating research outcomes to farmers at events like field days and workshops and through channels including e-newsletters, emails, social media and hardcopy publications. |
| **AgriFutures supports viable and sustainable new and emerging rural industries by:**   * Identifying and targeting high-potential emerging rural industries by supporting rigorous feasibility assessments and identifying critical impediments that can be addressed through R&D. * Building partnerships with key stakeholders, including the private sector, to support the development of high-potential emerging rural industries. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | Contribute to the increase of annual intakes of students into agriculture and agricultural science courses at universities. | 1,600 per annum.  Information from the Australian Council of Deans of Agriculture annual survey show an increasing number of enrolments. |
| Percentage of participants who feel their confidence as a leader has increased significantly or very significantly as a result of participation in an AgriFutures Australia sponsored activity. | 70 per cent of surveyed participants. |
| Impact of AgriFutures Australia sponsored studies on debates of national significance to rural industries. | Five National Rural Issues studies published each year. |
| New technologies adapted for use in Australian rural industries. | One new technology entering commercialisation phase with private sector participation each year. |
| Evidence of collaboration between RDCs in cross sector investment initiatives. | Ten collaborative initiatives involving other RDCs each year. |
| Percentage of growers comfortable or very comfortable paying the R&D levy. | 70 per cent of surveyed participants. |
| Degree to which the objectives of the industry-based R&D plans are being achieved. | 85 per cent of KPIs met in each Industry Program R&D Plan. |
| Stakeholders rate the value of AgriFutures Australia’s information products and services as high or very high. | 70 per cent of surveyed participants. |
| Number of new rural industries reaching or exceeding $10 million per annum threshold. | Five by 2022. |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2019–20 | As per 2018–19. | As per 2018–19. |
| 2020–21 and beyond | As per 2018–19. | As per 2018–19. |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 entity resourcing table recognises the 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

AgriFutures is budgeting for a deficit of $0.7 million in 2019–20.

AgriFutures’ balance sheet remains strong with estimated total assets of $21.3 million in 2019–20 and in forward years. Of the total assets, approximately $19.3 million is represented by cash and investments.

Total liabilities of $1.4 million are mostly represented by payables to R&D providers and suppliers of $1.0 million and employee entitlements of $0.4 million over the same period.

### 3.2 Budgeted financial statements tables

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



(a) 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)

**

\*‘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 2019–20)

**

Prepared on Australian Accounting Standards basis.

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

**

Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement

**

(a) Includes the following sources of funding:

– annual and prior year appropriation; and

­– internally developed assets.

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

##### Table 3.6: Statement of asset movements (Budget year 2019–20)

**

Prepared on Australian Accounting Standards basis.

Australian Pesticides and Veterinary Medicines Authority

Section 1: Entity overview and resources 91

1.1 Strategic direction statement 91

1.2 Entity resource statement 93

1.3 Budget measures 95

Section 2: Outcomes and planned performance 96

2.1 Budgeted expenses and performance for Outcome 1 97

Section 3: Budgeted financial statements 101

3.1 Budgeted financial statements 102

# Australian Pesticides and Veterinary Medicines Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The APVMA’s principal responsibilities are described in the Administration Act and the *Agricultural and Veterinary Chemicals Code Act 1994*.

The APVMA provides regulatory services for the supply of safe and effective agricultural and veterinary (agvet) chemicals in Australia. Robust risk assessment methods are used to scientifically evaluate new and existing pesticides and veterinary medicines. Through its regulatory action and decisions the APVMA ensures the registration of agvet chemical products delivers appropriate protections for human health and safety, animals and the environment, and supports international trade.

The APVMA’s regulatory responsibility extends from registration and manufacturing through to the point of sale. The states and territories are then responsible for regulating and monitoring how agvet chemicals are used.

The APVMA uses the best science, systems and processes to register agvet products that advance Australia’s agricultural productivity and animal health. Business and operational improvements at the APVMA aim to improve regulatory efficiency for clients and stakeholders while delivering a system that is open and transparent and provides opportunity for public consultation.

Government funding will significantly contribute to the strategies outlined in the APVMA Corporate Plan:

* Transform our business to provide world-class agvet chemical regulation from regional Australia;
* Maintain regulatory science capability to deliver high quality decision making that is timely, science-based and proportionate to the risks being managed; and
* Improve regulatory service delivery and feedback systems to reduce the regulatory burden on industry.

The APVMA is receiving $25.6 million over six years from 2016–17 to 2021–22 for the relocation of its operations from Canberra, Australian Capital Territory, to Armidale, New South Wales, which includes implementing strategies to address identified risks and opportunities. Relocation activities are being finalised and the APVMA is working to ensure that it continues to provide world-class agvet chemical regulation from regional Australia.

In the 2018–19 Budget, the APVMA received digital transformation funding of  
$10.1 million over three years to upgrade and enhance its information technology capability. An enabling technology program will deliver multiple projects to stabilise and modernise the agency’s information and communications technology infrastructure environment; implement a single fully-integrated core desktop communication and collaboration suite; and progress the digitisation of business-critical records to coincide with commencement of operations at the new Armidale office in mid-2019.

When the information technology systems are successfully embedded within the Armidale office and Canberra Satellite Office, new desktop capability will be delivered to progressively reduce the regulatory burden for industry. This will be achieved by improving the efficiency of the APVMA’s operations through the enhancement of its core business applications.

### 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: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019



(a) Appropriation Bill (No. 1) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the Australian Pesticides and Veterinary Medicines Authority (APVMA).

(b) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as   
 a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its   
 portfolio department's administered programs).

Continued on following page

**Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)**

(c) APVMA’s special appropriation 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 which are then paid to APVMA and are considered departmental for all purposes.

(d) These charges are imposed by the *Agricultural and Veterinary Chemicals Code Act 1994* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*. They are collected by APVMA and transferred to the CRF via the Department of Agriculture and Water Resources. This is then drawn down by the department as a Special Appropriation under the Administration Act.

CRF – Consolidated Revenue Fund

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

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

### 1.3 Budget measures

Budget measures in Part 1 relating to the Australian Pesticides and Veterinary Medicines Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Australian Pesticides and Veterinary Medicines Authority 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

APVMA does not have any 2019–20 Budget measures**.**

Part 2: Other measures not previously reported in a portfolio statement

The APVMA does not have any measures not previously reported in a portfolio statement**.**

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Australian Pesticides and Veterinary Medicines Authority can be found at:   
<https://apvma.gov.au/node/32656>.

The most recent annual performance statement for the Australian Pesticides and Veterinary Medicines Authority can be found at:   
<https://apvma.gov.au/node/33281> in chapter 3.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 1.10: Agricultural Resources |
| **Contribution to Outcome 1 made by linked programs:**  The Australian Pesticides and Veterinary Medicines Authority and the Department of Agriculture and Water Resources work together to ensure the protection of the health and safety of humans, animals and the environment. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



(a) The APVMA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the APVMA.

##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.** | | |
| **Program 1.1: Australian Pesticides and Veterinary Medicines Authority** | | |
| **Objective** | The APVMA regulates agricultural and veterinary chemicals up to and including at the point of sale to protect the health and safety of people, animals and crops, the environment and trade and support Australian primary industries. | |
| **Delivery** | Regulation of agricultural and veterinary chemicals is delivered through four mechanisms:   * Risk-based assessment and registration of pesticides and veterinary chemicals; * Identification and resolution of non-compliance up to and including the point of retail sale; * Licence and audit veterinary manufacturers; and * Identification and review of the safety of existing chemicals of regulatory concern. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | Registered chemicals are available for:   1. Product registrations; 2. Actives; and 3. Permits. | Proportion of applications completed by the due date.  Forecast:   1. 70 per cent 2. 70 per cent 3. 70 per cent |
| 2019–20 | Registered chemicals are available for:   1. Product registrations; 2. Actives; and 3. Permits. | Proportion of applications completed by the due date.  Forecast:   1. 75 per cent 2. 75 per cent 3. 75 per cent |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2020–21 and beyond | As per 2019–20. | As per 2019–20. |
| **Purpose** | Regulate the production of agricultural and veterinary chemicals to ensure they are safe for Australian people, animals and the environment. | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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

Total income for 2019–20 is estimated to be $34.5 million, a decrease of $0.9 million compared to the 2018–19 Portfolio Budget Statements (PBS). The decrease in revenue is due to fluctuations in anticipated industry receipts.

Total expenditure for 2019–20 is estimated to be $34.5 million as the APVMA proceeds with its relocation to Armidale whilst providing its regulatory services for industry.

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

The APVMA’s estimated total asset position of $16.1 million at 30 June 2020 is higher than budgeted in the 2018–19. Cash reserves are $2.0 million higher than previously reported, primarily due to timing differences in the payment of creditors.

Total liabilities at 30 June 2020 are estimated to be $11.7 million, similar to that reported in the 2018–19 PBS.

The APVMA’s revenue can vary from year-to-year as a result of fluctuations in agricultural and veterinary chemical sales, so the APVMA aims to maintain equity levels that allow revenue fluctuations to be managed.

The equity target is set at $7.0 million (approximately three months operating expenses). At 30 June 2020 the APVMA’s equity is estimated to be $4.4 million.

The APVMA has not covered its cost of operations over the previous three financial years, resulting in the erosion of the Equity Reserves. The APVMA has commenced work on a renewed Cost Recovery Implementation Statement to restore its equity target to $7.0 million.

### 3.2 Budgeted financial statements

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



Prepared on Australian Accounting Standards basis.

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



\* '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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement



(a) Includes the following sources of funding:

– annual and prior year appropriations;

– internally developed assets;

– section 74 Retained revenue receipts; and

– proceeds from the sale of assets.

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

##### Table 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

# Cotton Research and Development Corporation

Section 1: Entity overview and resources 109

1.1 Strategic direction statement 109

1.2 Entity resource statement 111

1.3 Budget measures 112

Section 2: Outcomes and planned performance 113

2.1 Budgeted expenses and performance for Outcome 1 114

Section 3: Budgeted financial statements 119

3.1 Budgeted financial statements 121

Cotton  
Research and Development Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Cotton Research and Development Corporation (CRDC) has been delivering outcomes in cotton research, development and extension (RD&E) on behalf of Australia’s cotton growers and the Australian Government for over 28 years.

Established in October 1990 and operating under the *Primary Industries Research and Development* Act 1989 (PIRD Act), CRDC exists to power the success of Australian cotton through investment in, and delivery of, cotton RD&E. CRDC is based in Narrabri, NSW: the heart of one of Australia's major cotton-growing regions and home to the Australian Cotton Research Institute.

Cotton is a major contributor to the economic, environmental and social fabric of rural Australia. Predominately grown in New South Wales and Queensland, with expansion into Victoria and commercial trials in northern Australia, cotton is a major employer and contributor to the local, state and national economy. The industry generates significant wealth and provides an economic foundation to these regions and their communities, employing some 10,000 people. Cotton is Australia’s fifth most valuable agricultural export commodity, generating an average of $1.9 billion in export revenue annually.

CRDC’s role is to invest in RD&E on behalf of cotton growers and the government, with the outcomes boosting the productivity and profitability of industry. RD&E, and its resulting innovations, are a key driving force behind the cotton industry’s continued success. CRDC’s ultimate aim is to deliver increased economic, social and environmental benefits for the Australian cotton industry, and the wider community, by investing in knowledge, innovation and its adoption.

CRDC’s investments are governed by a five-year strategic plan, with 2019–20 being the second year under CRDC’s 2018–23 Strategic Plan. The new plan builds on the success of the preceding five-year plan and provides an ambitious roadmap for CRDC’s investment.

CRDC’s aim through the plan is to contribute to creating $2 billion in additional gross value of cotton production for the benefit of Australian cotton growers and the wider community.

The plan has five key areas of focus:

* Increasing productivity and profitability on Australian cotton farms;
* Improving cotton farming sustainability and value chain competitiveness;
* Building the adaptive capacity of the Australian cotton industry;
* Strengthening partnerships and adoption; and
* Driving RD&E impact.

To help achieve this, Australian cotton growers and the Australian Government will co-invest $20.2 million into cotton RD&E during 2019–20, across 300 projects and in collaboration with over 100 research partners.

### 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: Cotton Research and Development Corporation – Resource Statement – Budget Estimates for 2019–20 as at April 2019



(a) CRDC 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 CRDC and are considered departmental for all purposes.

(b) Levies imposed and collected under the following legislation: *Primary Industries Research and Development Act 1989* (PIRD Act), *Primary Industries (Excise) Levies Act 1999*, *Primary Industries Levies and Charges Collection Act 1991* and associated legislation.

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

Budget measures in Part 1 relating to the Cotton Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Cotton Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

CRDC does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

CRDC does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Cotton Research and Development Corporation can be found at:  
 [www.crdc.com.au/publications/crdc-strategic-plan](http://www.crdc.com.au/publications/crdc-strategic-plan).

The most recent annual performance statement for the Cotton Research and Development Corporation can be found at:   
[www.crdc.com.au/publications/crdc-annual-report](http://www.crdc.com.au/publications/crdc-annual-report).

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Adoption of innovation that leads to increased productivity, competitiveness and environmental sustainability through investment in research and development that benefits the Australian cotton industry and the wider community. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Programs:**   * Program 1.10: Agricultural Resources |
| **Contribution to Outcome 1 made by linked program:**  The Cotton Research and Development Corporation works together with the Department of Agriculture and Water Resources to ensure a sustainable, productive and profitable cotton industry. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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

|  |  |
| --- | --- |
| **Outcome 1: Adoption of innovation that leads to increased productivity, competitiveness and environmental sustainability through investment in research and development that benefits the Australian cotton industry and the wider community.** | |
| **Program 1.1: Cotton Research and Development Corporation** | |
| **Objectives** | **Increase productivity and profitability on cotton farms**  Deliver RD&E for cotton producers to increase productivity, successfully protect crops from biotic threats and environmental stresses, adopt transformative technologies and innovate for improved profitability. |
| **Improve cotton farming sustainability and value chain competitiveness**  Deliver RD&E and innovation to create higher value uses for cotton and assist the industry achieve its ambition to be the highest yielding, finest, cleanest and most responsibly produced cotton in the world. |
| **Build adaptive capacity of the cotton industry**  Deliver RD&E to develop science and innovation capacity as well as new knowledge to strengthen adaptive capacity. |
| **Strengthening partnerships and adoption**  Deliver RD&E and innovation through collaborative partnerships to ensure adoption of best practice, new knowledge, products and services. |
| **Driving RD&E impact**  Deliver assessments of the impact of CRDC’s RD&E investments that inform future investment direction and continuous improvement. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |
| --- | --- |
| **Program 1.1: Cotton Research and Development Corporation (continued)** | |
| **Delivery** | **Increase productivity and profitability on cotton farms**  Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research and cross-sectoral partners to develop new knowledge, practices and adapt transformative technologies for on-farm application that also protect industry from biotic threats and environmental stresses. |
| **Improve cotton farming sustainability and value chain competitiveness**  Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research, industry and cross-sectoral partners to develop new knowledge, practices, processes, higher value products and innovative approaches to improve the sustainability of cotton farming and strengthen value chain competitiveness. |
| **Build adaptive capacity of the cotton industry**  Strategically prioritise investment in RD&E collaboratively with research, industry and cross-sectoral partners to develop new knowledge, futures thinking, science and innovation capability. |
| **Strengthening partnerships and adoption**  Strategically prioritise investment in the effective adoption of research by strengthening partnerships and collaboration, development of best practice and supporting innovation and commercialisation. |
| **Driving RD&E impact**  Strategically prioritise investment in research, data capture, analysis and reviews with stakeholders and partners to demonstrate that RD&E investments deliver impact. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | **Increase productivity and profitability on cotton farms**  Improved yield and quality. | Annual increase of 0.35 bales per hectare for irrigated cotton and 0.14 bales per hectare for dryland cotton. |
| **Improve cotton farming sustainability and value chain competitiveness**  CRDC collaborates in global leadership for sustainability initiatives. | Participates in six global initiatives. |
| **Build adaptive capacity of the cotton industry**  Science and innovation capacity is strengthened and strategically fit for a digital future. | 10+ new/early career researchers supported through strategic career pathways. |
| **Strengthening partnerships and adoption**  Partnerships are strengthened to engage multi-disciplinary and multi-institutional resources. | 40 per cent of annual RD&E investments are through cross sectoral partnerships. |
| **Driving RD&E impact**  CRDC monitors and evaluates RD&E impact. | One RD&E impact report per annum. |
| **2019–20** | As per 2018–19. | As per 2018–19. |
| **2020–21 and beyond** | As per 2018–19. | As per 2018–19. |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 resourcing statement is prepared on a cash basis. The financial statements are prepared on an accrual basis. Differences between the resourcing and financial statements represent timing differences between revenue recognition and cash received.

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

**Budgeted Comprehensive Income Statement**

Variability in CRDC’s revenue and expenditure is a result of significant fluctuations in the production of Australian cotton each year. Cotton production has been as low as 560,000 bales in 2008, as high as 5.4 million bales in 2012 and is estimated to be 2.7 million bales in 2019–20.

Revenue from industry levies, matching contributions from the Australian Government and royalties are determined by the level of cotton production and represent more than 83 per cent of total revenue. Since 2008–09 CRDC’s revenue has fluctuated between $7.7 million and $31.4 million per annum.

The impact of a highly variable revenue stream on CRDC’s investment in RD&E is minimised by managing cash reserves. During periods of high revenue CRDC builds up reserves by operating in surplus. During periods of low revenue CRDC draws on reserves by operating under approved deficits. This financial strategy allows CRDC to maintain a more consistent level of RD&E expenditure each year.

Matching contributions from the Australian Government are determined by either the value of industry levies collected or 0.5 per cent of the cotton industry’s three year average gross value of production. Which limit will apply depends on the price of cotton, timing of the harvest and ginning and the variability of the crop size. Royalties from the sale of domestic and international planting seed, interest on investments, external grant revenue and research project refunds make up the balance of the CRDC’s income.

To achieve the strategic priorities of the R&D plan for the period 2018–23, CRDC plans to invest a total of $125.0 million for the five-year R&D plan. The current drought has reduced cotton production in most of the major cotton growing regions and will impact CRDC’s revenue and ability to invest $125 million over the 5 year R&D plan. The current forward estimate is for a total investment of $106.6 million.

In 2019–20 CRDC has budgeted for a deficit of $5.4 million based on revenues of $14.8 million and RD&E expenditure of $20.2 million.

**Budgeted Balance Sheet**

Reserves increased between 2010–11 and 2013–14 during years of high cotton production and decreased from 2014–15 to 2018–19 due to below average levels of cotton production. In 2019–20 CRDC estimates production will be 2.7 million bales, continuing the trend of below-average production.

CRDC plans to use its reserves to maintain research expenditure at a consistent level in future years when crop levels are below historical averages. The balance of expenditure and reserves will be closely monitored to ensure that reserves remain at an appropriate level.

### 3.2 Budgeted financial statements tables

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



(a) 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)



\*'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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement



(a) Includes the following sources of funding:

– internally developed assets.

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

##### Table 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

# Fisheries Research and Development Corporation

Section 1: Entity overview and resources 129

1.1 Strategic direction statement 129

1.2 Entity resource statement 130

1.3 Budget measures 131

Section 2: Outcomes and planned performance 132

2.1 Budgeted expenses and performance for Outcome 1 133

Section 3: Budgeted financial statements 140

3.1 Budgeted financial statements 141

Fisheries  
Research and Development Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Fisheries Research and Development Corporation (FRDC) invests in research, development and extension (RD&E) that supports aquaculture, as well as commercial, Indigenous and recreational fishers. These stakeholders operate across environments that range from the northern tropics through to temperate seas and icy Antarctic waters, from freshwater rivers and lakes, to estuaries and the depths of the ocean.

The FRDC leads investment in fisheries research and development (R&D), partnering with organisations that have the necessary capabilities to undertake the varied and specialised activities. The focus remains on the end users, market and people who participate in fishing and aquaculture or who consume seafood, as such the FRDC invests and facilitates extension of the R&D that will lead to adoption and commercialisation. Results and outcomes of both the undertaking and extension of R&D are evaluated to measure and inform future investment.

FRDC’s investment policy balances the needs of stakeholders, including the community, with achieving specific, planned end user solutions to national, regional and sector-based priorities. Partnerships and previous RD&E are considered in its planning and investment processes, to maximise leverage and reduce duplication.

The 2015–20 RD&E Plan is more prescriptive than previous plans and seeks to facilitate outcomes in several areas, while still providing flexibility to respond to unforeseen issues and opportunities. It is the FRDC’s role to anticipate knowledge gaps and opportunities to ensure fishing and aquaculture meet future challenges.

As a quality-certified organisation (AS/NZS ISO 9001:2008), FRDC’s RD&E investment is underpinned by a quality management system including mechanisms for reviewing performance and implementing changes, to ensure continuous improvement.

FRDC also contributes to the broader national strategic approach to fishing and aquaculture RD&E to build cohesion and establish common goals between sectors. While a primary focus of FRDC investment is to deliver benefits primarily to fishing and aquaculture stakeholders – FRDC investment delivers benefits to other participants in the value chain, research providers, and the wider Australian community.

New investments in 2019–20 will build on existing investments to deliver RD&E along the seafood value chain, and focus on the three national priorities, and on those outlined by stakeholders as part of their specific RD&E Plans.

### 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: Fisheries Research and Development Corporation – Resource Statement – Budget Estimates for 2019–20 as at April 2019



(a) FRDC has a grant agreement with the Department of Agriculture Water and Resources to develop the National Carp Control Plan.

(b) FRDC 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 FRDC and are considered departmental for all purposes.

(c) Levies are collected under the *Primary Industries Research and Development Act 1989* (PIRD Act) and the Fishing Levy Regulations and are remitted to the Department of Agriculture and Water Resources and transferred to the CRF. An equivalent amount of FRDC management levy is paid to FRDC by the Department of Agriculture and Water Resources under a special appropriation under the 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

Budget measures in Part 1 relating to the Fisheries Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Fisheries Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

FRDC does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

FRDC does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plans (annual operating plan and research development and extension plan for the Fisheries Research and Development Corporation can be found at:   
<http://www.frdc.com.au/en/about-us/corporate-documents/annual-operating-plan> and <http://www.frdc.com.au/research/RDE-planning-and-priorities>.

The most recent annual performance statement for the Fisheries Research and Development Corporation can be found at:   
<http://www.frdc.com.au/en/about-us/corporate-documents/annual-reports>.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 1.4: Fishing Industry |
| **Contribution to Outcome 1 made by linked program:**  The Fisheries Research Development Corporation works together with the Department of Agriculture and Water Resources to ensure fishing and aquaculture in Australia is sustainable, productive and profitable. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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

|  |  |
| --- | --- |
| **Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.** | |
| **Program 1.1: Fisheries Research and Development Corporation** | |
| **Objectives** | **Australian fishing and aquaculture products are sustainable and acknowledged to be so**  By 2020, the community has effective access to, and understanding of, RD&E that supports fishing and aquaculture sustainability and improves perceptions of Australian seafood. |
| **Improved productivity and profitability**  By 2020, deliver RD&E for fishing and aquaculture to increase productivity and profitability consistent with economic, social and environmental sustainability. |
| **Developing new and emerging aquaculture growth opportunities**  By 2020, deliver RD&E sufficient for the significant commercialisation of at least two emerging aquaculture growth opportunities with demonstrated potential for profitable business operations. |
| **Partner and collaboration**  By 2020, provide an investment framework that gives partners (specific sectors and jurisdictions) greater ownership of their strategic priorities and direction, investment in these activities and responsibility for taking outputs and turning them into outcomes. |
| **Delivery** | **Australian fishing and aquaculture products are sustainable and acknowledged to be so**  Continue to prioritise investment in RD&E that contributes to the sustainability of fishing and aquaculture, including consideration of target species, bycatch species, threatened, endangered and protected species, and the broader marine environment. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Program 1.1: Fisheries Research and Development Corporation (continued)** | | |
| **Delivery (continued)** | **Improved productivity and profitability**  Invest in RD&E to understand the drivers of and impediments to productivity and profitability growth in all fishing and aquaculture sectors; research means of increasing sustainable production and profitability; link these to business education; encompass the needs of Indigenous communities. | |
| **Developing new and emerging aquaculture growth opportunities**  Identify research constraints to industry growth – such as lack of potential markets, cost of production, survival, deformities and uniformity of growth – and invest in RD&E to determine successful and competitive commercial activity. | |
| **Partner and collaboration**  Enter into partnership agreements with specific sectors and jurisdictions to jointly develop and invest against RD&E priorities. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19Note | Projects focus on the FRDC Board’s assessment of priority research and development issues. | 95 per cent are a priority. |
| Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption. | 95 per cent are a high priority. |
| Maintain ISO9001:2008 accreditation. | FRDC maintains certification. |
| Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes. | 100 per cent met Government requirements. |
| Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits. | Achieve unqualified audit result. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (continued) | Demonstrate the benefits of RD&E investments by positive benefit cost analysis results. | Benefit analysis undertaken on one investment area. |
| Perception of the commercial fishing industry increased from 30 per cent to 36 per cent by 2020. | Perception of industry increases to 31 per cent. |
| Volume of aquaculture rises to above 100,000 tonnes. | Annual aquaculture production exceeds 85,000 tonnes. |
| The value of Australia’s fishing and aquaculture increases by 20 per cent  ($2.4 billion to $2.8 billion). | Value increases to $2.4 billion. |
| There are 2–3 new aquaculture species that are seeing good productivity and profitability growth as measured by an increase in tonnage from other species. | Production of new aquaculture species increases to 1,000 tonnes. |
| **Corporate governance and decision making is overseen by a framework of policies and procedures** | |
| Projects focus on the FRDC Board’s assessment of priority research and development issues. | 95 per cent are a priority. |
| Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption. | 95 per cent are a high priority. |
| Maintain ISO9001:2008 accreditation. | FRDC maintains certification. |
| Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes. | 100 per cent met Government requirements. |
| Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits. | Achieve unqualified audit result. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (continued) | Demonstrate the benefits of RD&E investments by positive benefit cost analysis results. | Benefit analysis undertaken on one investment area. |
| **Australian fishing and aquaculture products are sustainable and acknowledged to be so** | |
| The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species. | 160 species included in Status of Australian Fish Stocks Reports. |
| The number of species classified as ‘undefined’ is reduced from the previous [2016] Status of Key Australian Fish Stocks Reports. | Undefined species is less than 20 per cent. |
| Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020. | Perception of industry increases to 34 per cent. |
| **Improved productivity and profitability** | |
| Understand the quantity of potential production from Australia’s fishing and aquaculture resources. | One report completed on quantity of production from Australia’s fishing and aquaculture resources. |
| **Developing new and emerging aquaculture growth opportunities** | |
| Advance two or more new or emerging aquaculture opportunities for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages. | 1,500 tonnes of additional production. |
| **Partner and collaboration** | |
| Partners have a RD&E plan.  Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension. | 90 per cent of partners have an RD&E Plan.  Investment portfolios include investment across FRDC purposes. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2019–20 (continued) | **Corporate governance and decision making is overseen by a framework of policies and procedures** | |
| As per 2018–19. | As per 2018–19. |
| **Australian fishing and aquaculture products are sustainable and acknowledged to be so** | |
| Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020. | Perception of industry increases to 36 per cent. |
| **Developing new and emerging aquaculture growth opportunities** | |
| Advance two or more new or emerging aquaculture opportunities for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages. | 2,000 tonnes of additional production. |
| **Partner and collaboration** | |
| As per 2018–19. | As per 2018–19. |
| 2020–21 and beyond | **Corporate governance and decision making is overseen by a framework of policies and procedures** | |
| As per 2018–19. | As per 2018–19. |
| **Partner and collaboration** | |
| As per 2018–19. | As per 2018–19. |

Note: Performance criteria and targets were changed in 2015–16 for subsequent years following the approval of the FRDC Research, Development and Extension Plan 2015–20.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

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

The FRDC’s RD&E expenditure is dependent on the gross value of production (GVP) of the Australian fishing industry. The indication for the GVP for the Australian fishing industry is positive, with growth expected in 2018–19 year. This is based primarily on aquaculture which is anticipated to grow – prawns, Barramundi, Atlantic Salmon and Yellowtail Kingfish will be key drivers. Income contributions from the commercial sector are expected to maintain current levels. The commencement of marketing activities is likely to see industry contribute funds specifically for this activity. The amount of marketing income is not likely to be significant in 2018–19, but is likely to grow in future years.

### 3.2 Budgeted financial statements tables

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



(a) 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)



\* '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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement



(a) 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 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

# Grains Research and Development Corporation

Section 1: Entity overview and resources 149

1.1 Strategic direction statement 149

1.2 Entity resource statement 151

1.3 Budget measures 152

Section 2: Outcomes and planned performance 153

2.1 Budgeted expenses and performance for Outcome 1 154

Section 3: Budgeted financial statements 159

3.1 Budgeted financial statements 160

Grains  
Research and Development Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Grains Research and Development Corporation’s (GRDC) purpose is to invest in research, development and extension (RD&E) to create enduring profitability for Australian grain growers.

In supporting its purpose, GRDC invests in RD&E activities across a portfolio spanning temperate and tropical cereals (including coarse grains), pulses and oilseeds. This involves identifying and prioritising research for investment; monitoring, evaluating and reporting on research impacts; and facilitating the dissemination, adoption and commercialisation of research results.

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, grains market access and sustainable resource management.

While its focus is on delivering benefits to Australian grain growers, who pay levies, 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 grains research community in Australia and overseas. GRDC investments support the capacity of the Australian research community through collaborative approaches that minimise duplication of effort and provide access to shared knowledge, infrastructure and facilities.

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 transformational 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.

Because adoption by growers is critical to achieving benefits from research and development (R&D), GRDC undertakes activities to raise awareness of grains industry R&D and extend the results of GRDC-supported investments 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 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.

GRDC’s investment priorities are articulated in the RD&E Plan 2018–2023. The plan is firmly focussed on delivering research and extension investments that increase the profitability of Australian grain growers. The plan considers the key drivers of profitability in terms of yield, price, costs (on-farm and post farm gate) as well as risk.

It is important to note that the impact of different drivers on profit will vary across grain-growing businesses and environments. This will inform the potential shape and scope of the GRDC’s RD&E investment portfolio at the national level, and on the activities and approaches required to support adoption of RD&E outputs at the regional and local levels.

The RD&E Plan 2018–2023 has been informed by extensive consultation across a broad spectrum of grains industry participants, government, and research providers. The consultation identified 36 key investment targets, with relative priorities that will underpin the delivery of the GRDC’s purpose.

Detailed performance information across all the drivers of profitability through Key Investment Targets will be available in each of the GRDC Annual Operational Plans across the five-year period.

### 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 2019–20 as at Budget April 2019



(a) 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.

(b) 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

Budget measures in Part 1 relating to the Grains Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Grains Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

GRDC does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

GRDC does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Grains Research and Development Corporation can be found at:   
<https://grdc.com.au/About-Us/Corporate-Governance/Strategic-RD-Plan>.

The most recent annual performance statement for the Grains Research and Development Corporation can be found at:   
<https://grdc.com.au/About-Us/Corporate-Governance/Annual-Report>.

### 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. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Programs:**   * Program 1.7: Grains Industry |
| **Contribution to Outcome 1 made by linked program:**  The Grains Research Development Corporation works together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable grains industry. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1: Budgeted expenses for Outcome 1**



##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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.

|  |  |  |
| --- | --- | --- |
| **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.** | | |
| **Program 1.1: Grains Research and Development Corporation** | | |
| **Objective** | 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. | |
| **Delivery** | Continue to prioritise RD&E investments that supports the enduring profitability of Australian grain growers. 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. | |
| **Performance information(a)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | Average farm business rates of return. | A minimum of 6 per cent by 2023. |
| Improvements in yield and yield stability. | Minimum yield increases equivalent to one per cent per annum for cereals, two per cent per annum for pulses and 1.5 per cent for oilseeds. |
| Yield stability. | By 2023 a minimum 20 per cent closure of the gap between potential yield and actual yield. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information(a) (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 (continued) | Maintaining and improving price. | Identification of potential new products that attract premium prices.  Identification of opportunities for product differentiation.  Defence of current market access programs. |
| Optimising input costs. | Maintain increases in chemistry costs below the five-year trend  (2018–2023) equivalent to $85.50 per hectare or a ratio of input to crop revenue of 0.166.  Maintain increases in fertilizer costs below the five-year trend  (2018–2023) equivalent to $84.30 per hectare or a ratio of input to crop revenue of 0.164.  Note:  Not all input costs are captured in this target – all inputs costs as a share of cash receipts are captured in the calculation of Rates of Return.  Reporting on a mean can be informative but is not the best indicator of impact due to variations across region, soil type, rainfall and business characteristics of each farm. GRDC is working toward developing a more detailed regionalised dataset which will allow for impact measurement. |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information(a) (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2019–20 | As per 2018–19. | As per 2018–19. |
| 2020–21 and beyond | As per 2018–19. | As per 2018–19. |

(a) Additional performance information that support the achievement of the above performance criteria are available in the GRDC’s 2018–2023 Strategic RD&E plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 capped 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, environmental conditions and the marketing decisions of growers. This means the assumptions in developing financial forecasts have a high degree of uncertainty and change frequently.

In 2019–20, GRDC is budgeting for an operating deficit of $13.0 million which will be funded from its own accumulated reserves. Industry contributions are expected to increase by $30.6 million on the current year estimates and in line with long term trends. Australian Government contributions are expected to increase by $8.7 million. Own source income is expected to decrease by $4.0 million due to a reduction in interest, grant income, royalties, and dividends due to the lower revenues and a reduction in reserves used to meet expected losses in 2018–19. In support of current higher values of RD&E investment, supplier expenses, including those relating to contracted operational support services are expected to increase by $7.7 million in 2019–20.

The budgeted net asset position for 2019–20 is $148.0 million which is $16.0 million less than the 2018–19 estimated actual. This decrease is due to the reduction in investments required to manage losses that were greater than budgeted in 2018–19.

### 3.2 Budgeted financial statements tables

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



(a) 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)



\* '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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement



(a) 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 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

# Murray-Darling Basin Authority

Section 1: Entity overview and resources 167

1.1 Strategic direction statement 167

1.2 Entity resource statement 169

1.3 Budget measures 170

Section 2: Outcomes and planned performance 171

2.1 Budgeted expenses and performance for Outcome 1 172

Section 3: Budgeted financial statements 176

3.1 Budgeted financial statements 177

Murray-Darling Basin Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Murray-Darling Basin Authority (MDBA) establishes and monitors the sustainable and integrated management of the water resources of the Murray-Darling Basin.   
We do this in a way that best meets the social, economic and environmental needs of the Basin and its communities. We work in collaboration with other Australian Government agencies, Basin State governments, local governments, regional bodies, industry groups, landholders, environmental organisations, scientists, research organisations and   
Murray-Darling Basin communities, including Indigenous communities, and the broader Australian community.

The MDBA achieves this through its outcome:

**Outcome 1:** Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programmes, research, information and advice.

In addition to its functions under the *Water Act 2007*, the MDBA has functions under the Murray-Darling Basin Agreement (Agreement), which forms Schedule 1 to the Act. These include giving effect to decisions of the Murray-Darling Basin Ministerial Council and the Basin Officials’ Committee in relation to the Basin governments’ joint programs. The MDBA delivers its functions under the Agreement in conjunction with and on behalf of the contracting governments – the Australian Government and the governments of Victoria, South Australia, New South Wales, Queensland and the Australian Capital Territory.

**Our purpose**

To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community.

**Our objectives**

During 2019–20, the MDBA will continue to focus its efforts on implementing the Basin Plan.

Key priorities are:

* Coordinate the implementation of the Basin plan;
* Strengthen the culture of compliance in water take in the Murray-Darling Basin;
* Operate the River Murray system efficiently for partner governments;
* Improve transparency and confidence in the Basin Plan, River Murray operations and the Murray–Darling Basin Authority; and
* Apply the best available science and knowledge to the management of the Murray-Darling Basin.

Throughout 2019–20, the MDBA will also continue to work with and on behalf of the Basin governments to deliver on its Agreement functions. Key priorities are to:

* Deliver the suite of programs agreed by the Murray-Darling Basin Ministerial Council, taking account of the financial contributions from Basin governments;
* Continue to work with the Basin governments to agree options for sustainable delivery of joint programs and the maintenance of existing and future jointly owned assets;
* Coordinate the delivery of environmental water in the southern connected Basin via the Southern Connected Basin Environmental Watering Committee;
* Work with Basin governments to implement the Basin Salinity Management   
  2030 Strategy; and
* Manage River Murray Operations and assets.

The MDBA has long been committed to developing and maintaining strong regional links with communities, in line with the Australian Government’s decentralisation approach. In 2019–20 the MDBA will progress work to increase its regional presence by 76 staff by mid-2021. This will bring the total MDBA staff in regional locations to one third of employees – a total of 103 staff.

### 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: Murray-Darling Basin Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019



(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For MDBA, the Bills include $2.500 million in departmental appropriation; these funds pass through the Department of Agriculture and Water Resources.

(b) Appropriation Bill (No. 1) and Bill (No. 2) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the MDBA.

(c) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

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

Budget measures in Part 1 relating to the Murray-Darling Basin Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Murray-Darling Basin Authority 2019–20 Budget measures

**Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

MDBA does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

MDBA does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Murray-Darling Basin Authority can be found at:   
<https://www.mdba.gov.au/publications/policies-guidelines/corporate-plan>.

The most recent annual performance statement for the Murray-Darling Basin Authority can be found at:   
<https://www.mdba.gov.au/publications/mdba-reports/mdba-annual-report>.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programs, research, information and advice. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 3.1: Water Reform |
| **Contribution to Outcome 1 made by linked program:**  The Murray-Darling Basin Authority works collaboratively with the Departments of Agriculture and Water Resources, and Environment and Energy to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform. |
| **Bureau of Meteorology** |
| **Programs:**   * Program 1.1: Bureau of Meteorology |
| **Contribution to Outcome 1 made by linked programs:**  The Bureau of Meteorology provides weather, climate and water modelling to the Murray-Darling Basin Authority. |
| **Department of the Environment and Energy** |
| **Program:**   * Program 1.3: Commonwealth Environmental Water |
| **Contribution to Outcome 1 made by linked program:**  The Murray-Darling Basin Authority and the Department of the Environment and Energy work together on implementation of the Basin Plan, operation of the River Murray System, shared natural resource management programs, research, information, advice and Basin Plan reporting obligations, all of which contribute to the management of Commonwealth environmental water. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1: Budgeted expenses for Outcome 1**



(a) The MDBA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the MDBA. This amount includes $2.500 million in Appropriation Bill (No. 3) 2018–19 that has not yet been enacted.

(b) This represents excess of expenditure over revenue resulting in operating loss and funds are drawn from the MDBA special account.

(c) Revenues from other independent sources include contributions from jurisdictions for Agreement functions, other miscellaneous revenue and funds drawn from the Murray-Darling Basin special account. The Murray-Darling Basin special account is not a Special Account for the purpose of the PGPA Act.

##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| **Outcome 1 – Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programs, research, information and advice.** | | |
| **Program 1.1: Equitable and sustainable use of the Murray-Darling Basin** | | |
| **Objective** | To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community. | |
| **Delivery** | Collaborating with Basin governments, communities and the Commonwealth to achieve sustainable management of the  Murray-Darling Basin river system, while ensuring continual application of the *Water Act 2007*, Murray-Darling Basin Agreement and the Murray-Darling Basin Plan. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets(a)** |
| 2018–19 | Lead the implementation of the Basin Plan to achieve a healthy working Basin. | The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2018–19 in line with the evidence targets described in the 2018–19 Corporate Plan. |
| Operate the River Murray system efficiently for partner governments. | The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2018–19 in line with the evidence targets described in the 2018–19 Corporate Plan. |
| 2019–20 | As per 2018–19. | As per 2018–19. |
| 2020–21 and beyond | As per 2018–19. | As per 2018–19. |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |
| --- | --- |
| **Performance information (continued)** | |
| **Purpose(b)** | To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community. |

1. Targets are not comprehensive enough to stand alone without other performance information.   
   The MDBA’s annual performance statements provide a total assessment of performance against all of the measures set out in the Corporate Plan.
2. Refers to updated purpose that will be reflected in the 2019–20 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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

There are no differences between the resource information presented in the Budget Papers and Portfolio Budget Statements.

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

Revenue is credited to the Murray-Darling Basin special account from the following:

* Funding received through the Department of Agriculture and Water Resources for Basin Plan functions and the South-Australian Riverland Floodplain Integrated Infrastructure Project (refer below);
* Australian Government contribution to Murray-Darling Basin Agreement; and
* State and territory government contributions and miscellaneous revenue from other sources (for example, property revenues, hydro generation and sale of assets) for the Agreement functions.

Australian Government and state and territory government contributions to the Agreement functions, which are reflected as grants income in the financial statements and grants cash in the balance sheet, for 2018–19, represent estimates based on current advice from Basin jurisdictions.

Where appropriate, expenses, both employees and suppliers, have been adjusted to reflect the appropriations and changes in revenues resulting from any revised contributions to the joint programs.

The MDBA has budgeted for an operating deficit in 2018–19 and forward years which is impacted by the need to complete a number of joint programs (i.e. programs funded through non-appropriation receipts), including for river and environmental management programs and the residual components of the Environmental Works and Measures Program, for which funds have been retained in the Murray-Darling Basin special account.

Revenue from government includes the funding for the South-Australian Riverland Floodplain Integrated Infrastructure Project. The Project, with an estimated total cost of $155.0 million, is planned to progress further over the next three years.

### 3.2 Budgeted financial statements tables

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



(a) The amount includes payment to South Australia as part of $155.0 million funding over seven years for South Australian Riverland Floodplain Integrated Infrastructure Program (SARFIIP) which commenced in 2013–14. Scheduled payment is $43.5 million in 2018–19 and $25.0 million in 2019–20. Other payments relates to grants paid to other jurisdictional sector, non-profit organisations and private sector.

(b) For 2019–20 and the forward years this amount is an estimate pending Ministerial Council's decision.

(c) The MDBA’s operating loss is primarily the result of recommended accounting treatment for the special appropriation of $441.5 million recognised as revenue during transition from Murray-Darling Basin Commission to MDBA in 2008–09.

Prepared on Australian Accounting Standards basis.

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



\*'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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement (for the period ended 30 June)



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

Prepared on Australian Accounting Standards basis.

##### Table 3.6: Statement of asset movements (Budget year 2019–20)



(a) Purchase of 'Other property, plant and equipment' and internally developed software (intangibles) are funded from internally funded resources and capital appropriations.

Prepared on Australian Accounting Standards basis.

##### Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

The schedule of budgeted income and expenses administered on behalf of Government does not apply to the MDBA.

##### Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The schedule of budgeted assets and liabilities administered on behalf of Government does not apply to the MDBA.

##### Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The schedule of budgeted administered cash flows on behalf of Government does not apply to the MDBA.

# Regional Investment Corporation

Section 1: Entity overview and resources 185

1.1 Strategic direction statement 185

1.2 Entity resource statement 186

1.3 Budget measures 187

Section 2: Outcomes and planned performance 188

2.1 Budgeted expenses and performance for Outcome 1 189

Section 3: Budgeted financial statements 193

3.1 Budgeted financial statements 194

Regional Investment Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Regional Investment Corporation (RIC) is a corporate Commonwealth entity established by the *Regional Investment Corporation Act 2018*. An independent Board oversees the RIC and is responsible for providing loans to eligible farm businesses and advising government on nationally significant water infrastructure projects.

The RIC streamlines the administration of concessional loans to farm businesses in need, delivering national consistency and ensuring loans are prudently assessed in a timely manner. Loans are targeted at farm businesses impacted by drought, those that mainly supply, or intend to mainly supply, products into supply chains that are interstate or overseas and those affected by major flooding events. The concessional loan programs support the long-term strength, resilience and profitability of eligible farm businesses by helping them prepare for, manage through and recover from periods of hardship brought about by drought or flood. The RIC concessional loans will also assist eligible farm businesses to take advantage of new and emerging opportunities across Australia and overseas by building and maintaining diversity in the markets they supply.

The RIC also provides independent advice to government on projects for consideration under the National Water Infrastructure Loan Facility (NWILF) and then deliver approved loans to the states and territories to fast-track the construction of priority water infrastructure projects. The NWILF is designed to assist state and territory government co-investment in vital water infrastructure. Loan funding aims to accelerate the construction of major water infrastructure projects such as dams, weirs, pipelines, managed groundwater (aquifer) recharge and wastewater reuse schemes that deliver broad public benefits, including through increased regional water availability and security for water users. Funding for the NWILF is appropriated to the Department of Infrastructure, Regional Development and Cities.

The RIC achieves this through its outcome:

**Outcome 1:**  Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth’s farm business concessional loans and the National Water Infrastructure Loan Facility.

### 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: Regional Investment Corporation – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019



(a) Appropriation Bill (No. 1) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the RIC.

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

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

### 1.3 Budget measures

Budget measures in Part 1 relating to the Regional Investment Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Regional Investment Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)



(a) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio.

(b) Funding for this measure passes through the Department of Agriculture and Water Resources to the RIC.

Prepared on a Government Finance Statistics (Fiscal) basis.

**Part 2: Other measures not previously reported in a portfolio statement**

RIC does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Regional Investment Corporation can be found at:   
<http://www.ric.gov.au/SiteCollectionDocuments/ric-corporate-plan.pdf>.

The most recent annual report for the Regional Investment Corporation can be found at:   
<http://www.ric.gov.au/about/reporting/annual-report>.  
  
The RIC did not publish a corporate plan for the period of March to end June 2018, and there was no separate entry in the Portfolio Budget Statements for 2017–18.   
Therefore, there were no performance measures to report against in the 2017–18 annual report.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth’s farm business concessional loans and the National Water Infrastructure Loan Facility. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 1.11: Drought Programs |
| **Contribution to Outcome 1 made by linked program:**  The Regional Investment Corporation works together with the Department of Agriculture and Water Resources to ensure more sustainable, productive, internationally competitive and profitable Australian agricultural industries. |
| **Department of Infrastructure, Regional Development and Cities** |
| **Program:**   * Program 3.1: Regional Development |
| **Contribution to Outcome 3 made by linked program:**  The Regional Investment Corporation works with the Department of Infrastructure, Regional Development and Cities to support state and territory investment in water infrastructure that will provide affordable water to support the growth of regional economies. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



(a) The RIC is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the RIC.

##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

|  |  |  |
| --- | --- | --- |
| **Outcome 1 – Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth’s farm business concessional loans and the National Water Infrastructure Loan Facility.** | | |
| **Program 1.1: Regional Investment Corporation** | | |
| **Objectives** | Provide practical support and investment to help rural and regional communities achieve economic growth, agricultural productivity and resilience through the delivery of farm business loans, flood recovery loans and water infrastructure loans.  The Corporation’s farm business loans and flood recovery loans provide low-cost finance to farm businesses that are in financial need of assistance, to recover from short-term hardship, but are assessed as financially viable over the long-term and able to repay the loan.  The Corporation administers water infrastructure loans to the states and territories to support long-term regional economic growth and development by investing in economically viable water infrastructure that will provide secure and affordable water. | |
| **Delivery** | Concessional loans are delivered directly to eligible farm businesses in a streamlined and nationally consistent way.  Applications for water infrastructure loans from all states and territories are assessed and the achievement of project milestones monitored to enable loan instalments of funding. | |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | The entity is established with appropriate structures in place for the delivery of farm business loans and the assessment and administration of water loans. | Finalised. |
| 2019–20 | All eligible farm businesses have access to farm business loans and flood recovery loans. | Establishment of a nationally consistent delivery model. |
| The water loan facility is available to states and territories. | No days are lost in the transfer of the administration of the loan facility to RIC. |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2019–20 (continued) | Loan monies (farm business loans, flood recovery loans and water loans) are disbursed and received accurately and in line with contractual and legislative requirements. | 100 per cent. |
| Farm businesses improve their circumstances through access to concessional financial assistance. | $500 million is made available to eligible farm businesses in need to improve their circumstances (2019–20 and beyond). |
| 2020–21 and beyond | All eligible farm businesses have access to farm business loans and flood recovery loans. | Delivery channels ensure timely and accurate access to information and assessment for all eligible farm businesses. |
| Loan monies (farm business loans, flood recovery loans and water loans) are disbursed and received accurately and in line with contractual and legislative requirements. | 100 per cent. |
| Farm businesses improve their circumstances through access to concessional financial assistance. | $500 million is made available to eligible farm businesses in need to improve their circumstances (2019–20 and beyond). |
| Greater capacity for regional and economic growth, water security and affordability and irrigation and agriculture. | States and territories can co-invest in projects.  Approved water infrastructure projects complement the outcomes of the Murray Darling Basin Plan, where relevant.  Approved water infrastructure projects are in accordance with the National Water Initiative. |
| **Purpose** | To provide loans that support the long-term strength, resilience and profitability of Australian farm businesses and for water infrastructure that will provide secure and affordable water supplies to support the growth of regional economies and communities. | |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

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

The Regional Investment Corporation is budgeting for a balanced budget position in 2019–20. The Corporation’s expected employee and supplier expense budget is $15.4 million in 2019–20 and $14.1 million in 2020–21.

In 2019–20, the Corporation will continue to develop its corporate ability to support the provision of loans to eligible farm businesses and advice to government on nationally significant water infrastructure projects. It will be the first full financial year the Corporation will be staffed by its own ongoing workforce.

The expense budget reflects the work programs for the Corporation in receiving and evaluating loan applications and managing approved loans to eligible farm businesses, as well as evaluating projects for consideration under the National Water Infrastructure Loan Facility, providing independent advice to the Government and delivering approved loans to the states and territories.

### 3.2 Budgeted financial statements tables

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



(a) The RIC is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the department to the RIC.

Prepared on Australian Accounting Standards basis.

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



\*'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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement (for the period ended 30 June)



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

Prepared on Australian Accounting Standards basis.

##### Table 3.6: Statement of asset movements (Budget year 2019–20)

The statement of asset movements (Budget year 2019–20) does not apply to the RIC for this Budget update.

##### Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

The schedule of budgeted income and expenses administered on behalf of Government does not apply to the RIC.

##### Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The schedule of budgeted assets and liabilities administered on behalf of Government does not apply to the RIC.

##### Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The schedule of budgeted administered cash flows on behalf of Government does not apply to the RIC.

# Wine Australia

Section 1: Entity overview and resources 203

1.1 Strategic direction statement 203

1.2 Entity resource statement 206

1.3 Budget measures 207

Section 2: Outcomes and planned performance 208

2.1 Budgeted expenses and performance for Outcome 1 209

Section 3: Budgeted financial statements 215

3.1 Budgeted financial statements 216

Wine Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

Wine Australia supports a prosperous Australian grape and wine community by investing in research and development (R&D), disseminating knowledge, encouraging adoption, building international and domestic markets, and protecting the reputation of Australian wine. We are governed by the *Wine Australia Act 2013* (Wine Australia Act).

Our role under the Wine Australia Act is to:

* Coordinate or fund grape and wine research and development and facilitate the dissemination, adoption and commercialisation of the results;
* Control the export of wine from Australia; and
* Promote the sale and consumption of wine, both in Australia and overseas.

We are funded by grape growers and winemakers through levies and user-pays charges; and by the Australian Government, which provides matching funding for research, development and extension (RD&E) investments.

Australian wine is a unique, high-quality product crafted in 65 wine regions around the country. The Australian wine sector has approximately 6,251 grape growers, 132,393 hectares of vines, 2,468 wineries and produces 1.3 billion litres of wine. In 2015, independent economic research quantified the Australian grape and wine sector’s contribution to the national economy. The wine sector—defined as grape growing, winemaking and wine-related tourism—supported 172,736 full-time and part-time jobs, most of which are in regional Australia, and contributed $40.2 billion to the value of gross output to the Australian economy.

Our goal is a prosperous Australian grape and wine community. In 2019–20, we will invest in RD&E, regulatory services and marketing to support our two strategic priorities that are outlined in our five-year *Strategic Plan 2015–2020*.

Our priorities are:

* Increasing demand and the premium paid for all Australian wine; and
* Increasing competition.

This will be the fifth year of operation with these priorities. International demand for fine Australian wine grew strongly in 2018, with an increase in wine exports of 10 per cent in value to $2.82 billion free on board (FOB) and a 5 per cent increase in volume to 850 million litres (94 million 9-litre case equivalents). There are 21.7 million glasses of Australian wine enjoyed overseas each day. Average value increased to $3.32 per litre FOB. The average value of bottled wine grew 10 per cent to a record $6.20 per litre FOB. The value of exports above $10 per litre grew by 22 per cent to a record $895 million. There were a record 2,543 active exporters in 2018, a 15 per cent increase on the previous year, and Australian wine was exported to 129 destinations.

Our marketing investments are focused on our strategy of Promoting Australia wine in the Asia Pacific, China, North America, the United Kingdom and Europe.

In 2019–20, we will deliver the final year of the Export and Regional Wine Support Package under the Ten Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding. The $50 million program is focused on wine promotion both internationally and domestically. Initiatives will benefit regional wine producers and assist export-focused businesses to continue to grow. We will also administer the Wine Tourism and Cellar Door Grant that commences in 2019–20.

Our regulatory services activities are focused on our strategy of Protecting the reputation of Australian wineby licensing exporters, issuing permits for Australian wine and brandy exports, auditing label integrity to prevent false and misleading labelling and, through the Geographical Indications Committee, defining the wine grape producing regions of Australia.

Our R&D investments are focused on seven core strategies:

* Building Australian grape and wine excellence;
* Improving resource management and sustainability;
* Improving vineyard performance;
* Improving winery performance;
* Enhancing market access;
* Building capability; and
* Business intelligence and measurement.

Our extension and adoption strategy encourages practice change by extending new knowledge so that stakeholders benefit from R&D outcomes.

We also work closely with other research and development corporations (RDCs) in cross-sectoral collaborative research, including through the Australian Government’s Rural Research and Development for Profit program, to deliver RD&E benefits to the broader community.

Since 2015–16, we have been collecting the Wine Export Charge on behalf of the Australian Government. This streamlined the payment process for companies that pay the charge. In 2019–20, we will continue to investigate ways to reduce the time spent on compliance for our levy payers. We will also work with the Department of Agriculture and Water Resources and other RDCs to establish a register of all our levy payers.

Continued successful investment in the development of the Australian wine sector will see the sector further improve its competitiveness and financial sustainability.

### 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: Wine Australia – Resource Statement – Budget Estimates for 2019–20 as at April 2019



(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

(b) Wine Australia is not directly appropriated as it is a Corporate Commonwealth Entity (CCE) under the  
PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to Wine Australia and are considered departmental for all purposes.

(c) Levies comprise the Grape Research Levy and the Wine Grapes Levy, imposed by the *Primary Industries (Excise) Levies Act 1999* and *Primary Industries (Customs) Charges Act 1999*.

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

Budget measures in Part 1 relating to the Wine Australia are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Wine Australia 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Wine Australia does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

Wine Australia does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for Wine Australia can be found at:  
<https://www.wineaustralia.com/getmedia/cf1b4573-7576-46ca-95ae-a02473d0ea14/Wine-Australia-Strategic-Plan-2015-2020-Dec-2017.pdf>.

The most recent annual performance statement for Wine Australia can be found at:   
<https://www.wineaustralia.com/getmedia/b608cec1-85be-452c-b61b-4dd7e01cfcca/WA_PER_17-18_v3.pdf>.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Program:**   * Program 1.10: Agricultural Resources |
| **Contribution to Outcome 1 made by linked program:**  Wine Australia and the Department of Agriculture and Water Resources work together to ensure a sustainable, productive and profitable grape and wine sector. |
| **Department of the Treasury** |
| **Program:**   * Program 1.3: Support for markets and business |
| **Contribution to Outcome 1 made by linked program:**  Wine Australia delivers the Export and Regional Wine Support Package under the Department of the Treasury’s Ten Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding. This promotes wine and assists export-focused businesses to continue to grow. It will also benefit regional wine producers and their communities through increasing wine tourism. Wine Australia will also administer the Wine Tourism and Cellar Door Grant, which commences in 2019–20. |

##### 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 program, as well as by Administered and Departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

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

|  |  |
| --- | --- |
| **Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.** | |
| **Program 1.1: Wine Australia** | |
| **Objective** | Invest in research and development, building markets, disseminating knowledge and ensuring compliance to foster and enable a competitive Australian wine sector. |
| **Delivery** | We will invest in research and development (R&D) in the seven strategic areas outlined in our Strategic Plan 2015–2020 for the benefit of wine grape growers, winemakers, wine businesses and the wider community.  We will invest in marketing to promote Australian wine and grow international markets.  We will invest in regulatory services to protect the reputation of Australian wine.  We will support grape and wine businesses with market insights that allow them to make effective decisions. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2018–19 | **RD&E** | |
| R&D projects are funded in line with the Annual Operational Plan (AOP). | 100 per cent. |
| Contracts are actively managed through regular and ongoing monitoring of the research. | 100 per cent. |
| RD&E newsletter has more subscribers. | 2,500 |
| The number of Regional Program partners is maintained. | 11 |
| **Marketing** | |
| Export and Regional Wine Support Package activities are completed in line with the funding agreement. | 100 per cent. |
| Wineries and distributors who participate in Wine Australia events report that they are satisfied. | At least 90 per cent. |
| **Market insights** | |
| Improvement in customer satisfaction rating for market insights services. | 75 per cent. |
| **Regulatory services** | |
| Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 300 audits. |
| Market export guides provide accurate information about import requirements for largest export markets. | 33 guides. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2019–20 | **RD&E** | |
| Projects are funded in line with the AOP. | 100 per cent. |
| Contracts are actively managed through regular and ongoing monitoring of the research. | 100 per cent. |
| RD&E newsletter has more subscribers. | 2,700 |
| The number of Regional Program partners is maintained. | 11 |
| **Marketing** | |
| Export and Regional Wine Support Package activities are completed in line with the funding agreement. | 100 per cent. |
| Wineries and distributors who participate in Wine Australia events report that they are satisfied. | At least 90 per cent. |
| **Market insights** | |
| Improvement in customer satisfaction rating for market insights services. | 75.5 per cent. |
| **Regulatory services** | |
| Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 250 on-site audits and targeted product audits. |
| Market export guides provide accurate information about import requirements for largest export markets. | 36 markets. |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria** | **Targets** |
| 2020–21 and beyond | **RD&E** | |
| Projects are funded in line with the AOP. | 100 per cent. |
| Contracts are actively managed through regular and ongoing monitoring of the research. | 100 per cent. |
| RD&E newsletter has more subscribers. | (2020–21) 2,800.  (2021–22) 2,900.  (2022–23) 3,000. |
| The number of Regional Program partners is maintained. | 11 |
| **Marketing** | |
| Wineries and distributors who participate in Wine Australia events report that they are satisfied. | At least 90 per cent. |
| **Market insights** | |
| Customer satisfaction rating for services. | (2020–21) 76.0 per cent.  (2021–22) 76.5 per cent.  (2022–23) 77.0 per cent. |
| **Regulatory services** | |
| Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine. | 250 on-site audits and targeted product audits. |
| Market export guides provide accurate information about import requirements for largest export markets. | 36 markets. |

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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

There are no differences between the entity resourcing and financial statements.

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

The Budget incorporates the contracted and committed research, development and extension activities, the anticipated marketing programs and statutory duties.

Wine Australia receives levies on the tonnage of fruit grown (Grape Research Levy); grape products used in the manufacture of wine (Wine Grapes Levy); and on the value of wine exported (Wine Export Charge). Revenue from these levies is expected to be approximately $19.5 million for the 2019–20 year, based on an expected 2019 vintage of 1.75 million tonnes.

RD&E expenditure attracts Commonwealth matching funding, which is calculated in accordance with the provisions of the *Primary Industries Research and Development   
Act 1989* (PIRD Act).

Other major sources of revenue are export licence and associated fees, promotional user-pays events, export partnership sponsorships and Australian Wine Overseas scheme sales.

Wine Australia is receiving additional revenue from government of $50.0 million from 2016–17 to 2019–20 for the measure Ten Year Enterprise Tax Plan—wine equalisation tax rebate integrity and wine tourism funding.

### 3.2 Budgeted financial statements tables

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



(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture Water and Resources for research and development and marketing activities.

Prepared on Australian Accounting Standards basis.

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



\* '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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement



(a) 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 3.6: Statement of asset movements (Budget year 2019–20)



Prepared on Australian Accounting Standards basis.

# Australian Fisheries Management Authority

Section 1: Entity overview and resources 223

1.1 Strategic direction statement 223

1.2 Entity resource statement 226

1.3 Budget measures 227

Section 2: Outcomes and planned performance 228

2.1 Budgeted expenses and performance for Outcome 1 229

Section 3: Budgeted financial statements 239

3.1 Budgeted financial statements 240

Australian Fisheries Management Authority

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Australian Fisheries Management Authority (AFMA) was established under the *Fisheries Administration Act 1991* (FAA) to manage Australia’s Commonwealth fisheries on behalf of the Australian community in accordance with the *Fisheries Management Act 1991* (FMA).

The AFMA Commission is responsible for exercising AFMA’s domestic fisheries management functions and powers under the FAA and FMA. The Chief Executive Officer (CEO) of AFMA is responsible for assisting the Commission, including giving effect to its decisions and is also a Commissioner. The CEO is also responsible for exercising AFMA’s foreign compliance functions, is the accountable authority under the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the agency head for the purposes of the Public Service Act 1999.

AFMA’s legislated functions and objectives require the pursuit of efficient and cost effective fisheries management consistent with the principles of ecologically sustainable development (ESD), including the precautionary principle, and maximising the net economic returns to the Australian community from the management of Commonwealth fisheries. As part of its consideration of ESD, AFMA is seeking to increase its understanding of, and ways to account for, social impacts of its management decisions. Following initial public consultation, AFMA proposes to release a position statement in mid-2019 to provide transparency about how AFMA currently considers the social aspects of the ESD principles in the management of Commonwealth fisheries. The statement will evolve over time reflecting changing stakeholder expectations, emerging market requirements and changes in AFMA’s operating environment.

AFMA is to have regard to the impact of fishing on non-target species and on the long-term sustainability of the marine environment as well as taking into account the interests of commercial, recreational and Indigenous fishers in the management of Commonwealth fisheries. AFMA is implementing new Fisheries Management Strategies following the release of the Commonwealth Fisheries Harvest Strategy and the Commonwealth Bycatch Policy in November 2018 with a focus on improving fishery management performance. AFMA continues to improve the understanding of the impacts of climate change through the project: Adaptation of Commonwealth Fisheries Management to Climate Change, with CSIRO as the co-investigator. The project assesses how well Commonwealth fisheries management will cope with the projected impacts of climate change. A diverse array of stakeholders will generate priorities, strategies and recommendations for adaptation by Commonwealth fisheries management.

AFMA delivers a range of regulatory services to the Commonwealth fishing industry through fisheries management arrangements, compliance programs, licensing services and develops operational policies and regulations. AFMA uses information gained from scientific research and its own monitoring activities to identify Australian marine living resources potentially affected by Commonwealth fisheries and implements measures to pursue sustainable fishing.

AFMA’s role includes developing and implementing risk-based domestic compliance programs, participating in the Australian Government’s civil maritime surveillance and response arrangements and engaging internationally to improve the management of fish stocks beyond the Australian Fishing Zone. Activities include education, enforcement and vessel disposal activities to protect Commonwealth fisheries from illegal fishing, participation in international fora to provide specialist advice and delivering capacity building programs to deter illegal, unreported and unregulated fishing beyond Australia’s borders.

AFMA also provides fisheries management and domestic compliance services for the Protected Zone Joint Authority (PZJA) under the *Torres Strait Fisheries Act* *1984* (TSFA). Decisions under this legislation are made by the PZJA, which comprises the Commonwealth as Chair, and the Torres Strait Regional Authority and the Queensland Government as other members. The key objectives of the TSFA are to acknowledge and protect the traditional way of life and livelihood of traditional inhabitants, including their rights in relation to traditional fishing and to protect and preserve the marine environment and fauna and flora in, and in the vicinity of, the Protected Zone.   
The Torres Strait Fisheries (Quotas for Tropical Rock Lobster (Kaiar)) Management Plan 2018 provides for the setting of sustainable harvest limits for Tropical Rock Lobster and for the allocation of quota for commercial fishing for Tropical Rock Lobster between traditional inhabitants and non-traditional commercial fishers.

When developing and implementing fisheries management arrangements, AFMA works in partnership with the public and key stakeholders, including commercial fishing operators, the prescribed peak industry body, sectoral industry associations, Indigenous communities, recreational and charter fishing representatives, researchers, environment/conservation organisations, state and territory agencies and others with an interest in Commonwealth fisheries management. AFMA engages with stakeholder groups through management advisory committees, resource assessment groups, scientific panels, working groups, liaison meetings, port visits, and electronic newsletters to concession holders in Commonwealth fisheries. AFMA consults with the public on the development of, and amendments to, fishery management plans, using contemporary digital, web and social media communication channels.

In managing Commonwealth fisheries, AFMA applies the Australian Government’s cost recovery policy through its Cost Recovery Implementation Statement (CRIS).   
The Commonwealth commercial fishing industry pays for activities directly attributed to, and recoverable from, the fishing industry while the Government pays for compliance and enforcement activities that benefit the broader community. AFMA conducts periodic reviews of its cost-recovered activities and where applicable, applies technological and other solutions to reduce and to help minimise costs and improve efficiency in the delivery of its regulatory services to the Commonwealth fishing industry.

To fulfil its functions, AFMA commissions and places a high importance on scientific and economic research and risk assessments to inform its decision making.

AFMA’s goals and strategies are aimed at continuing to deliver ecologically sustainable and economically efficient Commonwealth fisheries over the current and forecast period.

**Our purpose**

The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community.

### 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: Australian Fisheries Management Authority – Resource Statement – Budget Estimates for 2019–20 as at April 2019

 Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For AFMA, the Bills include $0.172 million in departmental appropriation.

(b) Appropriation Bill (No. 1) 2019–20.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) These amounts reflects opening special account balances only.

(e) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(f) Amounts credited to the special account(s) from entity AFMA’s annual appropriations.

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

Budget measures in Part 1 relating to the Australian Fisheries Management Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

##### Table 1.2: Australian Fisheries Management Authority 2019–20 Budget measures

**Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)**

AFMA does not have any 2019–20 Budget measures.

**Part 2: Other measures not previously reported in a portfolio statement**

AFMA does not have any measures not previously reported in a portfolio statement.

## 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 programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

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

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 — to provide an entity’s complete performance story.

The most recent corporate plan for the Australian Fisheries Management Authority can be found at:   
<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Corporate-Plan-2018-21-FINAL.pdf>.

The most recent annual performance statement for the Australian Fisheries Management Authority can be found at:   
<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Annual-Operational-Plan-2018-19-FINAL.pdf>.

### 2.1 Budgeted expenses and performance for Outcome 1

|  |
| --- |
| Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing. |

#### Linked programs

|  |
| --- |
| **Department of Agriculture and Water Resources** |
| **Programs:**   * Program 1.4: Fishing Industry * Program 2.1: Biosecurity and Export Services |
| **Contribution to Outcome 1 made by linked program:**  The Australian Fisheries Management Authority and Department of the Agriculture and Water Resources engage on fisheries management to ensure a sustainable, productive and profitable fishing industry. |
| **Department of the Environment and Energy** |
| **Program:**   * Program 1.4: Conservation of Australia’s Heritage and the Environment |
| **Contribution to Outcome 1 made by linked program:**  The Australian Fisheries Management Authority and Department of the Environment and Energy engage on fisheries management to ensure a sustainable, productive and profitable fishing industry. |
| **Department of Home Affairs** |
| **Program:**   * Program 1.1: Border Enforcement |
| **Contribution to Outcome 1 made by linked program:**  The Australian Fisheries Management Authority provides the fisheries focus within the Australian Government Civil Maritime Surveillance and Response Program and is responsible for the administration of legislation on illegal fishing in the Australian Fishing Zone.  AFMA deters and prevents illegal foreign fishing by carrying out education programs, cooperative enforcement operations, prosecution of offenders, confiscation of boats and capacity building projects. |

##### 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 program, as well as by administered and departmental funding sources.

###### **Table 2.2.1 Budgeted expenses for Outcome 1**



(a)Expenses funded from both 'ordinary annual services’ (Appropriation Bill No. 1 2019–20) and 'revenue from independent sources’ (section 74 of the PGPA Act).

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

##### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

|  |  |
| --- | --- |
| **Outcome 1 – Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.** | |
| **Program 1.1 – Australian Fisheries Management Authority** | |
| **Objective** | The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community. |
| **Delivery** | **AFMA manages Commonwealth fisheries resources consistent with principles of ecological sustainable development by:**   * Developing management arrangements that: :   + Support the implementation of Commonwealth fisheries policies including the Harvest Strategy and Bycatch Policies;   + Implement AFMA’s revised Ecological Risk Management Framework;   + Recover overfished stocks and prevent overfishing; and   + Ensure commercial, recreational and Indigenous fishing information is used in decision making. * Investing in and applying scientific and economic research to decision making on fish stocks, sub-stocks, species (target and non-target species) and the impact of fishing on the marine environment.   **AFMA maximises the net economic returns to the Australian community from the management of Commonwealth fisheries by:**   * Reviewing management arrangements to take into account commercial, recreational and Indigenous fishing interests when maximising net economic returns from the commercial sector. * Increasing catch levels within sustainable total allowable catches (TACs) by conducting and considering implementation of research focussed on under caught TACs. * Managing exploratory fisheries (potentially underutilised fisheries). * Understanding impacts of resource allocation between commercial, recreational and Indigenous fishers. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |
| --- | --- |
| **Program 1.1 – Australian Fisheries Management Authority (continued)** | |
| **Delivery (continued)** | **AFMA ensures compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards by:**   * Operating an effective compliance and enforcement regime encompassing:   + Measures to maximise voluntary compliance;   + Risk-based, intelligence driven, and targeted domestic operations; and   + Building and maintaining strategic links and relationships with relevant law enforcement agencies. * Operating effective foreign fisheries compliance enforcement and capacity building by:   + Implementing strategies to deter and eliminate illegal, unreported and unregulated (IUU) foreign fishing in Australian waters and on the high seas where Australia has an interest; and   + Delivering capacity building programs internationally and supporting key regional and international fishing bodies.   **AFMA delivers effective, cost efficient and accountable management of Commonwealth fisheries resources by:**   * Pursuing ministerial directives and government initiatives to improve regulation and administration generally in the Australian Government sector including:   + Exploring opportunities to streamline fisheries assessment and management processes; and   + Implementing new fisheries policies for harvest strategies and bycatch to improve fishery management performance. * Reviewing business processes and systems, information flows and financial management arrangements through:   + Assessing and mitigating high financial and operating risks; and   + Developing an e-business plan that considers cost effective and efficient use of electronic systems for logbooks, monitoring and licensing. * Increasing AFMA accountability and stakeholder engagement through:   + Expanded membership of management advisory committees (MACs) and resource assessment groups (RAGs); and   + Capability development for recreational and Indigenous stakeholders. |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information** | | |
| **Year** | **Performance criteria(a)** | **Targets** |
| 2018–19 | 1. Complete an Ecological Risk Assessment (ERA) and Fisheries Management Strategy (FMS) for each fishery every five years. (Number of fisheries).(b) | 5 |
| 1. The number of high risk rated species from ERAs declines. | 88 |
| 1. Fisheries reporting on general bycatch quantity(c) each year. (Number of fisheries). | 5 |
| 1. Fisheries reporting decreasing volume of general bycatch each year.  (Number of fisheries). | 3 |
| 1. Interaction rates with Threatened Endangered and Protected species (TEPs) decreasing each year. (Number of fisheries). | 3 |
| 1. For economically significant stocks:(d) | |
| a. maximise the number of  key commercial stocks with harvest strategy targets based on Maximum Economic Yield (MEY) or the best available proxy.(e),(f) | At least 15. |
| b. improve the number of stocks in (a) assessed as being on target.(f) | 4 |
| c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.(g) | 6 |
| 1. Major fisheries have harvest strategies that meet the Harvest Strategy Policy 2018 (HSP2018) within 3 years.  (Number of fisheries). | 0 |

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria(a)** | **Targets** |
| 2018–19 (continued) | 1. Other fisheries have harvest strategies that meet the HSP2018 within 4 years. (Number of fisheries). | 0 |
| 1. Percentage of treatment targets for all priority domestic compliance risks met. | 90 per cent.(h) |
| 1. Percentage of apprehended foreign IUU vessels and suspected illegal entry vessels (SIEVs) delivered to AFMA disposed of. | 100percent. |
| 1. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the Consumer Price Index (CPI) each year. | <$18.8million. |
| 2019–20 | 1. Complete an ERA and FMS for each fishery every five years.  (Number of fisheries).(b) | *5* |
| 1. The number of high risk rated species from ERAs declines. | 80 |
| 1. Fisheries reporting on general bycatch quantity(c) each year. (Number of fisheries). | 8 |
| 1. Fisheries reporting decreasing volume of general bycatch each year.  (Number of fisheries). | 6 |
| 1. Interaction rates with TEPs decreasing each year (Number of fisheries). | 5 |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria(a)** | **Targets** |
| 2019–20 (continued) | 1. For economically significant stocks:(d) | |
| 1. maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy.(e),(f). | At least 15. |
| 1. improve the number of stocks in (a) assessed as being on target.(f) | 4 |
| 1. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.(g) | 7 |
| 1. Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries). | 6 |
| 1. Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries). | 2 |
| 1. Percentage of treatment targets for all priority domestic compliance risks met. | 90 per cent.(h) |
| 1. Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of. | 100percent. |
| 1. *Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within  7–10 days from their arrival in Australia.* | *90 per cent.(h)* |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria(a)** | **Targets** |
| 2019–20 (continued) | 1. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year. | <$19.0million. |
| 2020–21 and beyond | 1. *Complete an ERA and FMS for each fishery every five years. (Number of fisheries).* (b) | *(all forward years) 5.* |
| 1. *The number of high risk rated species from ERAs declines.* | *(2020–21) 70*  *(2021–22) 60*  *(2022–23) 50* |
| 1. *Fisheries reporting on general bycatch quantity (c) each year. (Number of fisheries).* | *(2020–21) 11*  *(2021–22) 15*  *(2022–23) 15* |
| 1. *Fisheries reporting decreasing volume of general bycatch each year.  (Number of fisheries).* | *(2020–21) 10*  *(2021–22) 15*  *(2022–23) 15* |
| 1. *Interactions with TEPs decreasing each year.  (Number of fisheries).* | *(2020–21) 8*  *(2021–22) 10*  *(2022–23) 15* |
| 1. *For economically significant stocks:(d)* | |
| 1. *maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy.(e),(f)* | *(all forward years)*  *At least 15.* |
| 1. *improve the number of stocks in (a) assessed as being on target.(f)* | *(all forward years) 4.* |
| 1. *for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.(g)* | *(all forward years) 7.* |

Continued on following pages

**Contributions to Outcome 1 (continued)**

|  |  |  |
| --- | --- | --- |
| **Performance information (continued)** | | |
| **Year** | **Performance criteria(a)** | **Targets** |
| 2020–21 and beyond  (continued) | 1. *Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).* | *(2020–21) 8*  *(2021–22) 10*  *(2022–23) 10* |
| 1. *Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).* | *(2020–21) 4*  *(2021–22) 4*  *(2022–23) 5* |
| 1. *Percentage of treatment targets for all priority domestic compliance risks met.* | *(all forward years) 90 per cent.(h)* |
| 1. *Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.* | *(all forward years) 100 per cent.* |
| 1. *Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7–10 days from their arrival in Australia.* | *90 per cent.(h)* |
| 1. *Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.* | *(2020–21) <$19.3 million*  *(2021–22) <$19.7 million*  *(2022–23) <$20.2 million* |

Continued on following page

**Contributions to Outcome 1 (continued)**

|  |  |
| --- | --- |
| **Performance information (continued)** | |
| **Purposes(i)** | AFMA is responsible for:   * Managing Commonwealth fisheries resources consistent with principles of ecological sustainable development; * Maximising net economic returns to the Australian community from the management of Commonwealth fisheries; * Promoting compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards; * Delivering effective, cost efficient and accountable management of Commonwealth fisheries resources; and * Considering the economic benefits for recreational and Indigenous stakeholders as well as commercial fishers. |

1. New or modified performance criteria that reflect new or materially changed programs are shown in italics.
2. Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed. Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year. In addition, AFMA is currently applying a revised environmental risk assessment methodology which may lead to changes in reported values in future.
3. Bycatch other than TEPs.
4. Please note that not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.
5. Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns overall.
6. Assessment methodologies are being reviewed, projections may vary.
7. In AFMA managed fisheries, not including jointly and internationally managed fisheries.
8. Some targets do not set a 100 per cent level of achievement. This reflects the operational environment for AFMA in managing a wide range of commercial, recreational and Indigenous stakeholders and their impacts on Commonwealth marine resources.
9. Refers to updated purposes that will be reflected in the 2019–20 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 entity 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

AFMA expects to maintain a balanced budget position over the forward years, before depreciation and amortisation.

AFMA collects levies via regulations under the *Fishing Levy Act 1991*, in accordance with the *Fisheries Management Act 1991*, *Fisheries Administration Act 1991*, Australian Government cost recovery policy and AFMA’s Cost Recovery Implementation Statement.

Administered income reflects the fines imposed by AFMA for domestic and international illegal fishing activities and the receipt of administered revenue for expenditure incurred.

Administered expenditure reflects payments to the providers of illegal foreign fishing vessel caretaking and disposal services.

### 3.2 Budgeted financial statements tables

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



(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill No. 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities   
(and select corporate Commonwealth entities) were replaced with a separate capital budget   
(the Departmental Capital Budget, or DCB) provided through Bill No. 1 equity appropriations.   
For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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



\*'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 2019–20)



Prepared on Australian Accounting Standards basis.

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



Prepared on Australian Accounting Standards basis.

##### Table 3.5: Departmental capital budget statement (for the period ended 30 June)



(a) Includes current Appropriation Act No. 2 appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

– annual and prior year appropriations;

– internally developed assets;

– section 74 Retained revenue receipts;

– proceeds from the sale of assets; and

– the AFMA Special Account under section 94B of the FAA.

Prepared on Australian Accounting Standards basis.

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

##### Table 3.6: Statement of asset movements (Budget year 2019–20)



(a) ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1)

2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

##### Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

##### Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)



Prepared on Australian Accounting Standards basis.

##### Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)



Prepared on Australian Accounting Standards basis.

##### Table 3.10: Statement of administered asset movements (Budget year 2019–20)

The schedule of administered asset movements on behalf of Government is nil.

# Portfolio glossary

|  |  |  |  |
| --- | --- | --- | --- |
| **Term** | **Meaning** | | |
| Accumulated depreciation | The aggregate depreciation recorded for a particular depreciating asset. | | |
| Actual Available  Appropriation | The Actual Available Appropriation indicates the total appropriations available to the entity for 2018–19 as at the 2019–20 Portfolio Budget Statements (PBS). It includes all appropriations made available to the entity in the year (+/‐ section 75 transfers, formal reductions, Advance to the Minister for Finance, movements of funds and other quarantines). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year. | | |
| Additional Estimates | Appropriation Bills that seek appropriation authority from Parliament for the additional expenditure of money from the Consolidated Revenue Fund (CRF), in order to meet requirements that have arisen since the last Budget. Further annual appropriation Bills can be introduced during the year if required. These Bills are called the Additional Estimates (AEs) Appropriation Bills (after Mid-Year Economic and Fiscal Outlook (MYEFO)) or Supplementary Additional Estimates Appropriation Bills (at the same time as bills for the next budget). | | |
| Administered Items | Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the CRF at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right. In many cases, administered items fund the delivery of third party outputs. | | |
| Annual Appropriation | A law of the Commonwealth Parliament that provides authority to draw money from the CRF. An appropriation authorises expenditure for a specified purpose.  The Commonwealth cannot spend money without an appropriation authorising that expenditure (and, in some cases, legislation other than an appropriation may be required to authorise the relevant expenditure).  Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year, usually in February, as part of AEs. | | |
| **Term** | **Meaning** | | |
| Appropriation | A law of the Parliament that provides authority for entities to spend money from the Consolidated Revenue Fund for a particular purpose. Entities may not spend money without an appropriation authorising that expenditure and, where necessary, other legislation authorising the specified purpose. | | |
| Budget Paper 1 (BP1) | Budget Strategy and Outlook. Provides information on the economic and fiscal outlook for the Australian Government, including information on the government’s fiscal strategy. | | |
| Budget Paper 2 (BP2) | Budget Measures. Provides a description of each Budget measure (revenue, expense and capital) by portfolio. | | |
| Budget Paper 3 (BP3) | Australia‘s Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories and local government. | | |
| Budget Paper 4 (BP4) | Agency Resourcing. Contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing). | | |
| Capital Expenditure | Expenditure by an entity on capital projects, for example purchasing a building. | | |
| CRF | The Consolidated Revenue Fund (CRF) is established by section 81 of the Constitution and consists of all revenues and moneys raised or received by the executive government of the Commonwealth. The CRF is self-executing in nature, which means that all money forms part of the CRF automatically upon receipt by the Commonwealth. | | |
| DCB | Departmental (or Administered) Capital Budget (DCB/ACB) are provided to non-corporate Entities (as an equity injection) that receive government funding to meet the costs associated with the replacement of minor assets (assets valued at $10 million or less) or maintenance costs that are eligible to be capitalised. The funding for depreciation, amortisation and make-good expenses was replaced with a DCB in the 2010–11 Budget. | | |
| Departmental item | Resources (assets, liabilities, revenues and expenses) that the entity’s Accountable Authority controls directly.  This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program. | | |
| **Term** | **Meaning** | | |
| Depreciation | Apportionment of an asset’s capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time. | | |
| Equity or net assets | Residual interest in the assets of an entity after deduction of its liabilities. | | |
| Estimated Actual Expenses | Details of the current year‘s estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not end until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates. | | |
| Expense | Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity. | | |
| Expenses not requiring appropriation in the Budget year | Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. Australian National Audit Office (ANAO) audit services — the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation  amounts to be sought from Parliament. | | |
| Fair value | 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. | | |
| Forward Estimates  Period | The three years following the Budget year. For example, if 2019–20 is the Budget year, 2020–21 is forward year 1,  2021–22 is forward year 2 and 2022–23 is forward year 3. This period does not include the current financial year or the Budget year. | | |
| General Finance Statistics | A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of Nationals Accounts. | | |
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| **Term** | **Meaning** | | |
| Levies | Money collected and administered by the department on behalf of industry for use in research and development, marketing and promotion, plant and animal health programs and residue testing activities that benefit industry. | | |
| Measure | A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP2, in the Mid-Year Economic and Fiscal  Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO). | | |
| MYEFO | The Mid-Year Economic and Fiscal Outlook provides an update of the government's Budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government‘s fiscal performance against the fiscal strategy set out in its current fiscal strategy statement. | | |
| NCCE | Non-Corporate Commonwealth Entity under the Public Governance, Performance, and Accountability Act 2013. | | |
| OPA | The Commonwealth’s central bank account. The Official Public Account (OPA) is one of a group of linked bank accounts, referred to as the Official Public Account Group of Accounts. OPAs are maintained with the Reserve Bank of Australia, as required by subsection 53(3) of the PGPA Act. | | |
| Operating Result | Equals revenue less expense. | | |
| Outcomes | The Government’s objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved. | | |
| PAES | Portfolio Additional Estimates Statements. These are Budget Statements prepared by portfolios to explain appropriations at Additional Estimates. | | |
| PBS | Portfolio Budget Statements. These are Budget Statements prepared by portfolios to explain appropriations at the time of the Budget. | | |
| PGPA Act | Public Governance, Performance and Accountability Act 2013. | | |
| **Term** | **Meaning** | | |
| Program | The name given to the variety of activities a government agency may undertake to achieve stated outcomes. | | |
| Revenue | Total value of resources earned or received to cover the production of goods and services. | | |
| Special Account | A type of special appropriation, limited by amount, criteria or time, which may be established under sections 78 and 80 of the PGPA Act. | | |
| Special Appropriations | Authority within an Act (other than an [annual Appropriation](http://www.finance.gov.au/resource-management/introduction/glossary/#annual_appropriations) Act) to spend money from the [Consolidated Revenue Fund](http://www.finance.gov.au/resource-management/introduction/glossary/#crf) for particular purposes. | | |
| Specific Purpose Payments | Commonwealth payments to states and territories made under the Federal Financial Relations Act 2009. |
| Supplementary Additional Estimates | Where amounts appropriated in the Budget and at Additional Estimates are insufficient, the Parliament may appropriate more funds to portfolios at Supplementary Additional Estimates. These is done through Appropriation Bills (No. 5) and (No. 6). These Bills are usually introduced into the Parliament with the Budget in May. | |
| Third Party Payments | Payments made on behalf of another entity, or by other entries on behalf of the agency. For example, payments made in relation to Special Appropriations. | |

**Portfolio abbreviations**

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| AEs | Additional Estimates | |
| AFMA | Australian Fisheries Management Authority | |
| AGVET | Agricultural and Veterinary | |
| AOP | Annual Operational Plan | |
| APVMA | Australian Pesticides and Veterinary Medicines Authority | |
| AQIS | Australian Quarantine and Inspection Service | |
| CCE | Corporate Commonwealth Entity under the *Public Governance, Performance, and Accountability Act 2013.* | |
| CEO | Chief Executive Officer | |
| CPI | Consumer Price Index | |
| CRDC | Cotton Research and Development Corporation | |
| CRF | Consolidated Revenue Fund | |
| CRIS | Cost Recovery Implementation Statement | |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation | |
| DCB | Departmental Capital Budget | |
| DCB | Departmental Capital Budget | |
| DoEE | Department of the Environment and Energy | |
| EPPR | Emergency Plant Pest Response | |
| ERA | Ecological Risk Assessment | |
| ESD | Ecologically Sustainable Development | |
| FAA | *Fisheries Administration Act 1991* | |
| FAO | Food and Agriculture Organization of the United Nations | |
| FMA | *Fisheries Management Act 1991* | |
| FMS | Fisheries Management Strategy | |
| FOB | Free on Board | |
| FRDC | Fisheries Research and Development Corporation | |
| GRDC | Grains Research and Development Corporation | |
| GST | Goods and Services Tax | |
| HSP2018 | Harvest Strategy Policy 2018 | |
| IUU | Illegal, Unreported and Unregulated | |
| LiverCorp | Australian Livestock Export Corporation Limited | |
| MACs | Membership Management Advisory Committees | |
| MDBA | Murray-Darling Basin Authority | |
| MEY | Maximum Economic Yield | |
| MYEFO | Mid-Year Economic and Fiscal Outlook | |
| NCCE | Non-Corporate Commonwealth Entity under the *Public Governance, Performance, and Accountability Act 2013.* | |
| NP | National Partnership | |
| NRS | National Residue Survey | |
| NWILF | National Water Infrastructure Loan Facility | |
| OC1 | Outcome 1 | |
| OC2 | Outcome 2 | |
| OC3 | Outcome 3 | |
| ODA | Official Development Assistance | |
| OPA | Official Public Account | |
| PAES | Portfolio Additional Estimates Statements | |
| PBS | Portfolio Budget Statements | |
| PGPA Act | *Public Governance, Performance, and Accountability Act 2013* | |
| PHA | Plant Health Australia | |
| PZJA | Protected Zone Joint Authority | |
| RAGs | Resource Assessment Groups | |
| RD&E | Research, Development and Extension | |
| R&D | Research and Development | |
| RDC | Research and Development Corporations | |
| RIC | Regional Investment Corporation | |
| RIRDC | Rural Industries Research and Development Corporation  (known as AgriFutures Australia) | |
| SIEV | Suspected Illegal Entry Vessel | |
| SRWUIP | Sustainable Rural Water Use and Infrastructure Program | |
| TAC | Total Allowable Catches | |
| TEPs | Threatened Endangered and Protected species | |
| TSFA | *Torres Strait Fisheries Act 1984* | |
| WELS | Water Efficiency Labelling and Standards | |
| Wine Australia Act | *Wine Australia Act 2013* | |